Cairn CLO VI B.V.

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

€212,000,000 Class A Senior Secured Floating Rate Notes due 2029

€42,100,000 Class B Senior Secured Floating Rate Notes due 2029

€19,600,000 Class C Senior Secured Deferrable Floating Rate Notes due 2029

€17,150,000 Class D Senior Secured Deferrable Floating Rate Notes due 2029

€24,000,000 Class E Senior Secured Deferrable Floating Rate Notes due 2029

€8,700,000 Class F Senior Secured Deferrable Floating Rate Notes due 2029

This Offering Circular incorporates, as an integral part of this Offering Circular, the final Offering Circular dated 20 July 2016 (the "**2016 Offering Circular**") relating to the Original Notes (defined below), except for the discussion entitled "*Tax Considerations - Certain U.S. Federal Income Tax Considerations*". Capitalised terms used herein and not otherwise defined shall have the meanings given to such terms in the 2016 Offering Circular. The 2016 Offering Circular is attached hereto as Annex A.

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

On 21 July 2016 (the "**Original Closing Date**") Cairn CLO VI B.V. (the "**Issuer**") issued the Class A Notes (the "**Original Class A Notes**"), the Class B Notes (the "**Original Class B Notes**"), the Class C Notes (the "**Original Class C Notes**"), the Class D Notes (the "**Original Class D Notes**"), the Class E Notes (the "**Original Class E Notes**") and the Class F Notes (the "**Original Class F Notes**" and, together with the Original Class A Notes, the Original Class B Notes, the Original Class C Notes, the Original Class D Notes and the Original Class E Notes, the "**Refinanced Notes**") and the Subordinated Notes (the Refinanced Notes together with the Subordinated Notes, the "**Original Notes**"). The Original Notes were issued and secured pursuant to a trust deed (the "**Original Trust Deed**") dated 22 June 2016, made between (amongst others) the Issuer and U.S. Bank Trustees Limited, in its capacity as trustee (the "**Trustee**").

On or about 25 July 2018 (the "**2018 Refinancing Date**", and with respect to the Refinanced Notes, the "**Redemption Date**"), the Issuer will, subject to certain conditions, refinance the Original Class A Notes, the Original Class B Notes, the Original Class C Notes, the Original Class D Notes, the Original Class E Notes and the Original Class F Notes by issuing €212,000,000 Class A Senior Secured Floating Rate Notes due 2029 (the "**Class A Notes**"), €42,100,000 Class B Senior Secured Floating Rate Notes due 2029 (the "**Class B Notes**"), €19,600,000 Class C Senior Secured Deferrable Floating Rate Notes due 2029 (the "**Class C Notes**"), €17,150,000 Class D Senior Secured Deferrable Floating Rate Notes due 2029 (the "**Class D Notes**"), €24,000,000 Class E Senior Secured Deferrable Floating Rate Notes due 2029 (the "**Class E Notes**") and €8,700,000 Class F Senior Secured Deferrable Floating Rate Notes due 2029 (the "**Class F Notes**" and, together with the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes, the "**Refinancing Notes**" and, together with the Subordinated Notes, the "**Notes**").

The Refinancing Notes will be issued and secured pursuant to a Supplemental Trust Deed (the "**Supplemental Trust Deed**") dated on or about the 2018 Refinancing Date**,** made between (amongst others) the Issuer and U.S. Bank Trustees Limited, in its capacity as trustee (the "**Trustee**").

Interest on the Refinancing Notes will be payable (i) quarterly in arrear on 25 January, 25 April, 25 July and 25 October at any time other than following the occurrence of a Frequency Switch Event (as defined herein) and (ii) semi-annually in arrear following the occurrence of a Frequency Switch Event on (A) 25 January and 25 July (where the Payment Date immediately prior to the occurrence of the Frequency Switch Event falls in either January or July) or (B) 25 April and 25 October (where the Payment Date immediately prior to the occurrence of the Frequency Switch Event falls in either April or October), commencing in October 2018 and ending on the Maturity Date (as defined herein) (subject to any earlier redemption of the Notes and in accordance with the Priorities of Payments described in the 2016 Offering Circular in each case subject to adjustment for non-Business Days in accordance with the Conditions).

The Refinancing 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 Refinancing Notes.

This Offering Circular does not constitute a prospectus for the purposes of Article 5 of Directive 2003/71/EC (as such directive may be amended from time to time, the "**Prospectus Directive**"). The Issuer is not offering the Refinancing Notes in any jurisdiction in circumstances that would require a prospectus to be prepared pursuant to the Prospectus Directive. Application has been made to The Irish Stock Exchange plc, trading as Euronext Dublin ("**Euronext Dublin**") for the Refinancing Notes to be admitted to the official list (the "**Official List**") and trading on the Global Exchange Market of Euronext Dublin (the "**Global Exchange Market**") which is the exchange regulated market of Euronext Dublin. The Global Exchange Market is not a regulated market for the purposes of Directive 2014/65/EC ("**MiFID II**"). There can be no assurance that any such listing will be maintained. This Offering Circular comprises listing particulars for the purposes of this application and has been approved by Euronext Dublin.

The Refinancing Notes are limited recourse obligations of the Issuer which are payable solely out of amounts received by or on behalf of the Issuer in respect of the Collateral (as defined herein). The net proceeds of the realisation of the security over the Collateral upon acceleration of the Refinancing Notes following an Event of Default (as defined in the 2016 Offering Circular) may be insufficient to pay all amounts due on the Refinancing Notes after making payments to other creditors of the Issuer ranking prior thereto or *pari passu* therewith. In the event of a shortfall in such proceeds, the Issuer will not be obliged to pay, and the other assets (including the Issuer Dutch Account and the rights of the Issuer under the Issuer Management Agreement (each as defined in the 2016 Offering Circular)) of the Issuer will not be available for payment of such shortfall, all claims in respect of which shall be extinguished. See Condition 4 (*Security*).

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

The Refinancing Notes will be offered by the Issuer through Goldman Sachs International in its capacity as Placement Agent of such Refinancing Notes (the "**Placement Agent** ") subject to prior sale, when, as and if delivered to and accepted by the Placement Agent, and to certain conditions. It is expected that delivery of the Refinancing Notes will be made on or about the 2018 Refinancing Date. The Placement Agent may offer the Refinancing Notes at prices as may be negotiated at the time of sale which may vary among different purchasers.

Goldman Sachs International
as Arranger and Placement Agent

The date of this Offering Circular is 24 July 2018

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 – Certain Conflicts of Interest – The Investment Manager*", "*The Investment 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 as at the date of publication and does not omit anything likely to affect the import of such information. The Investment Manager accepts responsibility for the information contained in the sections of this document headed "*Risk Factors – Certain Conflicts of Interest –The Investment Manager*" and "*The Investment Manager*". To the best of the knowledge and belief of the Investment Manager (which has taken all reasonable care to ensure that such is the case) such information is in accordance with the facts as at the date of publication 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 as at the date of publication 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 the 2016 Offering Circular headed "*Description of the Collateral Administrator*". To the best of the knowledge and belief of the Collateral Administrator (which has taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information. Except for the sections of this document headed "*Risk Factors – The Investment Manager*" and "*The Investment Manager "* in the case of the Investment 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 Investment 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 Placement Agent, the Trustee, the Investment Manager (save in respect of the sections headed "*Risk Factors – Certain Conflicts of Interest –Investment Manager*" and "*The Investment 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 Placement Agent, the Trustee, the Investment 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 Refinancing Notes or their distribution or accepts any responsibility or liability therefor. None of the Placement Agent, the Trustee, the Investment 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 Refinancing Notes of any information coming to the attention of any of the aforementioned parties which is not included in this Offering Circular. None of the Placement Agent, the Trustee, the Investment Manager, the Retention Holder, the Collateral Administrator (in each case other than 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 Arranger, the Placement Agent, the Investment Manager, the Retention Holder, the Collateral Administrator (or any of their respective Affiliates) or any other person to subscribe for or purchase any of the Refinancing Notes. The distribution of this Offering Circular and the offering of the Refinancing Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Issuer and the Arranger and the Placement Agent 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 are (a) persons in member states of the European Economic Area ("**EEA**") that are "qualified investors" within the meaning of Article 2(1)(e) of EU Directive 2003/71/EC ("**Qualified Investors**"), (b) in the United Kingdom ("**UK**"), are Qualified Investors of the kind described in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the UK Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, or who otherwise fall within an exemption set forth in such Order so that section 21(1) of the Financial Services and Markets Act*

*2000 (as amended and including the Financial Services Act 2012) does not apply to the Issuer, or (c) persons to whom such communications 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 Refinancing Notes and distribution of this Offering Circular, see "Plan of Distribution" and "Transfer Restrictions" below.*

In connection with the issue and sale of the Refinancing Notes, no person is authorised to give any information or to make any representation not contained in this Offering Circular and, if given or made, such information or representation must not be relied upon as having been authorised by or on behalf of the Issuer, the Arranger, the Placement Agent, the Trustee, the Investment Manager, the Retention Holder or the Collateral Administrator (or any of their respective Affiliates). 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), all references to "**Sterling**" and "**£**" shall mean the lawful currency of the United Kingdom and any references to "**U.S. Dollar**", "**U.S. dollar**", "**USD**", "**U.S. Dollar**" or "**$**" shall mean the lawful currency of the United States of America.*

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

Each of Fitch and Moody's are established in the EU and are registered under Regulation (EC) No 1060/2009, as amended.

In connection with the issue of the Refinancing Notes, no stabilisation will take place and neither Goldman Sachs nor any Affiliate thereof will be acting as stabilising manager in respect of the Refinancing Notes.

RETENTION REQUIREMENTS

Investors are directed to the further descriptions of the retention requirements in "*Risk Factors – Regulatory Initiatives – EU Risk Retention and Due Diligence Requirements*", "*Risk Factors – Regulatory Initiatives – U.S. Retention Requirements", and "The Retention Holder and Retention Requirements*" below.

Each prospective investor in the Refinancing Notes is required to independently assess and determine whether the information provided herein and in any reports provided to investors in relation to this transaction are sufficient to comply with the Retention Requirements, U.S. Retention Requirements or any other regulatory requirement to which they may be subject. None of the Issuer, the Placement Agent, the Investment Manager, the Retention Holder, any Investment Manager Related Person, 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, U.S. Retention Requirements or any other applicable legal, regulatory or other requirements to which such investor may be subject. Each prospective investor in the Refinancing 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.

VOLCKER RULE

Section 619 of the Dodd-Frank Act (the "**Volcker Rule**") prevents "banking entities" (a term which includes affiliates of a U.S. banking organisation as well as affiliates of a foreign banking organisation that has a branch or agency office in the U.S., regardless where such affiliates are located) from (i) engaging in proprietary trading in certain financial instruments, or (ii) acquiring or retaining any "ownership interest" in, or in sponsoring, a "covered fund," subject to certain exemptions.

An "ownership interest" is defined widely and may arise through a holder's exposure to the profit and losses of the covered fund, as well as through any right of the holder to participate in the selection or removal of an investment advisor, manager, or general partner, trustee, or member of the board of directors of the covered fund. A "covered fund" is also defined widely, and includes any issuer which would be an investment company under the Investment Company Act 1940 (the "**ICA**") but is exempt from registration solely in reliance on section 3(c)(1) or 3(c)(7) of that Act, subject to certain exemptions found in the Volcker Rule's implementing regulations.

It should be noted that a commodity pool as defined in the U.S. Commodity Exchange Act of 1936, as amended (the "**CEA**") will also fall within the definition of a "covered fund".

The holders of any of the Class A Notes, the Class B Notes, the Class C Notes or the Class D Notes in the form of IM Removal and Replacement Non-Voting Notes or IM Removal and Replacement Exchangeable Non-Voting Notes are disenfranchised in respect of any IM Removal Resolution or IM Replacement Resolution. However, there can be no assurance that these features will be effective in resulting in such investments in the Issuer by banking entities subject to the Volcker Rule not being characterised as an "ownership interest" in the Issuer.

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 the Issuer or enter financial transactions with the Issuer. Any entity that is a "banking entity" as defined under the Volcker Rule and is considering an investment in ownership interests of the Issuer should consult its own legal advisors and consider the potential impact of the Volcker Rule in respect of such investment. If investment by banking entities in the Refinancing Notes of any Class is prohibited or restricted by the Volcker Rule, this could impair the marketability and liquidity of such Refinancing Notes.

No assurance can be made as to the effect of the Volcker Rule on the ability of certain investors subject thereto to acquire or retain an interest in the Refinancing Notes. Each prospective investor in the Refinancing Notes is required to independently consider the potential impact of the Volcker Rule in respect of any investment in the Refinancing Notes and none of the Issuer, the Investment Manager, the Retention Holder, the Placement Agent, the Trustee, any Agent or the Arranger (or any of their respective Affiliates) makes any representation regarding such investment, including with respect to the ability of any investor to acquire or hold the Refinancing Notes, now or at any time in the future in compliance with the Volcker Rule or any other applicable laws. See "*Risk Factors – Regulatory Initiatives – Volcker Rule*" in the 2016 Offering Circular.

Information as to placement within the United States

The Refinancing 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 with respect to the Class E Notes and the Class F Notes, 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 2018 Refinancing Date with, and registered in the name of, a nominee of a common depositary for Euroclear and Clearstream, Luxembourg or in the case of Rule 144A Definitive Certificates, the registered holder thereof. The Refinancing Notes of each Class sold outside the United States to non-U.S. Persons in reliance on Regulation S ("**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 with respect to the Class E Notes and the Class F Notes, definitive certificates of such Class (each a "**Regulation S Definitive Certificate**" and together, the "**Regulation S Definitive Certificates**"), in each case, in fully registered form, without interest coupons or principal receipts, which will be deposited on or about the 2018 Refinancing Date with, and registered in the name of, a nominee of a common depositary for Euroclear

and Clearstream, Luxembourg or, in the case of Regulation S Definitive Certificates, the registered holder thereof. Neither U.S. Persons nor U.S. residents (as determined for the purposes of the Investment Company Act) ("**U.S. Residents**") may hold an interest in a Regulation S Global Certificate or a Regulation S Definitive Certificate. Ownership interests in the Regulation S Global Certificates and the Rule 144A Global Certificates (together, the "**Global Certificates**") will be shown on, and transfers thereof will only be effected through, records maintained by Euroclear and Clearstream, Luxembourg and their respective participants. Other than with respect to the Class E Notes and the Class F Notes, Refinancing Notes in definitive certificated form will be issued only in limited circumstances. In each case, purchasers and transferees of Refinancing Notes will be deemed, and in certain circumstances will be required, to have made certain representations and agreements. See "*Form of the Refinancing Notes*", "*Book Entry Clearance Procedures*", "*Plan of Distribution*" and "*Transfer Restrictions*" below.

The Issuer has not been registered under the Investment Company Act in reliance on Section 3(c)(7) of the Investment Company Act. Each purchaser of an interest in the Refinancing Notes (other than a non-U.S. Person outside the U.S.) will be deemed to have represented and agreed that it is a 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 Refinancing Note, by such purchase, agrees that such Refinancing 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 Refinancing Notes and the offering thereof described herein, including the merits and risks involved.

THE REFINANCING 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 Refinancing Notes described herein (the "**Offering**") and application has been made to Euronext Dublin for each Class of Refinancing Notes to be admitted to the Official List and to trading on its Global Exchange Market. Each of the Issuer and the Placement Agent reserves the right to reject any offer to purchase Refinancing Notes in whole or in part for any reason, or to sell less than the stated initial principal amount of any Class of Refinancing Notes offered hereby. This Offering Circular is personal to each offeree to whom it has been delivered by the Issuer and the Placement Agent or any Affiliate thereof and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire the Refinancing Notes. Distribution of this Offering Circular to any persons other than the offeree and those persons, if any, retained to advise such offeree with respect thereto is unauthorised and any disclosure of any of its contents, without the prior written consent of the Issuer, is prohibited. Any reproduction or distribution of this Offering Circular in whole or in part and any disclosure of its contents or use of any information herein for any purpose other than considering an investment in the Refinancing Notes 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 REFINANCING 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 Refinancing 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 Refinancing Note sold in reliance on Rule 144A or a prospective investor who is a QIB designated by such holder or beneficial owner the information required to be delivered under Rule 144A(d)(4) under the Securities Act if at the time of the request the Issuer is neither a reporting company under Section 13 or Section 15(d) of the United States Securities Exchange Act of 1934, as amended, 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 REFINANCING 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 PLACEMENT AGENT, THE INVESTMENT MANAGER, THE RETENTION HOLDER, THE TRUSTEE OR THE COLLATERAL ADMINISTRATOR SPECIFIED HEREIN (OR ANY OF THEIR RESPECTIVE AFFILIATES) SHALL HAVE ANY RESPONSIBILITY THEREFOR.

THE REFINANCING 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

BASED UPON RECENT COMMODITY FUTURES TRADING COMMISSION (THE "**CFTC**") INTERPRETIVE GUIDANCE, THE ISSUER IS NOT EXPECTED TO FALL WITHIN THE DEFINITION OF A "COMMODITY POOL" UNDER THE U.S. COMMODITY EXCHANGE ACT OF 1936, AS AMENDED (THE "**CEA**"), AND, AS SUCH, THE ISSUER (OR THE INVESTMENT MANAGER ON THE ISSUER'S BEHALF) MAY ENTER INTO ONE OR MORE HEDGE AGREEMENTS FOLLOWING RECEIPT OF LEGAL ADVICE (WHICH FOR THE AVOIDANCE OF DOUBT DOES NOT HAVE TO BE IN THE FORM OF A LEGAL OPINION) FROM REPUTABLE COUNSEL TO THE EFFECT THAT NONE OF THE ISSUER, ITS DIRECTORS OR OFFICERS, OR THE INVESTMENT MANAGER SHOULD BE REQUIRED TO REGISTER WITH THE CFTC AS A "COMMODITY POOL OPERATOR" (AS SUCH TERM IS DEFINED IN THE CEA) OR A "COMMODITY TRADING ADVISOR" (AS SUCH TERM IS DEFINED IN THE CEA) WITH RESPECT TO THE ISSUER. IN THE EVENT THAT TRADING OR ENTERING INTO ONE OR MORE HEDGE AGREEMENTS WOULD RESULT IN THE ISSUER'S ACTIVITIES FALLING WITHIN THE DEFINITION OF A "COMMODITY POOL", THE INVESTMENT MANAGER MAY CAUSE THE ISSUER TO BE OPERATED IN COMPLIANCE WITH THE EXEMPTION SET FORTH IN RULE 4.13(a)(3) OF THE CFTC'S REGULATIONS AS IN EFFECT ON THE 2018 REFINANCING DATE. UTILISING ANY SUCH EXEMPTION FROM REGISTRATION MAY IMPOSE ADDITIONAL COSTS ON THE INVESTMENT MANAGER AND THE ISSUER, AND MAY SIGNIFICANTLY LIMIT THE ISSUER'S ABILITY TO ENGAGE IN HEDGING ACTIVITIES. ADDITIONALLY, UNLIKE A REGISTERED COMMODITY POOL OPERATOR, THE INVESTMENT MANAGER WILL NOT BE REQUIRED TO DELIVER A CFTC DISCLOSURE DOCUMENT TO PROSPECTIVE INVESTORS, NOR WILL IT BE REQUIRED TO PROVIDE INVESTORS WITH CERTIFIED ANNUAL REPORTS THAT SATISFY THE REQUIREMENTS OF CFTC RULES APPLICABLE TO REGISTERED COMMODITY POOL OPERATORS. NEITHER THE CFTC NOR THE NATIONAL FUTURES ASSOCIATION ("**NFA**") PASS UPON THE MERITS OF PARTICIPATING IN A POOL OR UPON THE ADEQUACY OR ACCURACY OF OFFERING MEMORANDA. CONSEQUENTLY, NEITHER THE CFTC NOR THE NFA HAS REVIEWED OR APPROVED THIS OFFERING CIRCULAR OR ANY RELATED SUBSCRIPTION AGREEMENT.

MiFID II

Solely for the purposes of each manufacturer's (the "**Manufacturers**") product approval process, the target market assessment in respect of the Refinancing Notes has led to the conclusion that: (i) the target market for the Refinancing Notes is eligible counterparties and professional clients only, each as defined in MiFID II); and (ii)

all channels for distribution of the Refinancing Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Refinancing Notes (a "**Distributor**") should take into consideration the Manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Refinancing Notes (by either adopting or refining the Manufacturers' target market assessment) and determining appropriate distribution channels.

PRIIPs Regulation

The Refinancing Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the "**Insurance Mediation Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Refinancing Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Refinancing Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.

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OVERVIEW

The following Overview does not purport to be complete and is qualified in its entirety by reference to the detailed information appearing elsewhere in this offering circular (this "**Offering Circular**") and related documents referred to herein. Capitalised terms not specifically defined in this Overview have the meanings set out in Condition 1 (*Definitions*) under "*Terms and Conditions of the Notes*" in the 2016 Offering Circular or are defined elsewhere in this Offering Circular. It should be read in conjunction with the sections entitled "*Overview*" beginning on page 1 of the 2016 Offering Circular and "*Description of the Refinancing Notes*". An index of defined terms appears at the back of this Offering Circular. References to a "**Condition**" are to the specified Condition in the "*Terms and Conditions of the Notes*" in the 2016 Offering Circular and references to "**Conditions**" are to the "*Terms and Conditions of the Notes*" in the 2016 Offering Circular and in each case should be read in conjunction with the section entitled "*Description of the Refinancing Notes*" which describes certain changes made to such Conditions. For a discussion of certain risk factors to be considered in connection with an investment in the Refinancing Notes, see "*Risk Factors*".

Issuer	Cairn CLO VI B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of The Netherlands.
Investment Manager	Cairn Loan Investments LLP.
Trustee	U.S. Bank Trustees Limited.
Arranger and Placement Agent	Goldman Sachs International.
Collateral Administrator	Elavon Financial Services DAC.
Custodian, Account Bank, Information Agent, Calculation Agent and Principal Paying Agent	Elavon Financial Services DAC.
Registrar	U.S. Bank National Association.

Refinancing Notes

Class of Refinancing Notes	Principal amount	Initial Stated Interest Rate[1]	Alternative Stated Interest Rate[2]	Moody's Ratings of at least[4]	Fitch's Ratings of at least[4]	Maturity Date	Issue Price[4]
A	€212,000,000	3 month EURIBOR + 0.79 per cent.	6 month EURIBOR + 0.79 per cent.	Aaa(sf)	AAA(sf)	2029	100%
B	€42,100,000	3 month EURIBOR + 1.65 per cent.	6 month EURIBOR + 1.65 per cent.	Aa2(sf)	AA(sf)	2029	100%
C	€19,600,000	3 month EURIBOR + 2.00 per cent.	6 month EURIBOR + 2.00 per cent.	A2(sf)	A(sf)	2029	100%
D	€17,150,000	3 month EURIBOR + 3.10 per cent.	6 month EURIBOR + 3.10 per cent.	Baa2(sf)	BBB(sf)	2029	100%
E	€24,000,000	3 month EURIBOR + 5.85 per cent.	6 month EURIBOR + 5.85 per cent.	Ba2(sf)	BB(sf)	2029	100%
F	€8,700,000	3 month EURIBOR + 8.25 per cent.	6 month EURIBOR + 8.25 per cent.	B2(sf)	B-(sf)	2029	100%

[1] Applicable at any time prior to the occurrence of a Frequency Switch Event. The rate of interest of the Rated Notes of each Class for the first Accrual Period will be determined by reference to three month EURIBOR.

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

[3] 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 the Notes and may be subject to revision, suspension or withdrawal at any time by the applicable Rating Agency. A security rating is not a recommendation to buy, sell or hold the Refinancing Notes and may be subject to revision, suspension or withdrawal at any time by the applicable Rating Agency. As of the date of this Offering Circular, each of the Rating Agencies is established in the European Union and is registered under Regulation (EC) No 1060/2009 (as amended) ("**CRA3**"). As such, each Rating Agency is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with CRA3.

[4] The Placement Agent may, on behalf of the Issuer, offer the Refinancing Notes at other prices, as may be negotiated at the time of sale.

Eligible Purchasers	The Refinancing Notes of each Class will be offered: (a) outside 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 Refinancing Notes	
Original Closing Date.....	21 July 2016
2018 Refinancing Date	25 July 2018
Payment Dates	(a) following the occurrence of a Frequency Switch Event on (A) 25 January and 25 July (where the Payment Date immediately prior to the occurrence of the relevant Frequency Switch Event falls in either January or July), or (B) 25 April and 25 October (where the Payment Date immediately prior to the occurrence of the relevant Frequency Switch Event falls in either April or October); and. (b) 25 January, 25 April, 25 July and 25 October of each year at all other times, commencing in October 2018 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). The Issuer and the Investment Manager may (and shall if so directed by an Ordinary Resolution of the Subordinated Noteholders) designate a date other than a scheduled Payment Date as a Payment Date provided that, *inter alia*, it falls on a Business Day falling after the redemption in full of all Classes of Rated Notes (see Condition 3(l) (*Unscheduled Payment Dates*)).
Frequency Switch Event.....	The occurrence on any Frequency Switch Measurement Date of either: (a) (i) the Aggregate Principal Balance of Collateral Debt Obligations which have become Semi-Annual Obligations in the previous Due Period (or where such previous Due Period is the first Due Period, in the last three months of such Due Period) as a result of the change in the frequency of interest payment on such Collateral Debt Obligations, is greater than or equal to 20 per cent. of the Aggregate Collateral Balance; and (ii) the Class A/B Interest Coverage Ratio being less than 100 per cent. (and provided that for such purpose, paragraph (b) of the definition of Interest Coverage Amount shall be deemed to be equal to zero), as calculated by the Collateral Administrator in consultation with, and notified to, the Investment Manager; or (b) the Investment Manager declaring in its sole discretion that a Frequency Switch Event shall have occurred.

Interest	Interest in respect of the Refinancing 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, in each case on each Payment Date (with the first Payment Date occurring in October 2018) 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 Class of Rated Notes in accordance with the Priorities of Payments shall not constitute an Event of Default unless and until (a) such failure continues for a period of at least five Business Days (save in the case of an administrative error or omission only, where such failure continues for a period of at least seven Business Days) and (b) in respect of the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes, such non-payment of interest is in respect of a Payment Date from (and including) the Payment Date immediately following the occurrence of a Frequency Switch Event (such Payment Date, the "**Relevant Payment Date**") and: (a) in the case of non-payment of interest due and payable on the Class C Notes, the Class A Notes and the Class B Notes have been redeemed in full; (b) in the case of non-payment of interest due and payable on the Class D Notes, the Class A Notes, the Class B Notes and the Class C Notes have been redeemed in full; (c) in the case of non-payment of interest due and payable on 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 (d) in the case of non-payment of interest due and payable on 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 except in each case as the result of any deduction therefrom or the imposition of any withholding thereon as set out in Condition 9 (*Taxation*). To the extent that interest payments on the Class C Notes, Class D Notes, Class E Notes or Class F Notes are not made on a Payment Date where a more senior Class of Notes remains Outstanding or, in respect of any Payment Date prior to the Relevant Payment Date only, where the relevant Class of Notes is the Controlling Class, an amount equal to such unpaid interest will be added to the principal amount of the Class C Notes, Class D Notes, Class E Notes or Class F Notes (as applicable) and from the date such unpaid interest is added to the applicable Principal Amount Outstanding of the relevant Class of Notes, such unpaid amount will accrue interest at the rate of interest applicable to the relevant 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 or Principal Proceeds will not constitute an Event of Default

Redemption of the Notes	See the section entitled "*Redemption of the Notes*" within the "*Overview*" section in the 2016 Offering Circular, which is amended herein to remove the right for a redemption of the Notes by way of Refinancing: (a) in whole (with respect to all Classes of Rated Notes) but not in part pursuant to Condition 7(b)(i) (*Optional Redemption in Whole—Subordinated Noteholders/Retention Holder*) until the date falling 12 months following the 2018 Refinancing Date; and (b) in part by the redemption in whole of one or more Classes of the Rated Notes pursuant to Condition 7(b)(ii) (*Optional Redemption in Part—Subordinated Noteholders or Investment Manager*).
Weighted Average Life Test	In connection with the issuance of the Refinancing Notes, the Issuer intends to make the following amendment to the Investment Management Agreement: The definition of "Weighted Average Life Test" shall be deleted and replaced with the following: The "**Weighted Average Life Test**" will be satisfied on any Measurement Date if the Weighted Average Life as of such date is less than or equal to the number of years (rounded up to the nearest one hundredth thereof) during the period from such Measurement Date to 21 July 2025.
IM Removal and Replacement Voting Notes, IM Removal and Replacement Non-Voting Notes and IM Removal and Replacement Exchangeable Non-Voting Notes.....	The Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes may, in each case, be in the form of IM Removal and Replacement Voting Notes, IM Removal and Replacement Exchangeable Non-Voting Notes or IM Removal and Replacement Non-Voting Notes. IM Removal and Replacement Voting Notes shall carry a right to vote in respect of, and be counted for the purposes of determining a quorum and the result of any votes in respect of any IM Replacement Resolutions and any IM Removal Resolutions. IM Removal and Replacement Non-Voting Notes and IM Removal and Replacement Exchangeable Non-Voting Notes shall not carry any rights to vote in respect of, or be counted for the purposes of determining a quorum and the result of any votes in respect of any IM Removal Resolutions or any IM Replacement Resolutions but shall carry a right to vote on and be counted in respect of all other matters in respect of which the IM Removal and Replacement Voting Notes have a right to vote and be counted. IM Removal and Replacement Voting Notes shall be exchangeable at any time upon request by the relevant Noteholder into IM Removal and Replacement Exchangeable Non-Voting Notes or IM Removal and Replacement Non-Voting Notes. IM Removal and Replacement Exchangeable Non-Voting Notes shall be exchangeable upon request by the relevant Noteholder for (a) IM Removal and Replacement Non-Voting Notes at any time; or (b) IM Removal and Replacement 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. IM Removal and Replacement Non-Voting Notes shall not be exchangeable at any time into IM Removal and Replacement Voting Notes or IM Removal and Replacement Exchangeable Non-Voting Notes. Any Class A Notes, Class B Notes, Class C Notes or Class D Notes held by or on behalf of the Investment Manager or any Investment Manager Related Person shall only be held in the form of IM Removal and Replacement Exchangeable Non-Voting Notes.
Listing.....	Application has been made to Euronext Dublin for the Refinancing Notes to be admitted to the Official List and trading on its Global Exchange Market which is the exchange regulated market of Euronext Dublin. The Global Exchange Market is not a regulated market for the purposes of MiFID II. There can be no assurance that any such listing will be maintained.
Form, Registration and Transfer of the Refinancing Notes.....	The Regulation S Notes of each Class of Refinancing Notes (other than in certain circumstances, the Class E Notes and the Class F Notes as described below) 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 2018 Refinancing 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 Refinancing 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 of Refinancing Notes (other than in certain circumstances as described below, the Class E Notes and the Class F Notes as described below) will be represented on issue by one or more Rule 144A Global Certificates in fully registered form, without interest coupons or principal receipts deposited on or about the 2018 Refinancing Date with, and registered in the name of, a custodian for, and registered in the name of, a nominee of a common depositary for Euroclear and Clearstream, Luxembourg. Beneficial interests in a Rule 144A Global Certificate may at any time only be held through, and transfers thereof will only be effected through, records maintained by Euroclear and Clearstream, Luxembourg. 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 and such other additional requirements as may be

	required by the Trustee and/or the Transfer Agent. 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 and a QP. In addition, interests in any of the Regulation S Notes may not at any time be held by any U.S. Person or U.S. Resident. See "*Form of the Refinancing 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 (other than, in certain circumstances as described below, with respect to the Class E Notes and the Class F Notes). See "*Form of the Refinancing Notes – Exchange for Definitive Certificates*". A transferee of a Class E Note or a Class F Note in the form of a Rule 144A Global Certificate or a Regulation S Global Certificate will be deemed to represent (among other things) that, except as provided below, it is not and is not 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 or Class F Note, as applicable, in the form of a Rule 144A Global Certificate or a Regulation S Global Certificate unless such transferee (i) obtains the written consent of the Issuer, (ii) provides an ERISA certificate to a Transfer Agent and the Issuer as to its status as a Benefit Plan Investor or Controlling Person (substantially in the form in the Annex (*Form of ERISA Certificate*) to the 2016 Offering Circular), and (iii) holds such Class E Note or Class F Note, as applicable, in the form of a Definitive Certificate, other than in the case where the transferee is acquiring Class E Notes or Class F Notes on the 2018 Refinancing Date, in which case they may acquire such Class E Notes or Class F Notes in the form of a Rule 144A Global Certificate or a Regulation S Global Certificate. Transfers of interests in the Refinancing Notes are subject to certain restrictions and must be made in accordance with the procedures set forth in the Trust Deed. See "*Form of the Refinancing Notes*" and "*Book Entry Clearance Procedures*" and "*Transfer Restrictions*" below. Each purchaser of Refinancing 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 Refinancing Notes in breach of certain of such representations and agreements will result in affected Refinancing Notes becoming subject to certain forced transfer provisions. See Condition 2(h) (*Forced Transfer of Rule 144A Notes*), Condition 2(j) (*Forced Transfer pursuant to ERISA*) and Condition 2(i) (*Forced Transfer pursuant to FATCA*).
Portfolio.....	The Latest Monthly Report is set out in Annex B (*Monthly Report relating to the Original Notes*). Such report should be read in conjunction with this Offering Circular as it is integral to understanding and evaluating the information contained in this Offering Circular. The information contained in Annex B (*Monthly Report relating to the Original Notes*) is limited and has not been verified or audited.
Tax Status.....	See "*Tax Considerations*".

Certain ERISA Considerations	For a discussion of certain ERISA related restrictions on the ownership and transfer of the Refinancing Notes, see the sections entitled "*Certain ERISA Considerations*" in the 2016 Offering Circular and "*Transfer Restrictions*" herein.
Withholding Tax.....	No gross up in respect of any payments to the Noteholders in relation to the Refinancing Notes is required of the Issuer. See Condition 9 (*Taxation*).
Retention Holder and Retention Requirements	The Retention Holder will represent and undertake to hold the Retention (as defined in the section "*The Retention Holder and Retention Requirements*") on the terms set out in the Risk Retention Letter. See "The Retention Holder and Retention Requirements".

RISK FACTORS

An investment in the Refinancing Notes of any Class involves certain risks, including risks relating to the Collateral securing such Refinancing Notes and risks relating to the structure and rights of such Refinancing Notes and the related arrangements. Prospective investors should carefully consider the following factors and the "Risk Factors" in the 2016 Offering Circular, in addition to the matters set forth elsewhere in this Offering Circular and the 2016 Offering Circular, prior to investing in any Refinancing Notes. Terms not defined in this section and not otherwise defined above have the meanings set out in Condition 1 (Definitions) of the "Terms and Conditions of the Notes" in the 2016 Offering Circular, as amended by this Offering Circular.

The following limited supplemental disclosure is being provided to you to inform you of certain risks arising from the issuance of the Refinancing Notes but does not purport to (and none of the Issuer, the Placement Agent, the Investment Manager, the Retention Holder or their respective affiliates makes any representations that it purports to) comprehensively update the 2016 Offering Circular or disclose all risk factors (whether legal or otherwise) which may arise by or relate to the issuance of the Refinancing Notes.

1. GENERAL

1.1 Relating to the Refinancing Notes

The Issuer has a limited business and operations. Prior to the Original Closing Date, the Issuer entered into the Warehouse Arrangements described in the 2016 Offering Circular. The Issuer commenced operations under the Trust Deed on the Original Closing Date. While the most recent Monthly Report (as defined in the Trust Deed) prior to the 2018 Refinancing Date dated as of 15 June 2018 with respect to the Portfolio (the "**Latest Monthly Report**") which has been filed with Euronext Dublin, is attached hereto as Annex B (*Monthly Report relating to the Original Notes*), such information has not been audited or otherwise reviewed by any accounting firm.

Such information is limited and does not provide a full description of all Collateral Debt Obligations previously held or sold by the Issuer, nor the gains or losses associated with purchases or sales of Collateral Debt Obligations, nor the levels of compliance with the Coverage Tests and Collateral Quality Tests during periods prior to the periods covered by the Latest Monthly Report. Such reports contain information as of the dates specified therein and none of the reports are calculated as of the date of this Offering Circular. As such, the information in the Latest Monthly Report may no longer reflect the characteristics of the Collateral Debt Obligations as of the date of this Offering Circular or on or after the 2018 Refinancing Date. In preparing and furnishing the Latest Monthly Report, and all Monthly Reports and the Payment Date Reports, the Issuer will rely conclusively on the accuracy and completeness of the information or data regarding the Collateral Debt Obligations that has been provided to it by the Collateral Administrator (which will rely conclusively, in turn, on the accuracy and completeness of certain information provided to it by the Investment Manager and third parties) (and reviewed by the Investment Manager), and the Issuer will not verify, re-compute, reconcile or recalculate any such information or data. In addition, the information contained in the Monthly Reports (including the Latest Monthly Report) and the Payment Date Reports is dependent in part on interpretations, calculations and/or determinations made by the Issuer, the Collateral Administrator and the Investment Manager . The accuracy of the Monthly Reports (including the Latest Monthly Report) and the Payment Date Reports, and the information included therein, is therefore subject to the accuracy of the interpretations, calculations and/or determinations of the Issuer, the Collateral Administrator and the Investment Manager . None of the Placement Agent, the Investment Manager, the Retention Holder or the Collateral Administrator is responsible to investors for, and makes no representation or warranty, express or implied, as to the accuracy or completeness of the Monthly Report (including the Latest Monthly Report) or the Payment Date Report incorporated herein.

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

No information is provided in this Offering Circular regarding the Issuer's investment performance and portfolio except as set forth in the Latest Monthly Report and no information is provided in this Offering Circular regarding any other aspect of the Issuer's operations. While the Issuer believes that it has complied with the requirements of the Trust Deed, no assurance can be given that neither the Issuer nor the Investment Manager has unintentionally failed to comply with one or more of their respective obligations under the Trust Deed or the Investment Management Agreement (or any other Transaction Document), nor that any such failure will not have a material adverse effect on Noteholders in the future.

1.2 Prior activities of the Issuer

The Issuer was incorporated on 14 August 2015 under the name Cairn Loan Opportunity VI B.V. and changed its name to Cairn CLO VI B.V. on 17 June 2016. On 21 July 2016, the Issuer issued the Original Notes secured by various assets owned by the Issuer. The Refinanced Notes will be redeemed by the Issuer on the 2018 Refinancing Date but the other Original Notes (being the Subordinated Notes) will remain outstanding.

The only operations that an issuer of structured rated notes similar to the Refinancing Notes is ordinarily permitted to perform prior to the issue date thereof is the entry into the warehouse arrangements in respect of the acquisition of certain assets on which such notes are to be secured on or prior to such issue date. This is to mitigate the risk that creditors of the issuer may exist as a result of the activities of such issuer who may be able to take action against the issuer should it not perform its obligations to the extent that such creditors have not entered into limited recourse and non-petition provisions similar to those to which the Secured Parties are subject pursuant to the Trust Deed. This risk is potentially increased in the case of the Issuer, as a result of it having issued the Original Notes. In order to mitigate this increased risk, all Classes of the Notes will, on the 2018 Refinancing Date, be subject to the same Conditions and Transaction Documents (subject to the amendments detailed herein) and the secured parties under the Original Notes other than the Noteholders will be party to such Transaction Documents.

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

In previous years, events in the collateralised debt obligation (including CLO), leveraged finance and fixed income markets have resulted in substantial fluctuations in prices for leveraged loans and high-yield debt securities and limited liquidity for such instruments. No assurance can be made that conditions giving rise to similar price fluctuations and limited liquidity may not emerge following the 2018 Refinancing Date. During periods of limited liquidity and higher price volatility, the Issuer's ability to acquire or dispose of Collateral Debt Obligations at a price and time that the Issuer deems advantageous may be severely impaired. As a result, in periods of rising market prices, the Issuer may be unable to participate in price increases fully to the extent that it is unable to acquire desired positions quickly; and the Issuer's inability to dispose fully and promptly of positions in declining markets may exacerbate losses suffered by the Issuer when Collateral Debt Obligations are sold. Furthermore, significant additional risks for the Issuer and investors in the Refinancing Notes may exist. Such risks include, among others, (i) the possibility that, after the 2018 Refinancing Date, the prices at which Collateral Debt Obligations can be sold by the Issuer may deteriorate from their purchase price, (ii) the possibility that opportunities for the Issuer to sell its Collateral Debt Obligations in the secondary market, including Credit Impaired Obligations, Credit Improved Obligations, and Defaulted Obligations, may be impaired, and (iii) increased illiquidity of the Refinancing Notes because of reduced secondary trading in CLO securities. These additional risks may affect the returns on the Refinancing Notes to investors or otherwise adversely affect Noteholders.

1.4 Referendum on the UK's EU Membership

On 23 June 2016, the UK held an advisory referendum with respect to its continued membership of the EU (the "**Referendum**"). The result of the Referendum was a vote in favour of leaving the EU. Whilst the result of the Referendum itself is clear, the next steps of the UK executive and UK Parliament and the reaction of the other EU member states ("**Member States**") to these steps is not. In particular, the format of the negotiation, negotiation positions of the participants and timeframe are uncertain, with any limited public statements subject to change.

Article 50 of the Treaty on European Union ("**Article 50**") provides that a Member State which decides to withdraw from the EU is required to notify the European Council of its intention to do so.

The UK government gave notice of the UK's intention to withdraw from the EU pursuant to Article 50 on 29 March 2017, which has triggered the commencement of a negotiation process between the UK and the EU in respect of the arrangements for the UK's withdrawal from the EU. Article 50 provides for a two year period for such negotiations to take place.

Applicability of EU law in the UK

It is at present unclear what type of relationship between the UK and the EU will be established, or at what date (whether by the time when, or after, the UK ceases to be a member of the EU), or what would be the content of such a relationship. It is possible that a new relationship would preserve the applicability of certain EU rules (or equivalent rules) in the UK. At this time it is not possible to state with any certainty to what extent that might be so.

Upon any withdrawal from the EU by the UK, and subject to agreement on (and the terms of) any future EU-UK relationship, EU laws (other than those EU laws transposed into English law (see below)) will cease to apply within the UK pursuant to the terms and timing of a future withdrawal agreement. This would be achieved by the UK ceasing to be party to the Treaty on European Union and the Treaty on the Functioning of the European Union, and by the parallel repeal of the European Communities Act 1972. The UK will cease to be a member of the EU from the date of entry into force of a withdrawal agreement or, if a withdrawal agreement has not been concluded, two years after the notification under Article 50 was served (such date being 29 March 2017), unless the European Council, in agreement with the UK, unanimously decides to extend this period. At this time it is not possible to state with any certainty what might be the terms and effective date of any withdrawal agreement or the date when such a two year period (or any extension thereof) would expire. Until such date, EU law will remain in force in the UK.

Upon any withdrawal from the EU by the UK, and subject to agreement on (and the terms of) any future UK-EU relationship, EU law will cease to apply in the UK. However, many EU laws have been transposed into English law and these transposed laws will continue to apply until such time that they are repealed, replaced or amended. Over the years, English law has been devised to function in conjunction with EU law (in particular, laws relating to financial markets, financial services, prudential and conduct regulation of financial institutions, financial collateral, settlement finality and market infrastructure). As a result, depending on the terms of the UK's exit from the EU, substantial amendments to English law may occur. Consequently, English law may change and it is impossible at this time to predict the consequences on the Portfolio or the Issuer's business, financial condition, results of operations or prospects. Such changes could be materially detrimental to Noteholders.

Regulatory Risk

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

There can be no assurance that the terms of the UK's exit from the EU will include arrangements for the continuation of the existing passporting regime or mutual access rights to market infrastructure and recognition of insolvency, bank recovery and resolution regimes. Such uncertainty could adversely impact the Issuer and, in particular, the ability of third parties to provide services to the Issuer, and could be materially detrimental to Noteholders.

Regulatory Risk – UK manager/Retention Holder

In particular, if the UK were, as a consequence of leaving the EU, no longer within the scope of EU Directive 2014/65/EU and EU Regulation 600/2014/EU on Markets in Financial Instruments (collectively referred to as "**MiFID II**") and a passporting regime or third country recognition of the UK is not in place, or a Dutch domestic exemption or exception, then (a) a UK manager such as the Investment Manager may be unable to continue to provide collateral management services to the Issuer in reliance upon the passporting of relevant regulated services within the EU on a cross-border basis provided for under MiFID II and (b) the Investment Manager may not be able to continue to act as Retention Holder to the extent it was required to hold the retention solely as "sponsor" in accordance with the Retention Requirements (even if the Investment Manager were to remain subject to UK financial services regulation). See "*Risk Retention and Due Diligence Requirements – EU Risk Retention and Due Diligence Requirements*" and "*EU Retention Compliance Event and EU Retention Cure Action*" below.

MiFID II, which has applied since 3 January 2018, provides (among other things) for the ability for non-EU investment firms to provide collateral management services in the EU on a cross-border basis provided that certain conditions are fulfilled. In order to qualify to provide collateral management services in the EU on a cross-border basis, non-EU investment firms will be required (i) to be authorised in a third country to provide collateral management services which are regulated under MiFID II (A) in respect of which the European Commission (the "**Commission**") has adopted an equivalency decision and (B) where the European Securities and Markets

Authority ("**ESMA**") has established cooperation arrangements with the relevant competent authorities, and (ii) to be registered with ESMA to do so.

However, MiFID II provides certain transitional measures so that third country investment firms may continue to provide collateral management services in the EU on a cross-border basis in accordance with the relevant national regimes (i) until the time of any Commission equivalency decision and (ii) following any Commission equivalency decision, for a maximum of three years.

Regulatory Risk - The Netherlands

MiFID II provides certain transitional measures so that non-EU investment firms may continue to provide regulated investment services in the EU on a cross-border basis in accordance with the relevant national regimes in each EU member state. Pursuant to these transitional measures, the Dutch national regime will continue to apply to the cross-border provision of regulated investment services in The Netherlands by a non-EU investment firm (i) until the time of a Commission equivalency decision in respect of the country in which that investment firm is based and (ii) following any such Commission equivalency decision, for a maximum of three years.

Pursuant to the Dutch national regime as at the date of this Offering Circular, the Investment Manager may no longer provide collateral management services relating to financial instruments in The Netherlands following the departure of the United Kingdom from the EU. Therefore, the Investment Manager may need to seek alternative arrangements in relation to such collateral management services with any other investment firm which has the appropriate authorisation to provide those services in The Netherlands.

Market Risk

Following the results of the Referendum and the issuance of the Article 50 notice, the financial markets have experienced volatility and disruption. This volatility and disruption may continue or increase, and investors should consider the effect thereof on the market for securities such as the Refinancing Notes and on the ability of Obligors to meet their obligations under the Collateral Debt Obligations.

Investors should be aware that the result of the Referendum, the issuance of the Article 50 notice and any subsequent negotiations, notifications, withdrawal and changes to legislation may introduce potentially significant new uncertainties and instabilities in the financial markets. These uncertainties and instabilities could have an adverse impact on the business, financial condition, results of operations and prospects of the Issuer, the Obligors, the Portfolio, the Investment Manager, the Retention Holder and the other parties to the transaction and could therefore also be materially detrimental to Noteholders.

Exposure to Counterparties

The Issuer will be exposed to a number of counterparties (including in relation to any Assignments, Participations and Hedge Transactions and also each of the Agents) throughout the life of the Refinancing Notes. Investors should note that if the UK does leave the EU, such counterparties may be unable to perform their obligations due to changes in regulation, including the loss of, or changes to, existing regulatory rights to do cross-border business in the EU or the costs of such transactions with such counterparties may increase. In addition, counterparties may be adversely affected by rating actions or volatile and illiquid markets (including currency markets and bank funding markets) arising from the result of the Referendum, therefore increasing the risk that such counterparties may become unable to fulfil their obligations. Such inability could adversely impact the Issuer and could be materially detrimental to Noteholders. For further information on counterparties, see "*Counterparty Risk*" in the 2016 Offering Circular.

Ratings actions

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

The credit rating of a country affects the ratings of entities operating in its territory, and in particular the ratings of financial institutions. Accordingly, the recent downgrades of the UK's sovereign credit rating and any further downgrade action may trigger downgrades in respect of parties to the Transaction Documents. If a counterparty no longer satisfies the relevant Rating Requirement, the Transaction Documents may require that such counterparty be replaced with an entity that satisfies the relevant Rating Requirement. If rating downgrades are

widespread, it may become difficult or impossible to replace counterparties with entities that satisfy the relevant Rating Requirement.

While the extent and impact of these issues are unknown, investors should be aware that they could have an adverse impact on the Issuer, its service providers, the payment of interest and repayment of principal on the Refinancing Notes and therefore, the Noteholders. For further information, see "*Counterparty Risk*" in the 2016 Offering Circular.

2. REGULATORY INITIATIVES

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

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

None of the Issuer, the Placement Agent, the Investment Manager, the Retention Holder, the Trustee nor any of their respective Affiliates makes any representation as to the proper characterisation of the Refinancing Notes for legal investment, financial institution regulatory, financial reporting or other purposes, as to the ability of particular investors to invest in the Refinancing Notes under applicable legal investment or other restrictions or as to the consequences of an investment in the Refinancing Notes for such purposes or under such restrictions. All prospective investors in the Refinancing Notes whose investment activities are subject to legal investment laws and regulations, regulatory capital requirements, or review by regulatory authorities should consult with their own legal, accounting and other advisors in determining whether, and to what extent, the Refinancing Notes will constitute legal investments for them or are subject to investment or other regulatory restrictions, unfavourable accounting treatment, capital charges, reserve requirements or other consequences.

2.1 Risk Retention and Due Diligence Requirements

EU Risk Retention and Due Diligence Requirements

Investors should be aware and in some cases are required to be aware of the risk retention and due diligence requirements in Europe (the "**EU Risk Retention and Due Diligence Requirements**") which currently apply, or are expected to apply in the future, in respect of various types of EU regulated investors including institutions for occupational retirement, credit institutions, authorised alternative investment fund managers, investment firms, insurance and reinsurance undertakings and UCITS funds. 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) such investor is able to demonstrate that they have undertaken certain due diligence in respect of various matters including but not limited to its investment 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 Refinancing 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 some 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 Refinancing 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 Refinancing Notes in the secondary market.

Each investor should consult with its own legal, accounting, regulatory and other advisors and/or its regulator before committing to acquire any Refinancing Notes 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 Investment Manager, the Placement Agent, the Trustee, the Collateral Administrator, the Retention Holder, their respective Affiliates or any other Person makes any representation, warranty or guarantee that any such information is sufficient for such purposes or any other purpose or that the structure of the Refinancing 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 applicable legal, regulatory or other requirement, then investors may be required by their regulator to set aside additional capital against their investment in the Refinancing Notes or take other remedial measures in respect of their investment in the Refinancing Notes. In addition, such regulations could have a negative impact on the price and liquidity of the Refinancing Notes in the secondary market.

On 30 September 2015, the Commission published a proposed regulation to amend the CRR (the "**CRR Amendment Regulation**") and a proposed regulation aiming to create a general European framework for securitisation and a specific framework for "simple, transparent and standardised" securitisation (the "**STS Securitisation Regulation**") which are intended, amongst other things, to re-cast the EU risk retention rules as part of wider changes to establish a "Capital Markets Union" in Europe (together, the "**Securitisation Regulations**"). The Securitisation Regulations were published in the Official Journal of the European Union on 28 December 2017 and entered into force on the twentieth day thereafter. The Securitisation Regulations will apply from 1 January 2019 (subject to certain transitional provisions in the CRR Amendment Regulation regarding securitisations the securities of which were issued before 1 January 2019). Investors should be aware that there are material differences between the current EU legal framework governing securitisation and that in the Securitisation Regulations (including changes to the EU Risk Retention and Due Diligence Requirements). If any changes to the Conditions or the Transaction Documents are required as a result of the application of the Securitisation Regulations, the Issuer shall be required to bear the costs of making such changes. It should be noted that any future Refinancing of the Refinancing Notes or additional issuance of Notes in accordance with Condition 17 (*Additional Issuances*) may, if undertaken after the date of application of the Securitisation Regulations, bring the transaction described herein within the scope of the Securitisation Regulations.

There can therefore be no assurances that the transactions described herein will not be affected by a change in law or regulation relating to the EU Risk Retention and Due Diligence Requirements (including the Securitisation Regulations), including as a result of any changes recommended in future reports or reviews as well as any related technical standards which, in respect of the Securitisation Regulations, remain unfinalised. Investors should therefore make themselves aware of the EU Risk Retention and Due Diligence Requirements, the Securitisation Regulations (and any corresponding implementing rules of their regulator), in addition to any other regulatory requirements that are (or may become) applicable to them and/or with respect to their investment in the Refinancing Notes.

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

In particular, investors should note that the Retention Holder initially intends to retain such material economic interest as "sponsor" pursuant to the Retention Requirements. However, if the UK were, as a consequence of leaving the EU, no longer within the scope of MiFID II and a passporting regime or third country recognition of the UK is not in place, then, unless the Investment Manager elects to take any EU Retention Cure Action in accordance with the terms of the Transaction Documents, it may not be able to continue to act as Retention Holder. As detailed in the section "*The Retention Holder and Retention Requirements*" below, the Investment Manager may in its sole discretion, having determined that an EU Retention Compliance Event has occurred (or is, with the passage of time, reasonably likely to occur), take such action as it may deem to be reasonably necessary or appropriate (in light of the facts and circumstances existing at the time) with the intention of complying with, or preserving compliance with, the Retention Requirements, (such action, an "**EU Retention Cure Action**") subject to: (i) internal approval of such EU Retention Cure Action in accordance with the Investment Manager's usual policies and procedures and (ii) receipt of legal advice from Milbank, Tweed, Hadley & McCloy LLP or other reputable legal counsel as selected in the Investment Manager's sole discretion that such EU Retention Cure Action is consistent with the Retention Requirements. The Investment Manager will not have any obligation to consider or take any EU Retention Cure Action and, if the Investment Manager determines not to take any EU Retention Cure Action, it may no longer be eligible to act as the Retention Holder pursuant to the Retention Requirements.

U.S. Retention Requirements

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

On February 9, 2018, the United States Court of Appeals for the District of Columbia Circuit ruled in favour of the LSTA in its lawsuit against the Securities and Exchange Commission and the Board of Governors of the Federal Reserve System. As a result, the Investment Manager has informed the Issuer that no party expects to be required to comply with the U.S. Retention Requirements, and none of the Investment Manager or its affiliates will have any obligation to hold any Notes for any period of time pursuant to the U.S. Retention Requirements.

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

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

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

All investors whose investment activities are subject to investment laws and regulations, regulatory capital requirements, or review by regulatory authorities should consult with their own legal, accounting and other advisors in determining whether, and to what extent, the Refinancing Notes will constitute legal investments for them or are subject to investment or other restrictions, unfavourable accounting treatment, capital charges or reserve requirements.

2.2 European Market Infrastructure Regulation (EMIR)

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

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

Non-financial counterparties (as defined in EMIR) are exempted from the clearing obligation and certain additional risk mitigation obligations (such as the posting of collateral) provided the gross notional value of all derivative contracts entered into by the non-financial counterparty and other non-financial entities within its "group", excluding eligible hedging transactions, does not exceed certain thresholds (set per asset class of OTC

derivatives). If the Issuer is considered to be a member of a "group" (as defined in EMIR) (which may, for example, potentially be the case if the Issuer is consolidated by a Noteholder as a result of such Noteholder's holding of a significant proportion of the Subordinated Notes) and if the aggregate notional value of OTC derivative contracts entered into by the Issuer and any non-financial counterparties within such group exceeds the applicable thresholds, the Issuer would be subject to the clearing obligation, or if the relevant contract is not a type required to be cleared, to the risk mitigation obligations, including the margin requirement. Whilst the Hedge Transactions are expected to be treated as eligible hedging transactions and deducted from the total in assessing whether the notional value of OTC derivatives entered by the Issuer and/or nonfinancial entities within its "group", exceeds the applicable thresholds, a regulator may take a different view. If the Issuer exceeds the applicable thresholds and its swaps become subject to mandatory clearing, this may also lead to a termination of the Hedge Agreements.

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

Clearing obligation

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

Margin requirements

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

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

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

The Hedge Agreements may also contain early termination events which are based on the application of EMIR and which may allow the relevant Hedge Counterparty to terminate a Hedge Transaction upon the occurrence of an adverse EMIR-related event. The termination of a Hedge Transaction in these circumstances may result in a termination payment being payable by the Issuer. See "*Hedging Arrangements*" in the 2016 Offering Circular.

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

Prospective investors should be aware that the regulatory changes arising from EMIR may in due course significantly increase the cost of entering into derivative contracts (including the potential for non-financial

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

Prospective investors should also be aware that on 4 May 2017, the Commission published its proposal for a Regulation amending EMIR as regards the clearing obligation, the suspension of the clearing obligation, the reporting requirements, the risk-mitigation techniques for OTC derivatives contracts not cleared by a central counterparty, the registration and supervision of trade repositories and the requirements for trade repositories (the "**Proposal**"). The Proposal contained features which may impact the Issuer's ability to enter into Hedge Agreements: securitisation special purpose entities such as the Issuer were to be classified as financial counterparties ("**FCs**"). FCs, (to be subject to a newly introduced clearing threshold per asset class for FCs), are subject to the clearing obligation under EMIR. While the clearing threshold is unlikely to be exceeded by the Issuer, an FC is subject to the margin rules for uncleared swaps as summarised under "Margin requirements" above. A requirement on the Issuer to post margin, as highlighted above, will adversely affect its ability to enter currency hedge swaps and its ability to acquire Non-Euro Obligations and/or manage interest rate risk. The Council of the European Union has published its amendments to the Proposal in "compromise proposals" dated 15 and 28 November 2017. The Council of the European Union compromise proposals delete the inclusion of securitisation special purpose entities in the FC definition. The Proposal is now also subject to scrutiny in the European Parliament. The European Parliament's Economic and Monetary Affairs Committee published a draft report dated 26 January 2018 on the Proposal, in which they also proposed that SSPEs would remain outside the category of FC. This position was confirmed in the text adopted by the European Parliament in plenary session 12 June 2018.

2.3 Alternative Investment Fund Managers Directive

EU Directive 2011/61/EU on Alternative Investment Fund Managers ("**AIFMD**") introduced authorisation and regulatory requirements for managers of alternative investment funds ("**AIFs**"). If the Issuer were to be considered to be an AIF within the meaning in AIFMD, it would need to be managed by a manager authorised under AIFMD (an "**AIFM**"). The Investment Manager is not authorised under AIFMD but is authorised under MiFID II. As the Investment Manager is not permitted to be authorised under both AIFMD and under MiFID II, it will not be able to apply for an authorisation under AIFMD unless it gives up its authorisation under MiFID II. If considered to be an AIF managed by an authorised AIFM, the Issuer would also be classified as an FC under EMIR and may be required to comply with clearing obligations and/or other risk mitigation techniques (including obligations to post margin to any central clearing counterparty or market counterparty) with respect to Hedge Transactions (under the Proposal, all AIFs will be FCs whether or not managed by an authorised AIFM). See also "*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**"). The European Securities and Markets Authority ("**ESMA**") has not yet given any formal guidance on the application of the SSPE Exemption or whether a vehicle such as the Issuer would fall within it.

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

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

2.4 CFTC Regulations

Pursuant to the Dodd-Frank Act regulators in the United States have promulgated and continue to promulgate a range of new regulatory requirements that may affect the pricing, terms and compliance costs associated with the

entry into 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 traded on a designated contract market or swap execution facility, (ii) initial or variation margin requirements of any central clearing organisation (with respect to cleared swaps) or initial or variation margin requirements with respect to uncleared swaps, (iii) swap reporting and recordkeeping obligations, and (iv) other matters. These new requirements may (x) significantly increase the cost to the Issuer and/or the Investment Manager of entering into Hedge Transactions such that the Issuer may be unable to purchase certain types of Collateral Debt Obligations, (y) have unforeseen legal consequences on the Issuer or the Investment Manager or (z) have other material adverse effects on the Issuer or the Noteholders. Furthermore, regulations requiring the posting of variation margin on uncleared swaps entered into by entities such as the Issuer entered into effect in the United States on 1 March 2017. Hedge Transactions may be subject to such requirements, depending on the identity of the Hedge Counterparty. The Trust Deed does not permit the Issuer to post variation margin. Accordingly, the application of United States regulations to a Hedge Transaction or a proposed Hedge Transaction could have a material adverse effect on the Issuer's ability to hedge its interest or currency rate exposure, or on the cost of such hedging.

2.5 Flip Clauses

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

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

In the U.S. courts, the U.S. Bankruptcy Court for the Southern District of New York in Lehman Brothers Special Financing Inc. v. BNY Corporate Trustee Services Limited. (In re Lehman Brothers Holdings Inc.), Adv. Pro. No. 09-1242-JMP (Bankr S.D.N.Y. May 20, 2009) examined a flip clause contained in an indenture related to a swap agreement and held that such a provision, which seeks to modify one creditor's position in a priority of payments when that creditor files for bankruptcy, is unenforceable under the U.S. Bankruptcy Code. Judge Peck also found that the Code's safe harbour provisions, which protect certain contractual rights under swap agreements, did not apply to the flip clause because the flip clause provisions were contained in the indenture, and not in the swap agreement itself. Judge Peck acknowledged that this has resulted in the U.S. courts coming to a decision "directly at odds with the judgement of the English Courts". While BNY Corporate Trustee Services Ltd filed a motion for and was granted leave to appeal with the U.S. Bankruptcy Court, the case was settled before the appeal was heard.

On 28 June 2016, the U.S. Bankruptcy Court issued a decision in Lehman Brothers Special Financing Inc. v. Bank of America National Association, et al. Case No. 10-3547 (In re Lehman Brothers Holdings Inc.), Chapter 11 Case No. 10-03547 (Bankr S.D.N.Y. June 208, 2016). In this decision, the court held that not all priority of payment provisions would be unenforceable ipso facto clauses under the U.S. Bankruptcy Code. Instead, the court identified two materially distinct approaches to such provisions. Where a counterparty's automatic right to payment priority ahead of the noteholders is "flipped" or modified upon, for example, such counterparty's default under the swap document, the court confirmed that such priority provisions were unenforceable ipso facto clauses. Conversely, the court held that priority provisions where no right of priority is established until after a termination event under the swap documents has occurred were not ipso facto clauses, and, therefore, fully enforceable. Moreover, even where the provisions at issue were ipso facto clauses, the Court found that they were nonetheless enforceable under the Code's safe harbour provisions. Specifically, the Court concluded that priority of distribution was a necessary part of liquidation of a swap agreement, which the safe harbour provisions expressly protect. The Court effectively limited the analysis in the BNY case to instances where the flip provisions are only in an indenture, and do not constitute part of the swap agreement. This judgment highlights the difference in approach taken between U.S. and English law on this subject, although it significantly reduces the practical differences in outcome. Lehman filed a notice of appeal with regards to this decision on 6 February 2017. In addition, there remain several actions in the U.S. commenced by debtors of Lehman Brothers concerning the enforceability of flip clauses and this is likely to be an area of continued judicial focus particularly in respect of multi-jurisdictional insolvencies.

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

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

2.6 LIBOR and EURIBOR Reform

The London Interbank Offered Rate ("**LIBOR**") has been reformed, with developments including:

(a) the activities of administering a specified benchmark and of providing information in relation to a specified benchmark becoming regulated activities in the United Kingdom (LIBOR has been a specified benchmark since April 2013);

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

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

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

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

In a speech on 27 July 2017, Andrew Bailey, the Chief Executive of the UK Financial Conduct Authority (the "**FCA**"), announced the FCA's intention to cease sustaining LIBOR from the end of 2021.

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

It is possible that the LIBOR administrator, ICE Benchmark Administration, and the panel banks could continue to produce LIBOR on the current basis after 2021, if they are willing and able to do so. However, the survival of LIBOR in its current form, or at all, is not guaranteed after 2021. If LIBOR does not survive in its current form or at all, this could adversely affect the value of, and amounts payable under, any Collateral Debt Obligations which pay interest calculated with reference to LIBOR and therefore reduce amounts which may be available to the Issuer to pay holders of Refinancing Notes. Furthermore, the uncertainty as to whether LIBOR will survive in its current form or at all may lead to adverse market conditions, which may have an adverse effect on the amounts available to the Issuer to pay holders of Refinancing Notes.

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

In the EU, in September 2013, the Commission published a proposal for a regulation (the "**Benchmarks Regulation**") on indices used as benchmarks in financial instruments and financial contracts. The Benchmarks Regulation was published in the Official Journal of the EU on 29 June 2016 and entered into force on 30 June 2016. The application date for the majority of its provisions was 1 January 2018. It is directly applicable law across the EU.

The Benchmarks Regulation applies principally to "administrators" and also, in some respects, to "contributors" and certain "users" of "benchmarks", and will, among other things, (i) require benchmark administrators to be authorised (or, if non-EU-based, to be subject to an equivalent regulatory regime) and make significant changes to the way in which benchmarks falling within scope of the Benchmarks Regulation are governed (including reforms of governance and control arrangements, obligations in relation to input data, certain transparency and record-keeping requirements and detailed codes of conduct for contributors) and (ii) prevent certain uses of "benchmarks" provided by unauthorised administrators by supervised entities in the EU. The scope of the Benchmarks Regulation is wide and, in addition to so-called "critical benchmark" indices, could also potentially apply to many interest rate and foreign exchange rate indices, equity indices and other indices (including "proprietary" indices or strategies) where used to determine the amount payable under or the value or performance of certain financial instruments traded on a trading venue, financial contracts and investment funds. EURIBOR and LIBOR have been designated "critical benchmarks" for the purposes of the Benchmarks Regulation, by way of Commission Implementing Regulations published on 12 August 2016 and 28 December 2017, respectively.

In addition to the potential ramifications to the future of LIBOR resulting from the FCA's announcement of 27 July 2017 outlined above, benchmarks such as EURIBOR or LIBOR may be discontinued if they do not comply with the requirements of the Benchmarks Regulation, or if the administrator of the benchmark either fails to apply for authorisation or is refused authorisation by its home regulator.

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

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

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

Investors should be aware that:

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

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

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

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

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

(d) if any of the relevant EURIBOR benchmarks referenced in Condition 6 (*Interest*) is discontinued, interest on the Refinancing Notes will be calculated under Condition 6(e) (*Interest on the Rated Notes*). In general, fall-back mechanisms which may govern the determination of interest rates where a benchmark rate is not available (such as those described in paragraph (c) immediately above) are not suitable for long term use. Accordingly, in the event a benchmark

rate is permanently discontinued, it may be desirable to amend the applicable interest rate provisions in the affected Collateral Debt Obligation, Hedge Agreement or the Refinancing Notes. Investors should note that the Issuer may, in certain circumstances, amend the Transaction Documents to modify or amend the reference rate in respect of the Notes without the consent of Noteholders, provided that the Controlling Class have (in certain circumstances only) consented, acting by way of Ordinary Resolution, as provided in Condition 14(c) (*Modification, and Waiver*). See Condition 14(c) (*Modification and Waiver*); and

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

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

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

In February 2013 the Commission published a proposal (the "**Proposal**") for a Council Directive implementing enhanced cooperation for a financial transaction tax ("**FTT**") requested by Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Slovakia, Slovenia and Spain (the "**Participating Member States**"). However, on 16 March 2016, Estonia completed the formalities required to cease participation in the enhanced cooperation on FTT.

Under the Proposal, the proposed FTT would apply to certain dealings in the Refinancing 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 may apply to both transaction parties where one of these circumstances applies. 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, whilst it is not possible to predict with certainty what effect the proposed FTT might have on the business of the Issuer, there will be no gross-up by any party to the transaction and amounts due to Noteholders may be adversely affected.

Certain aspects of the Proposal are controversial and, while the Proposal initially identified the date of introduction of the FTT as being 1 January 2014, this anticipated introduction date has been extended on several occasions due to disagreement among the Participating Member States regarding a number of key issues concerning the scope and application of the FTT.

On 10 October 2016, following a meeting of the Finance Ministers of the ten remaining Participating Member States, it was reported that an agreement in principle had been reached on certain key aspects of the FTT and that the Commission had consequently been asked to prepare draft FTT legislation on the basis of that agreement. However, the details of the FTT remain to be agreed. A written answer given by Pierre Moscovici in the European Parliament, speaking on behalf of the Commission on 28 April 2017, confirmed that negotiations between Participating Member States on the Proposal are continuing with a number of key areas still open for discussion. Accordingly, the date of implementation of the FTT remains uncertain.

Additional Member States may also decide to participate in the FTT. Prospective holders of the Refinancing Notes are advised to seek their own professional advice in relation to any FTT and its potential impact on their dealings in the Refinancing Notes before investing.

2.8 CRA

CRA Regulation in Europe

Regulation (EU) 462/2013 of the European Parliament and of the European Council amending Regulation EC 1060/2009 on credit rating agencies ("**CRA3**") came into force on 20 June 2013. Article 8(b) of CRA3 requires issuers, sponsors and originators of structured finance instruments such as the Refinancing Notes to make detailed disclosures of information relating to those structured finance instruments. The Commission has adopted a delegated regulation, detailing the scope and nature of the required disclosure which disclosure reporting requirements became effective on 1 January 2017. Such disclosures are to be made via a website to be set up by ESMA. As yet, this website has not been set up, so issuers, originators and sponsors are currently unable to comply with Article 8(b). In their current form, the regulatory technical standards only apply to structured finance

instruments for which a reporting template has been specified. Currently there is no template for CLO transactions but if a template for CLO transactions were to be published and the website for disclosure were to be set up by ESMA, the Issuer may incur additional costs and expenses to comply with such disclosure obligations. Such costs and expenses would be payable by the Issuer as Administrative Expenses. In accordance with the text of the STS Securitisation Regulation Article 8(b) of CRA3 will be repealed, and disclosure requirements will be governed thereafter by the requirements under the STS Securitisation Regulation.

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

2.9 Action Plan on Base Erosion and Profit Shifting

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

Action 4

In the Final Report relating to Action 4, the OECD recommends as a best practice that countries introduce a general limitation on tax deductions for net interest and economically equivalent payments under which, broadly speaking, a company would be denied those deductions to the extent they exceeded a particular percentage of the company's EBITDA ranging from 10 to 30 per cent.

The OECD recommends that, as a minimum, countries would apply this restriction to companies that form part of domestic and multinational groups only, or to companies that form part of multinational groups. However, the OECD acknowledges that countries may also apply such restriction more broadly to include companies in a domestic group and standalone companies which are not part of a domestic group.

However, the restriction recommended would only apply to tax deductions for net interest and economically equivalent payments. As a result, since the Issuer will generally fund interest payments it makes under the Refinancing Notes from interest payments to which it is entitled under Collateral Debt Obligations (that is, such that Issuer pays limited or no net interest), the restriction may be of limited relevance to the Issuer even if The Netherlands chose to apply such a restriction to companies such as the Issuer.

Action 6

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

The PPT rule could deny a treaty benefit (such as a reduced rate of withholding tax) if it is reasonable to conclude, having regard to all facts and circumstances, that obtaining that benefit was one of the principal purposes of any arrangement or transaction that resulted directly or indirectly in that benefit, unless it is established that granting that benefit in those circumstances would be in accordance with the object and purpose of the relevant provisions

of the treaty. It is unclear how a PPT, if adopted, would be applied by the tax authorities of those jurisdictions from which payments are made to the Issuer.

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

Whilst the Final Report makes provision for the inclusion of a CIV as a "qualified person" for the purposes of the LOB rule, the Final Report does not include specific provision for non-CIVs, such as the Issuer. In the Final Report, the OECD acknowledges the economic importance of non-CIV funds and the need to grant such vehicles treaty benefits where appropriate. Further work on the treaty benefits to be afforded to non-CIV funds has continued to be undertaken including the publication on 24 March 2016 by OECD of a public discussion draft document on the entitlement of non-CIV funds to treaty benefits and the publication on 6 January 2017 of a further discussion document detailing examples of transactions featuring non-CIVs.

The Multilateral Instrument (see further below) presents the PPT rule as the default option for countries wishing to modify their tax treaties to comply with the minimum standard of Action 6, while also permitting countries to supplement the PPT rule by choosing to apply a simplified LOB rule. The Multilateral Instrument does not include a detailed LOB rule but rather allows relevant countries who wish to incorporate a detailed LOB rule to opt out of the PPT rule and instead agree to endeavour to reach a bilateral agreement on such a detailed LOB rule. The Multilateral Instrument does not, however, address non-CIV funds and their access to treaty benefits in the context of a LOB rule.

Action 7

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

As noted below, whether the Issuer will be subject to UK corporation tax may depend on, among other things, whether the Investment Manager is regarded as an agent of independent status acting in the ordinary course of its business for the purpose of Article 5(6) of the UK/Netherlands double tax treaty. As at the date of this Offering Circular, it is expected that, taking into account the nature of the Investment Manager's business and the terms of its appointment and its role under the Investment Management Agreement, the Investment Manager will be regarded as an agent of independent status, acting in the ordinary course of its business, or be able to rely on the UK's investment manager exemption for these purposes. However, it is not clear what impact the Final Report relating to Action 7 will have on the UK/Netherlands double tax treaty and the above analysis, principally because it is not clear to what extent (and on what timeframe) particular jurisdictions (such as the UK and The Netherlands) will decide to adopt any of the Final Report's recommendations. The recommendations of the Final Report on Action 7 described above do not represent a BEPS "minimum standard" and, accordingly, even where countries do sign the Multilateral Instrument (see further below), they will not be required, but may opt, to amend their existing tax treaties to include the recommendations of the Final Report.

Implementation of the recommendations in the Final Report

The OECD Action Plan noted the need for a swift implementation of any measures which are finally decided upon and suggested that Actions 6 and 7, among others, could be implemented by way of multilateral instrument, rather than by way of negotiation and amendment of individual tax treaties.

Subsequently, therefore, on 24 November 2016, the OECD published the text and explanatory statement of the "Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting", developed by an ad hoc group of 99 countries which included Ireland and the UK (the "**Multilateral Instrument**"). The Multilateral Instrument is to be applied alongside existing tax treaties (rather than amending them directly), modifying the application of those existing treaties in order to implement BEPS measures. Following Slovenia's ratification of the Multilateral Instrument on 22 March 2018, the Multilateral Instrument will enter into force and have legal effect in Austria the Isle of Man, Jersey and Poland (each of which have already ratified the Multilateral Instrument), as well as Slovenia from 1 July 2018. In accordance with the rules of the Multilateral Instrument, its contents may start to have effect for existing tax treaties, entered into with Austria, the Isle of Man, Jersey, Poland and Slovenia as from 1 January 2019.

The United Kingdom and The Netherlands signed the Multilateral Instrument with both countries indicating that the double tax treaty entered into between the United Kingdom and The Netherlands is to be designated as a Covered Tax Agreement ("**CTA**"), being a tax treaty that is to be modified by the Multilateral Instrument. The United Kingdom and The Netherlands have submitted their preliminary lists of reservations and notifications. However, the definitive positions of the United Kingdom and The Netherlands will be provided upon the deposit of its instrument of ratification, acceptance or approval of the Multilateral Instrument. The OECD Frequently Asked Question on the Multilateral Instrument dated June 2017 notes that the PPT is expected to apply to all treaties covered by the Multilateral Instrument.

Accordingly, at least some of the recommendations of the Final Reports on Actions 6 and 7 may be applied to existing tax treaties in a relatively short time. However, the Multilateral Instrument generally allows participating countries to opt in or out of various measures which are not a BEPS "minimum standard". It remains to be seen, therefore, precisely which options participating countries will choose and, as the Final Report on Action 6 observed, there are various reasons why countries may not implement the proposed amendments in an identical manner and/or to the same extent.

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

2.10 EU Anti-Tax Avoidance Directive and EU Anti-Tax Avoidance Directive 2

As part of its anti-tax avoidance package the EU Commission published a draft Anti-Tax Avoidance Directive on 28 January 2016, which was formally adopted by the EC Council on 12 July 2016 in Council Directive (EU) 2016/1164 (the "**Anti-Tax Avoidance Directive**"). The Anti-Tax Avoidance Directive must be implemented by each Member State by 2019, subject to derogations for Member States which have equivalent measures in their domestic law. Amongst the measures contained in the Anti-Tax Avoidance Directive is an interest deductibility limitation rule similar to the recommendation contained in the BEPS Action 4 proposals. The Anti-Tax Avoidance Directive provides that interest costs in excess of the higher of (a) EUR 3,000,000 or (b) 30% of an entity's earnings before interest, tax, depreciation and amortisation will not be deductible in the year in which they are incurred but would remain available for carry forward. In that respect, on 23 February 2018, the Dutch Secretary of Finance published a policy letter stating that when implementing the Anti-Tax Avoidance Directive, the Netherlands intends to take a stricter approach than that prescribed by the Anti-Tax Avoidance Directive, which resulted in reducing the threshold for deductible interest to EUR 1,000,000 (instead of EUR 3,000,000). However, the restriction on interest deductibility would only be in respect of the amount by which the borrowing costs exceed "interest revenues and other equivalent taxable revenues from financial assets". Accordingly, as the Issuer will generally fund interest payments it makes under the Notes from interest payments to which it is entitled under Collateral Debt Obligations (that is such that the Issuer pays limited or no net interest), the restriction may be of limited relevance to the Issuer even if the Anti-Tax Avoidance Directive were implemented as originally

published. There is also a carve out in the Anti-Tax Avoidance Directive for financial undertakings, although as currently drafted the Issuer would not be treated as a financial undertaking. The European Commission is also pursuing other initiatives, such as the introduction of a common corporate tax base, the impact of which, if implemented, is uncertain. On 21 February 2017, the Economic and Financial Affairs Council of the European Union agreed an amendment to the Anti-Tax Avoidance Directive to provide for minimum standards for counteracting hybrid mismatches involving EU Member States and third countries ("**Anti-Tax Avoidance Directive 2**"). Anti-Tax Avoidance Directive 2 requires EU Member States to either delay deduction of payments, expenses or losses or include payments as taxable income, in case of hybrid mismatches. Anti-Tax Avoidance Directive 2 needs to be implemented in the EU Member States' national laws and regulations by 31 December 2019 and will have to apply as of 1 January 2020, except for the provision on reverse hybrid mismatches for which implementation can be postponed to 31 December 2021, and will apply as of 1 January 2022.

2.11 Diverted Profits Tax

The Finance Act 2015 introduced a new tax in the United Kingdom called the "diverted profits tax" which is charged at 25 per cent. of any "taxable diverted profits". The tax has effect from 1 April 2015 and may apply in circumstances including where arrangements are designed to ensure that a non-UK resident company does not carry on a trade in the United Kingdom through a permanent establishment, the non-resident company supplies goods, services or other property in the course of that non-resident company's trade and it is reasonable to assume that arrangements are in place the main purpose or one of the main purposes of which is to avoid United Kingdom corporation tax.

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

2.12 Imposition of unanticipated Taxes on Issuer

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

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

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

On 23 February 2018, the Dutch Secretary of Finance published a policy letter stating the government's intentions to tackle tax evasion and tax avoidance. On the basis of these plans, it is proposed to introduce a withholding tax on intragroup interest and royalty payments to low-tax jurisdictions and non-cooperative jurisdictions as of 2021. Although there is no definition yet of low-tax, the withholding taxes referred to above will most likely apply to

payments to countries with no or a very low statutory corporate income tax rate or a country that is included on the EU list of non-cooperative countries. Considering that the policy letter solely refers to intragroup payments, the debt instruments that are issued in the market and/or listed such as the Notes are unlikely to be covered by the introduced withholding tax. A draft bill introducing withholding tax on interest and royalties for payments to low-tax jurisdictions will be submitted to the Dutch Parliament in 2019.

2.13 EU Bank Recovery and Resolution Directive

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

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

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

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

2.14 Centre of Main Interests

Pursuant to Regulation (EU) 2015/848 on insolvency proceedings (recast), which came into force on 26 June 2017, the centre of main interests ("**COMI**") shall be the place where the debtor conducts the administration of

its interests on a regular basis and which is ascertainable by third parties. In the case of a company or legal person, the place of the registered office shall be presumed to be the centre of main interests in the absence of proof to the contrary. That presumption shall only apply if the registered office has not been moved to another Member State within the 3-month period prior to the request for the opening of insolvency proceedings.

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

3. RELATING TO THE REFINANCING NOTES

3.1 Optional Redemption

Reference is made to the section "*Risk Factors – Relating to the Notes – The Notes are Subject to Optional Redemption in Whole or in Part by Class*" in the 2016 Offering Circular. Pursuant to the Conditions as to be amended and as described in the section "*Description of The Refinancing Notes – Supplemental Trust Deed – Supplements to the Conditions in respect of the Refinancing Notes*", the Rated Notes may not be redeemed in whole from Refinancing Proceeds until 12 months following the 2018 Refinancing Date. In addition, the Refinancing Notes may not be redeemed in part by way of redemption of one or more Classes of Refinancing Notes from Refinancing Proceeds.

3.2 Weighted Average Life Test

Investors should note that pursuant to the Amendment Deed in respect of the Investment Management Agreement to be dated on or about the 2018 Refinancing Date, the maximum Weighted Average Life for the purposes of the Weighted Average Life Test will be extended, from 21 July 2024 to 21 July 2025. By acquiring an interest in the Class A Notes on the 2018 Refinancing Date, each Class A Noteholder shall be deemed to have consented to such extension and accordingly, consent to such extension shall be deemed to have been given by and shall take effect as an Ordinary Resolution of the Controlling Class for the purposes of Condition 14(c)(xiv)(*Modification and Waiver*).

4. CERTAIN CONFLICTS OF INTEREST

The Placement Agent and its Affiliates, the Investment Manager and its Affiliates and Cairn Capital Limited ("**Cairn Capital**") 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.

Investment Manager

Various potential and actual conflicts of interest may arise from the overall investment and other activities of the Investment Manager, any Affiliate of the Investment Manager, Cairn Capital, any Affiliate of Cairn Capital, and any director, officer, agent or employee of such entities or any fund, entity or account for which the Investment Manager, Cairn Capital or any of their respective Affiliates acts as an investment or collateral manager or exercises discretionary voting authority on behalf of such fund, entity or account in respect of the Notes (an "**Investment Manager Related Person**") investing for their own accounts or for the accounts of others and from the Investment Manager participating in the structuring of the transaction.

The Investment Manager or an Investment Manager Related Person may invest in securities or obligations that would be appropriate as Collateral Debt Obligations and may be buyers or sellers of credit protection that reference Collateral Debt Obligations owned by the Issuer to the extent permitted in accordance with the Retention Requirements. The Investment Manager, Cairn Capital or any of their respective Affiliates also currently serve as

and expect to serve as investment manager or investment advisor for, act as a general partner to, or invest in or are 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 Investment Manager, Cairn Capital or any of their respective Affiliates may recommend activities that would compete with or otherwise adversely affect the Issuer. In the course of managing the Collateral Debt Obligations held by the Issuer, the Investment Manager may consider its relationships with other clients (including companies whose securities are pledged to secure the Notes) and its Affiliates and Cairn Capital and any Affiliates of Cairn Capital. The Investment Manager may decline to make a particular investment for the Issuer in view of such relationships. The Investment Manager, Cairn Capital or any of their respective Affiliates may make investment decisions for its clients and Affiliates that may be different from those made by the Investment Manager on behalf of the Issuer, even where the investment objectives are the same or similar to those of the Issuer. The Investment Manager, Cairn Capital or any of their respective Affiliates 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 Investment Manager, Cairn Capital or any of their respective Affiliates serves as investment adviser or investment manager, or for themselves. Likewise, the Investment Manager may on behalf of the Issuer make an investment in an issuer or obligor in which another account, client, the Investment Manager or Investment Manager Related Person is already invested or has co-invested. The Investment Manager or an Investment Manager Related Person may purchase Notes, creating potential conflicts of interest between the Investment Manager and/or its Affiliates that holds Notes, on the one hand, and other investors in Notes, on the other hand. The Investment Manager may, in its discretion, give priority over the Issuer in the allocation of investment opportunities to certain accounts or clients designated by the Investment Manager in its discretion and to other accounts or clients of the Investment Manager or its Affiliates to the extent obligated or permitted by the application of regulatory requirements, internal policies and client guidelines and/or principles of fiduciary duty. The Investment Manager, Cairn Capital or any of their respective Affiliates have no obligation to obtain for the Issuer any particular investment opportunity, and the Investment Manager may be precluded from offering to the Issuer particular securities in certain situations including, without limitation, where the Investment Manager, Cairn Capital or any of their respective Affiliates may have a prior contractual commitment with other accounts or clients or as to which the Investment Manager, Cairn Capital or any of their respective Affiliates possesses material, non-public information, or may be limited in its ability to affect 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 Investment Manager. There is also a possibility that the Issuer will invest in opportunities declined by the Investment Manager, Cairn Capital or any of their respective Affiliates for the accounts of others or for their own accounts. In making investments on behalf of the Issuer, the Investment Manager in its discretion may, but is not required to, aggregate orders for the Issuer with orders for such other accounts or clients that the Investment Manager or any of its Affiliates or Cairn Capital or any of its Affiliates manage or advise now or in the future, notwithstanding that depending upon market conditions, aggregated orders can result in a higher or lower average price.

No provision in the Investment Management Agreement prevents the Investment Manager, Cairn Capital or any of their respective Affiliates from rendering services of any kind to any person or entity, including the issuer of any obligation included in the Collateral Debt Obligations and their respective Affiliates, the Trustee, the holders of the Notes and the Hedge Counterparties. Without limiting the generality of the foregoing, the Investment Manager and Investment 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 Debt Obligations; (b) receive and retain fees for services rendered to the issuer of any obligation included in the Collateral Debt Obligations or any Affiliate thereof; (c) be retained to provide services unrelated to the Investment Management 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 Debt Obligations; (e) sell or terminate any Collateral Debt Obligations or Eligible Investments to, or purchase or enter into any Collateral Debt 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 Debt Obligations which has become or may become a Defaulted Obligation; and (g) serve as members of the board or other management committee of the Investment Manager, Cairn Capital or any of their respective Affiliates. Services of this kind may lead to conflicts of interest with the Investment Manager, and may lead individual directors, officers, agents or employees of the Investment Manager to act in a manner adverse to the Issuer. The Investment Manager, Cairn Capital or any of their respective Affiliates are also entitled to retain fees and commissions in connection with work-out, restructuring, arrangement and underwriting fees.

The Investment Manager, Cairn Capital and its Affiliates or an Investment 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 Investment Manager or an Investment 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 Investment Manager shall act as Retention Holder and shall undertake to hold Subordinated Notes constituting the Retention, and the Investment Manager and/or Investment Manager Related Persons may purchase other Notes on or after the 2018 Refinancing Date. Any Class A Notes, Class B Notes, Class C Notes or Class D Notes held by or on behalf of the Investment Manager or any Investment Manager Related Person shall only be held in the form of IM Removal and Replacement Exchangeable Non-Voting Notes. There is no restriction on the ability of the Investment Manager or an Investment Manager Related Person to acquire additional Subordinated Notes or any Notes of any other Class at any time. It is possible that the Investment Manager or one or more Investment Manager Related Persons may, from time to time, acquire Notes in addition to the Retention held by the Retention Holder. The interests and incentives of the Investment Manager or an Investment 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 or the other Subordinated Noteholders. In addition, if an Investment Manager Related Person owns any Notes, the Investment Manager or an Affiliate of the Investment Manager, to the extent they act as investment adviser of the relevant Investment Manager Related Person, will exercise the rights thereof as holder of such Notes in accordance with any duty of care to such Investment Manager Related Person, which may conflict with or be adverse to the interests and incentives of other Noteholders. Such purchases of Notes, on the 2018 Refinancing Date or subsequently (as applicable), may create potential and/or actual conflicts of interest between the Investment Manager and/or an Investment Manager Related Person and other investors in the Notes. Resulting conflicts of interest could include (a) divergent economic interests between the Investment Manager and/or an Investment Manager Related Person, on the one hand, and other investors in the Notes, on the other hand, and (b) voting of Notes by the Investment Manager and/or Investment 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. See "*The Investment Manager*". In addition, the Investment Manager and any Investment Manager Related Person is not entitled to vote any Notes held by them in relation to an IM Removal Resolution or an IM Replacement Resolution.

Clients of the Investment 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 Investment Manager, Cairn Capital and each of their Affiliates 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 Debt Obligations. As a result, an Investment Manager Related Person may possess information relating to issuers of Collateral Debt Obligations which is not known to the individuals at the Investment Manager responsible for monitoring the Collateral Debt Obligations and performing the other obligations under the Investment Management Agreement. In addition, an Investment Manager Related Person may invest in loans and securities that are senior to, or have interests different from or adverse to, the Collateral Debt Obligations that are purchased to secure the Notes. It is intended that all Collateral Debt Obligations will be purchased and sold by the Issuer on terms prevailing in the market. Neither the Investment Manager nor any of its Affiliates 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 Investment Manager, Cairn Capital or any of their respective Affiliates may make an investment on behalf of any account that they manage or advise without offering the investment opportunity to or making any investment on behalf of the Issuer. The Investment Manager, Cairn Capital or any of their respective Affiliates 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 Investment Manager, Cairn Capital or any of their respective Affiliates manage or advise. Furthermore, Affiliates of the Investment Manager may make an investment on their own behalf without offering the investment opportunity to, or the Investment Manager making any investment on behalf of, the Issuer. Affirmative obligations may exist or may arise in the future, whereby Affiliates of the Investment Manager are obliged to offer certain investments to funds or accounts that such Affiliates manage or advise before or without the Investment Manager offering those investments to the Issuer. The Investment 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 Investment Manager will devote as much time to the Issuer as the Investment Manager deems appropriate to perform its duties in accordance with the Investment Management Agreement, those staff

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

The Investment 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 Investment Manager or an Affiliate of the Investment Manager acts as investment manager. The Investment Manager, on behalf of the Issuer, may conduct principal trades with itself and/or Investment Manager Related Persons, subject to applicable law. The Investment Manager may also effect client cross transactions where the Investment Manager causes a transaction to be effected between the Issuer and an Investment Manager Related Person. Client cross transactions enable the Investment 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 Investment Management Agreement. Accordingly, subject as provided above, the Investment Manager may enter into agency cross transactions where any Investment Manager Related Person acts as broker for the Issuer and for the other party to the transaction, in which case any such Investment Manager Related Person may receive and retain commissions from, and have a potentially conflicting division of loyalties and responsibilities regarding, both parties to the transaction.

In addition, the Investment Manager and/or any Investment Manager Related Person may own equity or other securities of Obligors of Collateral Debt Obligations and may have provided investment advice, investment management and other services to issuers of Collateral Debt Obligations. From time to time, the Investment Manager may, on behalf of the Issuer, purchase or sell Collateral Debt Obligations through the Placement Agent or its Affiliates. The Issuer may invest in the securities of companies Affiliated with the Investment Manager or an Investment Manager Related Person or companies in which the Investment Manager or an Investment 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 Investment Manager or an Investment Manager Related Person's own investments in such companies. It is possible that one or more Investment Manager Related Person may also act as counterparty with respect to one or more Participations.

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

In certain circumstances, the Investment 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 Investment Manager or its Affiliates.

The Investment Manager is entitled to the Senior Investment Management Fee, the Subordinated Investment Management Fee and in certain circumstances, the Incentive Investment Management Fee, subject to the Priorities of Payments as described herein and the availability of funds therefor. The payment of the Incentive Investment Management Fee is dependent to some degree on the yield earned on the Collateral Debt Obligations. The fee structure could create an incentive for the Investment Manager to manage the Issuer's investments in a manner as to seek to maximise the yield on the Collateral Debt Obligations relative to investments of higher creditworthiness. Managing the portfolio with the objective of increasing yield, even though the Investment Manager is constrained by investment restrictions described in "*The Portfolio*", could result in an increase in defaults or volatility and could contribute to a decline in the aggregate market value of the Collateral Debt Obligations.

Rating Agencies

Fitch and Moody's have been engaged by the Issuer to provide their ratings on the Refinancing 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 Refinancing Notes (with the exception of unsolicited ratings).

Certain Conflicts of Interest Involving Goldman Sachs International and its Affiliates

The Issuer will be subject to various conflicts of interest involving Goldman Sachs International and its Affiliates (together, "**GS**"). GS has acted as the Placement Agent of the transaction described herein and in certain other roles in connection with the transaction described herein as described below.

GS as Placement Agent

The Placement Agent may place the Refinancing Notes issued by the Issuer on the 2018 Refinancing Date under individually negotiated transactions at varying prices which may result in the Placement Agent receiving a lower net fee in respect of those Refinancing Notes (the net fee being an amount equal to the placement fee paid by the Issuer to the Placement Agent less the discounts offered by the Placement Agent to the investors to which it places Notes). The Placement Agent may assist clients and counterparties in transactions related to the Refinancing Notes (including assisting clients in future purchases and sales of the Refinancing Notes and hedging transactions). The Placement Agent may (but is not obliged to) purchase some or all of the Refinancing Notes on the 2018 Refinancing Date acting as agent of the Issuer for the sole purpose of assisting in the settlement of these transactions. The Placement Agent expects to earn fees and other revenues from these transactions.

GS generally

GS' relationship with the Issuer

The Issuer may invest in Eligible Investments managed by GS and in Collateral Debt Obligations of obligors affiliated with GS or in which GS holds an equity or participation interest. The purchase, holding or sale of such Collateral Debt Obligations by the Issuer may increase the profitability of GS' own investments in such obligors..

From time to time the Issuer (or the Investment Manager on its behalf) may purchase Collateral Debt Obligations from or sell Collateral Debt Obligations through or to GS and GS may act as the selling institution in respect of Participations and/or as a counterparty under a Hedge Agreement. It is expected that from time to time after the 2018 Refinancing Date, the Issuer, acting at the direction of the Investment Manager, will purchase Collateral Debt Obligations from, or sell Collateral Debt Obligations to, GS, some of which may be sold from the inventory of GS.

GS' relationship with the Investment Manager

GS has provided, and expects in the future to provide, investment banking and other services to the Investment Manager, including acting as underwriter or placement agent on securities issuances, in respect of other collateralised loan obligations managed by the Investment Manager and in connection with raising capital for the Investment Manager to maintain and develop its business. In addition, it is expected that from time to time the Investment Manager may purchase or sell Collateral Debt Obligations through, from or to GS, subject to such procedures and restrictions as are appropriate to comply with applicable law with respect to transactions in which an Affiliate of the Investment Manager is acting as principal. GS will act in its own commercial interests in providing those services, without regard to whether its interests conflict with those of the holders of the Refinancing Notes or any other party.

General disclosure of GS' conflicts

The activities and interests of GS, its clients and respective officers, members and employees will not necessarily align with, and may in fact be directly contrary to, those of investors in the Refinancing Notes. GS, including the Placement Agent, may purchase a certain proportion of the Refinancing Notes on or after the 2018 Refinancing Date which it may hold and/or subsequently trade. Any such purchase and holding and/or subsequent trade by GS will be for its own account as Noteholders. The holding or any sale of the Refinancing Notes by GS may adversely affect the liquidity of the Refinancing Notes and may also affect the prices of the Notes in the primary or secondary market. In carrying out its obligations as Placement Agent or any other transaction party, GS shall not be under any duty to disclose to the Investment Manager, the Issuer, the Trustee, any Noteholders, any prospective investor or any other person, any non-public information acquired in the course of carrying on any business for, or in connection with, the provision of services to any other party.

GS is part of a global banking, investment banking and securities and investment management firm that provides a wide range of financial services to a substantial and diversified client base that includes corporations, financial institutions, governments and high-net-worth individuals. As such, GS actively makes markets in and trades financial instruments for its own account and for the accounts of customers in the ordinary course of its business.

GS may have positions in and will likely have placed or underwritten certain of the Collateral Debt Obligations (or other obligations of the obligors of Collateral Debt Obligations) when they were originally issued and may have provided, and may in future provide, investment banking and other services to obligors of Collateral Debt Obligations. GS may from time to time, as principal or through one or more investment funds managed by it, make investments in the debt and equity securities, bank loans and other financial instruments of one or more obligors of Collateral Debt Obligations. One or more of such obligors may be, or may become, controlled by GS.

In addition, GS and its clients may invest in debt obligations and securities that are senior to, or have interests different from or adverse to, Collateral Debt Obligations.

In the ordinary course of its business, GS will, for its own account and for the accounts of its customers, make or hold a broad array of investments. GS will invest and trade in debt and equity securities and related derivatives and in other financial instruments, including bank loans. Such investing and trading activities may involve Collateral Debt Obligations and securities of and/or investments in the Issuer (including the Refinancing Notes). GS may hedge any such positions and provide hedges to its customers in respect of any such positions.

GS may make investment recommendations and/or express independent research views in respect of Collateral Debt Obligations, obligors of Collateral Debt Obligations, the Issuer and the Notes, and may recommend to clients that they acquire long and/or short positions in such instruments.

GS and its clients may invest in debt securities or financial instruments that are senior to, or have interests different from or adverse to, Collateral Debt Obligations.

GS may act in a number of capacities, including as placement agent or investment manager, in other transactions involving issues of collateralised debt obligations or other investment funds with assets similar to those of the Issuer. Such activities may have an adverse effect on the availability and pricing of Collateral Debt Obligations for the Issuer and/or on the demand for and pricing of the Refinancing Notes.

GS' activities include, among other things, executing large block trades and taking long and short positions directly and indirectly, through derivative instruments or otherwise. These activities may also include buying or selling credit protection in respect of the Refinancing Notes, taking long and short positions on (and thereby making a profit from) the Collateral Debt Obligations, assisting purchasers of Collateral Debt Obligations to hedge their investments; facilitating transactions for other clients or counterparties that may have business objectives or investment strategies that are inconsistent with or contrary to those of investors in the Refinancing Notes, and/or hedging any exposure of GS to the Refinancing Notes on the 2018 Refinancing Date or any time in the future. The securities and instruments in which GS takes positions, or expect to take positions, may include the Refinancing Notes, the Collateral Debt Obligations, or similar securities or products.

Market-making is an activity in which GS buys and sells on behalf of customers, or for its own account, to satisfy supply and demand. Market-making facilitates transactions among market participants that have differing views and investment objectives. Those views and objectives may be inconsistent with, or adverse to, the interests of Noteholders. GS may also act as a Hedge Counterparty on Hedge Agreements. As a result, Noteholders should expect that GS will take positions, and facilitate the taking of positions by its customers, that are inconsistent with, or adverse to, the investment objectives of Noteholders. In no circumstances will GS need to account to any Noteholder or any other person for any fee, profit or gain made from any such activities.

As a result of GS' various financial market activities, including acting as a research provider, investment advisor, market maker or principal investor, Noteholders should expect that personnel in various businesses of GS will have and express research or investment views and make recommendations that are inconsistent with, or adverse to, the objectives of investors in the Refinancing Notes.

Except as required by law, GS is under no obligation to disclose its trading, investment or hedging positions and strategies, including whether it is long or short a position in Collateral Debt Obligations, the Refinancing Notes or Eligible Investments or has hedged any such position. Nonetheless, in the ordinary course of business, GS and its employees or customers may actively trade in and/or otherwise hold long or short positions in the Refinancing Notes, Collateral Debt Obligations and Eligible Investments or enter into transactions similar to or referencing the Refinancing Notes, Collateral Debt Obligations and Eligible Investments or the obligors thereof for its own account and for the accounts of its customers. If GS owns Refinancing Notes, through market-making activity or otherwise, any actions that it takes as owner, including voting, providing consents or otherwise will not necessarily be aligned with and may be adverse to the interests of other Noteholders.

GS is under no obligation to purchase or retain any of the Refinancing Notes. To the extent GS makes a market in the Refinancing 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 GS may be willing to purchase Refinancing Notes will depend on market conditions and other relevant factors and may be significantly lower than the issue price for the Refinancing Notes.

As a result of GS' various financial market activities, GS may take an action (or fail to take an action) that is inconsistent with, or adverse to, the objectives of investors in the Refinancing Notes.

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

DOCUMENTS INCORPORATED

The 2016 Offering Circular is included herein as Annex A and is expressly incorporated herein as an integral part of this Offering Circular. The information in this Offering Circular should be read in conjunction with the 2016 Offering Circular. The changes described herein supersede all statements which are inconsistent therewith in the 2016 Offering Circular.

Unless the context otherwise specifically requires, all references in the 2016 Offering Circular to a relevant Class of Refinanced Notes shall be a reference to the same Class of Refinancing Notes as defined herein (as the context requires) and all references in the 2016 Offering Circular to the Notes shall include the Refinancing Notes (as the context requires). All references in the 2016 Offering Circular to the Trust Deed shall be to the Trust Deed as supplemented by the Supplemental Trust Deed.

The audited financial statement of the Issuer as at and for the year ended 30 June 2017 has been filed at Euronext Dublin and shall be deemed to be incorporated by reference in, and to form part of, this Offering Circular. The Placement Agent and the Investment Manager (and any of their Affiliates) did not participate in the production of the financial statements, take no responsibility in respect of any financial statement, provide no representations or warranties as to the accuracy or completeness thereof and will have no liability whatsoever for any information contained therein.

Such financial statements can be obtained at the specified offices of the Transfer Agents during normal business hours.

DESCRIPTION OF THE REFINANCING NOTES

The information set forth in this section should be read in conjunction with the section entitled "*Terms and Conditions of the Notes*" in the 2016 Offering Circular.

Pursuant to the Trust Deed as supplemented by a supplemental trust deed to be dated as of the 2018 Refinancing Date (the "**Supplemental Trust Deed**"), the Refinancing Notes will be issued on the 2018 Refinancing Date and the Refinanced Notes will be redeemed at their Redemption Prices on the same date.

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

Except as expressly set forth herein, the Class A Notes will be subject to the same terms and conditions as the Original Class A Notes, the Class B Notes will be subject to the same terms and conditions as the Original Class B Notes, the Class C Notes will be subject to the same terms and conditions as the Original Class C Notes, the Class D Notes will be subject to the same terms and conditions as the Original Class D Notes, the Class E Notes will be subject to the same terms and conditions as the Original Class E Notes and the Class F Notes will be subject to the same terms and conditions as the Original Class F Notes. Therefore, except as expressly set forth herein, the information regarding the Original Class A Notes, the Original Class B Notes, the Original Class C Notes, the Original Class D Notes, the Original Class E Notes and the Original Class F Notes set forth in the 2016 Offering Circular also applies to 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, respectively.

The revised terms and conditions of the Refinancing Notes will be set forth in the Supplemental Trust Deed and are set out below. This Offering Circular, together with the 2016 Offering Circular, summarises certain provisions of the Trust Deed and other Transaction Documents. The summaries do not purport to be complete and (whether or not so stated in this Offering Circular or the 2016 Offering Circular) are subject to, are qualified in their entirety by reference to, and incorporate by reference, the provisions of the transaction documents (including definitions of terms).

Supplemental Trust Deed – Supplements to the Conditions in respect of the Refinancing Notes

In connection with the Refinancing, the Issuer intends to enter into a supplemental trust deed which will, amongst other things, supplement the Trust Deed concurrently with the Refinancing. The purchasers of Refinancing Notes will be deemed to approve the supplements to the Trust Deed pursuant to the Supplemental Trust Deed.

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

It is anticipated that the following supplements will be effected by entry into the Supplemental Trust Deed by, among others, the Issuer and the Trustee, however, there is no guarantee that the Issuer will be able to sell the Refinancing Notes with the terms set forth in the contemplated supplements and thus one or more of the supplements may not be implemented or effective on the 2018 Refinancing Date and there is no guarantee at what time, if any, they will be implemented or become effective with respect to the Refinancing Notes.

- New definitions are added as follows:

  (a) "**2016 Subscription Agreement**" means the subscription agreement between the Issuer and the Initial Purchaser dated on or about 21 July 2016.

  (b) "**2018 Refinancing Date**" means 25 July 2018 (or such other date as may shortly follow such date as may be agreed between the Issuer, the Placement Agent and the Investment Manager and is notified to the Noteholders in accordance with Condition 16 (*Notices*) and Euronext Dublin).

  (c) "**Amendment Deed**" means the deed of amendment relating to the Investment Management Agreement between, among others, the Issuer, the Investment Manager, the Trustee and the Collateral Administrator dated on or about the 2018 Refinancing Date.

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

(e) "**EU Retention Compliance Event**" means the withdrawal of the UK from the European Union such that:

(A) the UK is no longer within the scope of MiFID II; and

(B) a passporting regime or third country recognition of the UK is not in place,

such that the Investment Manager is no longer or would, with the passage of time, cease to be a "sponsor" (as such term is defined in Article 4 of the CRR) or otherwise qualify as an "investment firm" under the CRR.

(f) "**EU Retention Cure Action**" means, following the determination by the Investment Manager that an EU Retention Compliance Event has occurred (or with the passage of time, is reasonably likely to occur), any action taken by the Investment Manager, in its sole discretion, as it may deem to be reasonably necessary or appropriate (in light of the facts and circumstances existing at the time) with the intention of complying with, or preserving the compliance with, the Retention Requirements, which action shall be promptly notified by the Investment Manager to the Issuer, the Trustee and the Noteholders (in accordance with Condition 16 (*Notices*).

(g) "**Euronext Dublin**" means the Irish Stock Exchange plc trading as Euronext Dublin.

(h) "**MiFID II**" means the MiFID II Directive and MiFIR, including any implementing and/or delegated regulations or legislation, technical standards and guidance related thereto as may be amended, replaced or supplemented from time to time.

(i) "**MiFID II Directive**" means EU Directive 2014/65/EU on Markets in Financial Instruments.

(j) "**MiFIR**" means Regulation (EU) 600/2014 on Markets in Financial Instruments.

(k) "**Offering Circular**" means the final offering circular published by the Issuer on or about the 2018 Refinancing Date in respect of the issuance of the Refinancing Notes.

(l) "**Placement Agency Agreement**" means the placement agency agreement between the Issuer and the Placement Agent dated on or about the 2018 Refinancing Date.

(m) "**Risk Retention Letter**" means the letter entered into on the 2018 Refinancing Date between the Issuer, the Placement Agent, the Trustee, Collateral Administrator and the Retention Holder.

(n) "**Securitisation Regulation**" means together, (i) Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012 and (ii) Regulation (EU) 2017/2401 of the European Parliament and of the Council of 12 December 2017 amending the CRR, in each case, including any implementing regulation, technical standards and official guidance related thereto.

(o) "**Supplemental Trust Deed**" means the supplemental trust deed between, among others, the Issuer and the Trustee dated on or about the 2018 Refinancing Date.

- The definition of "Administrative Expenses" is amended:

by deleting paragraph (c)(vi) and replacing with

(vi) to the Initial Purchaser and/or the Placement Agent pursuant to the 2016 Subscription Agreement and the Placement Agency Agreement respectively, on a *pro rata* and *pari passu* basis in respect of any indemnities payable to such parties thereunder;

by deleting paragraphs (d)(i) and (ii) and replacing with (and making any consequential numbering changes):

(i) on a *pro rata* basis to any other Person (including the Investment Manager and/or the Retention Holder) in connection with satisfying the requirements of Rule 17g-5, Rule 17g-10, EMIR, CRA3, AIFMD, the Dodd-Frank Act or the Securitisation Regulation;

(ii) on a *pro rata* basis to any other Person (including the Investment Manager and/or the Retention Holder) in connection with satisfying the Retention Requirements including any costs or fees related to additional due diligence or reporting requirements and including in connection with any EU Retention Cure Action;

- The definition of "CRS" is deleted and replaced with the following:

  "**CRS**" means the Common Reporting Standard more fully described as the Standard for Automatic Exchange of Financial Account Information approved on 15 July 2014 by the Council of the Organisation for Economic Cooperation and Development and any treaty, law or regulation of any other jurisdiction which facilitates the implementation of the Standard including Council Directive 2014/107/EU on the Administrative Cooperation in the Field of Taxation (DAC II).

- The definition of "EURIBOR" is deleted and replaced with the following:

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

  (a) [reserved];

  (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 April 2029, as applicable to three month Euro deposits; and

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

- The definition of "Issue Date" is deleted and replaced with the following:

  "**Issue Date**" means:

  (a) 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, the 2018 Refinancing Date; and

  (b) in respect of the Subordinated Notes and all cases other than as expressly referred to in (a) above, 21 July 2016.

- The definition of "Issuer Management Agreement" is deleted and replaced with the following:

  "**Issuer Management Agreement**" means the issuer management agreement between the Issuer and the Managing Directors originally dated 21 July 2016 as amended from time to time.

- The definition of "Letter of Undertaking" is deleted and replaced with the following:

  "**Letter of Undertaking**" means the letter of undertaking from, amongst others, the Issuer and its Managing Directors to, amongst others, the Trustee originally dated 21 July 2016 as amended from time to time.

- The definition of "Secured Party" is deleted and replaced with the following:

  "**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 Placement Agent, the Investment Manager, the Trustee, any Receiver or Appointee, the Agents, each Reporting Delegate, each Hedge Counterparty, and the Managing Directors and "**Secured Parties**" means any two or more of them as the context so requires.

- The definition of "Solvency II Retention Requirements" is deleted and replaced with the following:

"**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, and together with any technical standards and guidelines published in relation thereto by EIOPA as may be effective from time to time.

- The definition of "Transaction Document" is deleted and replaced with the following:

  "**Transaction Documents**" means the Trust Deed (including these Conditions), the Agency Agreement, the 2016 Subscription Agreement, the Placement Agency Agreement, the Retention Note Purchase Agreement, the Investment Management Agreement, any Hedge Agreements, the Risk Retention Letter, any Reporting Delegation Agreement, the Collateral Acquisition Agreements, the Letter of Undertaking, the Participation Agreements, the Issuer Management Agreement, the Amendment Deed and any document supplemental thereto or issued in connection therewith.

- The reference to "Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004" in the definition of "Market Value" is replaced with "MiFID II".

- The definition of "Irish Stock Exchange" is deleted and each reference to "the Irish Stock Exchange" that appears in the Conditions is deleted and replaced by a reference to the term "Euronext Dublin".

- Each reference to "Council Regulation (EC) No. 1346/2000" shall be replaced by a reference to "European Council Regulation 2015/848".

- Each reference to "Trust Deed" that appears in the Conditions is deleted and replaced by a reference to the "Trust Deed as supplemented by the Supplemental Trust Deed".

- A new Condition 2(n) (*Consent to Modifications*) is inserted as follows:

  The Noteholders of the Refinancing Notes which are Class A Notes (being the Controlling Class) issued pursuant to the Refinancing on the 2018 Refinancing Date have, as applicable, consented to the amendments and supplements to the Transaction Documents (by way of Ordinary Resolution) as contemplated in the Supplemental Trust Deed and any other documents contemplating such amendments and supplements by their subscription for such Class A Notes, on the 2018 Refinancing Date.

- Condition 3(j)(i) (*Principal Account*) is amended to include the following proviso at the end of such Condition:

  Provided that notwithstanding subparagraphs (1) – (4) above, on the 2018 Refinancing Date Principal Proceeds shall not be withdrawn from the Principal Account for transfer to the Payment Account and application in accordance with the Post-Acceleration Priority of Payments on such date, except for Principal Proceeds in an amount of up to €500,000 which shall be so withdrawn and applied.

- Condition 4(f) (*Information Regarding the Collateral*) is amended to include the following at the end of such condition:

  If:

  (i) the Notes become subject to additional reporting requirements pursuant to the Securitisation Regulation; and

  (ii) the Securitisation Regulation permits the Issuer or any other person or category of persons specified in the Securitisation Regulation to be designated the person that makes available information required to be made available pursuant to the Securitisation Regulation,

  the Issuer hereby agrees that, if notified by the Investment Manager, subject to compliance with the Transaction Documents, the Notes and any applicable law and the prior appointment of a servicer to the Issuer to carry out such reporting and to the satisfaction of the Issuer, it will assume all costs of complying with the additional reporting requirements under the Securitisation Regulation (including the properly incurred costs and expenses (including legal fees) of all parties incurred amending the Transaction Documents for this purpose), such costs to be paid as Administrative Expenses and/or Trustee Fees and Expenses, as applicable.

- Condition 6(a)(i) (*Rated Notes*) is deleted and replaced with the following:

  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) [reserved], (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.

- Condition 6(e)(i)(A) (*Floating Rate of Interest*) is amended by deleting sub-paragraph (1) thereof and renumbering the subsequent sub-paragraphs.

- Condition 6(e)(i)(B) (*Floating Rate of Interest*) is amended by deleting sub-paragraph (1) thereof and renumbering the subsequent sub-paragraphs.

- Condition 6(e)(i)(D)(1)-(6) (*Floating Rate of Interest*) (inclusive) are amended to read as follows:

  (D) Where:

  "**Applicable Margin**" means:

  (1) in respect of the Class A Notes, 0.79 per cent. per annum;

  (2) in respect of the Class B Notes, 1.65 per cent. per annum;

  (3) in respect of the Class C Notes, 2.00 per cent. per annum;

  (4) in respect of the Class D Notes, 3.10 per cent. per annum;

  (5) in respect of the Class E Notes, 5.85 per cent. per annum; and

  (6) in respect of the Class F Notes, 8.25 per cent. per annum.

- Condition 7(b)(i) (*Optional Redemption in Whole—Subordinated Noteholders/Retention Holder*) is deleted and replaced with the following:

  (i) Optional Redemption in Whole—Subordinated Noteholders/Retention Holder

  Subject to the provisions of Condition 7(b)(iv) (*Terms and Conditions of an Optional Redemption*), Condition 7(b)(v) (*Optional Redemption effected in whole or in part through Refinancing*) and Condition 7(b)(vi) (*Optional Redemption 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 the expiry of (i) in respect of such an Optional Redemption solely from Sale Proceeds, the Non-Call Period and (ii) in respect of such an Optional Redemption all or any part of which is funded from Refinancing Proceeds, a period of 12 months following the 2018 Refinancing Date, if either (x) the Issuer (as directed by the Subordinated Noteholders (acting by way of Ordinary Resolution) or the Retention Holder) directs, by a written notice to the Investment 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 Investment 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).

- Condition 7(b)(ii) (*Optional Redemption in Part – Subordinated Noteholders or Investment Manager*) is deleted and replaced with the following:

  Without prejudice to the right to redeem the Rated Notes in whole pursuant to Condition 7(b)(i) (*Optional Redemption in Whole—Subordinated Noteholders/Retention Holder*), the Rated Notes of any Class may not be redeemed in part 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) at any time prior to the Maturity Date.

- Condition 11(b)(iv) (*Enforcement*) is amended to include the following at the end of the first paragraph:

  provided that, on the 2018 Refinancing Date, Principal Proceeds in an amount of up to €500,000 only shall be paid to the Payment Account for distribution in accordance with the Post-Acceleration Priority of Payments and the remaining Principal Proceeds shall be retained in the Principal Account pursuant to the Conditions.

- Condition 14(c) (*Modification and Waiver*) is amended to include the following after sub-paragraph (xxix) in such condition (and any consequential number changes are accordingly made):

  (xxx) as the Investment Manager (as applicable) determines in its sole and absolute discretion, to accommodate any EU Retention Cure Action;

  (xxxi) to enter into one or more supplemental trust deeds or any other modification, authorisation or waiver of the provisions of the Transaction Documents to:

  (A) change the reference rate in respect of the Rated Notes from EURIBOR to an alternative base rate (such rate, the "**Alternative Base Rate**")

  (B) to replace references to "LIBOR", "EURIBOR", "London Interbank Offered Rate" and "Euro Interbank Offered Rate" (or similar terms) to the Alternative Base Rate when used with respect to a Floating Rate Collateral Debt Obligation;

  (C) amend provisions which reference an index that has an equivalent frequency and setting date to the index applicable to a Floating Rate Collateral Debt Obligation to the extent that no such equivalent is available; and

  (D) to make such other amendments as are necessary or advisable in the judgement of the Investment Manager (in accordance with the Standard of Care) (which determination will not be called into question as a result of subsequent events) to facilitate the foregoing changes,

  provided that (1) such amendments and modifications are being undertaken due to (x) a material disruption to LIBOR, EURIBOR or another applicable or related index or benchmark, (y) a change in the methodology of calculating LIBOR, EURIBOR or another applicable or related index or benchmark or (z) LIBOR, EURIBOR or another applicable or related index or benchmark ceasing to exist (or the expectation of the Investment Manager that any of the events specified in paragraphs (x), (y) or (z) will occur) and (2) unless the Alternative Base Rate is a Designated Base Rate, the Controlling Class and the Subordinated Noteholders (each acting by Ordinary Resolution) consent to such supplemental trust deed or other modification or waiver; and (3) any such amendment does not affect the applicability of any floor in respect of the relevant reference rate.

  "**Designated Base Rate**" means the sum of (a) the Reference Rate Modifier and (b):

  (i) the quarterly rate or, following the occurrence of a Frequency Switch Event, the semi-annual rate (and, if applicable, the methodology for calculating such rate) formally proposed, recommended or recognised as an industry standard rate (whether by letter, protocol, publication of standard terms or otherwise) by, in each case, the most applicable of the Loan Markets Association ("**LMA**"), the Association for Financial Markets in Europe ("**AFME**"), or the Loan Syndications & Trading Association ("**LSTA**") (or, in each case, any successor organisation thereto) as a replacement reference rate for the calculation of the relevant reference rate (or the most appropriate such rate for the context in the Investment Manager's reasonable judgement in the event that multiple valid replacement rates are proposed, recommended or recognised);

  (ii) if at least 50% of the Floating Rate Collateral Debt Obligations (by principal balance) in the Portfolio pay interest based on a reference rate other than EURIBOR, then the quarterly reference rate or, following the occurrence of a Frequency Switch Event, the

semi-annual reference rate applicable to the greatest percentage of such Floating Rate Collateral Debt Obligations; or

(iii) the most common quarterly reference rate or, following the occurrence of a Frequency Switch Event, the semi-annual reference rate, other than EURIBOR, used to determine the floating rate of interest on securities issued by collateralised loan obligations whose collateral consists primarily of broadly syndicated Senior Secured Loans denominated in Euro within the prior six months (the determination of which may be based, in the Investment Manager's reasonable judgement, on information provided by any of the Rating Agencies, the Placement Agent, or other, similarly situated, nationally recognised firms).

"**Reference Rate Modifier**" means any modifier recognised or acknowledged by the LMA, AFME or the LSTA, as applicable, that is applied to a reference rate in order to cause such rate to be comparable to 3-month EURIBOR or, following the occurrence of a Frequency Switch Event, 6-month EURIBOR, which may consist of an addition to or subtraction from such unadjusted rate.

- Condition 19(c) (*Agent for Service of Process*) is amended by deleting "TMF Corporate Services Limited" and replacing it with "TMF Global Services (UK) Ltd".

Amendments to the Investment Management Agreement in respect of the Refinancing Notes

In connection with the Refinancing, the Issuer intends to make the following amendments to the Investment Management Agreement pursuant to a deed of amendment (the "**Amendment Deed**"). The Amendment Deed shall take effect immediately following the redemption of the Refinanced Notes and immediately prior to the issuance of the Refinancing Notes.

- The definition of "**Weighted Average Life Test**" shall be deleted and replaced with the following:

  The "**Weighted Average Life Test**" will be satisfied on any Measurement Date if the Weighted Average Life as of such date is less than or equal to the number of years (rounded up to the nearest one hundredth thereof) during the period from such Measurement Date to 21 July 2025.

- Schedule 5 (*Reinvestment Criteria*) shall be amended by deleting paragraph (f) of the criteria set out under "*Following the Expiry of the Reinvestment Period*" and replacing it with the following:

  (f) either: (A) the Portfolio Profile Tests and the Collateral Quality Tests (except the Moody's Maximum Weighted Average Rating Factor Test, the Weighted Average Life Test and the Moody's Minimum Diversity Test) are satisfied; or (B) if any such test was not satisfied such test will be maintained or improved after giving effect to such reinvestment when compared with the results of such tests immediately prior to the sale or prepayment (in whole or in part) of the relevant Collateral Debt Obligation;

- Schedule 7 (*Fitch Test Matrices*) is deleted and replaced with the following:

Fitch Tests Matrices

Subject to the provisions provided below, the Investment Manager will have the option to elect which of the cases set out in the matrices set out below (each such matrix to have a different concentration limit for the largest 10 Obligors by Principal Balance applicable to it) (each a "**Fitch Tests Matrix**" and together the "**Fitch Tests Matrices**") shall be applicable for purposes of the Fitch Maximum Weighted Average Rating Factor Test, the Fitch Minimum Weighted Average Recovery Rate Test and the Minimum Weighted Average Spread Test. For any given case:

(a) the applicable column for performing the Fitch Maximum Weighted Average Rating Factor Test will be the column (or linear interpolation between two adjacent columns) in the applicable Fitch Tests Matrix (or adjacent matrices in the case of an interpolation) selected by the Investment Manager;

(b) the applicable row for performing the Minimum Weighted Average Spread Test will be the row (or linear interpolation between two adjacent rows) in the applicable Fitch Tests Matrix

(or adjacent matrices in the case of an interpolation) selected by the Investment Manager; and

(c) the applicable column and row for performing the Fitch Minimum Weighted Average Recovery Rate Test will be the column and row (or interpolated rows and/or columns) in the applicable Fitch Tests Matrix selected by the Investment Manager in relation to (a) and (b) above.

At any time with notice to the Issuer, the Collateral Administrator and Fitch, the Investment Manager may elect to have a different case apply, provided that the Fitch Maximum Weighted Average Rating Factor Test, the Fitch Minimum Weighted Average Recovery Rate Test, the Minimum Weighted Average Spread Test and the concentration limits applicable to the largest 10 Obligors by Principal Balance applicable to the case to which the Investment Manager desires to change are satisfied or, in the case of any such tests or concentration limits that are not satisfied, are closer to being satisfied. For the avoidance of doubt, the Investment Manager may elect to interpolate between the Fitch Tests Matrices with respect to the largest 10 Obligors by Principal Balance. In no event will the Investment Manager be obliged to elect to have a different case apply. The Fitch Tests Matrices may be amended and/or supplemented and/or replaced by the Investment Manager subject to Rating Agency Confirmation from Fitch.

Solely for the purposes of determining satisfaction of the Reinvestment Criteria (both during and following the expiry of the Reinvestment Period), the concentration limits for the largest 10 Obligors by Principal Balance applicable to the case set out in a Fitch Tests Matrix selected by the Investment Manager in accordance with the foregoing paragraphs, shall be deemed to be a "Collateral Quality Test" for so long as such case remains the case selected by the Investment Manager.

Fitch Tests Matrices

Fitch Tests Matrix 1: ***18% concentration limit for any 10 obligors***

WAS/WARF	30	31	32	33	34	35	36	37	38	39	40
2.00%	79.30%	80.10%	80.90%	81.70%	82.60%	83.30%	84.10%	84.70%	85.30%	85.90%	86.70%
2.20%	76.70%	77.60%	78.50%	79.30%	80.10%	81.00%	81.80%	82.60%	83.30%	83.90%	84.50%
2.40%	73.50%	74.70%	75.80%	76.80%	77.80%	78.60%	79.40%	80.20%	80.90%	81.70%	82.40%
2.60%	70.30%	71.80%	73.20%	74.50%	75.60%	76.50%	77.40%	78.30%	79.10%	79.80%	80.60%
2.80%	66.90%	68.30%	69.60%	70.90%	72.10%	73.40%	74.60%	75.60%	76.70%	77.70%	78.60%
3.00%	64.70%	66.10%	67.50%	68.80%	70.00%	71.30%	72.40%	73.60%	74.60%	75.60%	76.40%
3.20%	62.40%	63.90%	65.30%	66.60%	67.90%	69.10%	70.30%	71.50%	72.60%	73.70%	74.80%
3.40%	60.30%	61.90%	63.30%	64.70%	65.90%	67.10%	68.20%	69.30%	70.40%	71.80%	73.30%
3.60%	57.30%	58.90%	60.40%	61.70%	63.00%	64.40%	66.00%	67.60%	69.10%	70.60%	72.00%
3.80%	54.40%	56.20%	57.90%	59.80%	61.60%	63.30%	64.90%	66.50%	67.90%	69.30%	70.80%
4.00%	52.70%	54.50%	56.30%	58.30%	60.20%	61.90%	63.50%	65.10%	66.60%	68.20%	69.80%
4.20%	50.90%	52.80%	54.50%	56.50%	58.50%	60.30%	62.10%	63.90%	65.60%	67.30%	68.80%
4.40%	49.20%	51.10%	52.90%	54.90%	57.10%	59.10%	61.10%	62.80%	64.40%	65.90%	67.40%
4.60%	47.60%	49.50%	51.40%	53.60%	55.80%	57.80%	59.70%	61.50%	63.10%	64.70%	66.20%
4.80%	46.00%	47.90%	49.90%	52.10%	54.20%	56.30%	58.30%	60.10%	61.80%	63.40%	64.90%
5.00%	44.20%	46.30%	48.30%	50.60%	52.70%	54.70%	56.70%	58.60%	60.40%	62.00%	63.60%

Fitch Tests Matrix 2: ***27.5% concentration limit for any 10 obligors***

WAS/WARF	30	31	32	33	34	35	36	37	38	39	40
2.00%	79.30%	80.10%	80.90%	81.70%	82.60%	83.30%	84.10%	84.70%	85.30%	85.90%	86.70%
2.20%	76.70%	77.60%	78.50%	79.30%	80.10%	81.00%	81.80%	82.60%	83.30%	83.90%	84.50%
2.40%	73.50%	74.70%	75.80%	76.80%	77.80%	78.60%	79.40%	80.20%	80.90%	81.70%	82.40%
2.60%	70.30%	71.80%	73.20%	74.50%	75.60%	76.50%	77.40%	78.30%	79.10%	80.20%	81.40%
2.80%	67.60%	69.00%	70.20%	71.50%	72.70%	73.80%	74.90%	75.90%	77.40%	78.80%	80.30%
3.00%	65.40%	66.80%	68.10%	69.40%	70.60%	71.90%	73.00%	74.50%	76.10%	77.50%	78.90%
3.20%	63.10%	64.60%	65.90%	67.30%	68.50%	69.70%	71.10%	73.00%	74.80%	76.30%	77.70%
3.40%	61.10%	62.60%	64.00%	65.30%	66.90%	68.40%	69.90%	71.50%	73.30%	75.10%	76.50%

3.60%	59.00%	60.60%	62.40%	64.10%	65.70%	67.30%	68.80%	70.30%	71.80%	73.60%	75.30%
3.80%	57.50%	59.40%	61.20%	62.90%	64.60%	66.20%	67.70%	69.10%	70.50%	72.20%	74.00%
4.00%	55.90%	57.90%	59.80%	61.60%	63.20%	64.80%	66.30%	67.90%	69.50%	71.10%	72.60%
4.20%	54.20%	56.10%	58.10%	60.00%	61.80%	63.50%	65.20%	66.90%	68.50%	69.90%	71.30%
4.40%	52.60%	54.50%	56.60%	58.70%	60.70%	62.50%	64.10%	65.60%	67.10%	68.60%	70.00%
4.60%	51.00%	53.10%	55.30%	57.40%	59.30%	61.10%	62.80%	64.40%	65.90%	67.50%	68.90%
4.80%	49.50%	51.70%	53.80%	55.90%	57.90%	59.80%	61.50%	63.10%	64.60%	66.10%	67.60%
5.00%	47.90%	50.20%	52.30%	54.30%	56.30%	58.20%	60.00%	61.70%	63.20%	64.90%	66.40%

- The matrix set out in Schedule 8 (*Moody's Tests Matrix*) is deleted and replaced with the following matrix:

Moody's Test Matrix

		Minimum Diversity Score													
		20	24	28	30	32	34	36	38	40	44	48	52	56	60
Minimum Weighted Average Spread	2.50%	1,675	1,718	1,760	1,785	1,805	1,808	1,830	1,838	1,848	1,870	1,890	1,905	1,920	1,935
	2.60%	1,760	1,825	1,875	1,890	1,915	1,925	1,945	1,955	1,965	1,990	2,010	2,030	2,040	2,060
	2.70%	1,894	1,920	1,970	1,980	2,005	2,020	2,040	2,074	2,084	2,090	2,110	2,130	2,140	2,160
	2.80%	2,004	2,044	2,094	2,114	2,117	2,120	2,135	2,145	2,160	2,205	2,210	2,230	2,240	2,260
	2.90%	2,106	2,149	2,154	2,160	2,190	2,220	2,230	2,240	2,260	2,280	2,310	2,330	2,348	2,360
	3.00%	2,163	2,236	2,265	2,311	2,325	2,346	2,355	2,381	2,385	2,404	2,434	2,449	2,469	2,484
	3.10%	2,198	2,339	2,386	2,396	2,426	2,435	2,461	2,481	2,491	2,506	2,536	2,546	2,558	2,586
	3.20%	2,233	2,405	2,474	2,504	2,515	2,541	2,545	2,571	2,586	2,595	2,635	2,651	2,677	2,692
	3.30%	2,272	2,408	2,540	2,570	2,609	2,618	2,647	2,656	2,677	2,696	2,722	2,752	2,757	2,777
	3.40%	2,283	2,430	2,570	2,613	2,654	2,684	2,714	2,742	2,747	2,766	2,796	2,822	2,837	2,841
	3.50%	2,318	2,470	2,595	2,660	2,699	2,729	2,759	2,782	2,809	2,852	2,861	2,892	2,917	2,922
	3.60%	2,358	2,507	2,625	2,665	2,729	2,770	2,794	2,819	2,854	2,897	2,932	2,962	2,971	2,992
	3.70%	2,393	2,520	2,652	2,703	2,753	2,814	2,850	2,880	2,899	2,942	2,982	3,012	3,042	3,061
	3.80%	2,403	2,568	2,670	2,738	2,786	2,830	2,889	2,919	2,939	2,984	3,027	3,057	3,082	3,106
	3.90%	2,428	2,597	2,720	2,780	2,832	2,860	2,903	2,960	2,985	3,029	3,069	3,102	3,128	3,172
	4.00%	2,452	2,615	2,735	2,810	2,852	2,890	2,943	2,967	3,019	3,074	3,130	3,147	3,173	3,214
	4.10%	2,474	2,637	2,783	2,838	2,868	2,930	2,970	3,000	3,040	3,124	3,170	3,189	3,218	3,259
	4.20%	2,507	2,660	2,818	2,852	2,917	2,968	3,005	3,038	3,097	3,154	3,199	3,234	3,280	3,304
	4.30%	2,530	2,693	2,840	2,898	2,953	2,988	3,032	3,078	3,095	3,170	3,239	3,279	3,325	3,354
	4.40%	2,572	2,720	2,872	2,913	2,987	3,018	3,057	3,100	3,140	3,217	3,262	3,324	3,357	3,397
	4.50%	2,592	2,750	2,884	2,952	3,020	3,052	3,093	3,133	3,172	3,223	3,288	3,338	3,390	3,435
	4.60%	2,620	2,775	2,928	2,983	3,042	3,077	3,117	3,157	3,192	3,270	3,330	3,358	3,420	3,465
	4.70%	2,649	2,813	2,939	3,023	3,063	3,118	3,158	3,198	3,232	3,296	3,360	3,410	3,450	3,495
	4.80%	2,678	2,845	2,975	3,032	3,093	3,148	3,182	3,228	3,268	3,312	3,373	3,423	3,468	3,522
	4.90%	2,690	2,875	3,003	3,055	3,123	3,157	3,203	3,258	3,270	3,358	3,408	3,448	3,498	3,555
	5.00%	2,715	2,900	3,030	3,090	3,153	3,202	3,242	3,290	3,320	3,382	3,433	3,488	3,533	3,590
	5.10%	2,740	2,925	3,060	3,113	3,165	3,228	3,262	3,292	3,325	3,392	3,463	3,513	3,553	3,598
	5.20%	2,760	2,945	3,090	3,130	3,213	3,242	3,282	3,319	3,373	3,440	3,488	3,546	3,593	3,628
	5.30%	2,790	2,965	3,110	3,159	3,233	3,268	3,332	3,350	3,393	3,468	3,522	3,572	3,618	3,658
	5.40%	2,810	2,995	3,130	3,195	3,263	3,308	3,357	3,387	3,423	3,490	3,553	3,618	3,648	3,697
	5.50%	2,840	3,025	3,157	3,224	3,265	3,333	3,360	3,407	3,453	3,528	3,588	3,643	3,691	3,730
	5.60%	2,870	3,050	3,190	3,264	3,305	3,345	3,393	3,429	3,465	3,560	3,623	3,675	3,717	3,762
	5.70%	2,900	3,085	3,215	3,283	3,320	3,388	3,428	3,468	3,508	3,583	3,643	3,693	3,753	3,790
	5.80%	2,925	3,115	3,235	3,305	3,345	3,418	3,458	3,498	3,522	3,618	3,678	3,728	3,782	3,820
	5.90%	2,950	3,130	3,265	3,330	3,383	3,420	3,475	3,528	3,555	3,638	3,713	3,763	3,810	3,845

	6.00%	2,983	3,155	3,298	3,363	3,413	3,450	3,505	3,558	3,585	3,655	3,743	3,793	3,840	3,883

- The definition of "Fitch Recovery Rate" in Schedule 9 (*Fitch Minimum Weighted Average Recovery Rate Test*) is deleted and replaced with the following:

  "**Fitch Recovery Rate**" means, with respect to a Collateral Debt Obligation, the recovery rate determined in accordance with paragraphs (a) and (b) below or (in any case) such other recovery rate as Fitch may notify the Investment Manager from time to time:

  (a) if such Collateral Debt Obligation has a public Fitch recovery rating, or a recovery rating is assigned by Fitch in the context of provision by Fitch of a credit opinion to the Investment Manager, the recovery rate corresponding to such recovery rating in the table below (unless an obligation's specific recovery rate (expressed as a percentage) is provided by Fitch in which case such recovery rate is used):

Fitch recovery rating	Fitch recovery rate (%)
RR1	95
RR2	80
RR3	60
RR4	40
RR5	20
RR6	5

  (b) if such Collateral Debt Obligation (A) has no public Fitch recovery rating and (B) neither a recovery rating nor an obligation's specific recovery rate is assigned by Fitch in the context of provision by Fitch of a credit opinion to the Investment Manager, the recovery rate determined in accordance with the table below, where the Collateral Debt Obligation shall be categorised as "**Strong Recovery**" if it is a Senior Secured Bond or Senior Secured Loan, "**Moderate Recovery**" if it is an Unsecured Senior Loan and otherwise "**Weak Recovery**", and shall fall into the country group corresponding to the country in which the Obligor thereof is Domiciled:

	Group A	Group B	Group C
Strong Recovery	80	70	35
Moderate Recovery	45	45	25
Weak Recovery	20	20	5

  The country group of a Collateral Debt Obligation shall be determined, by reference to the country where it is Domiciled, in accordance with the below:

  Group A: Australia, Bermuda, Canada, Cayman Islands, New Zealand, Puerto Rico, United States.

  Group B: Austria, Barbados, Belgium, Czech Republic, Denmark, Estonia, Finland, France, Germany, Gibraltar, Hong Kong, Iceland, Ireland, Israel, Italy, Japan, Jersey, Latvia , Liechtenstein, Lithuania, Luxembourg, Netherlands, Norway, Poland, Portugal, Singapore, Slovakia, Slovenia, South Korea, Spain, Sweden, Switzerland, Taiwan, United Kingdom.

  Group C: Albania, Argentina, Asia Others, Bahamas, Bosnia and Herzegovina, Brazil, Bulgaria, Chile, China, Colombia, Costa Rica, Croatia, Cyprus, Dominican Republic, Eastern Europe Others, Ecuador, Egypt, El Salvador, Greece, Guatemala, Hungary, India, Indonesia, Iran, Jamaica, Kazakhstan, Liberia, Macedonia, Malaysia, Malta, Marshall Islands, Mauritius, Mexico, Middle East and North Africa Others, Moldova, Morocco, Other Central America, Other South America, Other Sub Saharan Africa, Pakistan, Panama, Peru, Philippines, Qatar, Romania, Russia, Saudi Arabia, Serbia and Montenegro, South Africa, Thailand, Tunisia, Turkey, Ukraine, Uruguay, Venezuela, Vietnam.

- The definition of "Moody's Weighted Average Recovery Adjustment" in Schedule 12 (*Moody's Maximum Weighted Average Rating Factor Test*) is deleted and replaced with the following:

  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) 43.00; and

(ii) (A) with respect to the adjustment of the Moody's Maximum Weighted Average Rating Factor Test:

(1) 50, if the weighted average spread (expressed as a percentage) applicable to the current Moody's Test Matrix based upon the option chosen by the Investment Manager (or interpolating between two adjacent rows, (as applicable)) is less than or equal to 2.50 per cent.;

(2) 60, if the weighted average spread (expressed as a percentage) applicable to the current Moody's Test Matrix based upon the option chosen by the Investment Manager (or interpolating between two adjacent rows, (as applicable)) is greater than 2.50 per cent. but less than or equal to 3.10 per cent.;

(3) if the weighted average spread (expressed as a percentage) applicable to the current Moody's Test Matrix based upon the option chosen by the Investment Manager (or interpolating between two adjacent rows, (as applicable)) is greater than 3.10 per cent. and the Diversity Score as of such Measurement Date is less than or equal to 24, then 60; and

(4) if the weighted average spread (expressed as a percentage) applicable to the current Moody's Test Matrix based upon the option chosen by the Investment Manager (or interpolating between two adjacent rows, (as applicable)) is greater than 3.10 per cent. and the Diversity Score as of such Measurement Date is greater than 24, then 70; and

(B) with respect to the adjustment of the Minimum Weighted Average Spread Test:

(1) 0.07 per cent. if the weighted average spread (expressed as a percentage) applicable to the current Moody's Test Matrix based upon the option chosen by the Investment Manager (or interpolating between two adjacent rows, (as applicable)) is less than or equal to 2.70 per cent.;

(2) 0.08 per cent. if the weighted average spread (expressed as a percentage) applicable to the current Moody's Test Matrix based upon the option chosen by the Investment Manager (or interpolating between two adjacent rows, (as applicable)) is greater than 2.70 per cent. but less than or equal to 3.50 per cent.;

(3) 0.10 per cent. if the weighted average spread (expressed as a percentage) applicable to the current Moody's Test Matrix based upon the option chosen by the Investment Manager (or interpolating between two adjacent rows, (as applicable)) is greater than 3.50 per cent. but less than or equal to 5.20 per cent.; and

(4) 0.20 per cent. if the weighted average spread (expressed as a percentage) applicable to the current Moody's Test Matrix based upon the option chosen by the Investment Manager (or interpolating between two adjacent rows, (as applicable)) is greater than 5.20 per cent.,

provided that if the Weighted Average Moody's Recovery Rate for purposes of determining the Moody's Weighted Average Recovery Adjustment is greater than 60 per cent., then such Weighted Average Moody's Recovery Rate shall equal 60 per cent. unless Rating Agency Confirmation is obtained, and provided further that the amount

specified in clause (b)(i) above may only be allocated once on any Measurement Date and the Investment 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 Investment Manager, all such amounts shall be allocated to clause (b)(ii)(A)).

- The definition of "Moody's Weighted Average Rating Factor Adjustment" in Schedule 13 (*Moody's Minimum Weighted Average Recovery Rate Test*) is deleted and replaced with the following:

  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 number 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 Investment Manager (acting on behalf of the Issuer) (or interpolating between two adjacent rows and/or two adjacent columns (as applicable)), as at such Measurement Date minus (B) the Adjusted Weighted Average Moody's Rating Factor; by

  (ii) 85;

  and dividing the result by 100.

- Certain amendments will be made to the Investment Management Agreement to reflect the implementation of MiFID II.

RATINGS OF THE REFINANCING NOTES

General

It is a condition of the issue and sale of the Refinancing Notes that the Refinancing Notes be issued with at least the following ratings: the Class A Notes AAAsf from Fitch and Aaa(sf) from Moody's; the Class B Notes AAsf from Fitch and Aa2(sf) from Moody's; the Class C Notes: Asf from Fitch and A2(sf) from Moody's; the Class D Notes: BBBsf from Fitch and Baa2(sf) from Moody's; the Class E Notes: BBsf from Fitch and Ba2(sf) from Moody's and the Class F Notes: B-sf from Fitch and B2(sf) from Moody's.

The ratings assigned to the Class A Notes and the Class B Notes by Fitch address the timely payment of interest and the ultimate payment of principal. The ratings assigned to the Class A Notes and the Class B Notes by Moody's address the ultimate payment of principal. The ratings assigned to the Class C Notes, Class D Notes, the Class E Notes and the Class F Notes address the ultimate payment of principal and interest.

Moody's Ratings 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 securities and may be subject to revision, suspension or withdrawal at any time by the applicable rating agency.

As of the date of this Offering Circular, each of the Rating Agencies is established in the European Union ("**EU**") and is registered under Regulation (EC) No. 1060/2009 (as amended) (the "**CRA Regulation**"). As such each Rating Agency is included in the list of credit rating agencies published by the European Securities and Markets Authority ("**ESMA**") on its website in accordance with the CRA Regulation.

Moody's Ratings

Moody's Ratings address the expected loss posed to investors by the legal final maturity on the Maturity Date.

Moody's analysis of the likelihood that each Collateral Debt Obligation will default is based on historical default rates for similar debt obligations, the historical volatility of such default rates (which increases as securities with lower ratings are added to the portfolio) and an additional default assumption to account for future fluctuations in defaults. Moody's then determines the level of credit protection necessary to achieve the expected loss associated with the rating of the Refinancing Notes, 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 Debt 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 Investment Manager, the legal structure and the risks associated with such structure and other factors that they deem relevant.

Fitch Ratings

The ratings assigned to the Rated Notes by Fitch are based upon Fitch's statistical analysis of historical default rates on debt obligations with similar characteristics to the Collateral Debt Obligations and the various eligibility requirements that the Collateral Debt Obligations are required to satisfy.

Fitch analyses the likelihood that each Collateral Debt Obligation will default, based on historical default rates for similar debt obligations, the historical volatility of such default rates (which increases as securities with lower ratings are added to the portfolio) and an additional default assumption to account for future fluctuations in defaults. Fitch then determines the level of credit protection necessary based on a specific percentile of the portfolio default distribution determined by the Fitch "Portfolio Credit Model" which takes into account the correlation between assets in the portfolio based on the level of diversification by region, issuer and industry. The results of a statistical analysis are incorporated into a cash flow model built to mimic the structure of the transaction. In this regard, the results of several default scenarios, in conjunction with various qualitative tests (e.g. analysis of the strength of the Investment Manager), are used to determine the credit enhancement required to support a particular rating.

Fitch's ratings of the Rated Notes were established under various assumptions and scenarios.

There can be no assurance that actual defaults on the Collateral Debt Obligations will not exceed those assumed by Fitch in its analysis, or that recovery rates with respect thereto (and consequently loss rates) will not defer from those assumed by Fitch.

In addition to those quantitative tests, Fitch ratings take into account qualitative features of a transaction, including the experience of the Investment Manager, the legal structure and the risks associated with such structure and other factors that Fitch deems relevant.

PORTFOLIO

The following information should be read in conjunction with the section entitled "*The Portfolio*" in the 2016 Offering Circular.

Collateral Debt Obligations

The Latest Monthly Report, the information in which has not been audited or otherwise reviewed by any accounting firm, is attached hereto as Annex B (*Monthly Report relating to the Original Notes*).

Such information is limited and does not provide a full description of all Collateral Debt Obligations previously held or sold by the Issuer, nor the gains or losses associated with purchases or sales of Collateral Debt Obligations, nor the levels of compliance with the Coverage Tests and Collateral Quality Tests during periods prior to the periods covered by the Latest Monthly Report. Such reports contain information as of the dates specified therein and none of the reports are calculated as of the date of this Offering Circular. As such, the information in the report may no longer reflect the characteristics of the Collateral Debt Obligations as of the date of this Offering Circular or on or after the 2018 Refinancing Date. The Placement Agent and the Investment Manager did not participate in the production of the Latest Monthly Report or any other Monthly Report, and each of the Placement Agent and the Investment Manager (and their affiliates) takes no responsibility in respect of any report, provides no representations or warranties as to the accuracy or completeness thereof and will have no liability whatsoever for any information, estimates, approximations or projections contained therein.

The composition of the Portfolio will change over time as a result of (i) scheduled and unscheduled principal payments on the Collateral Debt Obligations, (ii) sales of Collateral Debt Obligations and reinvestment of Sale Proceeds and other Principal Proceeds and (iii) other factors, subject to the limitations described under "*The Portfolio*" in the 2016 Offering Circular.

The matrix in the section "The Portfolio –Portfolio Profile Tests and Collateral Quality Tests – Moody's Test Matrix" in the 2016 Offering Circular is deleted and replaced with the following matrix.

Moody's Test Matrix

Moody's Test Matrix

		Minimum Diversity Score													
		20	24	28	30	32	34	36	38	40	44	48	52	56	60
Minimum Weighted Average Spread	2.50%	1,675	1,718	1,760	1,785	1,805	1,808	1,830	1,838	1,848	1,870	1,890	1,905	1,920	1,935
	2.60%	1,760	1,825	1,875	1,890	1,915	1,925	1,945	1,955	1,965	1,990	2,010	2,030	2,040	2,060
	2.70%	1,894	1,920	1,970	1,980	2,005	2,020	2,040	2,074	2,084	2,090	2,110	2,130	2,140	2,160
	2.80%	2,004	2,044	2,094	2,114	2,117	2,120	2,135	2,145	2,160	2,205	2,210	2,230	2,240	2,260
	2.90%	2,106	2,149	2,154	2,160	2,190	2,220	2,230	2,240	2,260	2,280	2,310	2,330	2,348	2,360
	3.00%	2,163	2,236	2,265	2,311	2,325	2,346	2,355	2,381	2,385	2,404	2,434	2,449	2,469	2,484
	3.10%	2,198	2,339	2,386	2,396	2,426	2,435	2,461	2,481	2,491	2,506	2,536	2,546	2,558	2,586
	3.20%	2,233	2,405	2,474	2,504	2,515	2,541	2,545	2,571	2,586	2,595	2,635	2,651	2,677	2,692
	3.30%	2,272	2,408	2,540	2,570	2,609	2,618	2,647	2,656	2,677	2,696	2,722	2,752	2,757	2,777
	3.40%	2,283	2,430	2,570	2,613	2,654	2,684	2,714	2,742	2,747	2,766	2,796	2,822	2,837	2,841
	3.50%	2,318	2,470	2,595	2,660	2,699	2,729	2,759	2,782	2,809	2,852	2,861	2,892	2,917	2,922
	3.60%	2,358	2,507	2,625	2,665	2,729	2,770	2,794	2,819	2,854	2,897	2,932	2,962	2,971	2,992
	3.70%	2,393	2,520	2,652	2,703	2,753	2,814	2,850	2,880	2,899	2,942	2,982	3,012	3,042	3,061
	3.80%	2,403	2,568	2,670	2,738	2,786	2,830	2,889	2,919	2,939	2,984	3,027	3,057	3,082	3,106
	3.90%	2,428	2,597	2,720	2,780	2,832	2,860	2,903	2,960	2,985	3,029	3,069	3,102	3,128	3,172
	4.00%	2,452	2,615	2,735	2,810	2,852	2,890	2,943	2,967	3,019	3,074	3,130	3,147	3,173	3,214
	4.10%	2,474	2,637	2,783	2,838	2,868	2,930	2,970	3,000	3,040	3,124	3,170	3,189	3,218	3,259
	4.20%	2,507	2,660	2,818	2,852	2,917	2,968	3,005	3,038	3,097	3,154	3,199	3,234	3,280	3,304
	4.30%	2,530	2,693	2,840	2,898	2,953	2,988	3,032	3,078	3,095	3,170	3,239	3,279	3,325	3,354
	4.40%	2,572	2,720	2,872	2,913	2,987	3,018	3,057	3,100	3,140	3,217	3,262	3,324	3,357	3,397

	4.50%	2,592	2,750	2,884	2,952	3,020	3,052	3,093	3,133	3,172	3,223	3,288	3,338	3,390	3,435
	4.60%	2,620	2,775	2,928	2,983	3,042	3,077	3,117	3,157	3,192	3,270	3,330	3,358	3,420	3,465
	4.70%	2,649	2,813	2,939	3,023	3,063	3,118	3,158	3,198	3,232	3,296	3,360	3,410	3,450	3,495
	4.80%	2,678	2,845	2,975	3,032	3,093	3,148	3,182	3,228	3,268	3,312	3,373	3,423	3,468	3,522
	4.90%	2,690	2,875	3,003	3,055	3,123	3,157	3,203	3,258	3,270	3,358	3,408	3,448	3,498	3,555
	5.00%	2,715	2,900	3,030	3,090	3,153	3,202	3,242	3,290	3,320	3,382	3,433	3,488	3,533	3,590
	5.10%	2,740	2,925	3,060	3,113	3,165	3,228	3,262	3,292	3,325	3,392	3,463	3,513	3,553	3,598
	5.20%	2,760	2,945	3,090	3,130	3,213	3,242	3,282	3,319	3,373	3,440	3,488	3,546	3,593	3,628
	5.30%	2,790	2,965	3,110	3,159	3,233	3,268	3,332	3,350	3,393	3,468	3,522	3,572	3,618	3,658
	5.40%	2,810	2,995	3,130	3,195	3,263	3,308	3,357	3,387	3,423	3,490	3,553	3,618	3,648	3,697
	5.50%	2,840	3,025	3,157	3,224	3,265	3,333	3,360	3,407	3,453	3,528	3,588	3,643	3,691	3,730
	5.60%	2,870	3,050	3,190	3,264	3,305	3,345	3,393	3,429	3,465	3,560	3,623	3,675	3,717	3,762
	5.70%	2,900	3,085	3,215	3,283	3,320	3,388	3,428	3,468	3,508	3,583	3,643	3,693	3,753	3,790
	5.80%	2,925	3,115	3,235	3,305	3,345	3,418	3,458	3,498	3,522	3,618	3,678	3,728	3,782	3,820
	5.90%	2,950	3,130	3,265	3,330	3,383	3,420	3,475	3,528	3,555	3,638	3,713	3,763	3,810	3,845
	6.00%	2,983	3,155	3,298	3,363	3,413	3,450	3,505	3,558	3,585	3,655	3,743	3,793	3,840	3,883

In the section "The Portfolio – Portfolio Profile Tests and Collateral Quality Test" the following definitions shall be replaced.

"**Fitch Recovery Rate**" means, with respect to a Collateral Debt Obligation, the recovery rate determined in accordance with paragraphs (a) and (b) below or (in any case) such other recovery rate as Fitch may notify the Investment Manager from time to time:

(a) if such Collateral Debt Obligation has a public Fitch recovery rating, or a recovery rating is assigned by Fitch in the context of provision by Fitch of a credit opinion to the Investment Manager, the recovery rate corresponding to such recovery rating in the table below (unless an obligation's specific recovery rate (expressed as a percentage) is provided by Fitch in which case such recovery rate is used):

Fitch recovery rating	Fitch recovery rate (%)
RR1	95
RR2	80
RR3	60
RR4	40
RR5	20
RR6	5

(b) if such Collateral Debt Obligation (A) has no public Fitch recovery rating and (B) neither a recovery rating nor an obligation's specific recovery rate is assigned by Fitch in the context of provision by Fitch of a credit opinion to the Investment Manager, the recovery rate determined in accordance with the table below, where the Collateral Debt Obligation shall be categorised as "**Strong Recovery**" if it is a Senior Secured Bond or Senior Secured Loan, "**Moderate Recovery**" if it is an Unsecured Senior Loan and otherwise "**Weak Recovery**", and shall fall into the country group corresponding to the country in which the Obligor thereof is Domiciled:

	Group A	Group B	Group C
Strong Recovery	80	70	35
Moderate Recovery	45	45	25
Weak Recovery	20	20	5

The country group of a Collateral Debt Obligation shall be determined, by reference to the country where it is Domiciled, in accordance with the below:

Group A: Australia, Bermuda, Canada, Cayman Islands, New Zealand, Puerto Rico, United States.

Group B: Austria, Barbados, Belgium, Czech Republic, Denmark, Estonia, Finland, France, Germany, Gibraltar, Hong Kong, Iceland, Ireland, Israel, Italy, Japan, Jersey, Latvia , Liechtenstein, Lithuania, Luxembourg, Netherlands, Norway, Poland, Portugal, Singapore, Slovakia, Slovenia, South Korea, Spain, Sweden, Switzerland, Taiwan, United Kingdom.

Group C: Albania, Argentina, Asia Others, Bahamas, Bosnia and Herzegovina, Brazil, Bulgaria, Chile, China, Colombia, Costa Rica, Croatia, Cyprus, Dominican Republic, Eastern Europe Others, Ecuador, Egypt, El Salvador, Greece, Guatemala, Hungary, India, Indonesia, Iran, Jamaica, Kazakhstan, Liberia, Macedonia, Malaysia, Malta, Marshall Islands, Mauritius, Mexico, Middle East and North Africa Others, Moldova, Morocco, Other Central America, Other South America, Other Sub Saharan Africa, Pakistan, Panama, Peru, Philippines, Qatar, Romania, Russia, Saudi Arabia, Serbia and Montenegro, South Africa, Thailand, Tunisia, Turkey, Ukraine, Uruguay, Venezuela, Vietnam.

The "**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) 43.00; and

(ii) (A) with respect to the adjustment of the Moody's Maximum Weighted Average Rating Factor Test:

(1) 50, if the weighted average spread (expressed as a percentage) applicable to the current Moody's Test Matrix based upon the option chosen by the Investment Manager (or interpolating between two adjacent rows, (as applicable)) is less than or equal to 2.50 per cent.;

(2) 60, if the weighted average spread (expressed as a percentage) applicable to the current Moody's Test Matrix based upon the option chosen by the Investment Manager (or interpolating between two adjacent rows, (as applicable)) is greater than 2.50 per cent. but less than or equal to 3.10 per cent.;

(3) if the weighted average spread (expressed as a percentage) applicable to the current Moody's Test Matrix based upon the option chosen by the Investment Manager (or interpolating between two adjacent rows, (as applicable)) is greater than 3.10 per cent. and the Diversity Score as of such Measurement Date is less than or equal to 24, then 60; and

(4) if the weighted average spread (expressed as a percentage) applicable to the current Moody's Test Matrix based upon the option chosen by the Investment Manager (or interpolating between two adjacent rows, (as applicable)) is greater than 3.10 per cent. and the Diversity Score as of such Measurement Date is greater than 24, then 70; and

(B) with respect to the adjustment of the Minimum Weighted Average Spread Test:

(1) 0.07 per cent. if the weighted average spread (expressed as a percentage) applicable to the current Moody's Test Matrix based upon the option chosen by the Investment Manager (or interpolating between two adjacent rows, (as applicable)) is less than or equal to 2.70 per cent.;

(2) 0.08 per cent. if the weighted average spread (expressed as a percentage) applicable to the current Moody's Test Matrix based upon the option chosen by the Investment Manager (or interpolating between two adjacent rows, (as applicable)) is greater than 2.70 per cent. but less than or equal to 3.50 per cent.;

(3) 0.10 per cent. if the weighted average spread (expressed as a percentage) applicable to the current Moody's Test Matrix based upon the option chosen by the Investment Manager (or interpolating between two adjacent rows, (as applicable)) is greater than 3.50 per cent. but less than or equal to 5.20 per cent.; and

(4) 0.20 per cent. if the weighted average spread (expressed as a percentage) applicable to the current Moody's Test Matrix based upon the option chosen by the Investment Manager (or interpolating between two adjacent rows, (as applicable)) is greater than 5.20 per cent.,

provided that if the Weighted Average Moody's Recovery Rate for purposes of determining the Moody's Weighted Average Recovery Adjustment is greater than 60 per cent., then such Weighted Average Moody's Recovery Rate shall equal 60 per cent. unless Rating Agency Confirmation is obtained, and provided further that the amount specified in clause (b)(i) above may only be allocated once on any Measurement Date and the Investment 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 Investment Manager, all such amounts shall be allocated to clause (b)(ii)(A)).

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:

(c) zero; and

(d) the number 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 Investment Manager (acting on behalf of the Issuer) (or interpolating between two adjacent rows and/or two adjacent columns (as applicable)), as at such Measurement Date minus (B) the Adjusted Weighted Average Moody's Rating Factor; by

(ii) 85;

and dividing the result by 100.

The section "The Portfolio –Portfolio Profile Tests and Collateral Quality Tests – The Fitch Tests Matrices" in the 2016 Offering Circular is replaced with the following section.

The Fitch Tests Matrices

Subject to the provisions provided below, the Investment Manager will have the option to elect which of the cases set out in the matrices set out below (each such matrix to have a different concentration limit for the largest 10 Obligors by Principal Balance applicable to it) (each a "**Fitch Tests Matrix**" and together the "**Fitch Tests Matrices**") shall be applicable for purposes of the Fitch Maximum Weighted Average Rating Factor Test, the Fitch Minimum Weighted Average Recovery Rate Test and the Minimum Weighted Average Spread Test. For any given case:

(e) the applicable column for performing the Fitch Maximum Weighted Average Rating Factor Test will be the column (or linear interpolation between two adjacent columns) in the applicable Fitch Tests Matrix (or adjacent matrices in the case of an interpolation) selected by the Investment Manager;

(f) the applicable row for performing the Minimum Weighted Average Spread Test will be the row (or linear interpolation between two adjacent rows) in the applicable Fitch Tests Matrix (or adjacent matrices in the case of an interpolation) selected by the Investment Manager; and

(g) the applicable column and row for performing the Fitch Minimum Weighted Average Recovery Rate Test will be the column and row (or interpolated rows and/or columns) in the applicable Fitch Tests Matrix selected by the Investment Manager in relation to (a) and (b) above.

At any time with notice to the Issuer, the Collateral Administrator and Fitch, the Investment Manager may elect to have a different case apply, provided that the Fitch Maximum Weighted Average Rating Factor Test, the Fitch Minimum Weighted Average Recovery Rate Test, the Minimum Weighted Average Spread Test and the concentration limits applicable to the largest 10 Obligors by Principal Balance applicable to the case to which the Investment Manager desires to change are satisfied or, in the case of any such tests or concentration limits that are not satisfied, are closer to being satisfied. For the avoidance of doubt, the Investment Manager may elect to

interpolate between the Fitch Tests Matrices with respect to the largest 10 Obligors by Principal Balance In no event will the Investment Manager be obliged to elect to have a different case apply. The Fitch Tests Matrices may be amended and/or supplemented and/or replaced by the Investment Manager subject to Rating Agency Confirmation from Fitch.

Solely for the purposes of determining satisfaction of the Reinvestment Criteria (both during and following the expiry of the Reinvestment Period), the concentration limits for the largest 10 Obligors by Principal Balance applicable to the case set out in a Fitch Tests Matrix selected by the Investment Manager in accordance with the foregoing paragraphs, shall be deemed to be a "Collateral Quality Test" for so long as such case remains the case selected by the Investment Manager.

Fitch Tests Matrices

Fitch Tests Matrix 1: ***18% concentration limit for any 10 obligors***

WAS/WARF	30	31	32	33	34	35	36	37	38	39	40
2.00%	79.30%	80.10%	80.90%	81.70%	82.60%	83.30%	84.10%	84.70%	85.30%	85.90%	86.70%
2.20%	76.70%	77.60%	78.50%	79.30%	80.10%	81.00%	81.80%	82.60%	83.30%	83.90%	84.50%
2.40%	73.50%	74.70%	75.80%	76.80%	77.80%	78.60%	79.40%	80.20%	80.90%	81.70%	82.40%
2.60%	70.30%	71.80%	73.20%	74.50%	75.60%	76.50%	77.40%	78.30%	79.10%	79.80%	80.60%
2.80%	66.90%	68.30%	69.60%	70.90%	72.10%	73.40%	74.60%	75.60%	76.70%	77.70%	78.60%
3.00%	64.70%	66.10%	67.50%	68.80%	70.00%	71.30%	72.40%	73.60%	74.60%	75.60%	76.40%
3.20%	62.40%	63.90%	65.30%	66.60%	67.90%	69.10%	70.30%	71.50%	72.60%	73.70%	74.80%
3.40%	60.30%	61.90%	63.30%	64.70%	65.90%	67.10%	68.20%	69.30%	70.40%	71.80%	73.30%
3.60%	57.30%	58.90%	60.40%	61.70%	63.00%	64.40%	66.00%	67.60%	69.10%	70.60%	72.00%
3.80%	54.40%	56.20%	57.90%	59.80%	61.60%	63.30%	64.90%	66.50%	67.90%	69.30%	70.80%
4.00%	52.70%	54.50%	56.30%	58.30%	60.20%	61.90%	63.50%	65.10%	66.60%	68.20%	69.80%
4.20%	50.90%	52.80%	54.50%	56.50%	58.50%	60.30%	62.10%	63.90%	65.60%	67.30%	68.80%
4.40%	49.20%	51.10%	52.90%	54.90%	57.10%	59.10%	61.10%	62.80%	64.40%	65.90%	67.40%
4.60%	47.60%	49.50%	51.40%	53.60%	55.80%	57.80%	59.70%	61.50%	63.10%	64.70%	66.20%
4.80%	46.00%	47.90%	49.90%	52.10%	54.20%	56.30%	58.30%	60.10%	61.80%	63.40%	64.90%
5.00%	44.20%	46.30%	48.30%	50.60%	52.70%	54.70%	56.70%	58.60%	60.40%	62.00%	63.60%

Fitch Tests Matrix 2: ***27.5% concentration limit for any 10 obligors***

WAS/WARF	30	31	32	33	34	35	36	37	38	39	40
2.00%	79.30%	80.10%	80.90%	81.70%	82.60%	83.30%	84.10%	84.70%	85.30%	85.90%	86.70%
2.20%	76.70%	77.60%	78.50%	79.30%	80.10%	81.00%	81.80%	82.60%	83.30%	83.90%	84.50%
2.40%	73.50%	74.70%	75.80%	76.80%	77.80%	78.60%	79.40%	80.20%	80.90%	81.70%	82.40%
2.60%	70.30%	71.80%	73.20%	74.50%	75.60%	76.50%	77.40%	78.30%	79.10%	80.20%	81.40%
2.80%	67.60%	69.00%	70.20%	71.50%	72.70%	73.80%	74.90%	75.90%	77.40%	78.80%	80.30%
3.00%	65.40%	66.80%	68.10%	69.40%	70.60%	71.90%	73.00%	74.50%	76.10%	77.50%	78.90%
3.20%	63.10%	64.60%	65.90%	67.30%	68.50%	69.70%	71.10%	73.00%	74.80%	76.30%	77.70%
3.40%	61.10%	62.60%	64.00%	65.30%	66.90%	68.40%	69.90%	71.50%	73.30%	75.10%	76.50%
3.60%	59.00%	60.60%	62.40%	64.10%	65.70%	67.30%	68.80%	70.30%	71.80%	73.60%	75.30%
3.80%	57.50%	59.40%	61.20%	62.90%	64.60%	66.20%	67.70%	69.10%	70.50%	72.20%	74.00%
4.00%	55.90%	57.90%	59.80%	61.60%	63.20%	64.80%	66.30%	67.90%	69.50%	71.10%	72.60%
4.20%	54.20%	56.10%	58.10%	60.00%	61.80%	63.50%	65.20%	66.90%	68.50%	69.90%	71.30%
4.40%	52.60%	54.50%	56.60%	58.70%	60.70%	62.50%	64.10%	65.60%	67.10%	68.60%	70.00%
4.60%	51.00%	53.10%	55.30%	57.40%	59.30%	61.10%	62.80%	64.40%	65.90%	67.50%	68.90%
4.80%	49.50%	51.70%	53.80%	55.90%	57.90%	59.80%	61.50%	63.10%	64.60%	66.10%	67.60%
5.00%	47.90%	50.20%	52.30%	54.30%	56.30%	58.20%	60.00%	61.70%	63.20%	64.90%	66.40%

The definition of Weighted Average Life Test set out in the section "The Portfolio –Portfolio Profile Tests and Collateral Quality Tests – Weighted Average Life Test" in the 2016 Offering Circular is replaced with the following definition.

The "**Weighted Average Life Test**" will be satisfied on any Measurement Date if the Weighted Average Life as of such date is less than or equal to the number of years (rounded up to the nearest one hundredth thereof) during the period from such Measurement Date to 21 July 2025.

USE OF PROCEEDS

The estimated net proceeds of the issue of the Refinancing Notes are expected to be approximately €323,550,000. Such proceeds will be used by the Issuer to redeem the Refinanced Notes at the aggregate Redemption Prices of the entire Class or Classes of Rated Notes subject to the Optional Redemption in accordance with the Post-Acceleration Priority of Payments on the 2018 Refinancing Date. Refinancing Costs will be paid as Administrative Expenses and/or Trustee Fees and Expenses, as applicable, on the 2018 Refinancing Date in accordance with the Post-Acceleration Priority of Payments.

FORM OF THE REFINANCING NOTES

References below to Refinancing Notes and to the Global Certificates and the Definitive Certificates representing such Refinancing Notes are to each respective Class of Refinancing Notes, except as otherwise indicated.

Initial Issue of Refinancing Notes

The Regulation S Notes of each Class of Refinancing Notes (other than in certain circumstances described below, the Class E Notes and the Class F Notes) will be represented on issue by a Regulation S Global Certificate deposited with, and registered in the name of, a nominee of a common depositary for Euroclear and Clearstream, Luxembourg. Beneficial interests in a Regulation S Global Certificate may be held at any time only through Euroclear or Clearstream, Luxembourg. See "*Book Entry Clearance Procedures*". Beneficial interests in a Regulation S Global Certificate may not be held by a U.S. Person or U.S. Resident at any time. By acquisition of a beneficial interest in a Regulation S Global Certificate, the purchaser thereof will be deemed to represent, among other things, that it is not a U.S. Person, and that, if in the future it determines to transfer such beneficial interest, it will transfer such interest only to a person whom the seller reasonably believes (a) to be a non-U.S. Person in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, or (b) to be a person who takes delivery in the form of an interest in a Rule 144A Global Certificate. See "*Transfer Restrictions*".

The Rule 144A Notes of each Class of Refinancing Notes (other than in certain circumstances described below, the Class E Notes and the Class F Notes) will be represented on issue by a Rule 144A Global Certificate deposited with, and registered in the name of, a nominee of a common depositary for Euroclear and Clearstream, Luxembourg. Beneficial interests in a Rule 144A Global Certificate may only be held at any time only through Euroclear or Clearstream, Luxembourg. See "*Book Entry Clearance Procedures*". By acquisition of a beneficial interest in a Rule 144A Global Certificate, the purchaser thereof will be deemed to represent, amongst other things, that it is a QIB/QP and that, if in the future it determines to transfer such beneficial interest, it will transfer such interest in accordance with the procedures and restrictions contained in the Trust Deed. See "*Transfer Restrictions*".

Beneficial interests in Global Certificates will be subject to certain restrictions on transfer set forth therein and in the Trust Deed and as set forth in Rule 144A, and the Refinancing Notes will bear the applicable legends regarding the restrictions set forth under "*Transfer Restrictions*". In the case of each Class of Refinancing Notes, a beneficial interest in a Regulation S Global Certificate may be transferred to a person who takes delivery in the form of an interest in a Rule 144A Global Certificate in denominations greater than or equal to the minimum denominations applicable to interests in such Rule 144A Global Certificate only upon receipt by the Transfer Agent of a written certification (in the form provided in the Trust Deed) to the effect that the transferor reasonably believes that the transferee is a QIB/QP and that such transaction is in accordance with any applicable securities laws of any state of the United States or any other jurisdiction. Beneficial interests in the Rule 144A Global Certificates may be transferred to a person who takes delivery in the form of an interest in a Regulation S Global Certificate only upon receipt by the Transfer Agent of a written certification (in the form provided in the Trust Deed) from the transferor to the effect that the transfer is being made to a non-U.S. Person in an offshore transaction 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 Refinancing Notes, but the Transfer Agent may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

The Refinancing Notes are not issuable in bearer form.

Amendments to Terms and Conditions

Each Global Certificate contains provisions that apply to the Refinancing Notes that they represent, some of which modify the effect of the Conditions in definitive form (see "*Terms and Conditions of the Notes*" in the 2016 Offering Circular (as modified as described in this Offering Circular)). The following is a summary of those provisions:

- ***Payments*** Payments of principal and interest in respect of Refinancing 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 Refinancing Notes, surrender of such Global Certificate to or to the order of the Principal Paying Agent or such other Transfer Agent as shall have been notified to the relevant Noteholders for such purpose. On each occasion on which a payment of interest (unless the Refinancing 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 Refinancing Notes represented by a Global Certificate to be decreased accordingly.

- ***Notices*** So long as any Refinancing Notes are represented by a Global Certificate and such Global Certificate is held on behalf of a clearing system, notices to Noteholders may be given by delivery of the relevant notice to that clearing system for communication by it to entitled account holders in substitution for delivery thereof as required by the Conditions of such Refinancing Notes provided that such notice is also made to the Company Announcements Office of Euronext Dublin for so long as such Notes are listed on the Global Exchange Market of Euronext Dublin and the rules of Euronext Dublin so require. Such notice will be deemed to have been given to the Noteholders on the date of delivery of the relevant notice to the relevant clearing system.

- ***Prescription*** Claims against the Issuer in respect of principal and interest on the Refinancing Notes while the Refinancing 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 Refinancing Note required by the Terms and Conditions of the Notes to be cancelled will be effected by reduction in the principal amount of the Refinancing Notes on the Register, with a corresponding notation made on the applicable Global Certificate.

- ***Optional Redemption.*** The Controlling Class' option in Condition 7(g) (*Redemption following Note Tax Event*) may be exercised by the Controlling Class giving notice to the Registrar of the principal amount of Refinancing Notes representing the Controlling Class in respect of which the option is exercised and presenting such Global Certificate for endorsement of exercise within the time limit specified in Condition 7(b) (*Optional Redemption*).

- ***Record Date***. So long as any Refinancing Notes are represented by Global Certificates, the Record Date in respect thereof shall be the close of business on the Clearing System Business Day before the relevant due date for payment of principal or interest in respect of such Refinancing Notes.

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

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 or an alternative clearing system and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces its intention to permanently cease business or does in fact do so.

In addition, interests in Global Certificates representing Class E Notes or Class F Notes may be exchangeable for interests in a Definitive Certificate representing the Class E Notes or Class F Notes if a transferee is acting on behalf of a Benefit Plan Investor or is a Controlling Person provided: (i) such transferee has obtained the written consent of the Issuer in respect of such transfer; and (ii) the transferee has provided the Issuer and a Transfer Agent with a certification substantially in the form set out in the Annex (*Form of ERISA Certificate*) to the 2016 Offering Circular.

Interests in Global Certificates representing Class E Notes or Class F Notes may be exchangeable for interests in Definitive Certificates representing Class E Notes or Class F Notes s in accordance with the Conditions as amended above.

The Registrar will not register the transfer of, or exchange of interests in, a Global Certificate for Definitive Certificates during the period from (but excluding) the Record Date to (and including) the date for any payment of principal or interest in respect of the Refinancing 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 Refinancing Notes may not take place between, on the one hand, persons holding Definitive Certificates issued in exchange for beneficial interests in the Exchanged Global Certificate and, on the other hand, persons wishing to purchase beneficial interests in the other Global Certificate.

"**Definitive Exchange Date**" means a day falling not less than 30 days after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Registrar and any Transfer Agent is located.

Delivery

In such circumstances, the relevant Global Certificate shall be exchanged in full for Definitive Certificates and the Issuer will, at the cost of the Issuer (but against such indemnity as the Registrar or any relevant Transfer Agent may require in respect of any tax or other duty of whatever nature which may be levied or imposed in connection with such exchange), cause sufficient Definitive Certificates to be executed and delivered to the Registrar for completion, authentication and dispatch to the relevant Noteholders. A person having an interest in a Global Certificate must provide the Registrar with (a) a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such Definitive Certificates and (b) 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 or Regulation S, as applicable, a certification that the transfer is being made in compliance with the provisions of Rule 144A or Regulation S, as applicable. Definitive Certificates issued in exchange for a beneficial interest in the Rule 144A Global Certificate or Regulation S Global Certificate, as applicable, shall bear the legends applicable to transfers, as set out under "*Transfer Restrictions*" below.

Legends

The holder of a Definitive Certificate in registered definitive form, as applicable, may transfer the Notes represented thereby in whole or in part in the applicable minimum denomination by surrendering it at the specified office of the Registrar or any Transfer Agent, together with the completed form of transfer and to the extent applicable, written consent of the Issuer and a duly completed ERISA Certificate in or substantially in the form in the Annex to the Offering Circular. 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 and Clearstream, Luxembourg (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 Investment Manager, the Placement Agent 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

Euroclear and Clearstream, Luxembourg each hold securities for their customers and facilitate the clearance and settlement of securities transactions through electronic book entry transfer between their respective accountholders. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions which clear through or maintain a custodial relationship with an accountholder of either system. Euroclear and Clearstream, Luxembourg provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depositary and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective customers may settle trades with each other. Their customers are worldwide financial institutions including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Investors may hold their interests in such Global Certificates directly through Euroclear or Clearstream, Luxembourg if they are accountholders ("**Direct Participants**") or indirectly ("**Indirect Participants**" and together with Direct Participants, "**Participants**") through organisations which are accountholders therein.

Book Entry Ownership

Euroclear and Clearstream, Luxembourg

Each Regulation S Global Certificate and each Rule 144A Global Certificate will have an ISIN and a Common Code and will be registered in the name of, and deposited with, a nominee of a common depositary acting on behalf of, Euroclear and Clearstream, Luxembourg.

Relationship of Participants with Euroclear and Clearstream, Luxembourg

Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a Refinancing Note represented by a Global Certificate must look solely to Euroclear or Clearstream, Luxembourg (as the case may be) for his share of each payment made by the Issuer to the holder of such Global Certificate and in relation to all other rights arising under the Global Certificate, subject to and in accordance with the respective rules and procedures of Euroclear or Clearstream, Luxembourg (as the case may be). The Issuer expects that, upon receipt of any payment in respect of Refinancing Notes represented by a Global Certificate, the common depositary by whom such Refinancing 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 Refinancing Notes for so long as the Refinancing 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 Refinancing Notes

Subject to the rules and procedures of each applicable Clearing System, purchases of Refinancing Notes held within a Clearing System must be made by or through Direct Participants, which will receive a credit for such Refinancing Notes on the Clearing System's records. The ownership interest of each actual purchaser of each such Refinancing 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 Refinancing 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 Refinancing Notes, unless and until interests in any Global Certificate held within a Clearing System are exchanged for Definitive Certificates.

No Clearing System has knowledge of the actual Beneficial Owners of the Refinancing Notes held within such Clearing System and their records will reflect only the identity of the Direct Participants to whose accounts such Refinancing Notes are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers. Conveyance of notices and other communications by the Clearing Systems to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Trading between Euroclear and/or Clearstream, Luxembourg Participants

Secondary market sales of book entry interests in the Refinancing Notes held through Euroclear or Clearstream, Luxembourg to purchasers of book entry interests in the Refinancing 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.

Pre-issue Trades Settlement

It is expected that delivery of Refinancing Notes will be made against payment therefor on the 2018 Refinancing Date thereof, which could be more than three Business Days following the date of pricing. Settlement procedures in other countries will vary. Purchasers of Refinancing Notes may be affected by such local settlement practices and purchasers of Refinancing Notes who wish to trade Refinancing Notes between the date of pricing and the relevant 2018 Refinancing Date should consult their own adviser.

THE ISSUER

General

The Issuer is a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated with the name of Cairn Loan Opportunity VI B.V. under the laws of The Netherlands on 14 August 2015 for an indefinite period having its corporate seat in Amsterdam, The Netherlands and its registered office at Herikerbergweg 238, 1101 CM, Amsterdam, The Netherlands. The Issuer changed its name to Cairn CLO VI B.V. on 17 June 2016. The Issuer is registered in the commercial register of the Chamber of Commerce under number 63921863. The telephone number of the registered office of the Issuer is +31 (0) 20 57 55 600 and the facsimile number is +31 (0) 20 67 30 016.

Corporate Purpose of the Issuer

The Issuer is organised as a special purpose company and was established to raise capital by the issue of the Notes. The Articles of Association (the "**Articles**") of the Issuer dated 17 June 2016 (as currently in effect) provide under Clause 2.1 that the objects of the Issuer are:

(a) to raise funds through, *inter alia*, borrowing under loan agreements, the issuance of bonds and other debt instruments, the use of financial derivatives or otherwise and to invest and apply funds obtained by the Issuer in, *inter alia*, (interests in) loans, bonds, debt instruments, shares, warrants and other similar securities and also in financial derivatives;

(b) to grant security for the Issuer's obligations and debts;

(c) to enter into agreements, including, but not limited to, financial derivatives such as interest and/or currency exchange agreements in connection with the objects mentioned under (a) and (b); and

(d) to enter into agreements, including, but not limited to, bank, securities and cash administration agreements, asset management agreements and agreements creating security in connection with the objects mentioned under (a), (b) and (c) above.

Business Activity

The Issuer has not previously carried on any business or activities other than those incidental to its incorporation, the acquisition of the Portfolio, the authorisation and issue of the Notes and activities incidental to the exercise of its rights and compliance with its obligations under the Collateral Acquisition Agreements, the Notes, the Subscription Agreement, the Placement Agency Agreement, the Retention Note Purchase Agreement, the Agency Agreement, the Trust Deed, the Investment Management Agreement, the Issuer Management Agreement, each Hedge Agreement, any Reporting Delegation Agreement and the other documents and agreements entered into in connection with the issue of the Notes and the purchase of the Portfolio.

Management

The current managing directors (the "**Managing Directors**") are:

Name	Occupation	Business Address
A. Weglau	Director	Herikerbergweg 238, 1101 CM Amsterdam, The Netherlands
Mr. J. P. Boonman	Director	Herikerbergweg 238, Luna ArenA, 1101 CM Amsterdam, The Netherlands
Mr. P.T.W. Rutovitz	Director	Herikerbergweg 238, Luna ArenA, 1101 CM Amsterdam, The Netherlands

Pursuant to the Issuer Management Agreement, the Managing Directors will provide management, corporate and administrative services to the Issuer. The Issuer may terminate the Issuer Management Agreement by giving not less than 14 days' written notice. The Managing Directors may retire from their obligations pursuant to the Issuer

Management Agreement by giving at least two months' notice in writing to the Issuer, or a shorter notice period as approved at a general meeting of the Issuer. The Managing Directors have undertaken not to resign unless suitable replacement managing directors have been contracted.

Managing Directors' Experience

Mr Arthur Weglau

Arthur Weglau is Head Transaction Manager at TMF Structured Finance Services in The Netherlands. Before joining the TMF Group, Mr Weglau worked for PricewaterhouseCoopers as a Tax Advisor, providing tax advice and assistance to foreign multinational companies expanding their business into the Netherlands. Mr Weglau holds a Master's degree in Dutch Tax Law from Groningen University, and completed a post academic programme in Structured Finance at the Grotius Academy.

Mr. Jakob P. Boonman

Mr. Boonman is the Team Leader Transaction Managers at TMF Structured Finance Services B.V. in The Netherlands. Before joining the TMF Group in 2013, Mr. Boonman worked as a legal counsel at an international investment firm in Antwerp and Amsterdam. Prior to this position Mr. Boonman held several legal and commercial positions at IMFC Management B.V./ Structured Finance Management (Netherlands) B.V., and the Amicorp Group. Mr. Boonman holds a Master Degree in Dutch Civil Law from the University of Utrecht.

Mr. P.T.W. Rutovitz

Philip has been working for the TMF Group since 2012. He currently works as the Director Client Services for Structured Finance Services in the TMF Amsterdam office where he has been since 2014. Prior to his current role, he was working out of the Frankfurt office as the Global Operations Manager for Structured Finance Services. Before joining TMF, Philip ran his own software company for over a decade and before that he worked as a structurer/modeller of synthetic CMBS transactions for a German mortgage bank. Philip holds a Master's degree in Business Administration from the University of Hartford and a Bachelor's degree from Wesleyan University in Mathematical Economics and Computer Science.

Capital and Shares

The Issuer's issued share capital is €1.00 which is fully paid up and divided into 1 share with a nominal value of €1.00.

Capitalisation

The capitalisation of the Issuer as at the date of this Offering Circular, adjusted for the issue of the Notes, is as follows:

Share Capital	
Issued and fully paid 1 ordinary registered share of €1.00	€1.00
Loan Capital	
Class A Notes	€212,000,000
Class B Notes	€42,100,000
Class C Notes	€19,600,000
Class D Notes	€17,150,000
Class E Notes	€24,000,000
Class F Notes	€8,700,000
Class M-1 Notes	€17,650,000
Class M-2 Notes	€20,800,000
Total Capitalisation	€362,000,000

Indebtedness

The Issuer has no indebtedness as at the date of this Offering Circular, other than that which the Issuer has incurred or shall incur in relation to the transactions contemplated herein.

Holding Structure

The entire issued share capital of the Issuer is directly owned by Stichting Cairn CLO VI, a foundation (*stichting*) established under the laws of The Netherlands having its registered office at Herikerbergweg 238, 1101 CM, Amsterdam, The Netherlands (the "**Foundation**").

None of the Investment Manager, the Retention Holder, the Collateral Administrator, the Trustee or any company Affiliated with any of them, directly or indirectly, owns any of the share capital of the Issuer. TMF Management B.V. is the sole director of the Foundation.

Pursuant to the terms of a management agreement dated on or about the Issue Date between the Foundation and TMF Management B.V. and a letter of undertaking dated on or about the Issue Date between, *inter alios*, the Foundation and TMF Management B.V., measures will be in put in place to limit and regulate the control which the Foundation has over the Issuer.

Subsidiaries

The Issuer has no subsidiaries.

Administrative Expenses of the Issuer

The Issuer is expected to incur certain Administrative Expenses (as defined in Condition 1 (*Definitions*) of the Terms and Conditions of the Notes).

Financial Statements

The auditors of the Issuer are KPMG Accountants N.V., Laan van Langerhuize 1, 1186 DS Amstelveen, The Netherlands who are chartered accountants and are members of the *Koninklijk Nederlands Instituut van Registeraccountants* and registered auditors qualified in practice in The Netherlands.

The Issuer's financial year end is 30 June.

THE INVESTMENT MANAGER

The information appearing in this section has been prepared by the Investment Manager and has not been independently verified by the Issuer, the Placement Agent or any other party. None of the Issuer, the Placement Agent or any other party other than the Investment Manager assumes any responsibility for the accuracy or completeness of such information. The delivery of this Offering Circular shall not create any implication that there has been no change in the affairs of the Investment Manager 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.

The Investment Manager is a limited liability partnership registered under the Limited Liability Partnership Act 2000 with number OC 389959 on 17 December 2013. The Investment Manager is authorised and regulated in the conduct of its investment management business by the UK Financial Conduct Authority and is registered with the SEC as an investment adviser in the United States.

The personnel of the Investment Manager and, where applicable and as described further below, Cairn Capital have extensive experience in all areas of credit analysis, credit derivative markets, portfolio management, execution, analytics and modelling.

While the Investment Manager will be responsible for the portfolio management and credit decisions with respect to managing the Collateral on behalf of the Issuer, certain day to day functions, including credit research, IT, legal and compliance, operations, finance and risk management support have been outsourced to Cairn Capital. Both Cairn Capital and Cairn Capital Group Limited are members of the Investment Manager. Notwithstanding the foregoing, the Investment Manager may not assign its material rights or delegate its material responsibilities under the Investment Management Agreement except in the circumstances set out in "*Description of the Investment Management Agreement - Delegation and Transfers*" in the 2016 Offering Circular.

The following is a brief summary of the background and experience of the members of the Executive Management Committee of the Investment Manager, which is the committee to which day to day management of the Investment Manager has been delegated. Members of the Executive Management Committee have either been seconded to the Investment Manager or provide such services to the Investment Manager pursuant to a services agreement with Cairn Capital. Such persons may not perform or provide services to the Issuer and may not necessarily continue to hold such positions or to be seconded to the Investment Manager, or employed by Cairn Capital, in each case as applicable, for the entire term of the Investment Management Agreement.

Andrew Burke - *Senior Portfolio Manager*

Mr. Burke has been seconded to the Investment Manager by Cairn Capital as senior portfolio manager on an ongoing basis and is also a member of the Executive Management Committee. Mr. Burke joined Cairn Capital in 2006 and is the Co-Chief Investment Officer with responsibility for Cairn Capital's leveraged loans business. He has been involved in the loan market for over 30 years and the European CLO market since 2002 and was formerly at Harbourmaster Capital Management (acquired by GSO Capital Partners in 2012). Prior to that, he was a director at JP Morgan and a member of the Banking Executive Committee at Robert Fleming prior to the acquisition by JP Morgan Chase.

John Murphy – *Senior Portfolio Manager*

Mr. Murphy has been seconded to the Investment Manager by Cairn Capital on an ongoing basis and is also a member of the Executive Management Committee. Mr. Murphy joined Cairn Capital in 2007 and is a senior portfolio manager in the asset management group with a focus on leveraged loans. He is responsible for the management of CLOs and leveraged loan funds as well as structuring and development of new opportunities within the leveraged loan business. Prior to joining Cairn Capital, John was a vice president at Deutsche Bank in London in structured finance analytics with a focus on CDOs and CLOs. He has over 15 years of experience in the structured finance and leveraged finance markets.

Robert Pierce Jones – *Director (Cairn Capital)*

Mr. Pierce Jones is a member of the Executive Management Committee of the Investment Manager and also sits on the partnership board of the Investment Manager. Mr. Pierce Jones has been at Cairn Capital since its inception and is responsible for its marketing and structuring functions. He is a director of Cairn Capital and a member of Cairn Capital's Executive Management Committee. He was formerly Managing Director, Europe at Banque AIG where he worked for over 13 years and was instrumental in building and successfully running the London structured finance team. He was previously in the capital markets group at Bankers Trust Company.

James Starky – *Chief Legal Officer (Cairn Capital)*

Mr. Starky is a member of the Executive Management Committee of the Investment Manager. Mr. Starky joined Cairn Capital in 2005 and is the Chief Legal Officer, responsible for legal oversight of all aspects of its business. He is a member of Cairn Capital's Executive Management Committee. Prior to joining Cairn Capital, he was Associate General Counsel of Banque AIG and before that he was a partner for two and a half years at Cadwalader, Wickersham & Taft, and a partner for five years at Freshfields.

Graham Murphy – *Chief Risk Officer (Cairn Capital)*

Mr. Murphy is a member of the Executive Management Committee of the Investment Manager. Mr. Murphy joined Cairn Capital in 2010 as a portfolio manager responsible for a legacy structured credit asset management mandate and joined the risk management team in April 2014 where he now holds the position of Chief Risk Officer. Prior to joining Cairn Capital he was an Executive Director on the structured credit desk at JP Morgan and before that he was a credit correlation trader at Citigroup. He has over 20 years of experience in the finance industry, during which he has been a quantitative analyst, structurer, trader, portfolio manager and risk manager in the credit markets.

The Investment Manager, Cairn Capital or any of its Affiliates may, in future, serve as an investment manager or adviser of corporations, partnerships and other entities, including entities organised to issue collateralised debt obligations secured by any combination of asset-backed securities or other obligations or securities.

THE RETENTION HOLDER AND RETENTION REQUIREMENTS

Description of the Retention Holder

The Investment Manager shall act as Retention Holder for the purposes of the Retention Requirements as a "sponsor" (as such term is defined in the CRR as at the 2018 Refinancing Date).

The description of the Retention Holder is set out in the "*The Investment Manager* " section of this Offering Circular.

The Retention

On the 2018 Refinancing 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 Placement Agent.

Under the Risk Retention Letter, the Retention Holder will, for so long as any Class of Rated Notes remains Outstanding:

(a) undertake to retain, on an ongoing basis for as long as a Class of Notes remains Outstanding, Class M-1 Notes with a Principal Amount Outstanding equal to not less than 5 per cent. of the Aggregate Collateral Balance in accordance with paragraph 1(d) of Article 405 of the CRR, Article 51(1)(d) of the AIFMD Level 2 Regulation and paragraph 2(d) of Article 254 of the Solvency II Retention Requirements (the "**Retention**"), provided that, in conjunction with the taking of any EU Retention Cure Action, the Retention Holder may elect to hold the Retention in a capacity other than "sponsor";

(b) agree not to sell, hedge or otherwise mitigate its credit risk under or associated with the Retention or the underlying portfolio of Collateral Debt Obligations, except to the extent permitted in accordance with the Retention Requirements;

(c) subject to any overriding legal or regulatory requirements or constraints (including those relating to confidentiality), (x) take such further action, (y) provide such information (at the cost and expense of the party seeking such information) including confirmation of its compliance with paragraphs (a) and (b) above, and (z) enter into such other agreements, as may reasonably be required to satisfy the Retention Requirements as of: (i) the 2018 Refinancing Date; and (ii) solely as regards the provision of information in the possession of the Retention Holder, 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 on a monthly basis to the Issuer, the Trustee, the Collateral Administrator and the Placement Agent in writing (which may be by way of email);

(e) represent that it is a "sponsor" (as such term is defined in Article 4 of the CRR as at the 2018 Refinancing Date) provided that if (i) if any EU Retention Cure Action is taken such that the Investment Manager is no longer or would, with the passage of time, cease to be a "sponsor" (as such term is defined in Article 4 of the CRR) or otherwise qualify as an "investment firm" under the CRR or (ii) there is any change in the Retention Holder's authorisation or licensing status such that it ceases to be an "investment firm" for the purposes of the Retention Requirements following the 2018 Refinancing Date solely as a direct consequence of any United Kingdom exit from the European Union, this representation shall no longer apply; and

(f) agree that it shall immediately notify the Issuer, the Trustee, the Collateral Administrator and the Placement Agent if for any reason it: (i) ceases to hold the Retention in accordance with (a) above; (ii) fails to comply with the covenants set out in (b) above in any way; and (iii) any of the representations contained in the Risk Retention Letter fail to be true on any date.

If a successor Investment Manager is appointed in accordance with the Investment Management Agreement then notwithstanding the above, the Investment Manager may sell the Notes referred to in paragraph (a) above to such successor (at a price agreed by the parties to such sale) except to the extent such a sale:

(i) is restricted by the Retention Requirements; or

(ii) would cause the transaction described in this Offering Circular to be non-compliant with the Retention Requirements,

and such successor shall, enter into a Risk Retention Letter in respect of the Retention and provide representations, warranties and covenants substantially similar to those set out herein in relation to the Retention Requirements.

The Issuer, the Trustee (for the benefit of the Noteholders), the Collateral Administrator and the Placement Agent are each parties to the Risk Retention Letter solely for the purposes of obtaining the benefit of the representations, warranties and agreements 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.

EU Retention Compliance Event and EU Retention Cure Action

The Investment Manager may, (in its sole and absolute discretion) having determined that a Retention Compliance Event has occurred (or, with the passage of time, may occur), take any EU Retention Cure Action subject to: (i) internal approval of the EU Retention Cure Action in accordance with the Investment Manager's usual internal policies and procedures and (ii) receipt of legal advice from, Milbank, Tweed, Hadley & McCloy LLP or Cadwalader, Wickersham & Taft LLP or other reputable international legal counsel as selected in the Investment Manager 's sole and absolute discretion that such EU Retention Cure Action is consistent with the Retention Requirements. Such EU Retention Cure Action may include, but is not limited to, action intended to enable the Investment Manager to qualify as the Retention Holder other than as a "sponsor" for purposes of the Retention Requirements.

"**EU Retention Compliance Event**" means the withdrawal of the UK from the European Union such that:

(a) the UK is no longer within the scope of MiFID II; and

(b) a passporting regime or third country recognition of the UK is not in place,

such that the Investment Manager is no longer or would, with the passage of time, cease to be a "sponsor" (as such term is defined in Article 4 of the CRR) or otherwise qualify as an "investment firm" under the CRR.

"**EU Retention Cure Action**" means, following the determination by the Investment Manager that an EU Retention Compliance Event has occurred (or with the passage of time, is reasonably likely to occur), any action taken by the Investment Manager, in its sole discretion, as it may deem to be reasonably necessary or appropriate (in light of the facts and circumstances existing at the time) with the intention of complying with, or preserving compliance with, the Retention Requirements, which action shall be promptly notified by the Investment Manager to the Issuer, the Trustee and the Noteholders (in accordance with Condition 16 (*Notices*).

Retention Holder Veto

Provided that no Retention Deficiency has occurred and is continuing, no modification or any Resolution to approve the modification of the Eligibility Criteria, the Portfolio Profile Tests, the Collateral Quality Tests, the Reinvestment Criteria, or any material changes to them (save for those that are made to ensure compliance with the Retention Requirements) will be effective without the consent in writing of the Retention Holder. If a Retention Deficiency has occurred and is continuing, the Retention Holder shall have no veto rights; however, this shall not affect the rights of the Retention Holder to exercise its rights as a Noteholder.

TAX CONSIDERATIONS

1. General

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

Potential purchasers who are in any doubt about their tax position on purchase, ownership, transfer or exercise of any Note should consult their own tax advisers. **In particular, no representation is made as to the manner in which payments under the Notes would be characterised by any relevant taxing authority**. Potential investors should be aware that the relevant fiscal rules or their interpretation may change, possibly with retrospective effect, and that this summary is not exhaustive. This summary does not constitute legal or tax advice or a guarantee to any potential investor of the tax consequences of investing in the Notes.

2. The Netherlands Taxation

The comments below are of a general nature based on taxation law and practice in The Netherlands as at the date of this Offering Circular and are subject to any changes therein, without prejudice to any amendment introduced at a later date and implemented with or without retroactive effect. The summary relates only to the position of persons who are absolute beneficial owners of the Notes and does not purport to describe all possible tax considerations or consequences that may be relevant to a holder or prospective holder of Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as holders that are subject to taxation in Bonaire, St. Eustatius and Saba or trusts or similar arrangements) may be subject to special rules. The following is a general description of certain tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes and so should be treated with appropriate caution. In particular, it does not take into consideration any tax implications that may arise on a substitution of the Issuer. Prospective investors should consult their own professional advisors concerning the possible tax consequences of purchasing, holding and/or selling Notes and receiving payments of interest, principal and/or other amounts under the Notes under the applicable laws of their country of citizenship, residence or domicile.

Please note that with the exception of the section on withholding tax below, the summary does not describe the Netherlands tax consequences for holders of Notes if such holders, and in the case of individuals, his/her partner or certain of their relatives by blood or marriage in the direct line (including foster children), have a substantial interest or deemed substantial interest in the Issuer under The Netherlands Income Tax Act 2001 (*Wet Inkomstenbelasting 2001*). Generally speaking, a holder of securities in a company is considered to hold a substantial interest in such company, if such holder alone or, in the case of individuals, together with his/her partner (as defined in The Netherlands Income Tax Act 2001), directly or indirectly, holds (i) an interest of 5 per cent. or more of the total issued and outstanding capital of that company or of 5 per cent. or more of the issued and outstanding capital of a certain class of shares of that company; or (ii) holds rights to acquire, directly or indirectly, such interest; or (iii) holds certain profit sharing rights in that company that relate to 5 per cent. or more of the company's annual profits and/or 5 per cent. or more of the company's liquidation proceeds. A deemed substantial interest arises if a substantial interest (or part thereof) in a company has been disposed of, or is deemed to have been disposed of, on a non-recognition basis.

Under the existing laws of The Netherlands:

(a) all payments of interest and principal by the Issuer under the Notes can be made free of withholding or deduction for any taxes of whatsoever nature imposed, levied, withheld, or assessed by The Netherlands or any political subdivision or taxing authority thereof or therein;

(b) a holder of a Note who is not a resident of The Netherlands and who derives income from a Note or who realises a gain on the disposal or redemption of a Note will not be subject to Dutch taxation on such income or capital gain, unless:

(i) the holder is deemed to be resident in The Netherlands; or

(ii) such income or gain is attributable to an enterprise or part thereof which is either effectively managed in The Netherlands or carried on through a permanent establishment (*vaste inrichting*) or a permanent representative (*vaste vertegenwoordiger*) in The Netherlands; or

(iii) the holder is an individual and such income or gain qualifies as income from activities that exceed normal active portfolio management in The Netherlands;

(c) Dutch gift, estate or inheritance taxes will not be levied on the occasion of the transfer of a Note by way of gift by, or on the death of, a holder unless:

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

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

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

(e) there is no Dutch VAT payable in respect of payments in consideration for the issue of the Notes or in respect of the payment of interest or principal under the Notes or the transfer of a Note; and

(f) a holder of a Note will not be treated as a resident of The Netherlands by reason only of the holding of a Note or the execution, performance, delivery and/or enforcement of the Notes.

3. Certain U.S. Federal Income Tax Considerations

General

The following discussion summarises certain of the material U.S. federal income tax consequences of the purchase, beneficial ownership, and disposition of the Notes.

For purposes of this summary, a "**U.S. Holder**" is a beneficial owner of a Note that is:

- an individual who is a citizen or a resident of the United States, for U.S. federal income tax purposes;
- a corporation (or other entity that is treated as a corporation for U.S. federal tax purposes) that is created or organised in or under the laws of the United States, any State thereof, or the District of Columbia;
- an estate whose income is subject to U.S. federal income taxation regardless of its source; or
- a trust if a court within the United States is able to exercise primary supervision over its administration, and one or more United States persons have the authority to control all of its substantial decisions.

For purposes of this summary, a "**Non-U.S. Holder**" is a beneficial owner of a Note that is:

- a nonresident alien individual for U.S. federal income tax purposes;
- a foreign corporation for U.S. federal income tax purposes;
- an estate whose income is not subject to U.S. federal income tax on a net income basis; or
- a trust if no court within the United States is able to exercise primary jurisdiction over its administration or if no United States persons have the authority to control all of its substantial decisions.

An individual may, subject to certain exceptions, be deemed to be a resident of the United States for U.S. federal income tax purposes by reason of being present in the United States for at least 31 days in the calendar year and for an aggregate of more than 182 days during a three-year period ending in the current calendar year (counting for such purposes all of the days present in the current year, one-third of the days present in the immediately preceding year, and one-sixth of the days present in the second preceding year).

This summary is based on interpretations of the Internal Revenue Code of 1986, as amended (the "**Code**"), regulations issued thereunder, and rulings and decisions currently in effect (or in some cases proposed), all of which are subject to change. Any such change may be applied retroactively and may adversely affect the federal income tax consequences described herein. This summary addresses only holders that purchase Notes at initial issuance for cash (and, in the case of the Rated Notes, at their issue price) and beneficially own such Notes as capital assets and not as part of a "straddle", "hedge", "synthetic security" or a "conversion transaction" for federal income tax purposes, or as part of some other integrated investment. This summary does not discuss all of the tax consequences (such as any alternative minimum tax consequences) that may be relevant to particular investors or to investors subject to special treatment under the federal income tax laws (such as banks, thrifts, or other financial institutions; insurance companies; securities dealers or brokers, or traders in securities electing mark-to-market treatment; mutual funds or real estate investment trusts; small business investment companies; S corporations; partnerships or investors that hold their Notes through a partnership or other entity treated as a partnership for U.S. federal income tax purposes; U.S. Holders whose functional currency is not the U.S. dollar; certain former citizens or residents of the United States; retirement plans or other tax-exempt entities, or persons holding the Notes in tax-deferred or tax-advantaged accounts; or "controlled foreign corporations" or "passive foreign investment companies" for U.S. federal income tax purposes). This summary also does not address the tax consequences to shareholders, or other equity holders in, or beneficiaries of, a holder of Notes, or any state, local or foreign tax consequences of the purchase, ownership or disposition of the Notes.

PROSPECTIVE PURCHASERS OF NOTES SHOULD CONSULT THEIR TAX ADVISORS AS TO THE U.S. FEDERAL, STATE AND LOCAL TAX CONSEQUENCES TO THEM OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF NOTES, AS WELL AS ANY CONSEQUENCES ARISING UNDER THE LAWS OF ANY OTHER TAXING JURISDICTION TO WHICH THEY MAY BE SUBJECT.

U.S. Federal Tax Treatment of the Issuer

General: The Issuer is treated as a foreign corporation for U.S. federal income tax purposes. The 2016 Offering Circular provides that the Investment Manager has agreed to cause the Issuer to comply with certain guidelines that are intended to reduce the risk that the Issuer will be treated as engaged in a trade or business in the United States for U.S. federal income tax purposes. However, neither the Issuer nor the Investment Manager has received any assurance from tax counsel that the Issuer's contemplated activities will not cause it to be engaged in a trade or business in the United States. Moreover, even if the Investment Manager breached the agreement described above, the Investment Manager would not be liable for causing the Issuer to be engaged in a trade or business in the United States unless the Investment Manager also breached the standard of care specified in the Investment Management Agreement. Accordingly, the Issuer may not have any claim against the Investment Manager in the event that the Investment Manager causes the Issuer to be engaged in a trade or business in the United States. The Issuer also could be treated as engaged in a trade or business in the United States for U.S. federal income tax purposes by reason of a change in law or its interpretation. Finally, the Trust Deed could be amended in a manner that permits or causes the Issuer to be engaged in a trade or business in the United States for U.S. federal income tax purposes.

If it is determined that the Issuer is engaged in a trade or business in the United States for U.S. federal income tax purposes, and the Issuer has taxable income that is effectively connected with such U.S. trade or business, the Issuer will be subject under the Code to the regular U.S. 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

The Issuer intends to treat 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 as indebtedness for U.S. federal, state, and local income and franchise tax purposes. However, no opinion will be received with respect to the debt-for-tax characterization of any Rated Notes. The Issuer's characterisation 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 Trust Deed could be amended in a manner that materially adversely affects the U.S. federal tax consequences of an investment in the Notes as described herein, including by affecting the U.S. federal income tax characterization of the Notes as indebtedness or equity or changing the characterization and timing of income inclusions to U.S. Holders in respect of the Notes. The remainder of this discussion assumes that the Trust Deed is not so amended.

U.S. Federal Tax Treatment of U.S. Holders of Rated Notes

Class A Notes and Class B Notes.

Stated Interest. U.S. Holders of Class A Notes and Class B Notes will include in gross income the U.S. dollar value of payments of stated interest accrued or received on their Notes, in accordance with their usual method of tax accounting, as ordinary interest income.

In general, U.S. Holders of Class A Notes or Class B Notes that use the cash method of accounting will calculate the U.S. dollar value of payments of stated interest based on the euro-to-U.S. dollar spot exchange rate at the time a payment is received.

In general, U.S. Holders of Class A Notes or Class B Notes that use the accrual method of accounting or that otherwise are required to accrue stated interest before receipt will calculate the U.S. dollar value of accrued interest based on the average euro-to-U.S. dollar spot exchange rate during the applicable Accrual Period (or, with respect to an Accrual Period that spans two taxable years, at the average euro-to-U.S. dollar spot exchange rate for the partial period within the U.S. Holder's taxable year). Alternatively, a U.S. Holder of Class A Notes or Class B Notes can elect to calculate the U.S. dollar value of accrued interest based on the euro-to-U.S. dollar spot exchange rate on the last day of the applicable Accrual Period (or, with respect to an Accrual Period that spans two taxable years, at the euro-to-U.S. dollar spot exchange rate on the last day of the U.S. Holder's taxable year) or, if the last day of the Accrual Period is within five business days of the U.S. Holder's receipt of the payment, the spot exchange rate on the date of receipt. Any such election must be applied to all debt instruments held by the U.S. Holder and is irrevocable without the consent of the IRS.

Accrual basis U.S. Holders of Class A Notes or Class B Notes also will recognise foreign currency exchange gain or loss on the receipt of interest payments on their Class A Notes or Class B Notes to the extent that the U.S. dollar value of such payments (based on the euro-to-U.S. dollar spot exchange rate on the date such payments are received) differs from the U.S. dollar value of such payments when they were accrued. The foreign currency exchange gain or loss generally will be treated as ordinary income or loss.

Original Issue Discount. In addition, if the discount at which a substantial amount of the Class A Notes or the Class B Notes is first sold to investors is at least 0.25 per cent. of the principal amount of the Class, multiplied by the number of complete years to the weighted average maturity of the Class, then the Issuer will treat the Class as issued with original issue discount ("**OID**") for U.S. federal income tax purposes. The total amount of OID with respect to a Note within the Class will equal the excess of the principal

amount of the Note over its issue price (the first price at which a substantial amount of Notes within the Class was sold to investors). U.S. Holders of Notes that are issued with OID will be required to include the U.S. dollar value of OID in advance of the receipt of cash attributable to such income. In general, U.S. Holders of the Class A Notes or the Class B Notes will calculate the U.S. dollar value of OID based on the average euro-to-U.S. dollar spot exchange rate during the applicable Accrual Period (or, with respect to an Accrual Period that spans two taxable years, at the average euro-to-U.S. dollar spot exchange rate for the partial period within the U.S. Holder's taxable year). Alternatively, a U.S. Holder of the Class A Notes or the Class B Notes can elect to calculate the U.S. dollar value of OID based on the euro-to U.S. dollar spot exchange rate on the last day of the applicable Accrual Period (or, with respect to an Accrual Period that spans two taxable years, at the euro-to-U.S. dollar spot exchange rate on the last day of the U.S. Holder's taxable year) or, if the last day of the Accrual Period is within five business days of the U.S. Holder's receipt of the payment of accrued OID, the spot exchange rate on the date of receipt. Any such election must be applied to all debt instruments held by the U.S. Holder and is irrevocable without the consent of the IRS.

A U.S. Holder generally will be required to include OID in income as it accrues (regardless of the U.S. Holder's method of accounting). Accruals of any such OID generally will be made using a constant yield method, based on the weighted average life of the applicable Class rather than its stated maturity, possibly with periodic adjustments to reflect the difference between (x) the prepayment assumption under which the weighted average life was calculated and (y) actual prepayments on the Collateral Debt Obligations. It is possible, however, that the IRS could assert and a court could ultimately hold that some other method of accruing OID should apply. Moreover, for taxable years beginning after December 31, 2018, a U.S. Holder that uses the accrual method of accounting generally will be required to include OID in ordinary income no later than the taxable year in which the U.S. Holder takes the OID into account as revenue in an "applicable financial statement," even if the U.S. Holder would otherwise have included the OID in income during a later year under the constant yield method.

U.S. Holders of Class A Notes or Class B Notes that are issued with OID also will recognise foreign currency exchange gain or loss on the receipt of interest payments on their Class A Notes or Class B Notes to the extent that the U.S. dollar value of such payments (based on the euro-to-U.S. dollar spot exchange rate on the date such payments are received) differs from the U.S. dollar value of the corresponding amounts of OID when they were accrued. The foreign currency exchange gain or loss generally will be treated as ordinary income or loss.

Sale, Exchange or Retirement. In general, a U.S. Holder will have a basis in its Note equal to the U.S. dollar value of the cost of such Note (based, in the case of a Class A Note or a Class B Note, on the euro-to-U.S. dollar spot exchange rate on the date the Note was acquired, or the settlement date for the purchase of the Note if the Note is treated under applicable Treasury regulations as a security traded on an established securities market and the U.S. Holder either uses the cash method of accounting, or uses the accrual method of accounting and so elects (which election must be applied consistently from year to year)), (i) increased by the U.S. dollar value of any such amount includable in income as OID (as described above), and (ii) reduced by the U.S. dollar value of payments of principal on such Note (based, in the case of a Class A Note or a Class B Note, on the euro-to-U.S. dollar spot exchange rate on the date any such payments were received).

A U.S. Holder will generally recognise foreign currency exchange gain or loss on the receipt of any principal payments on a Class A Note or Class B Note prior to a sale, exchange, or retirement of such Note to the extent that the U.S. dollar value of each such principal payment (based on the euro-to-U.S. dollar spot exchange rate on the date any such payment was received) differs from the U.S. dollar value of the equivalent principal amount of the Note on the date that the Note was acquired (based on the euro-to-U.S. dollar spot exchange rate on such date). Any such foreign currency exchange gain or loss generally will be treated as ordinary income or loss.

Upon a sale, exchange, or retirement of a Class A Note or Class B Note, a U.S. Holder will generally recognise gain or loss equal to the difference between the U.S. dollar value of the amount realised on the sale, exchange, or retirement (less any accrued and unpaid interest, which will be taxable as described above) and the holder's tax basis in such Note. The U.S. dollar value of the amount realised generally is based on the euro-to-U.S. dollar spot exchange rate on the date of the disposition. However, if the Notes are treated under applicable Treasury regulations as stock or securities traded on an established securities market and the U.S. Holder uses the cash method of accounting, then the U.S. dollar value of the amount realised is based instead on the euro-to-U.S. dollar spot exchange rate on the settlement date for the

disposition. U.S. Holders that use the accrual method of accounting also may elect to use the settlement date valuation, provided that they apply it consistently from year to year. Any such gain or loss will be foreign currency exchange gain or loss to the extent that the U.S. dollar value of the principal amount of the Note on the date of the sale, exchange, or retirement (based on the euro-to-U.S. dollar spot exchange rate on such date) differs from the U.S. dollar value of the equivalent principal amount of the Note (based on the euro-to-U.S. dollar spot exchange rate on the date the Note was acquired). Any such foreign currency exchange gain or loss generally will be treated as ordinary income or loss. Any gain or loss in excess of foreign currency exchange gain or loss will be capital gain or loss, and generally will be treated as long-term capital gain or loss if the U.S. Holder held the Note for more than one year at the time of disposition. In certain circumstances, U.S. Holders who are individuals may be entitled to preferential tax rates for net long-term capital gains; however, the ability of U.S. Holders to offset capital losses against ordinary income is limited.

Class C Notes, Class D Notes, Class E Notes and Class F Notes.

Original Issue Discount. The Issuer will treat the Class C Notes, Class D Notes, Class E Notes and Class F Notes as issued with OID for U.S. federal income tax purposes. The total amount of OID with respect to a Class C Note, Class D Note, Class E Note or Class F Note will equal the sum of all payments to be received under such Note less its issue price (the first price at which a substantial amount of Notes within the applicable Class was sold to investors). U.S. Holders of the Class C Notes, Class D Notes, Class E Notes, or Class F Notes will be required to include the U.S. dollar value of OID in advance of the receipt of cash attributable to such income. In general, U.S. Holders will calculate the U.S. dollar value of OID based on the average euro-to-U.S. dollar spot exchange rate during the applicable Accrual Period (or, with respect to an Accrual Period that spans two taxable years, at the average euro-to-U.S. dollar spot exchange rate for the partial period within the U.S. Holder's taxable year). Alternatively, a U.S. Holder can elect to calculate the U.S. dollar value of OID based on the euro-to-U.S. dollar spot exchange rate on the last day of the applicable Accrual Period (or, with respect to an Accrual Period that spans two taxable years, at the euro-to-U.S. dollar spot exchange rate on the last day of the U.S. Holder's taxable year) or, if the last day of the Accrual Period is within five business days of the U.S. Holder's receipt of the payment of accrued OID, the euro-to-U.S. dollar spot exchange rate on the date of receipt. Any such election must be applied to all debt instruments held by the U.S. Holder and is irrevocable without the consent of the IRS.

A U.S. Holder of Class C Notes, Class D Notes, Class E Notes or Class F Notes generally will be required to include OID in income as it accrues (regardless of the U.S. Holder's method of accounting). Accruals of any such OID generally will be made using a constant yield method, based on the weighted average life of the applicable Class rather than its stated maturity, possibly with periodic adjustments to reflect the difference between (x) the prepayment assumption under which the weighted average life was calculated and (y) actual prepayments on the Collateral Debt Obligations. Accruals of OID on the Class C Notes, Class D Notes, 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 Accrual Period, and then adjusting the accrual for each subsequent Accrual Period based on the difference between the value of EURIBOR used in setting interest for that subsequent Accrual Period and the assumed rate. It is possible, however, that the IRS could assert, and a court could ultimately hold, that some other method of accruing OID on the Class C Notes, Class D Notes, Class E Notes, or Class F Notes should apply. Moreover, for taxable years beginning after December 31, 2018, a U.S. Holder that uses the accrual method of accounting generally will be required to include OID in ordinary income no later than the taxable year in which the U.S. Holder takes the OID into account as revenue in an "applicable financial statement," even if the U.S. Holder would otherwise have included the OID in income during a later year under the constant yield method.

U.S. Holders of Class C Notes, Class D Notes, Class E Notes, or Class F Notes also will recognise foreign currency exchange gain or loss on the receipt of interest payments on their Notes to the extent that the U.S. dollar value of such payments (based on the euro-to-U.S. dollar spot exchange rate on the date such payments are received) differs from the U.S. dollar value of the corresponding amounts of OID when they were accrued. The foreign currency exchange gain or loss generally will be treated as ordinary income or loss.

Sale, Exchange or Retirement. In general, a U.S. Holder of a Class C Note, Class D Note, Class E Note or Class F Note will have a basis in such Note equal to the U.S. dollar value of the cost of such Note (based on the euro-to-U.S. dollar spot exchange rate on the date the Note was acquired, or the settlement

date for the purchase of the Note if the Note is treated under applicable Treasury regulations as a security traded on an established securities market and the U.S. Holder either uses the cash method of accounting, or uses the accrual method of accounting and so elects (which election must be applied consistently from year to year)), (i) increased by any amount includable in income by such U.S. Holder as OID (as described above), and (ii) reduced by the U.S. dollar value of any payments received on such Note (based on the euro-to-U.S. dollar spot exchange rate on the date any such payments were received).

A U.S. Holder will generally recognise foreign currency exchange gain or loss on the receipt of any principal payments on a Class C Note, Class D Note, Class E Note or Class F Note prior to a sale, exchange, or retirement of such Note to the extent that the U.S. dollar value of each such principal payment (based on the euro-to-U.S. dollar spot exchange rate on the date any such payment was received) differs from the U.S. dollar value of the equivalent principal amount of the Note on the date that the Note was acquired (based on the euro-to-U.S. dollar spot exchange rate on such date). Any such foreign currency exchange gain or loss generally will be treated as ordinary income or loss.

Upon a sale, exchange, or retirement of a Class C Note, Class D Note, Class E Note or Class F Note, a U.S. Holder will generally recognise gain or loss equal to the difference between the U.S. dollar value of the amount realised on the sale, exchange, or retirement and the holder's tax basis in such Note. Any such gain or loss will be foreign currency exchange gain or loss to the extent that the U.S. dollar value of the principal amount of the Note on the date of the sale, exchange, or retirement (based on the euro-to-U.S. dollar spot exchange rate on such date) differs from the U.S. dollar value of the equivalent principal amount of the Note (based on the euro-to-U.S. dollar spot exchange rate on the date the Note was acquired). The U.S. dollar value of the amount realised generally is based on the euro-to-U.S. dollar spot exchange rate on the date of the disposition. However, if the Notes are treated under applicable Treasury regulations as stock or securities traded on an established securities market and the U.S. Holder uses the cash method of accounting, then the U.S. dollar value of the amount realised is based instead on the euro-to-U.S. dollar spot exchange rate on the settlement date for the disposition. U.S. Holders that use the accrual method of accounting also may elect to use the settlement date valuation, provided that they apply it consistently from year to year. Any such foreign currency exchange gain or loss generally will be treated as ordinary income or loss. Any gain or loss in excess of foreign currency exchange gain or loss will be capital gain or loss, and generally will be treated as long-term capital gain or loss if the U.S. Holder held the Note for more than one year at the time of disposition. In certain circumstances, U.S. Holders who are individuals may be entitled to preferential tax rates for net long-term capital gains; however, the ability of U.S. Holders to offset capital losses against ordinary income is limited.

Alternative Characterisation.

It is possible that the Rated Notes could be treated as "contingent payment debt instruments" for U.S. federal income tax purposes. In this event, the timing of a U.S. Holder's OID inclusions could differ from that described above and any gain recognised on the sale, exchange, or retirement of such Notes would be treated as ordinary income and not as capital gain.

Receipt of Euro.

U.S. Holders will have a tax basis in any euro received in respect of the Notes on a sale, redemption, or other disposition of the Notes equal to the U.S. dollar value of the euro on that date. Any gain or loss recognised on a sale, exchange, or other disposition of those euro generally will be ordinary income or loss. A U.S. Holder that converts the euro into U.S. dollars on the date of receipt generally should not recognise ordinary income or loss in respect of the conversion.

Possible Treatment of Class E Notes and Class F Notes as Equity for U.S. Federal Tax Purposes.

As described above under "*U.S. Federal Tax Treatment of the Notes,*" the Issuer intends to treat the Class E Notes and Class F Notes as indebtedness for U.S. federal, state, and local income and franchise tax purposes, and the Trust Deed requires Noteholders to treat the Class E Notes and Class F Notes as indebtedness for U.S. federal, state and local income and franchise tax purposes. Nevertheless, the IRS could assert, and a court could ultimately hold, that the Class E Notes and Class F Notes are equity in the Issuer for U.S. federal income tax purposes.

If the Class E Notes or Class F Notes are treated as equity in the Issuer, because the Issuer will be a passive foreign investment company (a "**PFIC**") for U.S. federal income tax purposes, 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 certain interest on such Notes could be subject to the additional tax. A U.S. Holder of such Notes might be able to avoid the ordinary income treatment and additional tax by writing "Protective QEF Election" on the top of an IRS Form 8621, filling out the form, checking Box A (Election to Treat the PFIC as a QEF) and filing the form with the IRS with respect to their Class E Notes or the Class F Notes, or by filing a protective statement with the IRS preserving the U.S. Holder's ability to elect retroactively to treat the Issuer as a "qualified electing fund" (a "**QEF**") and so electing at the appropriate time. The Issuer will provide, upon a U.S. Holder's request (and at the expense of such holder), all information and documentation that a U.S. Holder is required to obtain for U.S. federal income tax purposes in order to make and maintain a "protective" QEF election with respect to the Issuer. If the Class E Notes or Class F Notes are treated as equity, a U.S. Holder also will be required to file an annual PFIC report.

Alternatively, if the Class E Notes or Class F Notes are treated as equity in the Issuer, the Issuer is a controlled foreign corporation ("**CFC**"), and a U.S. Holder of such Notes also is treated as a 10 per cent. United States shareholder with respect to the Issuer, then the U.S. Holder would be subject to the potentially adverse rules applicable to 10 per cent. United States shareholder in a CFC. Investors should consult their tax advisors as to the potential application of these rules to their situation.

If the Issuer holds any Collateral Debt Obligations that are treated as equity in a foreign corporation for U.S. federal income tax purposes, and if the Class E Notes or Class F Notes are treated as equity in the Issuer, U.S. Holders of Class E Notes or Class F Notes could be treated as owning an indirect equity interest in a PFIC or a CFC and could be subject to certain adverse tax consequences. In particular, a U.S. Holder of an indirect equity interest in a PFIC is treated as owning the PFIC directly. The U.S. Holder, and not the Issuer, would be required to make a QEF election with respect to each indirect interest in a PFIC. However, certain PFIC information statements are necessary for U.S. Holders that have made QEF elections, and there can be no assurance that the Issuer can obtain such statements from a PFIC. Thus, there can be no assurance that a U.S. Holder would be able to make the election with respect to any indirectly held PFIC.

In addition, if the Class E Notes or Class F Notes represent equity in the Issuer for U.S. federal income tax purposes, a U.S. Holder of such Notes would be required to file an IRS Form 926 with the IRS if (i) such person is treated as owning, directly or by attribution, immediately after the U.S. Holder's purchase of Notes, at least 10 per cent. by vote or value of the Issuer or (ii) the amount of cash transferred by such person (or any related person) to the Issuer during the 12-month period ending on the date of such purchase exceeds $100,000. U.S. Holders may wish to file a "protective" IRS Form 926 with respect to their Class E Notes and Class F Notes.

Finally, if the Class E Notes or Class F Notes represent equity in the Issuer for U.S. federal income tax purposes, a U.S. Holder of such Notes would be required to file an IRS Form 5471 with the IRS if the U.S. Holder is treated as owning (actually or constructively) at least 10 per cent. by vote or value of the equity of the Issuer for U.S. federal income tax purposes, and may be required to provide additional information regarding the Issuer annually on IRS Form 5471 if the U.S. Holder is treated as owning (actually or constructively) more than 50 per cent. by vote or value of the equity of the Issuer for U.S. federal income tax purposes. U.S. Holders may wish to file a "protective" IRS Form 5471 with respect to their Class E Notes and Class F Notes.

U.S. Holders that fail to comply with these reporting requirements may be subject to adverse tax consequences, including a "tolling" of the statute of limitations with respect to their U.S. tax returns. Prospective U.S. Holders of Class E Notes or Class F Notes should consult with their tax advisors regarding whether to make protective filings of IRS Forms 8621, 926 and 5471 with respect to such Notes and the consequences to them if the Class E Notes or Class F Notes are treated as equity in the Issuer.

Specified Foreign Financial Asset Reporting

Certain U.S. Holders may be subject to reporting obligations with respect to their Notes if they do not hold their Notes in an account maintained by a financial institution and the aggregate value of their Notes and certain other "specified foreign financial assets" (applying certain attribution rules) exceeds $50,000. Significant penalties can apply if a U.S. Holder is required to disclose its Notes and fails to do so.

3.8 per cent. Medicare Tax on "Net Investment Income"

U.S. Holders that are individuals or estates and certain trusts are subject to an additional 3.8 per cent. tax on all or a portion of their "net investment income," or "undistributed net investment income" in the case of an estate or trust, which may include any income or gain with respect to the Notes, to the extent of their net investment income or undistributed net investment income (as the case may be) that, when added to their other modified adjusted gross income, exceeds $200,000 for an unmarried individual, $250,000 for a married taxpayer filing a joint return (or a surviving spouse), $125,000 for a married individual filing a separate return, or the dollar amount at which the highest tax bracket begins for an estate or trust. The 3.8 per cent. Medicare tax is determined in a different manner than the regular income tax and special rules apply with respect to the PFIC and CFC rules described above. U.S. Holders should consult their advisors with respect to the 3.8 per cent. Medicare tax.

FBAR Reporting

A U.S. Holder of Subordinated Notes (or any Class of Notes that are treated as equity in the Issuer for U.S. federal income tax purposes) may be required to file FinCEN Form 114 with respect to foreign financial accounts in which the Issuer has a financial interest if the U.S. Holder holds more than 50 per cent. of the aggregate outstanding principal amount of such Notes or is otherwise treated as owning more than 50 per cent. of the total value or voting power of the Issuer's outstanding equity.

Reportable Transactions

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

U.S. Federal Tax Treatment of Non-U.S. Holders of Notes

In general, payments on the Notes to a Non-U.S. Holder that provides appropriate tax certifications to the Issuer and gain realised on the sale, exchange or retirement of the Notes by the Non-U.S. Holder will not be subject to U.S. federal income or withholding tax unless (i) such income is effectively connected with a trade or business conducted by such Non-U.S. Holder in the United States, or (ii) in the case of gain, such Non-U.S. Holder is a nonresident alien individual who holds the Notes as a capital asset and is present in the United States for more than 182 days in the taxable year of the sale and certain other conditions are satisfied.

Information Reporting and Backup Withholding

Under certain circumstances, the Code requires "information reporting" annually to the IRS and to each holder, and "backup withholding", with respect to certain payments made on or with respect to the Notes. Backup withholding will apply to a U.S. Holder only if the U.S. Holder (i) fails to furnish its Taxpayer Identification Number ("**TIN**") which, for an individual, would be his or her Social Security Number, (ii) furnishes an incorrect TIN, (iii) is notified by the IRS that it has failed to properly report payments of interest and dividends, or (iv) under certain circumstances, fails to certify, under penalties of perjury, that it has furnished a correct TIN and has not been notified by the IRS that it is subject to backup withholding for failure to report interest and dividend payments. The exemption generally is available to U.S. Holders that provide a properly completed IRS Form W-9.

A Non-U.S. Holder that provides an applicable IRS Form W-8, together with all appropriate attachments, signed under penalties of perjury, identifying the Non-U.S. Holder and stating that the Non-U.S. Holder is not a United States person, will not be subject to IRS reporting requirements and U.S. backup withholding.

Information reporting and backup withholding may apply to the proceeds of a sale of Notes made within the United States or conducted through certain U.S. related financial intermediaries, unless the payor receives the statement described above or the Non-U.S. Holder otherwise establishes an exemption.

Backup withholding is not an additional tax and may be refunded (or credited against the holder's U.S. federal income tax liability, if any), provided that certain required information is furnished. The

information reporting requirements may apply regardless of whether withholding is required. Copies of the information returns also may be made available to the tax authorities in the country in which a Non-U.S. Holder is a resident under the provisions of an applicable income tax treaty or agreement.

FATCA

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

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

Future Legislation and Regulatory Changes Affecting Noteholders

Future legislation, regulations, rulings or other authority could affect the federal income tax treatment of the Issuer and Noteholders. The Issuer cannot predict whether and to what extent any such legislative or administrative changes could change the tax consequences to the Issuer and to the Noteholders. Prospective Noteholders should consult their tax advisors regarding possible legislative and administrative changes and their effect on the federal tax treatment of the Issuer and their investment in the Notes.

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

PLAN OF DISTRIBUTION

Goldman Sachs International (in its capacity as placement agent, the "**Placement Agent**") has agreed with the Issuer, subject to the satisfaction of certain conditions, to place each Class of the Refinancing Notes pursuant to the Placement Agency Agreement. The Placement Agency Agreement entitles the Placement Agent to terminate it in certain circumstances prior to payment being made to the Issuer. Pursuant to the terms of the Placement Agency Agreement the Issuer has also granted an indemnity to the Placement Agent.

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

No action has been or will be taken by the Issuer or the Placement Agent that would permit a public offering of the Refinancing 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 Refinancing Notes, may be made in or from any jurisdiction, except in circumstances which will result in compliance with any applicable laws and regulations and will not impose any obligations on the Issuer or the Placement Agent.

It is a condition of the issue of the Refinancing Notes of each Class that the Refinancing Notes of each other Class be issued in the following principal amounts: €212,000,000 Class A Notes; €42,100,000 Class B Notes; €19,600,000 Class C Notes; €17,150,000 Class D Notes; €24,000,000 Class E Notes and €8,700,000 Class F Notes.

The Refinancing Notes have not been and will not be registered under the Securities Act and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) or to U.S. Residents except in certain transactions exempt from, or not subject to, the registration requirements of the Securities Act and in the manner so as not to require the registration of the Issuer as an "investment company" pursuant to the Investment Company Act.

The Issuer has been advised that the Placement Agent proposes to resell the Refinancing 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, in each case, QIBs/QPs. After the Notes are released for sale, the offering price and other selling terms may from time to time be varied by the Placement Agent.

The Refinancing Notes sold in reliance on Regulation S will be issued in minimum denominations of €100,000 each and integral multiples of €1,000 in excess thereof.

The Refinancing Notes sold in reliance on Rule 144A will be issued in minimum denominations of €250,000 each and integral multiples of €1,000 in excess thereof.

The Placement Agent has acknowledged and agreed that it will not offer, sell or deliver any Regulation S Refinancing Notes to, or for the account or benefit of, any U.S. Person or U.S. Resident as part of their distribution at any time and that it will send to each distributor, dealer or person receiving a selling concession, fee or other remuneration to which it sells Regulation S Notes a confirmation or other notice setting forth the prohibition on offers and sales of the Regulation S Notes within the United States or to, or for the account or benefit of, any U.S. Person or U.S. Resident.

This Offering Circular has been prepared by the Issuer for use in connection with the offer and sale of the Refinancing Notes and for the admission to listing to the Official List of Euronext Dublin of the Notes of each Class and trading of the Refinancing Notes on its Global Exchange Market. This Offering Circular does not constitute an offer to any person in the United States or to any U.S. person (as defined in Regulation S). Distribution of this Offering Circular to any such U.S. person (as defined in Regulation S) or to any person within the United States, other than in accordance with the procedures described above, is unauthorised and any disclosure of any of its contents, without the prior written consent of the Issuer, is prohibited.

The Placement Agent has represented and agreed that:

(a) United Kingdom: The Placement Agent, which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority, has represented and agreed that:

(i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 ("**FSMA**") received by it in connection with the issue or sale of the Refinancing Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Refinancing Notes in, from or otherwise involving the United Kingdom.

(b) Prohibition of Sales to EEA Retail Investors: it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Refinancing Notes to any retail investor in the European Economic Area. For the purposes of this provision:

(i) the expression "retail investor" means a person who is one (or more) of the following:

(A) a retail client as defined in point (11) of MiFID II; or

(B) a customer within the meaning of the Insurance Mediation Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

(C) not a qualified investor as defined in the Prospectus Directive; and

(ii) the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Refinancing Notes to be offered so as to enable an investor to decide to purchase or subscribe the Refinancing Notes.

(c) United States:

(i) The Placement Agent understands that the Refinancing Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) except with respect to the Rule 144A Notes only, to a person that is a QIB/QP in reliance on Rule 144A, or pursuant to any other exemption from the registration requirements of the Securities Act.

(ii) The Placement Agent represents, warrants and agrees that:

(A) it is a QIB/QP and that it has not offered or sold, and will not offer or sell, any Refinancing Notes constituting part of its allotment within the United States or to, or for the account or benefit of, U.S. Persons except to persons (including any other distributor and any dealers) that are or that it reasonably believes are QIB/QPs, in reliance on Rule 144A;

(B) it has sold the Regulation S Refinancing Notes, and will offer and sell the Regulation S Refinancing Notes, (x) as part of their distribution at any time and (y) otherwise until 40 days after the later of the commencement of the offering and the 2018 Refinancing Date (the "**distribution compliance period**"), only in accordance with Rule 903 of Regulation S, and it agrees that, at or prior to confirmation of any sale of Regulation S Refinancing Notes, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Refinancing Notes from it during the distribution compliance period a confirmation or notice to substantially the following effect:

"The securities covered hereby have not been registered under the U.S. Securities Act of 1933, as amended (the Securities Act), and may not be offered and sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the closing date, except in either case in accordance with Regulation S (or Rule 144A if available) under the Securities Act. Terms used above have the meaning given to them by Regulation S."

(C) neither it, its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts (within the meaning of Regulation S) with respect to the Regulation S Notes, and it and they have complied and will comply with the offering restrictions requirement of Regulation S;

(D) neither it, its affiliates, nor any persons acting on its or their behalf have engaged or will engage in any form of general solicitation or general advertising (as those terms are used in Rule 502(c) under the Securities Act) in connection with any offer or sale of the Notes in the United States; and

(E) any offers or sale of the Notes made in the United States will be made by a registered broker-dealer which may include Affiliates of the Placement Agent, who are registered as U.S. broker-dealers under the Exchange Act.

(d) Ireland: The Placement Agent has represented to and agreed with the Issuer that:

(i) it will not underwrite the issue or placement of, or otherwise act in Ireland in respect of the Refinancing Notes otherwise than in conformity with the provisions of the Prospectus (Directive 2003/71/EC) Regulations 2005 (as amended) and any Central Bank rules issued and/or in force pursuant to Section 1363 of the Companies Act 2014 (as amended);

(ii) it will not underwrite the issue or placement of the Refinancing Notes otherwise than in conformity with the provisions of the European Union (Markets in Financial Instruments) Regulations 2017 (as amended) and it will conduct itself in accordance with any rules or codes of conduct issued in connection therewith and any conditions or requirements, or any other enactment, imposed or approved by the Central Bank and the provisions of the Investor Compensation Act 1998 (as amended);

(iii) it will not underwrite the issue or placement of, or otherwise act in Ireland in respect of the Refinancing Notes otherwise than in conformity with the provisions of the European Union (Market Abuse) Regulations 2016, Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse and any rules issued under section 1370 of the Companies Act 2014 by the Central Bank (including any successor legislation); and

(iv) it will not underwrite the issue or placement of the Refinancing Notes otherwise than in conformity with the provisions of the Central Bank Acts 1942 to 2015 (as amended) and any codes of practice made under Section 117(1) of the Central Bank Act 1989 or any regulation made pursuant to Part 8 of the Central Bank (Supervision and Enforcement) Act 2013 (as amended).

(e) Netherlands: The Placement Agent has represented and agreed that it will not make an offer of the Refinancing 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 (i) which are qualified investors (as defined in the Dutch FSA and which includes authorised discretionary asset managers acting for the account of retail investors under a discretionary investment management contract) in The Netherlands, *provided that* no such offer of Notes shall require the Issuer or the Placement Agent to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive; and (ii) which do not qualify as "public" within the meaning of Article 4(l) of CRR and the rules promulgated thereunder, as amended and any subsequent legislation replacing the CRR.

For the purposes of this provision, the expressions (i) an "offer of Notes to the public" in relation to any Refinancing Notes in The Netherlands; and (ii) "Prospectus Directive", have the meaning given to them above in the section entitled "European Economic Area".

(f) Singapore: This Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Offering Circular and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Refinancing Notes may not be circulated or distributed, nor may the Refinancing Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 or Section 304 of the Notes and Futures Act, Chapter 289 of

Singapore (the "**SFA**") or (ii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

(g) South Korea: The Refinancing Notes may not be offered, sold and delivered directly or indirectly, or offered or sold to any person for re-offering or resale directly or indirectly, in South Korea or to any resident of South Korea ("**South Korean Residents**") except pursuant to the applicable laws and regulations of South Korea, including the Financial Investment Services and Capital Markets Act ("**FSCMA**"), the Foreign Exchange Transaction Law ("**FETL**") and their subordinate decrees and regulations thereunder. The Refinancing Notes may not be re-sold to South Korean Residents unless the purchaser of the Notes complies with all applicable regulatory requirements for such purchase of Refinancing Notes (including but not limited to government approval or reporting requirements under the FETL and its subordinate decrees and regulations). The Refinancing Notes have not been offered or sold by way of public offering under the FSCMA, nor registered with the Financial Services Commission of South Korea for public offering. None of the Refinancing Notes have been or will be listed on the Korea Exchange. In the case of a transfer of the Refinancing Notes to any person in South Korea during a period ending one year from the issuance date, a holder of the Refinancing Notes may transfer the Notes only by transferring its entire holdings of Notes to only "accredited investors" in South Korea as referred to in Article 11(1) of the Enforcement Decree of the FSCMA.

(h) Taiwan: No person or entity in Taiwan is authorised to distribute or otherwise intermediate the offering of the Refinancing Notes or the provision of information relating to the Refinancing Notes, including, but not limited to, this Offering Circular. The Refinancing Notes may not be sold, offered or issued to Taiwan resident investors unless they are made available outside Taiwan for purchase by such investors outside Taiwan. Any subscriptions of Refinancing Notes shall only become effective upon acceptance by the Issuer or the Placement Agent outside Taiwan and shall be deemed a contract entered into in the jurisdiction of incorporation of the Issuer or Placement Agent, as the case may be, unless otherwise specified in the subscription documents relating to the Refinancing Notes signed by the investors.

RULE 17G-5 COMPLIANCE

THE ISSUER, IN ORDER TO PERMIT THE RATING AGENCIES TO COMPLY WITH THEIR OBLIGATIONS UNDER RULE 17G-5 PROMULGATED UNDER THE EXCHANGE ACT ("**RULE 17G-5**"), HAS AGREED TO POST (OR HAVE ITS AGENT POST) ON A PASSWORD-PROTECTED INTERNET WEBSITE (THE "**RULE 17G-5 WEBSITE**"), AT THE SAME TIME SUCH INFORMATION IS PROVIDED TO THE RATING AGENCIES, ALL INFORMATION (WHICH WILL NOT INCLUDE ANY REPORTS FROM THE ISSUER'S INDEPENDENT PUBLIC ACCOUNTANTS) THAT THE ISSUER (OR OTHER PARTIES ON ITS BEHALF, INCLUDING THE INVESTMENT MANAGER) PROVIDES TO THE RATING AGENCIES FOR THE PURPOSES OF DETERMINING THE INITIAL CREDIT RATING OF THE REFINANCING NOTES OR UNDERTAKING CREDIT RATING SURVEILLANCE OF THE REFINANCING NOTES; PROVIDED, HOWEVER, THAT, PRIOR TO THE OCCURRENCE OF AN EVENT OF DEFAULT, WITHOUT THE PRIOR WRITTEN CONSENT OF THE INVESTMENT MANAGER, NO PARTY OTHER THAN THE ISSUER MAY PROVIDE INFORMATION TO THE RATING AGENCIES ON THE ISSUER'S BEHALF.

ON THE ORIGINAL CLOSING DATE, THE ISSUER REQUESTED THAT ELAVON FINANCIAL SERVICES DAC IN ACCORDANCE WITH THE INVESTMENT MANAGEMENT AGREEMENT, ASSIST THE ISSUER IN COMPLYING WITH CERTAIN OF THE POSTING REQUIREMENTS UNDER RULE 17G-5 (IN SUCH CAPACITY, THE "**INFORMATION AGENT**"). ANY NOTICES OR REQUESTS TO, OR ANY OTHER WRITTEN COMMUNICATIONS WITH OR WRITTEN INFORMATION PROVIDED TO, THE RATING AGENCIES, OR ANY OF THEIR OFFICERS, DIRECTORS OR EMPLOYEES PURSUANT TO, IN CONNECTION WITH OR RELATED DIRECTLY OR INDIRECTLY TO, THE TRUST DEED, THE INVESTMENT MANAGEMENT AGREEMENT, ANY TRANSACTION DOCUMENT RELATING THERETO, THE PORTFOLIO OR THE REFINANCING NOTES, WILL BE IN EACH CASE FURNISHED DIRECTLY TO THE RATING AGENCIES AFTER A COPY HAS BEEN DELIVERED TO THE INFORMATION AGENT OR THE ISSUER FOR POSTING TO THE RULE 17G-5 WEBSITE.

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 required or deemed to have represented and agreed (or in the case of a Definitive Certificate, shall represent and agree) that such person acknowledges that this Offering Circular is personal to it and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire Notes other than pursuant to Rule 144A or in offshore transactions in accordance with Regulation S. Distribution of this Offering Circular, or disclosure of any of its contents to any person other than such offeree and those persons, if any, retained to advise it with respect thereto is unauthorised and any disclosure of any of its contents, without the prior written consent of the Issuer, is prohibited.

Each purchaser or transferee of Rule 144A Notes represented by a Rule 144A Global Certificate will be required or deemed to have represented and agreed and each purchaser or transferee of Rule 144A Notes represented by Definitive Certificates will be required to represent and agree, as follows:

1. The purchaser (a) is a QIB, (b) is aware that the sale of such Rule 144A Notes to it is being made in reliance on Rule 144A, (c) is acquiring such Notes for its own account or for the account of a QIB as to which the purchaser exercises sole investment discretion, and in a principal amount of not less than €250,000 for the purchaser and for each such account and (d) will provide notice of the transfer restrictions described herein 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 Placement Agent, the Trustee, the Investment Manager or the Collateral Administrator is acting as a fiduciary or financial or investment 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 Placement Agent, the Trustee, the Investment Manager or the Collateral Administrator other than in this Offering Circular for such Notes and any representations expressly set forth in a written agreement with such party; (c) none of the Issuer, the Placement Agent, the Trustee, the Investment Manager or the Collateral Administrator has given to the purchaser (directly or indirectly through any other person) any assurance, guarantee or representation whatsoever as to the expected or projected success, profitability, return, performance, result, effect, consequence or benefit (including legal, regulatory, tax, financial, accounting or otherwise) as to an investment in the Rule 144A Notes; (d) the purchaser has consulted with its own legal, regulatory, tax, business, investment, financial and

accounting advisors to the extent it has deemed necessary, and it has made its own investment decisions (including decisions regarding the suitability of any transaction pursuant to the Trust Deed) based upon its own judgment and upon any advice from such advisors as it has deemed necessary and not upon any view expressed by the Issuer, the Placement Agent, the Trustee, the Investment 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; (f) the acquisition of the Rule 144A Notes is lawful under the purchaser's jurisdiction of incorporation and jurisdiction in which it operates (if different); and (g) the purchaser is a sophisticated investor.

5. The purchaser and each account for which the purchaser is acquiring such Rule 144A Notes is a QP. The purchaser is acquiring the Rule 144A Notes in a principal amount of not less than €250,000. The purchaser and each such account is acquiring the Rule 144A Notes as principal for its own account for investment and not for sale in connection with any distribution thereof. The purchaser and each such account: (a) was not formed for the specific purpose of investing in the Rule 144A Notes (except when each beneficial owner of the purchaser and each such account is a QP); (b) to the extent the purchaser is a private investment company formed before April 30, 1996, the purchaser has received the necessary consent from its beneficial owners; (c) is not a pension, profit sharing or other retirement trust fund or plan in which the partners, beneficiaries or participants, as applicable, may designate the particular investments to be made; and (d) is not a broker dealer that owns and invests on a discretionary basis less than U.S.$25,000,000 in securities of unaffiliated issuers. Further, the purchaser agrees with respect to itself and each such account: (x) that it shall not hold such Rule 144A Notes for the benefit of any other person and shall be the sole beneficial owner thereof for all purposes; (y) that it shall not sell participation interests in the Rule 144A Notes or enter into any other arrangement pursuant to which any other person shall be entitled to a beneficial interest in the distributions on the Rule 144A Notes; and (z) that the Rule 144A Notes purchased directly or indirectly by it constitute an investment of no more than 40 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)

(i) With respect to the purchase, holding and disposition of any Class A Note, Class B Note, Class C Note or Class D Note or any interest in such Note (i) either (A) it is not and is not acting on behalf of (and for so long as it holds any such Note or interest therein will not be, and will not be acting on behalf of), a Benefit Plan Investor or a governmental, church, non-U.S. or other plan which is subject to any Other Plan Law, and no part of the assets to be used by it to acquire or hold such Notes or any interest therein constitutes the assets of any Benefit Plan Investor or such governmental, church, non-U.S. or other plan, or (B) its acquisition, holding 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 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.

(ii) With respect to the Class E Notes, the Class F Notes or the Subordinated Notes in the form of a Rule 144A Global Certificate: (i) it is not, and is not acting on behalf of (and for so long as it holds any such Note or interest therein will not be, and will not be acting on behalf of), a Benefit Plan Investor or Controlling Person (A) unless it receives the written consent of the Issuer, (B) provides an ERISA certificate to a Transfer Agent and the Issuer as to its status as a Benefit Plan Investor or Controlling Person and (C) holds such Note in the form of a Definitive Certificate, other than in the case where

the purchaser is acquiring Class E Notes or Class F Notes on the 2018 Refinancing Date, in which case the purchaser may acquire such Class E Notes or Class F Notes in the form of a Rule 144A Global Certificate or a Regulation S Global Certificate, provided such purchaser delivers a completed ERISA Certificate in or substantially in the form set out in the Annex (*Form of ERISA Certificate*) to the 2016 Offering Circular to the Issuer and any Transfer Agent, and (ii) if it is a governmental, church, non-U.S. or other plan, (A) it is not, and for so long as it holds such Notes or interest therein will not be, subject to any Similar Law and (B) its acquisition, holding and disposition of such Notes will not constitute or result in a non-exempt violation of any Other Plan Law.

(iii) With respect to acquiring or holding the Class E Notes, the Class F Notes or the Subordinated Notes in the form of a Definitive Certificate (i) (A) whether or not, for so long as it holds such Class E Notes, Class F Notes or Subordinated Notes 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 Notes or Class F Notes or Subordinated Notes or interest therein, it is a Controlling Person and (C) that (1) if it is, or is acting on behalf of, a Benefit Plan Investor, its acquisition, holding and disposition of such Class E Notes, Class F Notes or Subordinated Notes will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code and (2) if it is a governmental, church, non-U.S. or other plan, (x) it is not, and for so long as it holds such Class E Notes or Class F Notes or interest therein will not be, subject to any Similar Law and (y) its acquisition, holding and disposition of such Notes will not constitute or result in a non-exempt violation of any Other Plan Law, (ii) that it will agree to certain transfer restrictions regarding its interest in such Class E Notes, Class F Notes or Subordinated Notes, and (iii) that it will provide a completed ERISA Certificate in or substantially in the form set out in the Annex (*Form of ERISA Certificate*) to the 2016 Offering Circular to the Issuer and a Transfer Agent.

(iv) Each purchaser of Notes that is a Benefit Plan Investor will be deemed to have represented and warranted that (i) none of the Issuer, the Placement Agent, the Trustee, the Investment Manager or any of their respective Affiliates (the "**Transaction Parties**"), has provided any investment recommendation or investment advice on which the Benefit Plan Investor, or the fiduciary purchasing Notes on behalf of the Benefit Plan Investor (the "**Fiduciary**"), has relied in connection with the decision to invest in Notes, and they are not otherwise acting as a fiduciary (within the meaning of Section 3(21) of ERISA or Section 4975(e)(3) of the Code) to the Benefit Plan Investor or Fiduciary in connection with the ERISA Plan's acquisition of Notes; and (ii) the Fiduciary is exercising its own independent judgment in evaluating the investment in the Notes.

(v) Any purported transfer of any Class E Notes, Class F Notes or Subordinated Notes in violation of the requirements set forth in this sub-section (a) shall be null and void *ab initio* and the acquiror understands that the Issuer will have the right to cause the sale of such Class E Notes, Class F Notes or Subordinated Notes to another acquiror that complies with the requirements of this in accordance with the terms of the Trust Deed.

(b) The purchaser acknowledges that the Issuer, the Placement Agent, the Trustee, the Investment Manager and the Collateral Administrator and their Affiliates, and others, will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

7. The purchaser understands that pursuant to the terms of the Trust Deed, the Issuer has agreed that the Rule 144A Global Certificates or Rule 144A Definitive Certificates, as applicable, offered in reliance on Rule 144A will bear the legend set forth below, and will be represented by one or more Rule 144A Global Certificates or Rule 144A Definitive Certificates, as applicable. The Rule 144A Global Certificates may not at any time be held by or on behalf of, 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 and the Transfer Agent with a written certification (in the form provided in the Trust Deed) as to compliance with the transfer restrictions.

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), AND THE ISSUER HAS NOT BEEN REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "**INVESTMENT COMPANY ACT**"). THE HOLDER HEREOF, BY PURCHASING THE NOTES IN RESPECT OF WHICH THIS NOTE HAS BEEN ISSUED, AGREES FOR THE BENEFIT OF THE ISSUER THAT THE NOTES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (A)(1) TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT, OR (2) TO A NON-U.S. PERSON IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT AND, IN THE CASE OF CLAUSE (1), IN A PRINCIPAL AMOUNT OF NOT LESS THAN €250,000 FOR THE PURCHASER AND FOR EACH ACCOUNT FOR WHICH IT IS ACTING, AND IN EACH CASE, TO A PURCHASER THAT (V) IS A QUALIFIED PURCHASER FOR THE PURPOSES OF SECTION 3(c)(7) OF THE INVESTMENT COMPANY ACT, (W) WAS NOT FORMED FOR THE PURPOSE OF INVESTING IN THE ISSUER (EXCEPT WHEN EACH BENEFICIAL OWNER OF THE PURCHASER IS A QUALIFIED PURCHASER), (X) HAS RECEIVED THE NECESSARY CONSENT FROM ITS BENEFICIAL OWNERS WHEN THE PURCHASER IS A PRIVATE INVESTMENT COMPANY FORMED BEFORE APRIL 30, 1996, (Y) IS NOT A BROKER-DEALER THAT OWNS AND INVESTS ON A DISCRETIONARY BASIS LESS THAN U.S.$25,000,000 IN SECURITIES OF UNAFFILIATED ISSUERS AND (Z) IS NOT A PENSION, PROFIT SHARING OR OTHER RETIREMENT TRUST FUND OR PLAN IN WHICH THE PARTNERS, BENEFICIARIES OR PARTICIPANTS, AS APPLICABLE, MAY DESIGNATE THE PARTICULAR INVESTMENTS TO BE MADE, AND IN A TRANSACTION THAT MAY BE EFFECTED WITHOUT LOSS OF ANY APPLICABLE INVESTMENT COMPANY ACT EXEMPTION OR IN THE CASE OF CLAUSE (2), €100,000 AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES. ANY TRANSFER IN VIOLATION OF THE FOREGOING WILL BE OF NO FORCE AND EFFECT, WILL BE VOID *AB INITIO* AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO THE TRANSFEREE, NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE ISSUER, THE TRUSTEE OR ANY INTERMEDIARY. IN ADDITION TO THE FOREGOING, IN THE EVENT OF A VIOLATION OF (V) THROUGH (Z), THE ISSUER MAINTAINS THE RIGHT TO DIRECT THE RESALE OF ANY 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, CLASS D NOTES ONLY*] [EACH PERSON ACQUIRING OR HOLDING THIS NOTE OR ANY INTEREST HEREIN SHALL BE REQUIRED OR DEEMED TO HAVE REPRESENTED, WARRANTED AND AGREED THAT (I) EITHER (A) IT IS NOT AND IS NOT ACTING ON BEHALF OF (AND FOR SO LONG AS IT HOLDS ANY SUCH NOTE OR INTEREST THEREIN WILL NOT BE, AND WILL NOT BE ACTING ON BEHALF OF) AN EMPLOYEE BENEFIT PLAN, AS DEFINED IN SECTION 3(3) OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**"), THAT IS SUBJECT TO THE PROVISIONS OF PART 4 OF SUBTITLE B OF TITLE I OF ERISA, A PLAN TO WHICH SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED, (THE "**CODE**"), APPLIES, OR AN ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS BY REASON OF SUCH AN EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN SUCH ENTITY WITHIN THE MEANING OF 29 C.F.R. SECTION 2510.3-101 (AS MODIFIED BY

SECTION 3(42) OF ERISA) ("**BENEFIT PLAN INVESTOR**"), OR A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN WHICH IS SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT IS 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 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 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, THE CLASS F NOTES, THE CLASS M-1 NOTES AND THE CLASS M-2 NOTES IN THE FORM OF RULE 144A GLOBAL NOTES AND REGULATION S GLOBAL NOTES ONLY*] [EACH PURCHASER OR TRANSFEREE OF THIS CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE WILL BE REQUIRED OR DEEMED TO REPRESENT, WARRANT AND AGREE THAT (1) IT IS NOT, AND IS NOT ACTING ON BEHALF OF (AND FOR SO LONG AS IT HOLDS ANY SUCH NOTE OR INTEREST THEREIN WILL NOT BE, AND WILL NOT BE ACTING ON BEHALF OF), A BENEFIT PLAN INVESTOR OR CONTROLLING PERSON UNLESS SUCH PURCHASER OR TRANSFEREE (A) RECEIVES THE WRITTEN CONSENT OF THE ISSUER, (B) PROVIDES AN ERISA CERTIFICATE TO A TRANSFER AGENT AND THE ISSUER AS TO ITS STATUS AS A BENEFIT PLAN INVESTOR OR CONTROLLING PERSON AND (C) HOLDS SUCH NOTE IN THE FORM OF A DEFINITIVE CERTIFICATE, OTHER THAN IN THE CASE WHERE THE PURCHASER IS ACQUIRING CLASS E NOTES OR CLASS F NOTES ON THE 2018 REFINANCING DATE, IN WHICH CASE THE PURCHASER MAY ACQUIRE SUCH CLASS E NOTES OR CLASS F NOTES IN THE FORM OF A RULE 144A GLOBAL CERTIFICATE OR A REGULATION S GLOBAL CERTIFICATE PROVIDED THE PURCHASER DELIVERS A COMPLETED ERISA CERTIFICATE TO THE ISSUER AND A TRANSFER AGENT, AND (2)(A) IF IT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, ITS ACQUISITION, HOLDING AND DISPOSITION OF SUCH NOTES WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF 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)(B) IF IT IS A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, 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 INVESTMENT MANAGER (OR OTHER PERSONS RESPONSIBLE FOR THE INVESTMENT AND OPERATION OF THE ISSUER'S ASSETS) TO LAWS OR REGULATIONS THAT ARE SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**"), AND ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT VIOLATION OF ANY APPLICABLE STATE, LOCAL, OTHER FEDERAL OR NON-U.S. LAWS OR REGULATIONS THAT ARE SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE ("**OTHER PLAN LAW**"). "**BENEFIT PLAN INVESTOR**" MEANS A BENEFIT PLAN INVESTOR, AS DEFINED IN SECTION 3(42) OF ERISA, AND INCLUDES (A) AN EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF TITLE I OF ERISA) THAT

IS SUBJECT TO THE FIDUCIARY RESPONSIBILITY PROVISIONS OF TITLE I OF ERISA, (B) A PLAN THAT IS SUBJECT TO SECTION 4975 OF THE CODE OR (C) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE "PLAN ASSETS" BY REASON OF ANY SUCH EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN THE ENTITY. "**CONTROLLING PERSON**" MEANS A PERSON (OTHER THAN A BENEFIT PLAN INVESTOR) WHO HAS DISCRETIONARY AUTHORITY OR CONTROL WITH RESPECT TO THE ASSETS OF THE ISSUER OR ANY PERSON WHO PROVIDES INVESTMENT ADVICE FOR A FEE (DIRECT OR INDIRECT) WITH RESPECT TO SUCH ASSETS, OR ANY AFFILIATE OF ANY SUCH PERSON. AN "**AFFILIATE**" OF A PERSON INCLUDES ANY PERSON, DIRECTLY OR INDIRECTLY THROUGH ONE OR MORE INTERMEDIARIES, CONTROLLING, CONTROLLED BY OR UNDER COMMON CONTROL WITH THE PERSON. "**CONTROL**" WITH RESPECT TO A PERSON OTHER THAN AN INDIVIDUAL MEANS THE POWER TO EXERCISE A CONTROLLING INFLUENCE OVER THE MANAGEMENT OR POLICIES OF SUCH PERSON. ANY PURPORTED TRANSFER OF A CLASS E NOTE, A CLASS F NOTE OR A SUBORDINATED NOTE IN VIOLATION OF THE REQUIREMENTS SET FORTH IN THIS PARAGRAPH SHALL BE NULL AND VOID *AB INITIO* AND THE ACQUIROR UNDERSTANDS THAT THE ISSUER WILL HAVE THE RIGHT TO CAUSE THE SALE OF 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, A CLASS F NOTE OR A SUBORDINATED NOTE OR ANY INTEREST THEREIN WILL BE PERMITTED, AND THE TRUSTEE WILL NOT RECOGNIZE ANY SUCH TRANSFER, IF IT WOULD CAUSE 25 PER CENT. OR MORE OF THE TOTAL VALUE OF THE CLASS E NOTES, THE CLASS F NOTES, THE CLASS M-1 NOTES OR THE CLASS M-2 NOTES (EACH DETERMINED SEPARATELY BY EACH CLASS OF EQUITY INTEREST) TO BE HELD BY BENEFIT PLAN INVESTORS, DISREGARDING CLASS E NOTES, CLASS F NOTES, CLASS M-1 NOTES AND CLASS M-2 NOTES (OR INTERESTS THEREIN) HELD BY CONTROLLING PERSONS ("**25 PER CENT. LIMITATION**").

THE ISSUER HAS THE RIGHT, UNDER THE TRUST DEED, TO COMPEL ANY BENEFICIAL OWNER OF A CLASS E NOTE, A CLASS F NOTE OR A 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, THE CLASS F NOTE OR THE SUBORDINATED NOTE, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER.]

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS E NOTES, THE CLASS F NOTES, THE CLASS M-1 NOTES AND THE CLASS M-2 NOTES IN THE FORM OF DEFINITIVE CERTIFICATES ONLY*] [EACH PURCHASER OR TRANSFEREE OF THIS CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE WILL BE REQUIRED TO REPRESENT, WARRANT AND AGREE IN WRITING TO THE ISSUER (A) WHETHER OR NOT, FOR SO LONG AS IT HOLDS THIS CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE OR AN INTEREST HEREIN, IT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, (B) WHETHER OR NOT, FOR SO LONG AS IT HOLDS THIS CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE OR AN INTEREST HEREIN, IT IS A CONTROLLING PERSON AND (C) THAT (1) IF IT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF THE 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 INVESTMENT MANAGER (OR OTHER PERSONS RESPONSIBLE FOR THE INVESTMENT AND OPERATION OF THE ISSUER'S ASSETS) TO

LAWS OR REGULATIONS THAT ARE SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**"), AND (b) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT VIOLATION OF ANY APPLICABLE STATE, LOCAL, OTHER FEDERAL OR NON-U.S. LAWS OR REGULATIONS THAT ARE SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA AND/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 IN CERTIFICATED FORM WILL BE REQUIRED TO COMPLETE AN ERISA CERTIFICATE IDENTIFYING ITS STATUS AS A BENEFIT PLAN INVESTOR OR A CONTROLLING PERSON. "**BENEFIT PLAN INVESTOR**" MEANS A BENEFIT PLAN INVESTOR, AS DEFINED IN SECTION 3(42) OF ERISA, AND INCLUDES (A) AN EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF TITLE I OF ERISA) THAT IS SUBJECT TO THE FIDUCIARY RESPONSIBILITY PROVISIONS OF TITLE I OF ERISA, (B) A PLAN THAT IS SUBJECT TO SECTION 4975 OF THE CODE OR (C) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE "PLAN ASSETS" BY REASON OF ANY SUCH EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN THE ENTITY. "**CONTROLLING PERSON**" MEANS A PERSON (OTHER THAN A BENEFIT PLAN INVESTOR) WHO HAS DISCRETIONARY AUTHORITY OR CONTROL WITH RESPECT TO THE ASSETS OF THE ISSUER OR ANY PERSON WHO PROVIDES INVESTMENT ADVICE FOR A FEE (DIRECT OR INDIRECT) WITH RESPECT TO SUCH ASSETS, OR ANY AFFILIATE OF ANY SUCH PERSON. AN "**AFFILIATE**" OF A PERSON INCLUDES ANY PERSON, DIRECTLY OR INDIRECTLY THROUGH ONE OR MORE INTERMEDIARIES, CONTROLLING, CONTROLLED BY OR UNDER COMMON CONTROL WITH THE PERSON. "**CONTROL**" WITH RESPECT TO A PERSON OTHER THAN AN INDIVIDUAL MEANS THE POWER TO EXERCISE A CONTROLLING INFLUENCE OVER THE MANAGEMENT OR POLICIES OF SUCH PERSON. ANY PURPORTED TRANSFER OF A CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE IN VIOLATION OF THE REQUIREMENTS SET FORTH IN THIS PARAGRAPH SHALL BE NULL AND VOID *AB INITIO* AND THE ACQUIROR UNDERSTANDS THAT THE ISSUER WILL HAVE THE RIGHT TO CAUSE THE SALE OF 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, A CLASS F NOTE OR A SUBORDINATED NOTE OR ANY INTEREST THEREIN WILL BE PERMITTED, AND THE TRUSTEE WILL NOT RECOGNIZE ANY SUCH TRANSFER, IF IT WOULD CAUSE 25 PER CENT. OR MORE OF THE TOTAL VALUE OF THE CLASS E NOTES, THE CLASS F NOTES, THE CLASS M-1 NOTES OR THE CLASS M-2 NOTES (DETERMINED SEPARATELY BY EACH CLASS OF EQUITY INTEREST) TO BE HELD BY BENEFIT PLAN INVESTORS, DISREGARDING CLASS E NOTES, CLASS F NOTES, CLASS M-1 NOTES AND CLASS M-2 NOTES (OR INTERESTS THEREIN) HELD BY CONTROLLING PERSONS ("**25 PER CENT. LIMITATION**").

THE ISSUER HAS THE RIGHT, UNDER THE TRUST DEED, TO COMPEL ANY BENEFICIAL OWNER OF A CLASS E NOTE, A CLASS F NOTE OR A 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, THE CLASS F NOTE OR THE SUBORDINATED NOTE, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER.]

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS C NOTES, CLASS D NOTES, CLASS E NOTES AND CLASS F NOTES ONLY*] [THIS NOTE HAS BEEN ISSUED WITH ORIGINAL ISSUE DISCOUNT ("**OID**") FOR 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 ISSUER AT HERIKERBERGWEG 238, 1101 CM AMSTERDAM, THE NETHERLANDS.]

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS A NOTES, CLASS B NOTES, CLASS C NOTES AND CLASS D NOTES IN THE FORM OF IM REMOVAL AND REPLACEMENT NON-*

VOTING NOTES OR IM REMOVAL AND REPLACEMENT EXCHANGEABLE NON-VOTING NOTES ONLY] [EACH PERSON ACQUIRING OR HOLDING THIS NOTE OR ANY INTEREST HEREIN SHALL BE DEEMED TO HAVE ACKNOWLEDGED AND AGREED THAT SUCH NOTE OR INTEREST HEREIN SHALL NOT CARRY ANY RIGHT TO VOTE IN RESPECT OF, OR BE COUNTED FOR THE PURPOSES OF DETERMINING A QUORUM AND THE RESULT OF ANY VOTES IN RESPECT OF AN IM REMOVAL RESOLUTION OR AN IM REPLACEMENT RESOLUTION.]

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS A NOTES, CLASS B NOTES, CLASS C NOTES AND CLASS D NOTES IN THE FORM OF IM REMOVAL AND REPLACEMENT 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 ANY VOTES IN RESPECT OF AN IM REMOVAL RESOLUTION OR AN IM REPLACEMENT RESOLUTION.]

8. The purchaser will not, at any time, offer to buy or offer to sell the Notes by any form of general solicitation or advertising, including, but not limited to, any advertisement, article, notice or other communication published in any newspaper, magazine or similar medium or broadcast over television or radio or seminar or meeting whose attendees have been invited by general solicitations or advertising.

9. Prospective purchasers are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

10. The purchaser will treat the Issuer and the Notes as described in the "*Tax Considerations - Certain U.S. Federal Income Tax Considerations*" section of the Offering Circular for all U.S. federal, state and local income tax purposes and will take no action inconsistent with such treatment unless required by law.

11. The purchaser will timely furnish the Issuer or its agents with any tax forms or certifications (including, without limitation, IRS Form W-9, an applicable IRS Form W-8, or any successors to such IRS forms) that the Issuer or its agents may reasonably request (A) to permit the Issuer or its agents to make payments to the purchaser without, or at a reduced rate of, deduction or withholding, (B) to enable the Issuer or its agents to qualify for a reduced rate of withholding or deduction in any jurisdiction from or through which the Issuer or its agents receive payments, and (C) to enable the Issuer or its agents to satisfy reporting and other obligations under the Code and Treasury regulations or under any other applicable law (including the CRS), and will update or replace any tax forms or certifications as appropriate or in accordance with their terms or subsequent amendments thereto. Each purchaser acknowledges that the failure to provide, update or replace any such tax forms or certifications may result in the imposition of withholding or back-up withholding upon payments to such purchaser, or to the Issuer. Amounts withheld from payments to the purchaser by the Issuer or its agents that are, in their sole judgment, required to be withheld pursuant to applicable tax laws will be treated as having been paid to the purchaser by the Issuer.

12. The purchaser will provide the Issuer or its agents with any correct, complete and accurate information and will take any other actions that may be required for the Issuer to comply with FATCA and to prevent the imposition of U.S. federal withholding tax under FATCA on payments to or for the benefit of the Issuer. In the event the purchaser fails to provide such information or take such actions, or to the extent that its ownership of Notes would otherwise cause the Issuer to be subject to any tax under FATCA, (A) the Issuer (and any agent acting on its behalf) is authorized to withhold amounts otherwise distributable to the purchaser as compensation for any amounts withheld from payments to or for the benefit of the Issuer as a result of such failure or such ownership, and (B) to the extent necessary to avoid an adverse effect on the Issuer as a result of such failure or such ownership, the Issuer will have the right to compel the purchaser to sell its Notes and, if such purchaser does not sell its Notes within 10 Business Days after notice from the Issuer or its agents, the Issuer will have the right to sell such Notes at a public or private sale called and conducted in any manner permitted by law, and to remit the net proceeds of such sale (taking into account any taxes incurred by the Issuer in connection with such sale) to such person as payment in full for such Notes. The Issuer may also assign each such Note a separate ISIN in the Issuer's sole discretion. Each purchaser agrees that the Issuer, the Trustee or their agents or representatives may (1) provide any information and documentation concerning its investment in its Notes to the Dutch Tax Authorities (*belastingdienst*), the U.S. Internal Revenue Service and any other

relevant tax authority and (2) take such other steps as they deem necessary or helpful to ensure that the Issuer complies with FATCA and/or the CRS.

13. Each purchaser of Class E Notes or Class F Notes, if it is not a "United States person" (as defined in Section 7701(a)(30) of the Code), represents that either:

    (a) it is not a bank (within the meaning of Section 881(c)(3)(A) of the Code) or an affiliate of a bank;

    (b) after giving effect to its purchase of Notes, it (x) will not directly or indirectly own more than 33-1/3 per cent., by value, of the aggregate of the Notes within such Class and any other Notes that are ranked *pari passu* with or are subordinated to such Notes, and will not otherwise be related to the Issuer (within the meaning of Treasury regulations section 1.881-3) and (y) has not purchased the Notes in whole or in part to avoid any U.S. federal tax liability (including, without limitation, any U.S. withholding tax that would be imposed on payments on the Collateral Debt Obligations if the Collateral Debt Obligations were held directly by the purchaser); or

    (c) it has provided an IRS Form W-8ECI representing that all payments received or to be received by it from the Issuer are effectively connected with the conduct of a trade or business in the United States and includible in its gross income.

14. The purchaser understands and acknowledges that the Issuer has the right under the Trust Deed to compel any Non-Permitted Holder or Non-Permitted ERISA Holder to sell its interest in the Notes, or may sell such interest in its Notes on behalf of such Non-Permitted Holder or Non-Permitted ERISA Holder.

15. With respect to the Subordinated Notes, each holder of such Notes will agree that the Subordinated Notes may not be offered, sold, resold, delivered or transferred other than to "professional market parties" (*professionele marktpartijen*) within the meaning of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) that do not qualify as "public" (within the meaning of article 4(1) of the CRR and the rules promulgated thereunder or any subsequent legislation replacing that regulation), and, if resident or domiciled in The Netherlands, other than to qualified investors within the meaning of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*).

Regulation S Notes

Each purchaser or transferee of Regulation S Notes will be deemed to have made the representations (or in the case of a Definitive Certificate, shall make the representations) set forth in clauses (4), (6) and (10) through (17) (inclusive) above (except that references to Rule 144A Notes shall be deemed to be references to Regulation S Notes) and to have further represented and agreed as follows:

1. The purchaser is located outside the United States and is not a U.S. Person.

2. The purchaser understands that the Notes have not been and will not be registered under the Securities Act and that the Issuer has not registered and will not register under the Investment Company Act. It agrees, for the benefit of the Issuer, the Placement Agent and any of their Affiliates, that, if it decides to resell, pledge or otherwise transfer such Notes (or any beneficial interest or participation therein) purchased by it, any offer, sale or transfer of such Notes (or any beneficial interest or participation therein) will be made in compliance with the Securities Act and only (i) to a person (A) it reasonably believes is a QIB purchasing for its own account or for the account of a QIB in a nominal amount of not less than €250,000 for it and each such account, in a transaction that meets the requirements of Rule 144A and takes delivery in the form of a Rule 144A Note and (B) that constitutes a QP; or (ii) to a non-U.S. Person in an offshore transaction in accordance with Rule 903 or Rule 904 (as applicable) under Regulation S.

3. The purchaser understands that unless the Issuer determines otherwise in compliance with applicable law, such Notes will bear a legend set forth below.

   THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), AND THE ISSUER HAS NOT BEEN REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "**INVESTMENT COMPANY ACT**"). THE

HOLDER HEREOF, BY PURCHASING THE NOTES IN RESPECT OF WHICH THIS NOTE HAS BEEN ISSUED, AGREES FOR THE BENEFIT OF THE ISSUER THAT THE NOTES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (A)(1) TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT, OR (2) TO A NON-U.S. PERSON IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT AND, IN THE CASE OF CLAUSE (1), IN A PRINCIPAL AMOUNT OF NOT LESS THAN €250,000 FOR THE PURCHASER AND FOR EACH ACCOUNT FOR WHICH IT IS ACTING, AND IN EACH CASE, TO A PURCHASER THAT (V) IS A QUALIFIED PURCHASER FOR THE PURPOSES OF SECTION 3(c)(7) OF THE INVESTMENT COMPANY ACT, (W) WAS NOT FORMED FOR THE PURPOSE OF INVESTING IN THE ISSUER (EXCEPT WHEN EACH BENEFICIAL OWNER OF THE PURCHASER IS A QUALIFIED PURCHASER), (X) HAS RECEIVED THE NECESSARY CONSENT FROM ITS BENEFICIAL OWNERS WHEN THE PURCHASER IS A PRIVATE INVESTMENT COMPANY FORMED BEFORE APRIL 30, 1996, (Y) IS NOT A BROKER-DEALER THAT OWNS AND INVESTS ON A DISCRETIONARY BASIS LESS THAN U.S.$25,000,000 IN SECURITIES OF UNAFFILIATED ISSUERS AND (Z) IS NOT A PENSION, PROFIT SHARING OR OTHER RETIREMENT TRUST FUND OR PLAN IN WHICH THE PARTNERS, BENEFICIARIES OR PARTICIPANTS, AS APPLICABLE, MAY DESIGNATE THE PARTICULAR INVESTMENTS TO BE MADE, AND IN A TRANSACTION THAT MAY BE EFFECTED WITHOUT LOSS OF ANY APPLICABLE INVESTMENT COMPANY ACT EXEMPTION OR IN THE CASE OF CLAUSE (2), €100,000 AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES. ANY TRANSFER IN VIOLATION OF THE FOREGOING WILL BE OF NO FORCE AND EFFECT, WILL BE VOID *AB INITIO* AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO THE TRANSFEREE, NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE ISSUER, THE TRUSTEE OR ANY INTERMEDIARY. IN ADDITION TO THE FOREGOING, IN THE EVENT OF A VIOLATION OF (V) THROUGH (Z), THE ISSUER MAINTAINS THE RIGHT TO DIRECT THE RESALE OF ANY 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 REQUIRED OR DEEMED TO HAVE REPRESENTED, WARRANTED AND AGREED THAT (I) EITHER (A) IT IS NOT AND IS NOT ACTING ON BEHALF OF (AND FOR SO LONG AS IT HOLDS ANY SUCH NOTE OR INTEREST THEREIN WILL NOT BE, AND WILL NOT BE ACTING ON BEHALF OF) AN EMPLOYEE BENEFIT PLAN, AS DEFINED IN SECTION 3(3) OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**"), THAT IS SUBJECT TO THE PROVISIONS OF PART 4 OF SUBTITLE B OF TITLE I OF ERISA, A PLAN TO WHICH SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED, (THE "**CODE**"), APPLIES, OR AN ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS BY REASON OF SUCH AN EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN SUCH ENTITY WITHIN THE MEANING OF 29 C.F.R. SECTION 2510.3-101 (AS MODIFIED BY SECTION 3(42) OF ERISA) ("**BENEFIT PLAN INVESTOR**"), OR A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN WHICH IS SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT IS 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 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 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, THE CLASS F NOTES, THE CLASS M-1 NOTES AND THE CLASS M-2 NOTES IN THE FORM OF RULE 144A GLOBAL NOTES AND REGULATION S GLOBAL NOTES ONLY*] [EACH PURCHASER OR TRANSFEREE OF THIS CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE WILL BE REQUIRED OR DEEMED TO REPRESENT, WARRANT AND AGREE THAT (1) IT IS NOT, AND IS NOT ACTING ON BEHALF OF (AND FOR SO LONG AS IT HOLDS ANY SUCH NOTE OR INTEREST THEREIN WILL NOT BE, AND WILL NOT BE ACTING ON BEHALF OF), A BENEFIT PLAN INVESTOR OR CONTROLLING PERSON UNLESS SUCH PURCHASER OR TRANSFEREE (A) RECEIVES THE WRITTEN CONSENT OF THE ISSUER, (B) PROVIDES AN ERISA CERTIFICATE TO A TRANSFER AGENT AND THE ISSUER AS TO ITS STATUS AS A BENEFIT PLAN INVESTOR OR CONTROLLING PERSON AND (C) HOLDS SUCH NOTE IN THE FORM OF A DEFINITIVE CERTIFICATE, OTHER THAN IN THE CASE WHERE THE PURCHASER IS ACQUIRING CLASS E NOTES OR CLASS F NOTES ON THE 2018 REFINANCING DATE, IN WHICH CASE THE PURCHASER MAY ACQUIRE SUCH CLASS E NOTES OR CLASS F NOTES IN THE FORM OF A RULE 144A GLOBAL CERTIFICATE OR A REGULATION S GLOBAL CERTIFICATE PROVIDED THE PURCHASER DELIVERS A COMPLETED ERISA CERTIFICATE TO THE ISSUER AND A TRANSFER AGENT, AND (2)(A) IF IT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, ITS ACQUISITION, HOLDING AND DISPOSITION OF SUCH NOTES WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF 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)(B) IF IT IS A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, 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 INVESTMENT 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 ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT VIOLATION OF ANY APPLICABLE STATE, LOCAL, OTHER FEDERAL OR NON-U.S. LAWS OR REGULATIONS THAT ARE SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("**OTHER PLAN LAW**"). "**BENEFIT PLAN INVESTOR**" MEANS A BENEFIT PLAN INVESTOR, AS DEFINED IN SECTION 3(42) OF ERISA, AND INCLUDES (A) AN EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF TITLE I OF ERISA) THAT IS SUBJECT TO THE FIDUCIARY RESPONSIBILITY PROVISIONS OF TITLE I OF ERISA, (B) A PLAN THAT IS SUBJECT TO SECTION 4975 OF THE CODE OR (C) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE "PLAN ASSETS" BY REASON OF ANY SUCH EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN THE ENTITY. "**CONTROLLING PERSON**"

MEANS A PERSON (OTHER THAN A BENEFIT PLAN INVESTOR) WHO HAS DISCRETIONARY AUTHORITY OR CONTROL WITH RESPECT TO THE ASSETS OF THE ISSUER OR ANY PERSON WHO PROVIDES INVESTMENT ADVICE FOR A FEE (DIRECT OR INDIRECT) WITH RESPECT TO SUCH ASSETS, OR ANY AFFILIATE OF ANY SUCH PERSON. 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 A CLASS E NOTE, A CLASS F NOTE OR A SUBORDINATED NOTE IN VIOLATION OF THE REQUIREMENTS SET FORTH IN THIS PARAGRAPH SHALL BE NULL AND VOID *AB INITIO* AND THE ACQUIROR UNDERSTANDS THAT THE ISSUER WILL HAVE THE RIGHT TO CAUSE THE SALE OF 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, A CLASS F NOTE OR A SUBORDINATED NOTE OR ANY INTEREST THEREIN WILL BE PERMITTED, AND THE TRUSTEE WILL NOT RECOGNIZE ANY SUCH TRANSFER, IF IT WOULD CAUSE 25 PER CENT. OR MORE OF THE TOTAL VALUE OF THE CLASS E NOTES, THE CLASS F NOTES, THE CLASS M-1 NOTES OR THE CLASS M-2 NOTES (EACH DETERMINED SEPARATELY BY EACH CLASS OF EQUITY INTEREST) TO BE HELD BY BENEFIT PLAN INVESTORS, DISREGARDING CLASS E NOTES, CLASS F NOTES, CLASS M-1 NOTES AND CLASS M-2 NOTES (OR INTERESTS THEREIN) HELD BY CONTROLLING PERSONS ("**25 PER CENT. LIMITATION**").

THE ISSUER HAS THE RIGHT, UNDER THE TRUST DEED, TO COMPEL ANY BENEFICIAL OWNER OF A CLASS E NOTE, A CLASS F NOTE OR A 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, THE CLASS F NOTE OR THE SUBORDINATED NOTE, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER.]

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS E NOTES, THE CLASS F NOTES, THE CLASS M-1 NOTES AND THE CLASS M-2 NOTES IN THE FORM OF DEFINITIVE CERTIFICATES ONLY*] [EACH PURCHASER OR TRANSFEREE OF THIS CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE WILL BE REQUIRED TO REPRESENT, WARRANT AND AGREE IN WRITING TO THE ISSUER (A) WHETHER OR NOT, FOR SO LONG AS IT HOLDS THIS CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE OR AN INTEREST HEREIN, IT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, (B) WHETHER OR NOT, FOR SO LONG AS IT HOLDS THIS CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE OR AN INTEREST HEREIN, IT IS A CONTROLLING PERSON AND (C) THAT (1) IF IT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF THE 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 INVESTMENT MANAGER (OR OTHER PERSONS RESPONSIBLE FOR THE INVESTMENT AND OPERATION OF THE ISSUER'S ASSETS) TO LAWS OR REGULATIONS THAT ARE SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**"), AND (b) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE WILL NOT CONSTITUTE OR RESULT IN A NON-

EXEMPT VIOLATION OF ANY APPLICABLE STATE, LOCAL, OTHER FEDERAL OR NON-U.S. LAWS OR REGULATIONS THAT ARE SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA AND/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 IN CERTIFICATED FORM WILL BE REQUIRED TO COMPLETE AN ERISA CERTIFICATE IDENTIFYING ITS STATUS AS A BENEFIT PLAN INVESTOR OR A CONTROLLING PERSON. "**BENEFIT PLAN INVESTOR**" MEANS A BENEFIT PLAN INVESTOR, AS DEFINED IN SECTION 3(42) OF ERISA, AND INCLUDES (A) AN EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF TITLE I OF ERISA) THAT IS SUBJECT TO THE FIDUCIARY RESPONSIBILITY PROVISIONS OF TITLE I OF ERISA, (B) A PLAN THAT IS SUBJECT TO SECTION 4975 OF THE CODE OR (C) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE "PLAN ASSETS" BY REASON OF ANY SUCH EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN THE ENTITY. "**CONTROLLING PERSON**" MEANS A PERSON (OTHER THAN A BENEFIT PLAN INVESTOR) WHO HAS DISCRETIONARY AUTHORITY OR CONTROL WITH RESPECT TO THE ASSETS OF THE ISSUER OR ANY PERSON WHO PROVIDES INVESTMENT ADVICE FOR A FEE (DIRECT OR INDIRECT) WITH RESPECT TO SUCH ASSETS, OR ANY AFFILIATE OF ANY SUCH PERSON. AN "**AFFILIATE**" OF A PERSON INCLUDES ANY PERSON, DIRECTLY OR INDIRECTLY THROUGH ONE OR MORE INTERMEDIARIES, CONTROLLING, CONTROLLED BY OR UNDER COMMON CONTROL WITH THE PERSON. "**CONTROL**" WITH RESPECT TO A PERSON OTHER THAN AN INDIVIDUAL MEANS THE POWER TO EXERCISE A CONTROLLING INFLUENCE OVER THE MANAGEMENT OR POLICIES OF SUCH PERSON. ANY PURPORTED TRANSFER OF A CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE IN VIOLATION OF THE REQUIREMENTS SET FORTH IN THIS PARAGRAPH SHALL BE NULL AND VOID *AB INITIO* AND THE ACQUIROR UNDERSTANDS THAT THE ISSUER WILL HAVE THE RIGHT TO CAUSE THE SALE OF 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, A CLASS F NOTE OR A SUBORDINATED NOTE OR ANY INTEREST THEREIN WILL BE PERMITTED, AND THE TRUSTEE WILL NOT RECOGNIZE ANY SUCH TRANSFER, IF IT WOULD CAUSE 25 PER CENT. OR MORE OF THE TOTAL VALUE OF THE CLASS E NOTES, THE CLASS F NOTES, THE CLASS M-1 NOTES OR THE CLASS M-2 NOTES (DETERMINED SEPARATELY BY EACH CLASS OF EQUITY INTEREST) TO BE HELD BY BENEFIT PLAN INVESTORS, DISREGARDING CLASS E NOTES, CLASS F NOTES, CLASS M-1 NOTES AND CLASS M-2 NOTES (OR INTERESTS THEREIN) HELD BY CONTROLLING PERSONS ("**25 PER CENT. LIMITATION**").

THE ISSUER HAS THE RIGHT, UNDER THE TRUST DEED, TO COMPEL ANY BENEFICIAL OWNER OF A CLASS E NOTE, A CLASS F NOTE OR A 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, THE CLASS F NOTE OR THE SUBORDINATED NOTE, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER.]

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS C NOTES, CLASS D NOTES, CLASS E NOTES AND CLASS F NOTES ONLY*] THIS NOTE HAS BEEN ISSUED WITH ORIGINAL ISSUE DISCOUNT ("**OID**") FOR 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 ISSUER AT HERIKERBERGWEG 238, 1101 CM AMSTERDAM, THE NETHERLANDS.]

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS A NOTES, CLASS B NOTES, CLASS C NOTES AND CLASS D NOTES IN THE FORM OF IM REMOVAL AND REPLACEMENT NON-VOTING NOTES OR IM REMOVAL AND REPLACEMENT EXCHANGEABLE NON-VOTING NOTES ONLY*] [EACH PERSON ACQUIRING OR HOLDING THIS NOTE OR ANY INTEREST HEREIN SHALL BE DEEMED TO HAVE ACKNOWLEDGED AND AGREED THAT SUCH NOTE OR INTEREST HEREIN SHALL NOT CARRY ANY RIGHT TO VOTE IN RESPECT OF, OR BE

COUNTED FOR THE PURPOSES OF DETERMINING A QUORUM AND THE RESULT OF ANY VOTES IN RESPECT OF AN IM REMOVAL RESOLUTION OR AN IM REPLACEMENT RESOLUTION.]

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS A NOTES, CLASS B NOTES, CLASS C NOTES AND CLASS D NOTES IN THE FORM OF IM REMOVAL AND REPLACEMENT 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 ANY VOTES IN RESPECT OF AN IM REMOVAL RESOLUTION OR AN IM REPLACEMENT RESOLUTION.]

4. The purchaser acknowledges that the Issuer, the Placement Agent, the Retention Holder, the Trustee, the Investment 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 or U.S. Residents.

6. With respect to the Subordinated Notes, each holder of such Notes will agree that the Subordinated Notes may not be offered, sold, resold, delivered or transferred other than to "professional market parties" (*professionele marktpartijen*) within the meaning of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) that do not qualify as "public" (within the meaning of article 4(1) of the CRR and the rules promulgated thereunder or any subsequent legislation replacing that regulation), and, if resident or domiciled in The Netherlands, other than to qualified investors within the meaning of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*).

GENERAL INFORMATION

Clearing Systems

The Refinancing Notes of each Class have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The Common Code and International Securities Identification Number ("**ISIN**") for the Refinancing Notes of each Class are:

	Regulation S Notes		Rule 144A Notes	
	ISIN	Common Code	ISIN	Common Code
Class A IM Removal and Replacement Voting Notes	XS1850309466	185030946	XS1850311017	185031101
Class A IM Removal and Replacement Non-Voting Notes	XS1850309623	185030962	XS1850311280	185031128
Class A IM Removal and Replacement Exchangeable Non-Voting Notes	XS1850309540	185030954	XS1850311108	185031110
Class B IM Removal and Replacement Voting Notes	XS1850309896	185030989	XS1850311363	185031136
Class B IM Removal and Replacement Non-Voting Notes	XS1850310043	185031004	XS1850311520	185031152
Class B IM Removal and Replacement Exchangeable Non-Voting Notes	XS1850309979	185030997	XS1850311447	185031144
Class C IM Removal and Replacement Voting Notes	XS1850310126	185031012	XS1850311793	185031179
Class C IM Removal and Replacement Non-Voting Notes	XS1850310472	185031047	XS1850311959	185031195
Class C IM Removal and Replacement Exchangeable Non-Voting Notes	XS1850310399	185031039	XS1850311876	185031187
Class D IM Removal and Replacement Voting Notes	XS1850310555	185031055	XS1850312098	185031209
Class D IM Removal and Replacement Non-Voting Notes	XS1850310712	185031071	XS1850312254	185031225
Class D IM Removal and Replacement Exchangeable Non-Voting Notes	XS1850310639	185031063	XS1850312171	185031217
Class E Notes	XS1850310803	185031080	XS1850312338	185031233
Class F Notes	XS1850310985	185031098	XS1850312411	185031241

Listing

Application has been made to Euronext Dublin for the approval of the final Offering Circular as listing particulars. Application has been made to Euronext Dublin for the Refinancing Notes to be admitted to the Official List and to trading on the Global Exchange Market which is the exchange regulated market of Euronext Dublin. The Global Exchange Market is not a regulated market for the purposes of MiFID II. There can be no assurance that any such listing will be maintained.

Listing Agent

Walkers Listing Services Limited is acting solely in its capacity as listing agent for the Issuer in relation to the Refinancing Notes and is not itself seeking admission of the Refinancing Notes to the Official List of Euronext Dublin or to trading on the Global Exchange Market of Euronext Dublin.

The auditors of the Issuer are KPMG, who are chartered accountants and are members of the Institute of Chartered Accountants and registered auditors qualified in practice in The Netherlands.

Consents and Authorisations

The Issuer has obtained all necessary consents, approvals and authorisations in The Netherlands (if any) in connection with the issue and performance of the Refinancing Notes. The issue of the Refinancing Notes was authorised by resolutions of the board of Directors of the Issuer passed on or about 20 July 2018.

No Significant or Material Change

There has been no material adverse change in the financial position or prospects of the Issuer since its last filed accounts for the year ended 30 June 2017.

Accounts

The Issuer prepared financial statements for the period from incorporation to 30 June 2016 which were not audited. The first audited financial statements of the Issuer are for the year ended 30 June 2017.

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 last audited accounts a significant effect on the Issuer's financial position or profitability.

Documents Available

Copies of the following documents may be inspected in electronic format at the registered offices of the Issuer during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) for the term of the Notes:

(a) the Articles of Association of the Issuer;

(b) the Supplemental Trust Deed and the Trust Deed (which includes the form of each Note of each Class);

(c) the Agency Agreement;

(d) the Investment Management Agreement;

(e) each Monthly Report;

(f) each Payment Date Report;

(g) the Amendment Deed;

(h) the Risk Retention Letter; and

(i) the Issuer's audited financial statements for the year ended 30 June 2017.

INDEX OF DEFINED TERMS

ANNEX A
2016 OFFERING CIRCULAR

Cairn CLO VI B.V.

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

€212,000,000 Class A Senior Secured Floating Rate Notes due 2029
€42,100,000 Class B Senior Secured Floating Rate Notes due 2029
€19,600,000 Class C Senior Secured Deferrable Floating Rate Notes due 2029
€17,150,000 Class D Senior Secured Deferrable Floating Rate Notes due 2029
€24,000,000 Class E Senior Secured Deferrable Floating Rate Notes due 2029
€8,700,000 Class F Senior Secured Deferrable Floating Rate Notes due 2029
€17,650,000 Class M-1 Subordinated Notes due 2029
€20,800,000 Class M-2 Subordinated Notes due 2029

The assets securing the Notes (as defined below) will consist of a portfolio of primarily Senior Loans, Senior Secured Bonds, Mezzanine Obligations and High Yield Bonds managed by Cairn Loan Investments LLP (the "**Investment Manager**" which term shall include its permitted successors and assigns pursuant to the terms of an investment management agreement dated on or about 21 July 2016 (the "**Investment Management Agreement**")).

Cairn CLO VI B.V. (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, the Class M-1 Notes and the Class M-2 Notes (each as defined herein).

The Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes (such Classes of Notes, the "**Rated Notes**") together with the Class M-1 Notes and the Class M-2 Notes (the Class M-1 Notes and the Class M-2 Notes, together, 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 21 July 2016 (the "**Issue Date**"), made between (amongst others) the Issuer and U.S. Bank Trustees Limited, in its capacity as trustee (the "**Trustee**").

Interest on the Notes will be payable (i) quarterly in arrear on 25 January, 25 April, 25 July and 25 October at any time other than following the occurrence of a Frequency Switch Event (as defined herein); and (ii) semi-annually in arrear following the occurrence of a Frequency Switch Event on (A) 25 January and 25 July (where the Payment Date immediately prior to the occurrence of the Frequency Switch Event falls in either January or July), or (B) 25 April and 25 October (where the Payment Date immediately prior to the occurrence of the Frequency Switch Event falls in either April or October), commencing on 25 January 2017 and ending on the Maturity Date (as defined herein) (subject to any earlier redemption of the Notes and in accordance with the Priorities of Payments described herein in each case subject to adjustment for non-Business Days in accordance with the Conditions).

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

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

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

The Notes are limited recourse obligations of the Issuer which are payable solely out of amounts received by or on behalf of the Issuer in respect of the Collateral (as defined herein). The net proceeds of the realisation of the security over the Collateral upon acceleration of the Notes following an Event of Default (as defined herein) may be insufficient to pay all amounts due to the Noteholders (as defined herein) after making payments to

CDO Trust Services
www.usbank.com/cdo
Kwame Anno-Bempong
+44 (0) 207 330 2206
kwame.annobempong@usbank.com

Cairn CLO VI B.V.

As Of:	15-Jun-18
Next Payment:	25-Jul-18
Prior Payment:	25-Apr-18

Monthly Report

Electronic Reports

Issue ID:	CARN1601
Payment Data File Name:	
CARN1601_20180615_D_1.CSV	Account Summary
CARN1601_20180615_D_2.CSV	Transaction Detail
CARN1601_20180615_D_3.CSV	Test History
CARN1601_20180615_D_4.CSV	Asset Detail
CARN1601_20180615_SIFMA.XML	SIFMA

Relevant Dates

Issue Date:	21-Jul-16
Effective Date:	15-Dec-16
First Payment Date:	25-Jan-17
Reinvestment Period End Date:	27-Jul-20
Maturity Date:	25-Jul-29

Contact Information

Issuer:	Cairn CLO VI B.V.
Collateral Manager:	Cairn Loan Investments LLP
Rated By:	Moody's Investors Service/Fitch Ratings Limited

Information is available from the following sources

U.S. Bank Web Site	www.usbank.com/cdo

Summary

Note Information

Note	Original Coupon	Original Balance	Current Balance	Expected Interest Payment	Index	Coupon	Fitch Orig	Fitch Curr	Moody's Orig	Moody's Curr
Class A Notes	1.30000%	212,000,000.00	212,000,000.00	697,480.00	0.00000%	1.30000%	AAA	AAA	Aaa	Aaa
Class B Notes	2.05000%	42,100,000.00	42,100,000.00	218,078.00	0.00000%	2.05000%	AA	AA	Aa2	Aa2
Class C Notes	3.05000%	19,600,000.00	19,600,000.00	151,116.00	0.00000%	3.05000%	A	A	A2	A2
Class D Notes	4.05000%	17,150,000.00	17,150,000.00	175,616.00	0.00000%	4.05000%	BBB	BBB	Baa2	Baa2
Class E Notes	6.25000%	24,000,000.00	24,000,000.00	379,200.00	0.00000%	6.25000%	BB	BB	Ba2	Ba2
Class F Notes	8.35000%	8,700,000.00	8,700,000.00	183,657.00	0.00000%	8.35000%	B-	B-	B2	B2
Class M-1 Note	N/A	17,650,000.00	17,650,000.00	N/A	0.00000%	N/A	NR	NR	NR	NR
Class M-2 Note	N/A	20,800,000.00	20,800,000.00	N/A	0.00000%	N/A	NR	NR	NR	NR
Totals:		**362,000,000.00**	**362,000,000.00**	**1,805,147.00**						

Asset Positions

Position (1)	Curr Count	Current	Prior Count	Prior
Senior Secured Loan	92	319,796,623.82	92	317,071,300.13
Mezzanine Obligation	-	-	-	-
Unsecured Senior Loan	-	-	-	-
Second Lien Loan	3	5,600,000.00	3	5,600,000.00
High Yield Bond	-	-	-	-
Warrants	-	-	-	-
Common Stock	-	-	-	-
Senior Secured Bond	11	34,545,142.66	11	34,545,142.66
Balance in PRINCIPAL ACCOUNT	-	(11,587,408.35)	-	(10,162,208.17)
Unfunded Commitments	-	3,113,604.28	-	4,287,887.71
Totals:	**106**	**351,467,962.41**	**106**	**351,342,122.33**

Test Summary

Test Type	Pass	Fail	N/A
Coverage	9	0	0
Quality	5	2	1
Portfolio Profile	39	0	0
Totals:	**53**	**2**	**1**

Proceeds Account Summary

Accounts Summary

Account	Opening Balance	Deposits	Withdrawals	Ending Balance	Balance (EUR)
EUR					
Cairn VI Collateral Enhancement Account	-	-	-	-	-
Cairn VI CTPY Downgrade Account	-	-	-	-	-
Cairn VI Expense Reserve Account	-	-	-	-	-
Cairn VI First Period Reserve Account	-	-	-	-	-
Cairn VI Hedge Termination Account	-	-	-	-	-
Cairn VI Interest Account	796,568.50	934,871.12	0.01	1,731,439.61	1,731,439.61
Cairn VI Interest Smoothing Account	-	-	-	-	-
Cairn VI Payment Account	0.01	-	0.01	-	-
Cairn VI Principal Account	8,417,390.56	2,454,831.16	7,984,987.48	2,887,234.24	2,887,234.24
Cairn VI Unfunded Revolver Account	4,287,887.71	-	1,174,283.43	3,113,604.28	3,113,604.28
Cairn VI Unused Proceeds Account	-	-	-	-	-
Totals:	13,501,846.78	3,389,702.28	9,159,270.93	7,732,278.13	7,732,278.13
GBP					
Cairn VI GBP Currency Account	17,285.29	8,414.64	-	25,699.93	29,385.30
Totals:	17,285.29	8,414.64	-	25,699.93	29,385.30
USD					
Cairn VI USD Currency Account	1,751.50	1.56	-	1,753.06	1,509.21
Totals:	1,751.50	1.56	-	1,753.06	1,509.21

Please Note: All balances are as of the cash settled date.

Portfolio Profile Tests Summary

Test Number	Description	Effective Date	Prior	Current	Trigger	Max / Min	Result
1	(a) Secured Senior Obligations	99.43%	98.41%	98.41%	90.00%	Minimum	Pass
2	(b) Secured Senior Loans	89.11%	88.57%	88.58%	70.00%	Minimum	Pass
3	(c) Unsecured Senior Obligations, Second Lien Loans, Mezzanine Obligations and High Yield Bonds	0.57%	1.59%	1.59%	10.00%	Maximum	Pass
4	(d)(i) Single Obligor Concentration of Secured Senior Obligations (Largest Obligor)	2.53%	2.28%	2.28%	3.00%	Maximum	Pass
5	(d)(ii) Single Obligor Concentration of Secured Senior Obligations (Sixth Largest Obligor)	1.85%	1.79%	1.79%	2.50%	Maximum	Pass
6	(e) Single Obligor Concentration of Collateral Obligations which are not Secured Senior Obligations	0.57%	0.57%	0.57%	1.50%	Maximum	Pass
7	(f) Single Obligor Concentration (Largest Obligor)	2.53%	2.28%	2.28%	3.00%	Maximum	Pass
8	(g) Participations	-	-	-	5.00%	Maximum	Pass
9	(h) Current Pay Obligations	-	-	-	5.00%	Maximum	Pass
10	(i) Revolving Obligations or Delayed Drawdown Collateral Obligations	-	1.75%	1.75%	5.00%	Maximum	Pass
11	(j) Moody's Caa Obligations	0.57%	1.59%	1.59%	7.50%	Maximum	Pass
12	(k) Fitch CCC Obligations	-	-	-	7.50%	Maximum	Pass
13	(l) Bridge Loans	-	-	-	2.50%	Maximum	Pass
14	(m)(i) Corporate Rescue Loans - single obligor	-	-	-	2.00%	Maximum	Pass
15	(m)(ii) Corporate Rescue Loans	-	-	-	5.00%	Maximum	Pass
16	(n) PIK Securities	-	-	-	5.00%	Maximum	Pass
17	(o) Cov-Lite Loans	-	-	-	20.00%	Maximum	Pass
18	(p) Unhedged Fixed Rate Collateral Debt Obligations	0.67%	1.52%	1.52%	5.00%	Maximum	Pass
19	(q) Non-Euro Obligations	1.29%	1.37%	1.37%	30.00%	Maximum	Pass
20	(r)(i) Fitch Industry Concentration (Aggregate of three largest)	35.02%	37.11%	37.09%	40.00%	Maximum	Pass
21	(r)(ii) Fitch Industry Concentration (Largest Industry)	15.93%	14.08%	14.07%	17.50%	Maximum	Pass
22	(s) Collateral Obligations whose Moody's Rating is derived from an S&P Rating	-	-	-	10.00%	Maximum	Pass
23	(t) Obligors Domiciled in countries or jurisdictions with a Fitch country ceiling rated below 'AAA'	7.44%	2.16%	2.16%	10.00%	Maximum	Pass
24	(u) Obligors Domicilied in countries or jurisdictions with a Moody's local-currency country risk ceiling rating between "A1' and "A3"	0.85%	-	-	10.00%	Maximum	Pass
25	(v)(i) Individual Third Party Credit Exposure to a Selling Institution rated "Aaa" by Moody's or "AAA" by Fitch	-	-	-	5.00%	Maximum	Pass
26	(v)(ii) Individual Third Party Credit Exposure to a Selling Institution rated "Aa1" by Moody's or "AA+" by Fitch	-	-	-	5.00%	Maximum	Pass
27	(v)(iii) Individual Third Party Credit Exposure to a Selling Institution rated "Aa2" by Moody's or "AA" by Fitch	-	-	-	5.00%	Maximum	Pass
28	(v)(iv) Individual Third Party Credit Exposure to a Selling Institution rated "Aa3" by Moody's or "AA-" by Fitch	-	-	-	5.00%	Maximum	Pass
29	(v)(v) Individual Third Party Credit Exposure to a Selling Institution rated "A1" by Moody's or "A+" by Fitch	-	-	-	5.00%	Maximum	Pass
30	(v)(vi) Individual Third Party Credit Exposure to a Selling Institution rated "A2" and "P-1" by Moody's or "A" and "A-1" by Fitch	-	-	-	5.00%	Maximum	Pass
31	(v)(vii) Individual Third Party Credit Exposure to a Selling Institution rated "A3" or below by Moody's or "A-" or below by Fitch	-	-	-	0.00%	Maximum	Pass
32	(v)(viii) Aggregate Third Party Credit Exposure to Selling Institutions rated "Aaa" or below by Moody's or "AAA" or below by Fitch	-	-	-	5.00%	Maximum	Pass

Portfolio Profile Tests Summary

Test Number	Description	Effective Date	Prior	Current	Trigger	Max / Min	Result
33	(v)(ix) Aggregate Third Party Credit Exposure to Selling Institutions rated "Aa1" or below by Moody's or "AA+" or below by Fitch	-	-	-	5.00%	Maximum	Pass
34	(v)(x) Aggregate Third Party Credit Exposure to Selling Institutions rated "Aa2" or below by Moody's or "AA" or below by Fitch	-	-	-	5.00%	Maximum	Pass
35	(v)(xi) Aggregate Third Party Credit Exposure to Selling Institutions rated "Aa3" or below by Moody's or "AA-" or below by Fitch	-	-	-	5.00%	Maximum	Pass
36	(v)(xii) Aggregate Third Party Credit Exposure to Selling Institutions rated "A1" or below by Moody's or "A+" or below by Fitch	-	-	-	5.00%	Maximum	Pass
37	(v)(xiii) Aggregate Third Party Credit Exposure to Selling Institutions rated "A2" or below by Moody's or "A" or below by Fitch	-	-	-	5.00%	Maximum	Pass
38	(v)(xiv) Aggregate Third Party Credit Exposure to Selling Institutions rated "A3" or below by Moody's or "A-" or below by Fitch	-	-	-	0.00%	Maximum	Pass
39	(w) Collateral Debt Obligations issued by Obligors which have total current indebtedness of greater or equal to EUR 100,000,000 and less than EUR 150,000,000	-	-	-	5.00%	Maximum	Pass

Coverage and Collateral Quality Tests Summary

Coverage Tests

Test Number	Description	Effective Date	Prior	Current	Trigger	Max / Min	Result
1	Class A/B Par Value Test	137.95%	138.27%	138.32%	127.74%	Minimum	Pass
2	Class C Par Value Test	128.07%	128.37%	128.41%	119.38%	Minimum	Pass
3	Class D Par Value Test	120.52%	120.80%	120.84%	113.34%	Minimum	Pass
4	Class E Par Value Test	111.33%	111.59%	111.63%	105.66%	Minimum	Pass
5	Class F Par Value Test	108.34%	108.59%	108.63%	103.67%	Minimum	Pass
6	Class A/B Interest Coverage Test	357.10%	296.81%	301.92%	120.00%	Minimum	Pass
7	Class C Interest Coverage Test	306.48%	254.76%	259.15%	110.00%	Minimum	Pass
8	Class D Interest Coverage Test	263.14%	218.74%	222.51%	105.00%	Minimum	Pass
9	Reinvestment Overcollateralization Test	108.34%	108.59%	108.63%	104.67%	Minimum	Pass

Collateral Quality Tests

Test Number	Description	Effective Date	Prior	Current	Trigger	Max / Min	Result
1	Moody's Minimum Diversity Test	40.00	41.00	42.00	38.00	Minimum	Pass
2	Maximum Moody's Weighted Average Rating Factor Test	2,576	2,841	2,834	2,813	Maximum	Fail
3	Moody's Minimum Weighted Average Recovery Rate Test	45.8%	45.3%	45.4%	43.0%	Minimum	Pass
4	Fitch Maximum Weighted Average Rating Factor Test	31.51	32.03	32.00	32.00	Maximum	Pass
5	Fitch Minimum Weighted Average Recovery Rate Test	65.80%	66.40%	65.80%	66.10%	Minimum	Fail
6	Minimum Weighted Average Spread Test	4.51%	3.76%	3.76%	3.70%	Minimum	Pass
7	Weighted Average Life Test	5.85	5.53	5.47	6.19	Maximum	Pass
8	Maximum Obligor Concentration Test	19.80%	18.88%	18.87%	N/A	N/A	N/A

Additional Information

Test Number	Description	Effective Date	Prior	Current	Trigger	Max / Min	Result
1	Weighted Average Spread (excl. Aggregate Excess Funded Spread)	4.51%	3.75%	3.75%	N/A	N/A	N/A
2	Minimum Weighted Average Spread (Excluding Floors and Excess Amounts	4.18%	3.62%	3.61%	N/A	N/A	N/A
3	Weighted Average Fixed Coupon	7.50%	5.48%	5.48%	5.25%	Minimum	Pass
4	Weighted Average Spread	4.51%	3.76%	3.76%	N/A	N/A	N/A

Note: Interest Coverage Tests are required to be satisfied on or after the Determination Date immediately preceding the second Payment Date

Par Value Tests Detail

	Calculation	Ratio	Minimum	Result
Class A/B Par Value Test	A / (B+C)	138.32%	127.74%	Pass
Class C Par Value Test	A / (B+C+D)	128.41%	119.38%	Pass
Class D Par Value Test	A / (B+C+D+E)	120.84%	113.34%	Pass
Class E Par Value Test	A / (B+C+D+E+F)	111.63%	105.66%	Pass
Class F Par Value Test	A / (B+C+D+E+F+G)	108.63%	103.67%	Pass
Reinvestment Par Value Test	A / (B+C+D+E+F+G)	108.63%	104.67%	Pass

Collateral:			
Aggregate Principal Balance of Collateral Obligations	363,055,370.76		
		363,055,370.76	
Minus:			
Principal Balance of Defaulted Obligations	0.00		
Principal Balance of Deferring Obligations	0.00		
Principal Balance of Discount Obligations	0.00		
		0.00	
Plus:			
Calculation Amount of Defaulted Obligations	0.00		
Calculation Amount of Deferring Obligations	0.00		
Calculation Amount of Discount Obligations	0.00		
		0.00	
Plus:			
Balance standing to the credit of the Principal Account	(11,587,408.35)		
Balance standing to the credit of the Unused Proceeds Account	0.00		
Unpaid accrued interest purchased with Principal Proceeds	0.00		
		(11,587,408.35)	
Minus:			
Excess CCC/Caa Adjustment Amount	0.00		
		0.00	
Adjusted Collateral Principal Amount:			351,467,962.41 (A)
Notes:			
Principal Amount Outstanding of the Class A Notes			212,000,000.00 (B)
Principal Amount Outstanding of the Class B Notes			42,100,000.00 (C)
Principal Amount Outstanding of the Class C Notes			19,600,000.00 (D)
Principal Amount Outstanding of the Class D Notes			17,150,000.00 (E)
Principal Amount Outstanding of the Class E Notes			24,000,000.00 (F)
Principal Amount Outstanding of the Class F Notes			8,700,000.00 (G)

Interest Coverage Tests Detail

	Calculation	Ratio	Minimum	Result
Class A/B Interest Coverage Test	A / (B+C)	301.92%	120.00%	Pass
Class C Interest Coverage Test	A / (B+C+D)	259.15%	110.00%	Pass
Class D Interest Coverage Test	A / (B+C+D+E)	222.51%	105.00%	Pass

Received:			
Balance standing to the credit of the Interest Account	1,731,439.61		
		1,731,439.61	
Projected:			
Scheduled Interest Payments	1,182,480.43		
Scheduled Commitment Fees	0.00		
Projected Reinvestment Income on Collateral Obligations	0.00		
Projected Reinvestment Income on Cash Accounts	0.00		
		1,182,480.43	
Minus:			
(A) Any taxes owed, and the Issuer Profit Amount	0.00		
(B) Accrued and unpaid Trustee Fees and Expenses	16,431.18		
(C) Accrued and unpaid Administrative Expenses	0.00		
(D) Payment into the Expense Reserve Account	0.00		
(E)(1) Senior Management Fees	133,225.76		
(E)(2) Previously due and unpaid Senior Management Fees	0.00		
(F) Scheduled Periodic Hedge Issuer Payments and Hedge Issuer Termination Payments	0.00		
		149,656.94	
Minus:			
Amounts payable into the Interest Smoothing Account	0.00		
Interest in respect of a PIK Obligation that has been deferred	0.00		
Unpaid accrued interest purchased with Principal Proceeds	0.00		
		0.00	
Plus:			
Amounts payable from the Expense Reserve, Interest Smoothing, and Currency Account	0.00		
Scheduled Periodic Hedge Counterparty Payments	0.00		
		0.00	
Interest Coverage Amount:			2,764,263.10 (A)
Notes:			
Interest payment due on the Class A Notes			697,480.00 (B)
Interest payment due on the Class B Notes			218,078.00 (C)
Interest payment due on the Class C Notes			151,116.00 (D)
Interest payment due on the Class D Notes			175,616.00 (E)

Accrued Incentive Collateral Management Fee: 0.00

Caa Obligations

Security I.D.	Issue/Facility Name	Security Description	Moody's Rating	Principal Balance	Market Value
****	****	****	****	2,000,000.00	-
BL0375586	ALL 3 Media Second Lien	Second Lien Loan	Caa2	2,000,000.00	100.16
BL0491532	Sapphire 2nd Lien T/L (TMF Group)	Second Lien Loan	Caa2	1,600,000.00	99.19

Caa Haircut Summary

Item	Description	Value
(a)	Aggregate Collateral Balance	351,467,962.41
(b)	Excess Limit	7.50%
(c)	Excess Threshold (a) x (b)	26,360,097.18
(d)	Aggregate Principal Balance of Caa Obligations	5,600,000.00
(e)	**Total Caa Excess above Threshold**	0.00

Totals: 3

CCC Obligations

Security I.D.	Issue/Facility Name	Security Description	Fitch Rating	Principal Balance	Market Value

CCC Haircut Summary

Item	Description	Value
(a)	Aggregate Collateral Balance	351,467,962.41
(b)	Excess Limit	7.50%
(c)	Excess Threshold (a) x (b)	26,360,097.18
(d)	Aggregate Principal Balance of CCC Obligations	0.00
(e)	**Total CCC Excess above Threshold**	0.00

Totals: -

Coverage Tests History - Part I

Class A/B Par Value Test

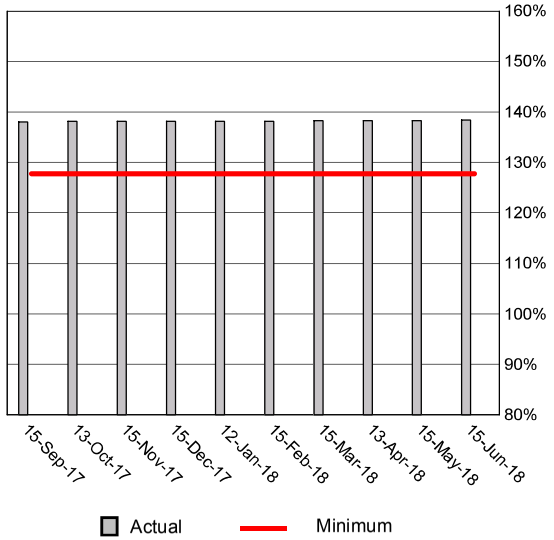
Period	Minimum	Actual	Spread	Result
15-Jun-18	127.74%	138.32%	10.58%	Pass
15-May-18	127.74%	138.27%	10.53%	Pass
13-Apr-18	127.74%	138.28%	10.54%	Pass
15-Mar-18	127.74%	138.26%	10.52%	Pass
15-Feb-18	127.74%	138.15%	10.41%	Pass
12-Jan-18	127.74%	138.14%	10.40%	Pass
15-Dec-17	127.74%	138.14%	10.40%	Pass
15-Nov-17	127.74%	138.09%	10.35%	Pass
13-Oct-17	127.74%	138.07%	10.33%	Pass
15-Sep-17	127.74%	137.98%	10.24%	Pass

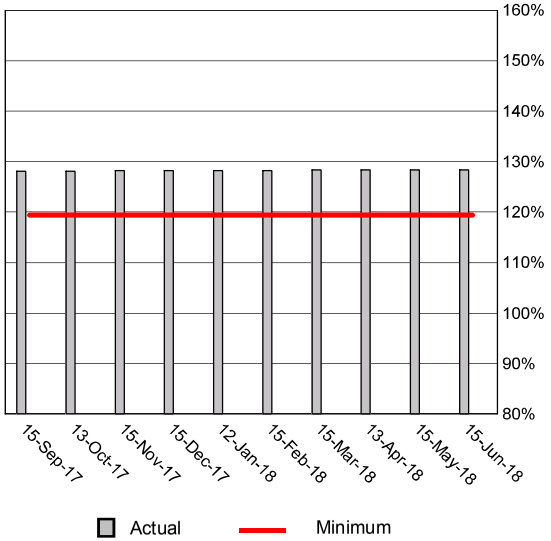
Class C Par Value Test

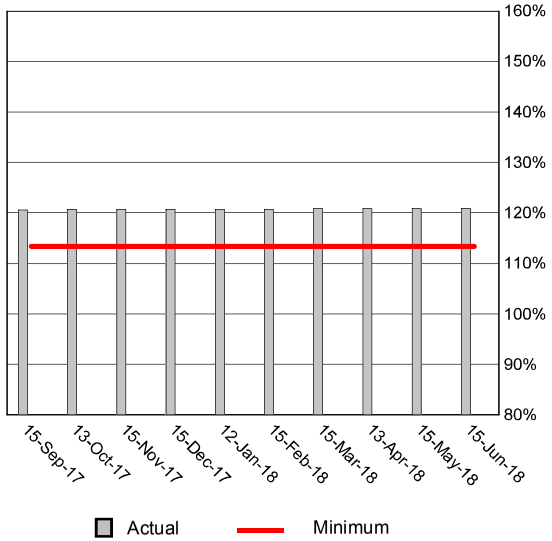
Period	Minimum	Actual	Spread	Result
15-Jun-18	119.38%	128.41%	9.03%	Pass
15-May-18	119.38%	128.37%	8.99%	Pass
13-Apr-18	119.38%	128.38%	9.00%	Pass
15-Mar-18	119.38%	128.36%	8.98%	Pass
15-Feb-18	119.38%	128.26%	8.88%	Pass
12-Jan-18	119.38%	128.24%	8.86%	Pass
15-Dec-17	119.38%	128.24%	8.86%	Pass
15-Nov-17	119.38%	128.20%	8.82%	Pass
13-Oct-17	119.38%	128.18%	8.80%	Pass
15-Sep-17	119.38%	128.10%	8.72%	Pass

Class D Par Value Test

Period	Minimum	Actual	Spread	Result
15-Jun-18	113.34%	120.84%	7.50%	Pass
15-May-18	113.34%	120.80%	7.46%	Pass
13-Apr-18	113.34%	120.81%	7.47%	Pass
15-Mar-18	113.34%	120.79%	7.45%	Pass
15-Feb-18	113.34%	120.69%	7.35%	Pass
12-Jan-18	113.34%	120.68%	7.34%	Pass
15-Dec-17	113.34%	120.68%	7.34%	Pass
15-Nov-17	113.34%	120.64%	7.30%	Pass
13-Oct-17	113.34%	120.63%	7.29%	Pass
15-Sep-17	113.34%	120.55%	7.21%	Pass







Cairn CLO VI B.V.

Coverage Tests History - Part II

Class E Par Value Test

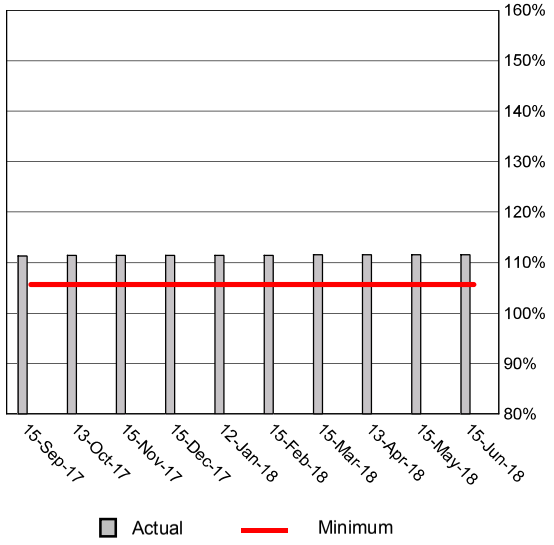
Period	Minimum	Actual	Spread	Result
15-Jun-18	105.66%	111.63%	5.97%	Pass
15-May-18	105.66%	111.59%	5.93%	Pass
13-Apr-18	105.66%	111.60%	5.94%	Pass
15-Mar-18	105.66%	111.58%	5.92%	Pass
15-Feb-18	105.66%	111.49%	5.83%	Pass
12-Jan-18	105.66%	111.48%	5.82%	Pass
15-Dec-17	105.66%	111.48%	5.82%	Pass
15-Nov-17	105.66%	111.44%	5.78%	Pass
13-Oct-17	105.66%	111.43%	5.77%	Pass
15-Sep-17	105.66%	111.36%	5.70%	Pass

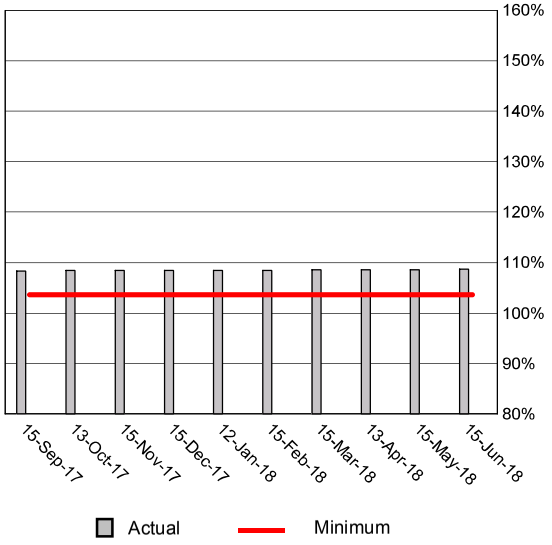
Class F Par Value Test

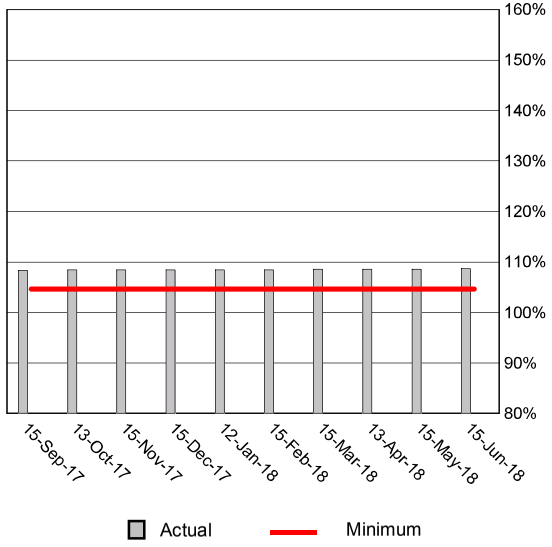
Period	Minimum	Actual	Spread	Result
15-Jun-18	103.67%	108.63%	4.96%	Pass
15-May-18	103.67%	108.59%	4.92%	Pass
13-Apr-18	103.67%	108.60%	4.93%	Pass
15-Mar-18	103.67%	108.58%	4.91%	Pass
15-Feb-18	103.67%	108.50%	4.83%	Pass
12-Jan-18	103.67%	108.48%	4.81%	Pass
15-Dec-17	103.67%	108.49%	4.82%	Pass
15-Nov-17	103.67%	108.45%	4.78%	Pass
13-Oct-17	103.67%	108.43%	4.76%	Pass
15-Sep-17	103.67%	108.36%	4.69%	Pass

Reinvestment Overcollateralization Test

Period	Minimum	Actual	Spread	Result
15-Jun-18	104.67%	108.63%	3.96%	Pass
15-May-18	104.67%	108.59%	3.92%	Pass
13-Apr-18	104.67%	108.60%	3.93%	Pass
15-Mar-18	104.67%	108.58%	3.91%	Pass
15-Feb-18	104.67%	108.50%	3.83%	Pass
12-Jan-18	104.67%	108.48%	3.81%	Pass
15-Dec-17	104.67%	108.49%	3.82%	Pass
15-Nov-17	104.67%	108.45%	3.78%	Pass
13-Oct-17	104.67%	108.43%	3.76%	Pass
15-Sep-17	104.67%	108.36%	3.69%	Pass







Coverage Tests History - Part III

Class A/B Interest Coverage Test

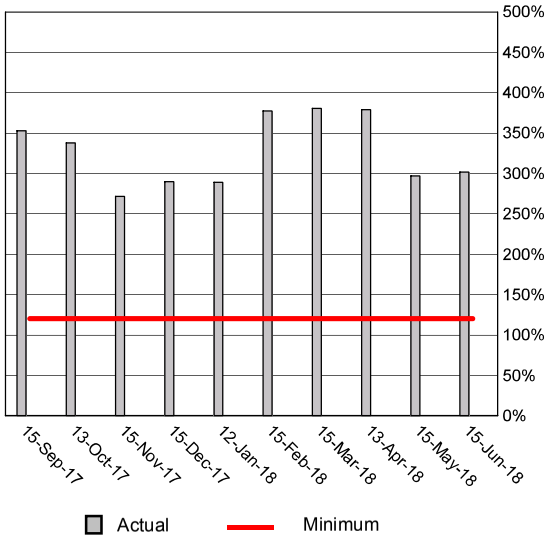
Period	Minimum	Actual	Spread	Result
15-Jun-18	120.00%	301.92%	181.92%	Pass
15-May-18	120.00%	296.81%	176.81%	Pass
13-Apr-18	120.00%	378.64%	258.64%	Pass
15-Mar-18	120.00%	380.49%	260.49%	Pass
15-Feb-18	120.00%	377.54%	257.54%	Pass
12-Jan-18	120.00%	288.93%	168.93%	Pass
15-Dec-17	120.00%	289.43%	169.43%	Pass
15-Nov-17	120.00%	271.29%	151.29%	Pass
13-Oct-17	120.00%	337.76%	217.76%	Pass
15-Sep-17	120.00%	352.94%	232.94%	Pass

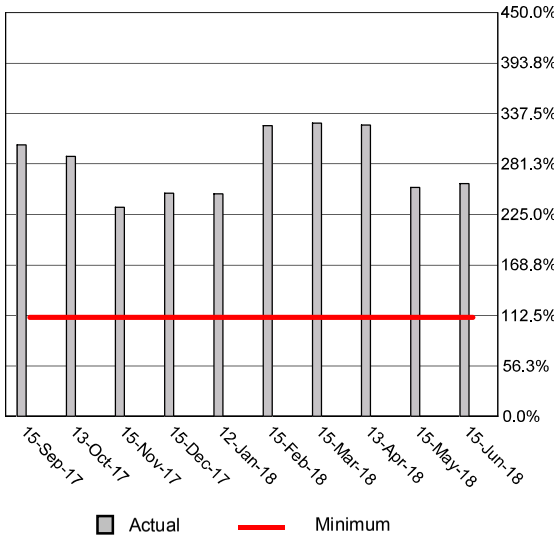
Class C Interest Coverage Test

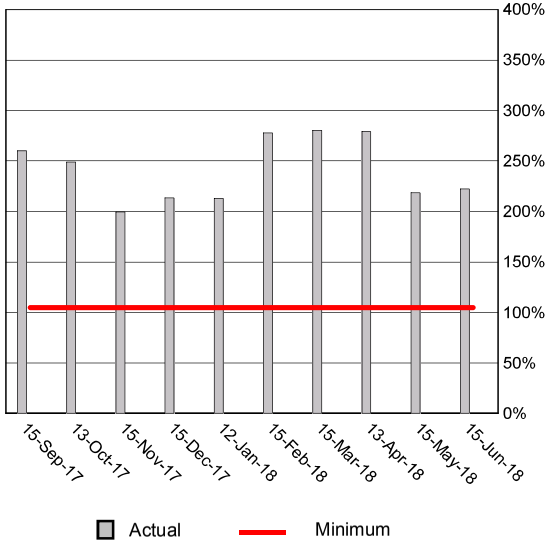
Period	Minimum	Actual	Spread	Result
15-Jun-18	110.00%	259.15%	149.15%	Pass
15-May-18	110.00%	254.76%	144.76%	Pass
13-Apr-18	110.00%	324.94%	214.94%	Pass
15-Mar-18	110.00%	326.53%	216.53%	Pass
15-Feb-18	110.00%	324.00%	214.00%	Pass
12-Jan-18	110.00%	247.97%	137.97%	Pass
15-Dec-17	110.00%	248.40%	138.40%	Pass
15-Nov-17	110.00%	232.83%	122.83%	Pass
13-Oct-17	110.00%	289.89%	179.89%	Pass
15-Sep-17	110.00%	302.91%	192.91%	Pass

Class D Interest Coverage Test

Period	Minimum	Actual	Spread	Result
15-Jun-18	105.00%	222.51%	117.51%	Pass
15-May-18	105.00%	218.74%	113.74%	Pass
13-Apr-18	105.00%	278.98%	173.98%	Pass
15-Mar-18	105.00%	280.34%	175.34%	Pass
15-Feb-18	105.00%	278.17%	173.17%	Pass
12-Jan-18	105.00%	212.89%	107.89%	Pass
15-Dec-17	105.00%	213.26%	108.26%	Pass
15-Nov-17	105.00%	199.89%	94.89%	Pass
13-Oct-17	105.00%	248.87%	143.87%	Pass
15-Sep-17	105.00%	260.05%	155.05%	Pass







Collateral Quality Tests History - Part I

Moody's Minimum Diversity Test

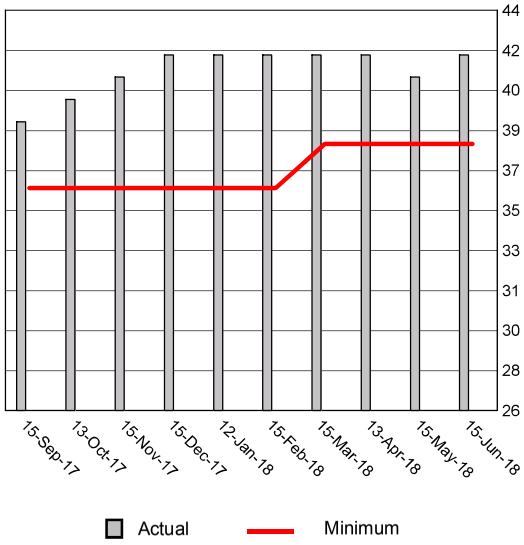
Period	Minimum	Actual	Spread	Result
15-Jun-18	38.00	42.00	4.00	Pass
15-May-18	38.00	41.00	3.00	Pass
13-Apr-18	38.00	42.00	4.00	Pass
15-Mar-18	38.00	42.00	4.00	Pass
15-Feb-18	36.00	42.00	6.00	Pass
12-Jan-18	36.00	42.00	6.00	Pass
15-Dec-17	36.00	42.00	6.00	Pass
15-Nov-17	36.00	41.00	5.00	Pass
13-Oct-17	36.00	40.00	4.00	Pass
15-Sep-17	36.00	39.00	3.00	Pass

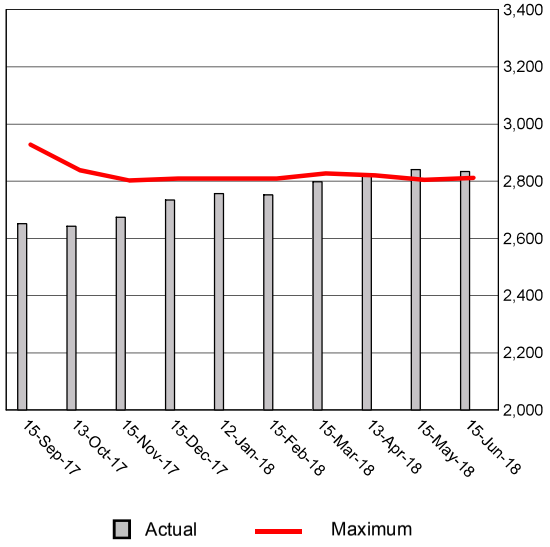
Maximum Moody's Weighted Average Rating Factor Test

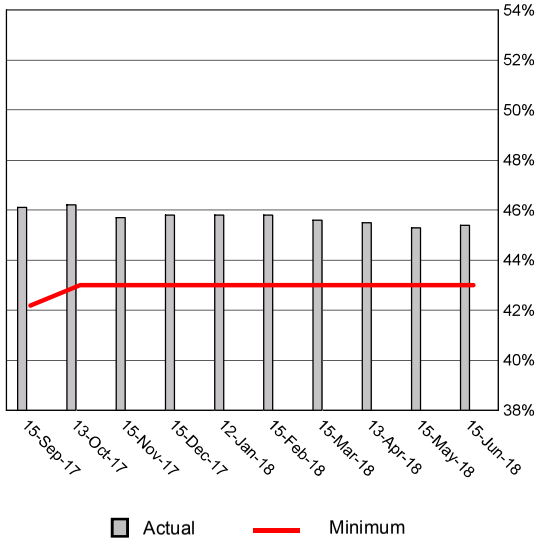
Period	Maximum	Actual	Spread	Result
15-Jun-18	2,813	2,834	(21)	Fail
15-May-18	2,806	2,841	(35)	Fail
13-Apr-18	2,820	2,818	2	Pass
15-Mar-18	2,827	2,798	29	Pass
15-Feb-18	2,811	2,752	59	Pass
12-Jan-18	2,811	2,757	54	Pass
15-Dec-17	2,811	2,735	76	Pass
15-Nov-17	2,804	2,674	130	Pass
13-Oct-17	2,839	2,642	197	Pass
15-Sep-17	2,927	2,651	276	Pass

Moody's Minimum Weighted Average Recovery Rate Test

Period	Minimum	Actual	Spread	Result
15-Jun-18	43.0%	45.4%	2.4%	Pass
15-May-18	43.0%	45.3%	2.3%	Pass
13-Apr-18	43.0%	45.5%	2.5%	Pass
15-Mar-18	43.0%	45.6%	2.6%	Pass
15-Feb-18	43.0%	45.8%	2.8%	Pass
12-Jan-18	43.0%	45.8%	2.8%	Pass
15-Dec-17	43.0%	45.8%	2.8%	Pass
15-Nov-17	43.0%	45.7%	2.7%	Pass
13-Oct-17	43.0%	46.2%	3.2%	Pass
15-Sep-17	42.2%	46.1%	3.9%	Pass







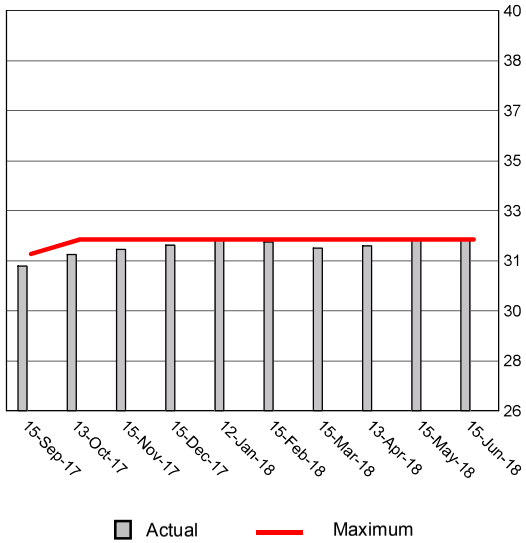
Collateral Quality Tests History - Part II

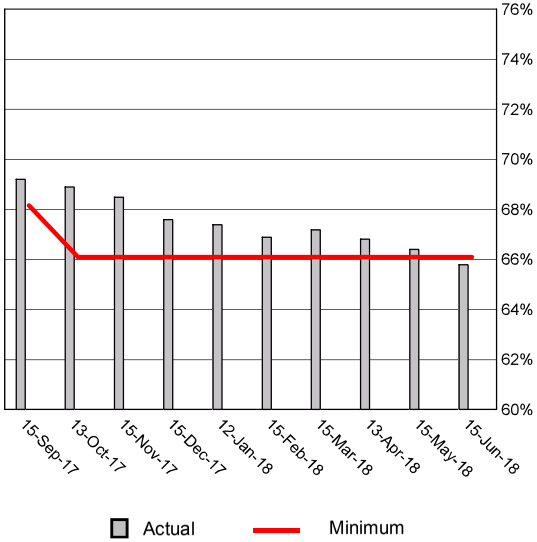
Fitch Maximum Weighted Average Rating Factor Test

Period	Maximum	Actual	Spread	Result
15-Jun-18	32.00	32.00	0.00	Pass
15-May-18	32.00	32.03	(0.03)	Fail
13-Apr-18	32.00	31.79	0.21	Pass
15-Mar-18	32.00	31.69	0.31	Pass
15-Feb-18	32.00	31.91	0.09	Pass
12-Jan-18	32.00	31.99	0.01	Pass
15-Dec-17	32.00	31.80	0.20	Pass
15-Nov-17	32.00	31.64	0.36	Pass
13-Oct-17	32.00	31.46	0.54	Pass
15-Sep-17	31.50	31.08	0.42	Pass

Fitch Minimum Weighted Average Recovery Rate Test

Period	Minimum	Actual	Spread	Result
15-Jun-18	66.10%	65.80%	(0.30)%	Fail
15-May-18	66.10%	66.40%	0.30%	Pass
13-Apr-18	66.10%	66.80%	0.70%	Pass
15-Mar-18	66.10%	67.20%	1.10%	Pass
15-Feb-18	66.10%	66.90%	0.80%	Pass
12-Jan-18	66.10%	67.40%	1.30%	Pass
15-Dec-17	66.10%	67.60%	1.50%	Pass
15-Nov-17	66.10%	68.50%	2.40%	Pass
13-Oct-17	66.10%	68.90%	2.80%	Pass
15-Sep-17	68.15%	69.20%	1.05%	Pass





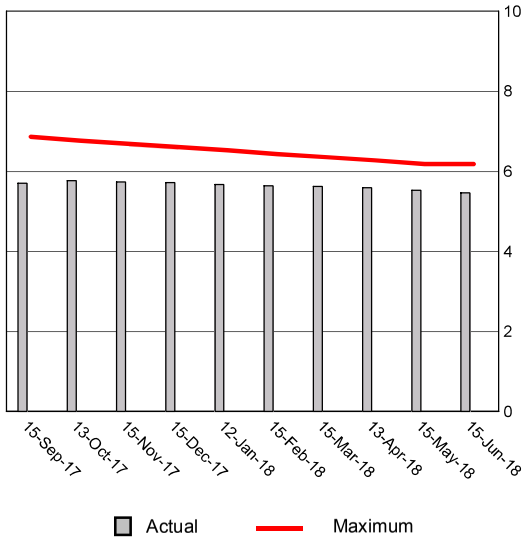
Collateral Quality Tests History - Part III

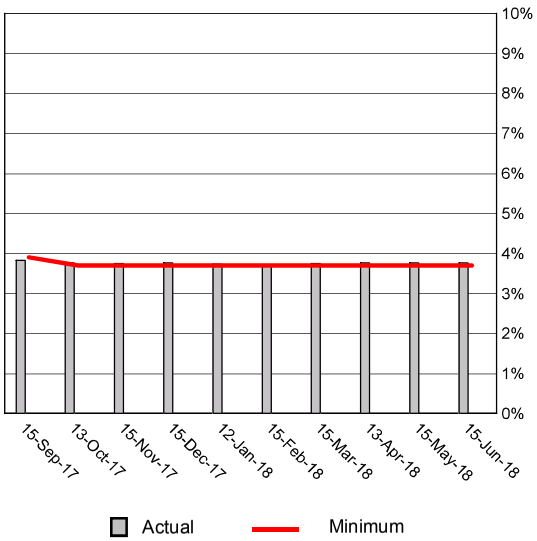
Weighted Average Life Test

Period	Maximum	Actual	Spread	Result
15-Jun-18	6.19	5.47	0.72	Pass
15-May-18	6.19	5.53	0.66	Pass
13-Apr-18	6.28	5.60	0.68	Pass
15-Mar-18	6.36	5.62	0.74	Pass
15-Feb-18	6.44	5.64	0.80	Pass
12-Jan-18	6.53	5.67	0.86	Pass
15-Dec-17	6.61	5.72	0.89	Pass
15-Nov-17	6.69	5.73	0.96	Pass
13-Oct-17	6.78	5.77	1.01	Pass
15-Sep-17	6.86	5.71	1.15	Pass

Minimum Weighted Average Spread Test

Period	Minimum	Actual	Spread	Result
15-Jun-18	3.70%	3.76%	0.06%	Pass
15-May-18	3.70%	3.76%	0.06%	Pass
13-Apr-18	3.70%	3.76%	0.06%	Pass
15-Mar-18	3.70%	3.75%	0.05%	Pass
15-Feb-18	3.70%	3.72%	0.02%	Pass
12-Jan-18	3.70%	3.74%	0.04%	Pass
15-Dec-17	3.70%	3.77%	0.07%	Pass
15-Nov-17	3.70%	3.75%	0.05%	Pass
13-Oct-17	3.70%	3.76%	0.06%	Pass
15-Sep-17	3.90%	3.83%	(0.07)%	Fail





Collateral Principal Balance for Portfolio Profile Tests

(a)	Aggregate Principal Balance of Collateral Debt Obligations (Excluding Defaulted Obligations)	363,055,370.76
	Plus	
(b)	Balances standing to the credit of Principal Account	(11,587,408.35)
(c)	Balances standing to the credit of Unused Proceeds Account	0.00
(d)	Eligible Investments representing Principal Proceeds	0.00
	Aggregate Principal Balance	**351,467,962.41**

Eligible Investments

Security ID	Issue/Facility Name	Annual Interest Rate	Principal Balance	Maturity Date

Totals: 0

Assets Purchased

Security I.D.	Security Name	Issuer/Borrower Name	Transaction Motivation	Trade Date	Par Amount	Price	Principal Proceeds	Accrued Interest	Total Amount	Affiliated Seller
BL0514606	Imagina T/L B	Imagina Media Audiovisual S.L.	Reinvestment	31-May-18	4,000,000.00	97.000	3,880,000.00	-	3,880,000.00	
Totals:	**1**				**4,000,000.00**		**3,880,000.00**	**-**	**3,880,000.00**	

Assets Sold

Security I.D.	Security Name	Issuer/Borrower Name	Transaction Motivation	Trade Date	Par Amount	Price	Principal Proceeds	Accrued Interest	Total Amount	Affiliated Purchaser	% of ACB
					-	-	-	-	-		

Total: 0

Current Asset Characteristics - Part I

Security I.D	ISIN/LoanX ID	Issuer/Facility	Principal Balance	Floor	Spread	Coupon	Asset Type	Moody's Recovery Rate	Fitch Recovery Rate	Market Value	Maturity Date
BL0432007	LX153243	AI Avocado Unit 4 T/L B2	3,600,000.00	0.00%	4.25%	4.25%	Senior Secured Loan	45.00	59.00	100.05	17-Sep-21
BL0500696	LX171534	Airbus (Defence Electronics/Hensoldt) T/L B3	3,700,000.00	0.00%	3.25%	3.25%	Senior Secured Loan	45.00	45.00	99.44	28-Feb-24
BL0375586	LX137656	ALL 3 Media Second Lien	2,000,000.00	1.00%	7.25%	8.25%	Second Lien Loan	15.00	-	100.16	30-Jun-22
BL0460396	LX152755	Allnex T/L B1 (EUR) New	5,811,500.00	0.00%	3.25%	3.25%	Senior Secured Loan	45.00	55.00	99.97	13-Sep-23
BL0466179	LX137858	Alstom (Arvos) T/L B2	4,348,706.39	1.00%	4.50%	5.50%	Senior Secured Loan	45.00	37.00	99.63	30-Aug-21
BL0496259	LX170900	Altran T/L (EUR)	2,202,127.66	0.00%	2.75%	2.75%	Senior Secured Loan	45.00	40.00	100.08	21-Mar-25
BL0505992	LX172475	Amaya 3/18 (EUR) Cov-Lite	3,000,000.00	0.00%	3.25%	3.25%	Senior Secured Loan	45.00	60.00	99.82	07-Apr-25
BL0459802	LX161096	Armacell EUR T/L B3	5,283,342.12	0.00%	3.50%	3.50%	Senior Secured Loan	50.00	53.00	98.48	28-Feb-23
BL0403503	LX145177	Aruba Investments T/L B-1 (EUR)	5,785,535.27	0.50%	3.25%	3.75%	Senior Secured Loan	50.00	83.00	99.94	02-Feb-22
BL0464422	LX162319	ASK Chemicals T/L	3,000,000.00	0.00%	5.50%	5.50%	Senior Secured Loan	45.00	68.00	98.25	03-May-23
AL0700735	XS1517169972	AUTODI Float 05/01/22	2,000,000.00	0.00%	4.38%	4.38%	Senior Secured Bond	35.00	41.00	101.01	01-May-22
BL0482481	LX168604	Avantor Performance Materials EUR T/L	3,591,000.00	0.00%	4.25%	4.25%	Senior Secured Loan	50.00	100.00	100.51	21-Nov-24
BL0507519	LX172916	Averys T/L B (04/18)	4,000,000.00	0.00%	3.50%	3.50%	Senior Secured Loan	45.00	71.00	99.71	25-Jul-24
BL0475881	LX159199	Beauty Holding New T/L B1 (formerly B15)	1,375,597.19	0.00%	3.50%	3.50%	Senior Secured Loan	50.00	59.00	91.65	12-Aug-22
BL0475899	LX160534	Beauty Holding New T/L B2 (formerly B16)	298,967.26	0.00%	3.50%	3.50%	Senior Secured Loan	50.00	59.00	91.65	12-Aug-22
BL0475840	LX160535	Beauty Holding New T/L B3 (formerly B17)	660,614.96	0.00%	3.50%	3.50%	Senior Secured Loan	50.00	59.00	91.65	12-Aug-22
BL0475865	LX160536	Beauty Holding New T/L B4 (formerly B18)	340,305.41	0.00%	3.50%	3.50%	Senior Secured Loan	50.00	59.00	91.65	12-Aug-22
BL0475832	LX160537	Beauty Holding New T/L B5 (formerly B19)	75,623.43	0.00%	3.50%	3.50%	Senior Secured Loan	50.00	59.00	91.65	12-Aug-22
BL0475857	LX160538	Beauty Holding New T/L B6 (formerly B20)	390,376.69	0.00%	3.50%	3.50%	Senior Secured Loan	50.00	59.00	91.65	12-Aug-22
BL0475873	LX160539	Beauty Holding New T/L B7 (formerly B21)	278,515.08	0.00%	3.50%	3.50%	Senior Secured Loan	50.00	59.00	91.65	12-Aug-22
BL0472854	LX165657	Belmond New Term Loan	2,977,500.00	0.00%	3.00%	3.00%	Senior Secured Loan	45.00	81.00	100.22	03-Jul-24
BL0512022	LX173239	Bilfinger T/L B5 (Triangle)	5,397,142.86	0.00%	3.75%	3.75%	Senior Secured Loan	45.00	64.00	100.57	01-Sep-23
BL0473258	LX165619	Brammer EUR T/L B	4,000,000.00	0.00%	4.50%	4.50%	Senior Secured Loan	50.00	60.00	100.04	12-Sep-24
BL0473043	LX165609	Caldic (Pertus Bidco B.V) New T/L	2,000,000.00	0.00%	3.25%	3.25%	Senior Secured Loan	50.00	48.00	99.66	18-Jul-24
BL0369332	LX135736	Ceva Sante Animale T/L B	1,975,000.00	0.00%	3.00%	3.00%	Senior Secured Loan	45.00	60.00	99.58	30-Jun-21
BL0462673	LX172376	Chemours Company T/L B1	3,419,146.10	0.50%	2.00%	2.50%	Senior Secured Loan	60.00	100.00	100.18	03-Apr-25
BL0435521	LX153899	Coherent Holding T/L B	3,497,667.91	0.75%	2.00%	2.75%	Senior Secured Loan	45.00	95.00	100.63	07-Nov-23
BL0459299	LX161040	Concardis Term Loan Eur	1,700,000.00	0.00%	3.25%	3.25%	Senior Secured Loan	45.00	52.00	99.67	25-Jul-24
BL0495988	LX170821	Dexko 1/18 New T/L B1	2,137,500.00	0.00%	3.75%	3.75%	Senior Secured Loan	50.00	63.00	99.75	24-Jul-24

Current Asset Characteristics - Part I

Security I.D	ISIN/LoanX ID	Issuer/Facility	Principal Balance	Floor	Spread	Coupon	Asset Type	Moody's Recovery Rate	Fitch Recovery Rate	Market Value	Maturity Date
BL0496358	LX171014	Dexko 1/18 New T/L B2	855,000.00	0.00%	3.75%	3.75%	Senior Secured Loan	50.00	63.00	99.75	24-Jul-24
BL0467557	LX162900	Diebold Nixdorf T/L	4,678,987.53	0.00%	3.00%	3.00%	Senior Secured Loan	45.00	78.00	99.54	06-Nov-23
BL0475592	LX167195	Diversey (Diamond) Term Loan	4,089,750.00	0.00%	3.25%	3.25%	Senior Secured Loan	60.00	61.00	98.27	06-Sep-24
BL0483760	LX168858	DomusVI (HomeVI) Term Loan B	5,250,000.00	0.00%	3.25%	3.25%	Senior Secured Loan	40.00	67.00	99.75	31-Oct-24
BL0502536	LX171166	DRT EUR T/L B	4,000,000.00	0.00%	4.75%	4.75%	Senior Secured Loan	45.00	46.00	98.75	10-Apr-25
QJ5428983	XS1117279619	ECPG Float 11/15/21	4,000,000.00	0.00%	5.88%	5.88%	Senior Secured Bond	35.00	47.00	102.42	15-Nov-21
BL0459745	LX161434	Eircom Holdings (NEW)	6,300,000.00	0.00%	3.25%	3.25%	Senior Secured Loan	45.00	60.00	99.63	19-Apr-24
BL0458838	LX160780	Ethypharm New T/L	2,800,000.00	0.00%	3.50%	3.50%	Senior Secured Loan	45.00	68.00	100.19	21-Jul-23
BL0497141	LX171054	Euro Garages T/L B1	5,371,093.75	0.00%	4.00%	4.00%	Senior Secured Loan	45.00	49.00	99.35	07-Feb-25
BL0498636	LX171115	Euro Garages T/L B3	816,406.25	0.00%	4.00%	4.00%	Senior Secured Loan	45.00	49.00	99.42	07-Feb-25
BL0501108	LX171809	Flora Food (Sigma Bidco) T/L B (EUR)	5,000,000.00	0.00%	3.50%	3.50%	Senior Secured Loan	45.00	60.00	98.75	07-Mar-25
AL0882525	XS1516322465	GCLIM Float 11/15/21	2,500,000.00	0.00%	4.75%	4.75%	Senior Secured Bond	35.00	55.00	100.03	15-Nov-21
BL0502080	LX171646	Genesys 2/18 (EUR) TLB	7,406,624.53	0.00%	3.50%	3.50%	Senior Secured Loan	50.00	91.00	100.21	01-Dec-23
AQ7881479	XS1756364805	GFKLDE Float 09/01/23	3,000,000.00	0.00%	4.50%	4.50%	Senior Secured Bond	35.00	49.00	93.99	01-Sep-23
AP9519996	XS1716822231	HATAFI Float 11/15/22	4,350,000.00	0.00%	5.13%	5.13%	Senior Secured Bond	35.00	45.00	91.36	15-Nov-22
BL0379679	LX139672	Hes Beheer T/L B	2,000,000.00	0.00%	4.00%	4.00%	Senior Secured Loan	40.00	87.00	100.04	27-Sep-21
BL0513038	LX169710	House of HR T/L B (05/18)	3,000,000.00	0.00%	4.25%	4.25%	Senior Secured Loan	45.00	68.00	99.71	20-Dec-24
BL0474819	LX167063	IFS T/L New	4,000,000.00	0.00%	3.50%	3.50%	Senior Secured Loan	45.00	49.00	99.55	30-Jul-24
BL0514606	LX172316	Imagina T/L B	4,000,000.00	0.00%	4.50%	4.50%	Senior Secured Loan	50.00	60.00	98.00	30-Jun-25
BL0485732	LX169196	Ineos T/L B 2024	4,987,500.00	0.50%	2.00%	2.50%	Senior Secured Loan	50.00	70.00	99.47	01-Apr-24
BL0484602	LX169031	Inovyn Finance 2024 Tranche B2 New EUR T/L	6,031,517.69	0.75%	2.25%	3.00%	Senior Secured Loan	45.00	70.00	99.71	10-May-24
BL0461592	LX161579	Invent Farma T/L B2	5,500,000.00	0.00%	3.75%	3.75%	Senior Secured Loan	45.00	54.00	96.50	24-Aug-23
BL0487969	LX169484	Ion Trading Euro T/L B	3,740,625.00	1.00%	2.75%	3.75%	Senior Secured Loan	45.00	53.00	99.56	21-Nov-24
BL0499436	LX171257	Kiloutou T/L	2,700,000.00	0.00%	3.50%	3.50%	Senior Secured Loan	45.00	60.00	100.02	17-Feb-25
BL0473324	LX165634	Klockner Pentaplast T/L B (6/17)	6,000,000.00	0.00%	4.75%	4.75%	Senior Secured Loan	45.00	48.00	95.33	30-Jun-22
AL1055311	XS1516322200	LABFP Float 07/01/22	5,600,000.00	0.00%	3.50%	3.50%	Senior Secured Bond	35.00	75.00	100.00	01-Jul-22
BL0453458	LX159482	LGC (Figaro) 2nd Lien	2,000,000.00	0.00%	6.50%	6.50%	Second Lien Loan	25.00	-	98.00	27-Jan-25
BL0482572	LX168776	Macdermid T/L C6	5,525,648.19	0.75%	2.50%	3.25%	Senior Secured Loan	45.00	99.00	100.02	07-Jun-20
AM7964225	XS1580388384	MATTER Float 02/01/23	667,142.66	0.00%	3.25%	3.25%	Senior Secured Bond	35.00	58.00	100.37	01-Feb-23

Current Asset Characteristics - Part I

Security I.D	ISIN/LoanX ID	Issuer/Facility	Principal Balance	Floor	Spread	Coupon	Asset Type	Moody's Recovery Rate	Fitch Recovery Rate	Market Value	Maturity Date
BL0481319	LX168777	McAfee T/L B New	4,488,721.81	0.00%	4.25%	4.25%	Senior Secured Loan	50.00	56.00	100.25	27-Sep-24
BL0413239	LX148262	Median Kliniken T/L B1	5,000,000.00	0.00%	5.50%	5.50%	Senior Secured Loan	45.00	81.00	100.34	27-Oct-22
BL0487738	LX167631	Memora T/L B1	439,876.77	0.00%	3.50%	3.50%	Senior Secured Loan	45.00	61.00	100.10	29-Sep-24
BL0487647	LX169008	Memora T/L B2	1,027,328.94	0.00%	3.50%	3.50%	Senior Secured Loan	45.00	61.00	100.10	29-Sep-24
BL0487654	LX169009	Memora T/L B3	1,718,774.30	0.00%	3.50%	3.50%	Senior Secured Loan	45.00	61.00	100.10	29-Sep-24
BL0487662	LX169010	Memora T/L B4	814,019.99	0.00%	3.50%	3.50%	Senior Secured Loan	45.00	61.00	100.10	29-Sep-24
BL0467474	LX163229	Misys Term B Eur Loan	5,955,000.00	1.00%	3.25%	4.25%	Senior Secured Loan	50.00	100.00	99.35	13-Jun-24
BL0510224	LX173383	Motor Fuel GroupTerm Loan B2	3,000,000.00	0.00%	3.50%	3.50%	Senior Secured Loan	50.00	75.00	99.31	10-May-25
BL0472953	LX165800	Motor Fuel New T/L B1	2,369,600.00	0.00%	3.95%	3.62%	Senior Secured Loan	50.00	46.00	99.46	15-Jul-22
BL0473027	LX165655	MRH T/L B3	2,433,125.00	0.00%	3.32%	2.99%	Senior Secured Loan	50.00	70.00	101.45	14-Dec-23
AP9769369	XS1717590563	Navira Float 11/15/24 Corp	2,000,000.00	0.00%	4.25%	4.25%	Senior Secured Bond	35.00	80.00	99.38	15-Nov-24
BL0472920	LX157878	NEP Europe Finco T/L New	3,955,100.06	0.75%	3.00%	3.75%	Senior Secured Loan	45.00	78.00	100.25	03-Jan-24
BL0489726	LX169648	Nets TL B1E	2,734,026.66	0.00%	3.25%	3.25%	Senior Secured Loan	50.00	77.00	99.39	06-Feb-25
BL0472342	LX165624	Nord Anglia Term Loan	3,000,000.00	0.00%	3.25%	3.25%	Senior Secured Loan	50.00	68.00	99.48	02-Sep-24
BL0483653	LX168948	Oberthur T/L New	4,600,000.00	0.00%	3.75%	3.75%	Senior Secured Loan	45.00	60.00	99.13	10-Jan-24
BL0505141	LX172053	Odyssey Investissement T/L B (Circet Groupe)	3,000,000.00	0.00%	3.75%	3.75%	Senior Secured Loan	45.00	60.00	99.53	21-Apr-25
BL0424095	LX151853	Parkeon EUR TL	2,500,000.00	0.00%	4.75%	4.75%	Senior Secured Loan	45.00	61.00	99.50	14-Apr-23
BL0487845	LX169668	Paysafe TL B2 (PI UK HoldCo II)	2,000,000.00	0.00%	3.25%	3.25%	Senior Secured Loan	45.00	74.00	98.90	03-Jan-25
BL0490211	LX167687	PlusServer New EUR Term Loan	2,500,000.00	0.00%	3.75%	3.75%	Senior Secured Loan	45.00	44.00	99.88	30-Aug-24
BL0493082	LX170103	Refresco T/L B	4,900,000.00	0.00%	3.25%	3.25%	Senior Secured Loan	50.00	75.00	99.67	28-Mar-25
BL0473720	LX166008	Safety Kleen T/L B1	3,900,000.00	0.00%	3.25%	3.25%	Senior Secured Loan	50.00	57.00	99.28	12-Jul-24
BL0491532	LX169932	Sapphire 2nd Lien T/L (TMF Group)	1,600,000.00	0.00%	6.88%	6.88%	Second Lien Loan	15.00	-	99.19	08-Dec-25
BL0491045	LX169930	Sapphire Refi T/L B (TMF Group)	3,000,000.00	0.00%	3.25%	3.25%	Senior Secured Loan	50.00	59.00	99.34	03-May-25
BL0462855	LX162008	SFR Group (Numericable / YPSO / Altice) T/L B11	5,940,000.00	0.00%	3.00%	3.00%	Senior Secured Loan	45.00	80.00	98.13	31-Jul-25
BL0483604	LX168891	SIG Combibloc T/L New	5,355,748.99	0.00%	3.25%	3.25%	Senior Secured Loan	50.00	68.00	99.92	11-Mar-22
BL0449811	LX157317	SLV New T/L	2,500,000.00	0.00%	4.25%	4.25%	Senior Secured Loan	45.00	47.00	92.89	03-Jan-24
BL0426223	LX152444	Solenis Add-on T/L	2,947,500.00	1.00%	4.00%	5.00%	Senior Secured Loan	50.00	77.00	100.00	31-Jul-21
BL0377871	LX138124	Solenis Term Loan	1,866,383.03	1.00%	3.50%	4.50%	Senior Secured Loan	50.00	77.00	100.08	31-Jul-21
BL0478133	LX169368	Springer Science T/L B12	4,595,775.27	0.50%	3.25%	3.75%	Senior Secured Loan	40.00	71.00	99.73	15-Aug-22

Current Asset Characteristics - Part I

Security I.D	ISIN/LoanX ID	Issuer/Facility	Principal Balance	Floor	Spread	Coupon	Asset Type	Moody's Recovery Rate	Fitch Recovery Rate	Market Value	Maturity Date
BL0481293	LX168674	Stada/Nidda T/L B1	1,854,232.83	0.00%	3.50%	3.50%	Senior Secured Loan	45.00	68.00	99.53	21-Aug-24
BL0482440	LX168991	Stada/Nidda T/L B2	1,074,285.72	0.00%	3.50%	3.50%	Senior Secured Loan	45.00	68.00	99.53	21-Aug-24
BL0511230	LX173581	Stada/Nidda T/L C	3,471,481.46	0.00%	3.50%	3.50%	Senior Secured Loan	45.00	68.00	99.53	21-Aug-24
BL0476707	LX167747	Swissport T/L B (New)	4,272,738.09	0.00%	4.75%	4.75%	Senior Secured Loan	50.00	66.00	99.08	09-Feb-22
BL0426280	LX152515	Taghleef T/L B1	4,200,000.00	0.00%	3.00%	3.00%	Senior Secured Loan	45.00	60.00	99.95	10-May-23
AS4046411	XS1814546013	TCGR 3 7/8 05/02/25	2,970,000.00	N/A	-	3.88%	Senior Secured Bond	35.00	80.00	96.88	02-May-25
BL0449365	LX157075	Technicolor T/L B New	5,400,000.00	0.00%	3.50%	3.50%	Senior Secured Loan	45.00	73.00	95.75	06-Dec-23
BL0483703	LX168809	Tekni Plex T/L	2,094,750.00	0.00%	3.50%	3.50%	Senior Secured Loan	50.00	91.00	99.75	17-Oct-24
BL0409583	LX162004	Tele Columbus T/L A	4,057,089.07	0.00%	3.00%	3.00%	Senior Secured Loan	45.00	80.00	99.03	15-Oct-24
BL0403883	LX145316	TI Automotive Initial Term Loan	5,362,398.35	0.75%	2.75%	3.50%	Senior Secured Loan	50.00	100.00	99.96	30-Jun-22
BL0463390	LX162321	Ufinet Telecom Holdings T/L NEW	7,000,000.00	0.00%	3.50%	3.50%	Senior Secured Loan	45.00	80.00	99.80	30-Jun-23
BL0461063	LX161584	Unilabs Diagnostics T/L B2	4,300,000.00	0.00%	2.75%	2.75%	Senior Secured Loan	50.00	54.00	98.21	19-Apr-24
BL0480766	LX146849	Vedici New T/L B2	4,499,999.99	0.00%	3.75%	3.75%	Senior Secured Loan	45.00	53.00	99.90	31-Oct-22
BL0472474	LX165579	Veritas New T/L B1	2,450,250.00	1.00%	4.50%	5.50%	Senior Secured Loan	50.00	72.00	94.47	27-Jan-23
JV8940480	XS1357678322	VERITS 7 1/2 02/01/23	2,358,000.00	N/A	-	7.50%	Senior Secured Bond	45.00	72.00	100.32	01-Feb-23
BL0453755	LX159174	Webhelp T/L B2	3,500,000.00	0.00%	3.50%	3.50%	Senior Secured Loan	45.00	47.00	100.04	16-Mar-23
AP6379337	XS1708450215	WINTRE Float 01/20/24 Corp	5,100,000.00	0.00%	2.75%	2.75%	Senior Secured Bond	35.00	80.00	85.80	20-Jan-24
BL0454613	LX159274	Xella T/L B	2,932,700.50	0.00%	3.50%	3.50%	Senior Secured Loan	45.00	42.00	99.56	11-Apr-24
BL0481814	LX168886	Xella TL B2	3,000,000.00	0.00%	3.50%	3.50%	Senior Secured Loan	45.00	42.00	99.63	11-Apr-24
BL0454134	LX159376	Ziggo T/L F (EUR)	8,000,000.00	0.00%	3.00%	3.00%	Senior Secured Loan	45.00	80.00	99.28	15-Apr-25
Totals:	**107**		**363,055,370.76**								

Current Asset Characteristics - Part II

Security I.D.	ISIN/LoanX ID	Obligor	Issue/Facility Name	Country	Moody's Industry Classification	Fitch Industry Classification
BL0379679	LX139672	1908 Acquisitions B.V.	Hes Beheer T/L B	Netherlands	Transportation: Cargo	Transportation and Distribution
BL0432007	LX153243	AI Avocado Holding B.V	AI Avocado Unit 4 T/L B2	Netherlands	High Tech Industries	Computer and Electronics
BL0466179	LX137858	Alison Bidco S.A.R.L.	Alstom (Arvos) T/L B2	Germany	Capital Equipment	Industrial/Manufacturing
BL0375586	LX137656	All3Media Intermediate Limited	ALL 3 Media Second Lien	United Kingdom	Media: Diversified & Production	Broadcasting and Media
BL0460396	LX152755	Allnex SARL	Allnex T/L B1 (EUR) New	Belgium	Chemicals, Plastics, & Rubber	Chemicals
BL0496259	LX170900	Altran Technologies S.A.	Altran T/L (EUR)	France	Services: Business	Business Services
BL0512022	LX173239	Apleona GMBH	Bilfinger T/L B5 (Triangle)	Germany	Services: Business	Real Estate
BL0459802	LX161096	Armacell INS US Holding Inc.	Armacell EUR T/L B3	Germany	Construction & Building	Buildings and Materials
BL0403503	LX145177	Aruba Investments, Inc.	Aruba Investments T/L B-1 (EUR)	United States	Chemicals, Plastics, & Rubber	Chemicals
BL0464422	LX162319	ASK Chemicals	ASK Chemicals T/L	Germany	Chemicals, Plastics, & Rubber	Chemicals
AL0700735	XS1517169972	Autodis SA	AUTODI Float 05/01/22	France	Automotive	Automobiles
BL0482481	LX168604	Avantor, Inc.	Avantor Performance Materials EUR T/L	United States	Healthcare & Pharmaceuticals	Healthcare
BL0507519	LX172916	Averys	Averys T/L B (04/18)	France	Capital Equipment	Industrial/Manufacturing
BL0472854	LX165657	Belmond Interfin Ltd.	Belmond New Term Loan	United States	Hotel, Gaming & Leisure	Lodging and Restaurants
BL0449811	LX157317	Big White Acquico GMBH	SLV New T/L	Germany	Wholesale	Consumer Products
BL0473258	LX165619	Brammer	Brammer EUR T/L B	United Kingdom	Services: Business	Business Services
QJ5428983	XS1117279619	Cabott	ECPG Float 11/15/21	United Kingdom	Banking, Finance, Insurance & Real Estate	Banking and Finance
BL0473043	LX165609	Caldic	Caldic (Pertus Bidco B.V) New T/L	Netherlands	Chemicals, Plastics, & Rubber	Chemicals
BL0472953	LX165800	CD&R Firely Bidco Limited (Uk)	Motor Fuel New T/L B1	United Kingdom	Transportation: Consumer	Retail
BL0510224	LX173383	CD&R Firely Bidco Limited (Uk)	Motor Fuel GroupTerm Loan B2	United Kingdom	Transportation: Consumer	Retail
BL0369332	LX135736	Ceva Sante Animale	Ceva Sante Animale T/L B	France	Healthcare & Pharmaceuticals	Healthcare
BL0453755	LX159174	Cezanne Participations VI SAS	Webhelp T/L B2	France	Services: Business	Business Services
BL0462673	LX172376	Chemours Company, The	Chemours Company T/L B1	United States	Chemicals, Plastics, & Rubber	Chemicals
BL0435521	LX153899	Coherent Holding GmbH	Coherent Holding T/L B	United States	Capital Equipment	Industrial/Manufacturing
BL0459299	LX161040	Concardis	Concardis Term Loan Eur	Germany	Services: Business	Business Services
BL0496358	LX171014	DexKo Global Inc.	Dexko 1/18 New T/L B2	United States	Automotive	Automobiles
BL0495988	LX170821	DexKo Global Inc.	Dexko 1/18 New T/L B1	United States	Automotive	Automobiles
BL0467557	LX162900	Diebold Nixdorf, Incorporated.	Diebold Nixdorf T/L	United States	High Tech Industries	Computer and Electronics
BL0475592	LX167195	Diversey	Diversey (Diamond) Term Loan	United States	Chemicals, Plastics, & Rubber	Chemicals
BL0502536	LX171166	DRT	DRT EUR T/L B	France	Chemicals, Plastics, & Rubber	Chemicals
BL0497141	LX171054	EG Group Limited	Euro Garages T/L B1	United Kingdom	Transportation: Consumer	Retail
BL0498636	LX171115	EG Group Limited	Euro Garages T/L B3	United Kingdom	Transportation: Consumer	Retail
BL0459745	LX161434	Eircom Holdings (Ireland) Ltd	Eircom Holdings (NEW)	Ireland	Telecommunications	Telecommunications
BL0458838	LX160780	Ethypharm	Ethypharm New T/L	France	Healthcare & Pharmaceuticals	Pharmaceuticals
BL0501108	LX171809	Flora Food Group	Flora Food (Sigma Bidco) T/L B (EUR)	United Kingdom	Beverage, Food & Tobacco	Food, Beverage and Tobacco

Current Asset Characteristics - Part II

Security I.D.	ISIN/LoanX ID	Obligor	Issue/Facility Name	Country	Moody's Industry Classification	Fitch Industry Classification
AQ7881479	XS1756364805	Garfunkelux Holdco 2 S.A.	GFKLDE Float 09/01/23	United Kingdom	Banking, Finance, Insurance & Real Estate	Banking and Finance
BL0502080	LX171646	Genesys Telecommunications Laboratories, Inc.	Genesys 2/18 (EUR) TLB	United States	High Tech Industries	Computer and Electronics
AL0882525	XS1516322465	Guala Closures SpA	GCLIM Float 11/15/21	Italy	Containers, Packaging & Glass	Packaging and Containers
AP9519996	XS1716822231	Haya Finance 2017 SA	HATAFI Float 11/15/22	Spain	Banking, Finance, Insurance & Real Estate	Banking and Finance
BL0500696	LX171534	Hensoldt Holding GmbH	Airbus (Defence Electronics/Hensoldt) T/l B3	Germany	Aerospace & Defense	Aerospace and Defense
BL0483760	LX168858	HOMEVI	DomusVI (HomeVI) Term Loan B	France	Healthcare & Pharmaceuticals	Healthcare
BL0513038	LX169710	House of HR	House of HR T/L B (05/18)	Belgium	Services: Business	Business Services
BL0474819	LX167063	IFS Group	IFS T/L New	Sweden	High Tech Industries	Computer and Electronics
BL0485732	LX169196	Ineos Group Holdings SA	Ineos T/L B 2024	United Kingdom	Chemicals, Plastics, & Rubber	Chemicals
BL0484602	LX169031	Inovyn Finance PLC	Inovyn Finance 2024 Tranche B2 New EUR T/L	United Kingdom	Chemicals, Plastics, & Rubber	Chemicals
BL0461592	LX161579	Invent Farma	Invent Farma T/L B2	Germany	Healthcare & Pharmaceuticals	Pharmaceuticals
BL0487969	LX169484	ION Trading Technologies Limited	Ion Trading Euro T/L B	United Kingdom	High Tech Industries	Computer and Electronics
BL0514606	LX172316	Joye Media S.L	Imagina T/L B	Spain	Media: Diversified & Production	Broadcasting and Media
BL0499436	LX171257	Kiloutou	Kiloutou T/L	France	Construction & Building	Buildings and Materials
BL0475832	LX160537	Kirk Beauty One GMBH	Beauty Holding New T/L B5 (formerly B19)	Germany	Retail	Retail
BL0475840	LX160535	Kirk Beauty One GMBH	Beauty Holding New T/L B3 (formerly B17)	Germany	Retail	Retail
BL0475857	LX160538	Kirk Beauty One GMBH	Beauty Holding New T/L B6 (formerly B20)	Germany	Retail	Retail
BL0475865	LX160536	Kirk Beauty One GMBH	Beauty Holding New T/L B4 (formerly B18)	Germany	Retail	Retail
BL0475873	LX160539	Kirk Beauty One GMBH	Beauty Holding New T/L B7 (formerly B21)	Germany	Retail	Retail
BL0475881	LX159199	Kirk Beauty One GMBH	Beauty Holding New T/L B1 (formerly B15)	Germany	Retail	Retail
BL0475899	LX160534	Kirk Beauty One GMBH	Beauty Holding New T/L B2 (formerly B16)	Germany	Retail	Retail
BL0473324	LX165634	Kleopatra Holdings 1 S.C.A.	Klockner Pentaplast T/L B (6/17)	Germany	Containers, Packaging & Glass	Packaging and Containers
BL0453458	LX159482	LGC Science Holdings Limited	LGC (Figaro) 2nd Lien	United Kingdom	Healthcare & Pharmaceuticals	Healthcare
BL0467474	LX163229	Magic Newco 5 S.a.r.l	Misys Term B Eur Loan	United Kingdom	High Tech Industries	Computer and Electronics
AM7964225	XS1580388384	Matterhorn Telecom SA	MATTER Float 02/01/23	Switzerland	Telecommunications	Telecommunications
BL0481319	LX168777	McAfee, LLC	McAfee T/L B New	United States	High Tech Industries	Computer and Electronics
BL0487647	LX169008	Memora	Memora T/L B2	Spain	Environmental Industries	Environmental Services
BL0487654	LX169009	Memora	Memora T/L B3	Spain	Environmental Industries	Environmental Services
BL0487662	LX169010	Memora	Memora T/L B4	Spain	Environmental Industries	Environmental Services
BL0487738	LX167631	Memora	Memora T/L B1	Spain	Environmental Industries	Environmental Services

Current Asset Characteristics - Part II

Security I.D.	ISIN/LoanX ID	Obligor	Issue/Facility Name	Country	Moody's Industry Classification	Fitch Industry Classification
BL0473027	LX165655	MRH	MRH T/L B3	United Kingdom	Transportation: Consumer	Retail
AP9769369	XS1717590563	Naviera Armas SA	Navira Float 11/15/24 Corp	Spain	Transportation: Consumer	Transportation and Distribution
BL0472920	LX157878	NEP/NCP Holdco, Inc.	NEP Europe Finco T/L New	United States	Media: Diversified & Production	Broadcasting and Media
BL0489726	LX169648	Nets	Nets TL B1E	Denmark	Services: Business	Business Services
BL0482440	LX168991	Nidda Bondco GMBH	Stada/Nidda T/L B2	Germany	Healthcare & Pharmaceuticals	Pharmaceuticals
BL0511230	LX173581	Nidda Bondco GMBH	Stada/Nidda T/L C	Germany	Healthcare & Pharmaceuticals	Pharmaceuticals
BL0481293	LX168674	Nidda Bondco GMBH	Stada/Nidda T/L B1	Germany	Healthcare & Pharmaceuticals	Pharmaceuticals
BL0472342	LX165624	Nord Anglia Education Finance LLC	Nord Anglia Term Loan	United States	Services: Business	Business Services
BL0483653	LX168948	Oberthur Technologies Holdings SAS	Oberthur T/L New	France	High Tech Industries	Computer and Electronics
BL0505141	LX172053	Odyssey Investissement SASU	Odyssey Investissement T/L B (Circet Groupe)	France	Telecommunications	Telecommunications
BL0424095	LX151853	Parkeon	Parkeon EUR TL	France	Services: Business	Transportation and Distribution
BL0463390	LX162321	Pertento S.A.R.L	Ufinet Telecom Holdings T/L NEW	Spain	Telecommunications	Telecommunications
BL0487845	LX169668	PI LUX	Paysafe TL B2 (PI UK HoldCo II)	United Kingdom	Services: Business	Business Services
BL0482572	LX168776	Platform Specialty Products Corporation	Macdermid T/L C6	United States	Chemicals, Plastics, & Rubber	Chemicals
BL0490211	LX167687	PlusServer GmbH	PlusServer New EUR Term Loan	Germany	High Tech Industries	Business Services
BL0413239	LX148262	Remedco BV & Co KG	Median Kliniken T/L B1	Germany	Healthcare & Pharmaceuticals	Healthcare
BL0473720	LX166008	Safety Kleen	Safety Kleen T/L B1	United Kingdom	Environmental Industries	Environmental Services
BL0491045	LX169930	Sapphire Midco B.V.	Sapphire Refi T/L B (TMF Group)	Netherlands	Services: Business	Business Services
BL0491532	LX169932	Sapphire Midco B.V.	Sapphire 2nd Lien T/L (TMF Group)	Netherlands	Services: Business	Business Services
BL0462855	LX162008	SFR Group S.A.	SFR Group (Numericable / YPSO / Altice) T/L B11	France	Media: Broadcasting & Subscription	Telecommunications
BL0483604	LX168891	Sig Combibloc Holdings SCA	SIG Combibloc T/L New	Switzerland	Containers, Packaging & Glass	Packaging and Containers
BL0426223	LX152444	Solenis International LP	Solenis Add-on T/L	United States	Chemicals, Plastics, & Rubber	Chemicals
BL0377871	LX138124	Solenis International LP	Solenis Term Loan	United States	Chemicals, Plastics, & Rubber	Chemicals
BL0478133	LX169368	Springer SBM One GmbH	Springer Science T/L B12	Germany	Media: Advertising, Printing & Publishing	Broadcasting and Media
BL0505992	LX172475	Stars Group Holdings B.V.	Amaya 3/18 (EUR) Cov-Lite	Canada	Hotel, Gaming & Leisure	Gaming, Leisure and Entertainment
BL0493082	LX170103	Sunshine Mid B.V.	Refresco T/L B	Netherlands	Beverage, Food & Tobacco	Food and Drug Retail
BL0476707	LX167747	Swissport Investments	Swissport T/L B (New)	Switzerland	Services: Business	Transportation and Distribution
AL1055311	XS1516322200	Synlab Bondco PLC	LABFP Float 07/01/22	Germany	Healthcare & Pharmaceuticals	Healthcare
BL0426280	LX152515	Taghleef Industries	Taghleef T/L B1	Netherlands	Containers, Packaging & Glass	Packaging and Containers
BL0449365	LX157075	Tech Finance & CO S.C.A	Technicolor T/L B New	France	High Tech Industries	Computer and Electronics
BL0409583	LX162004	Tele Columbus GmbH	Tele Columbus T/L A	Germany	Media: Broadcasting & Subscription	Cable
AS4046411	XS1814546013	Tele Columbus GmbH	TCGR 3 7/8 05/02/25	Germany	Media: Broadcasting & Subscription	Cable
BL0403883	LX145316	TI Fluid Systems Limited	TI Automotive Initial Term Loan	United Kingdom	Automotive	Automobiles
BL0483703	LX168809	Trident Merger Sub Inc	Tekni Plex T/L	United States	Containers, Packaging & Glass	Packaging and Containers

Current Asset Characteristics - Part II

Security I.D.	ISIN/LoanX ID	Obligor	Issue/Facility Name	Country	Moody's Industry Classification	Fitch Industry Classification
BL0461063	LX161584	Unilabs Subholding AB	Unilabs Diagnostics T/L B2	Switzerland	Healthcare & Pharmaceuticals	Healthcare
BL0480766	LX146849	Vedici Groupe	Vedici New T/L B2	France	Healthcare & Pharmaceuticals	Healthcare
BL0472474	LX165579	Veritas US Inc.	Veritas New T/L B1	United States	High Tech Industries	Computer and Electronics
JV8940480	XS1357678322	Veritas US Inc.	VERITS 7 1/2 02/01/23	United States	High Tech Industries	Computer and Electronics
AP6379337	XS1708450215	Wind TRE SPA	WINTRE Float 01/20/24 Corp	Italy	Telecommunications	Telecommunications
BL0454613	LX159274	Xella International SA	Xella T/L B	Germany	Construction & Building	Buildings and Materials
BL0481814	LX168886	Xella International SA	Xella TL B2	Germany	Construction & Building	Buildings and Materials
BL0454134	LX159376	Ziggo BV	Ziggo T/L F (EUR)	Netherlands	Media: Broadcasting & Subscription	Cable

Totals: 107

Current Asset Characteristics - Part III

Security I.D	ISIN/LoanX ID	Issue/Facility Name	Annual Obligation	Fixed Rate Obligation	Bridge Loan	DIP Loan	Current Pay Obligation	Revolving Obligation	Delayed Drawdown Obligation	PIK Security	Market Value Determined by IM
BL0432007	LX153243	Al Avocado Unit 4 T/L B2	-	-	-	-	-	-	-	-	-
BL0500696	LX171534	Airbus (Defence Electronics/Hensoldt) T/L B3	-	-	-	-	-	-	-	-	-
BL0375586	LX137656	ALL 3 Media Second Lien	-	-	-	-	-	-	-	-	-
BL0460396	LX152755	Allnex T/L B1 (EUR) New	-	-	-	-	-	-	-	-	-
BL0466179	LX137858	Alstom (Arvos) T/L B2	-	-	-	-	-	-	-	-	-
BL0496259	LX170900	Altran T/L (EUR)	-	-	-	-	-	-	-	-	-
BL0505992	LX172475	Amaya 3/18 (EUR) Cov-Lite	-	-	-	-	-	-	-	-	-
BL0459802	LX161096	Armacell EUR T/L B3	-	-	-	-	-	-	-	-	-
BL0403503	LX145177	Aruba Investments T/L B-1 (EUR)	-	-	-	-	-	-	-	-	-
BL0464422	LX162319	ASK Chemicals T/L	-	-	-	-	-	-	-	-	-
AL0700735	XS1517169972	AUTODI Float 05/01/22	-	-	-	-	-	-	-	-	-
BL0482481	LX168604	Avantor Performance Materials EUR T/L	-	-	-	-	-	-	-	-	-
BL0507519	LX172916	Averys T/L B (04/18)	-	-	-	-	-	-	-	-	-
BL0475881	LX159199	Beauty Holding New T/L B1 (formerly B15)	-	-	-	-	-	-	-	-	-
BL0475899	LX160534	Beauty Holding New T/L B2 (formerly B16)	-	-	-	-	-	-	-	-	-
BL0475840	LX160535	Beauty Holding New T/L B3 (formerly B17)	-	-	-	-	-	-	-	-	-
BL0475865	LX160536	Beauty Holding New T/L B4 (formerly B18)	-	-	-	-	-	-	-	-	-
BL0475832	LX160537	Beauty Holding New T/L B5 (formerly B19)	-	-	-	-	-	-	-	-	-
BL0475857	LX160538	Beauty Holding New T/L B6 (formerly B20)	-	-	-	-	-	-	-	-	-
BL0475873	LX160539	Beauty Holding New T/L B7 (formerly B21)	-	-	-	-	-	-	-	-	-
BL0472854	LX165657	Belmond New Term Loan	-	-	-	-	-	-	-	-	-
BL0512022	LX173239	Bilfinger T/L B5 (Triangle)	-	-	-	-	-	-	-	-	-
BL0473258	LX165619	Brammer EUR T/L B	-	-	-	-	-	-	-	-	-
BL0473043	LX165609	Caldic (Pertus Bidco B.V) New T/L	-	-	-	-	-	-	-	-	-
BL0369332	LX135736	Ceva Sante Animale T/L B	-	-	-	-	-	-	-	-	-
BL0462673	LX172376	Chemours Company T/L B1	-	-	-	-	-	-	-	-	-
BL0435521	LX153899	Coherent Holding T/L B	-	-	-	-	-	-	-	-	-
BL0459299	LX161040	Concardis Term Loan Eur	-	-	-	-	-	-	-	-	-
BL0495988	LX170821	Dexko 1/18 New T/L B1	-	-	-	-	-	-	-	-	-
BL0496358	LX171014	Dexko 1/18 New T/L B2	-	-	-	-	-	-	-	-	-
BL0467557	LX162900	Diebold Nixdorf T/L	-	-	-	-	-	-	-	-	-
BL0475592	LX167195	Diversey (Diamond) Term Loan	-	-	-	-	-	-	-	-	-
BL0483760	LX168858	DomusVI (HomeVI) Term Loan B	-	-	-	-	-	-	-	-	-
BL0502536	LX171166	DRT EUR T/L B	-	-	-	-	-	-	-	-	-

Current Asset Characteristics - Part III

Security I.D	ISIN/LoanX ID	Issue/Facility Name	Annual Obligation	Fixed Rate Obligation	Bridge Loan	DIP Loan	Current Pay Obligation	Revolving Obligation	Delayed Drawdown Obligation	PIK Security	Market Value Determined by IM
QJ5428983	XS1117279619	ECPG Float 11/15/21	-	-	-	-	-	-	-	-	-
BL0459745	LX161434	Eircom Holdings (NEW)	-	-	-	-	-	-	-	-	-
BL0458838	LX160780	Ethypharm New T/L	-	-	-	-	-	-	-	-	-
BL0497141	LX171054	Euro Garages T/L B1	-	-	-	-	-	-	-	-	-
BL0498636	LX171115	Euro Garages T/L B3	-	-	-	-	-	-	Yes	-	-
BL0501108	LX171809	Flora Food (Sigma Bidco) T/L B (EUR)	-	-	-	-	-	-	-	-	-
AL0882525	XS1516322465	GCLIM Float 11/15/21	-	-	-	-	-	-	-	-	-
BL0502080	LX171646	Genesys 2/18 (EUR) TLB	-	-	-	-	-	-	-	-	-
AQ7881479	XS1756364805	GFKLDE Float 09/01/23	-	-	-	-	-	-	-	-	-
AP9519996	XS1716822231	HATAFI Float 11/15/22	-	-	-	-	-	-	-	-	-
BL0379679	LX139672	Hes Beheer T/L B	-	-	-	-	-	-	-	-	-
BL0513038	LX169710	House of HR T/L B (05/18)	-	-	-	-	-	-	-	-	-
BL0474819	LX167063	IFS T/L New	-	-	-	-	-	-	-	-	-
BL0514606	LX172316	Imagina T/L B	-	-	-	-	-	-	-	-	-
BL0485732	LX169196	Ineos T/L B 2024	-	-	-	-	-	-	-	-	-
BL0484602	LX169031	Inovyn Finance 2024 Tranche B2 New EUR T/L	-	-	-	-	-	-	-	-	-
BL0461592	LX161579	Invent Farma T/L B2	-	-	-	-	-	-	-	-	-
BL0487969	LX169484	Ion Trading Euro T/L B	-	-	-	-	-	-	-	-	-
BL0499436	LX171257	Kiloutou T/L	-	-	-	-	-	-	-	-	-
BL0473324	LX165634	Klockner Pentaplast T/L B (6/17)	-	-	-	-	-	-	-	-	-
AL1055311	XS1516322200	LABFP Float 07/01/22	-	-	-	-	-	-	-	-	-
BL0453458	LX159482	LGC (Figaro) 2nd Lien	-	-	-	-	-	-	-	-	-
BL0482572	LX168776	Macdermid T/L C6	-	-	-	-	-	-	-	-	-
AM7964225	XS1580388384	MATTER Float 02/01/23	-	-	-	-	-	-	-	-	-
BL0481319	LX168777	McAfee T/L B New	-	-	-	-	-	-	-	-	-
BL0413239	LX148262	Median Kliniken T/L B1	-	-	-	-	-	-	-	-	-
BL0487738	LX167631	Memora T/L B1	-	-	-	-	-	-	-	-	-
BL0487647	LX169008	Memora T/L B2	-	-	-	-	-	-	-	-	-
BL0487654	LX169009	Memora T/L B3	-	-	-	-	-	-	-	-	-
BL0487662	LX169010	Memora T/L B4	-	-	-	-	-	-	-	-	-
BL0467474	LX163229	Misys Term B Eur Loan	-	-	-	-	-	-	-	-	-
BL0510224	LX173383	Motor Fuel GroupTerm Loan B2	-	-	-	-	-	-	-	-	-
BL0472953	LX165800	Motor Fuel New T/L B1	-	-	-	-	-	-	-	-	-
BL0473027	LX165655	MRH T/L B3	-	-	-	-	-	-	-	-	-

Current Asset Characteristics - Part III

Security I.D	ISIN/LoanX ID	Issue/Facility Name	Annual Obligation	Fixed Rate Obligation	Bridge Loan	DIP Loan	Current Pay Obligation	Revolving Obligation	Delayed Drawdown Obligation	PIK Security	Market Value Determined by IM
AP9769369	XS1717590563	Navira Float 11/15/24 Corp	-	-	-	-	-	-	-	-	-
BL0472920	LX157878	NEP Europe Finco T/L New	-	-	-	-	-	-	-	-	-
BL0489726	LX169648	Nets TL B1E	-	-	-	-	-	-	-	-	-
BL0472342	LX165624	Nord Anglia Term Loan	-	-	-	-	-	-	-	-	-
BL0483653	LX168948	Oberthur T/L New	-	-	-	-	-	-	-	-	-
BL0505141	LX172053	Odyssey Investissement T/L B (Circet Groupe)	-	-	-	-	-	-	-	-	-
BL0424095	LX151853	Parkeon EUR TL	-	-	-	-	-	-	-	-	-
BL0487845	LX169668	Paysafe TL B2 (PI UK HoldCo II)	-	-	-	-	-	-	-	-	-
BL0490211	LX167687	PlusServer New EUR Term Loan	-	-	-	-	-	-	-	-	-
BL0493082	LX170103	Refresco T/L B	-	-	-	-	-	-	-	-	-
BL0473720	LX166008	Safety Kleen T/L B1	-	-	-	-	-	-	-	-	-
BL0491532	LX169932	Sapphire 2nd Lien T/L (TMF Group)	-	-	-	-	-	-	-	-	-
BL0491045	LX169930	Sapphire Refi T/L B (TMF Group)	-	-	-	-	-	-	-	-	-
BL0462855	LX162008	SFR Group (Numericable / YPSO / Altice) T/L B11	-	-	-	-	-	-	-	-	-
BL0483604	LX168891	SIG Combibloc T/L New	-	-	-	-	-	-	-	-	-
BL0449811	LX157317	SLV New T/L	-	-	-	-	-	-	-	-	-
BL0426223	LX152444	Solenis Add-on T/L	-	-	-	-	-	-	-	-	-
BL0377871	LX138124	Solenis Term Loan	-	-	-	-	-	-	-	-	-
BL0478133	LX169368	Springer Science T/L B12	-	-	-	-	-	-	-	-	-
BL0481293	LX168674	Stada/Nidda T/L B1	-	-	-	-	-	-	Yes	-	-
BL0482440	LX168991	Stada/Nidda T/L B2	-	-	-	-	-	-	-	-	-
BL0511230	LX173581	Stada/Nidda T/L C	-	-	-	-	-	-	Yes	-	-
BL0476707	LX167747	Swissport T/L B (New)	-	-	-	-	-	-	-	-	-
BL0426280	LX152515	Taghleef T/L B1	-	-	-	-	-	-	-	-	-
AS4046411	XS1814546013	TCGR 3 7/8 05/02/25	-	Yes	-	-	-	-	-	-	-
BL0449365	LX157075	Technicolor T/L B New	-	-	-	-	-	-	-	-	-
BL0483703	LX168809	Tekni Plex T/L	-	-	-	-	-	-	-	-	-
BL0409583	LX162004	Tele Columbus T/L A	-	-	-	-	-	-	-	-	-
BL0403883	LX145316	TI Automotive Initial Term Loan	-	-	-	-	-	-	-	-	-
BL0463390	LX162321	Ufinet Telecom Holdings T/L NEW	-	-	-	-	-	-	-	-	-
BL0461063	LX161584	Unilabs Diagnostics T/L B2	-	-	-	-	-	-	-	-	-
BL0480766	LX146849	Vedici New T/L B2	-	-	-	-	-	-	-	-	-
BL0472474	LX165579	Veritas New T/L B1	-	-	-	-	-	-	-	-	-
JV8940480	XS1357678322	VERITS 7 1/2 02/01/23	-	Yes	-	-	-	-	-	-	-

Current Asset Characteristics - Part III

Security I.D	ISIN/LoanX ID	Issue/Facility Name	Annual Obligation	Fixed Rate Obligation	Bridge Loan	DIP Loan	Current Pay Obligation	Revolving Obligation	Delayed Drawdown Obligation	PIK Security	Market Value Determined by IM
BL0453755	LX159174	Webhelp T/L B2	-	-	-	-	-	-	-	-	-
AP6379337	XS1708450215	WINTRE Float 01/20/24 Corp	-	-	-	-	-	-	-	-	-
BL0454613	LX159274	Xella T/L B	-	-	-	-	-	-	-	-	-
BL0481814	LX168886	Xella TL B2	-	-	-	-	-	-	-	-	-
BL0454134	LX159376	Ziggo T/L F (EUR)	-	-	-	-	-	-	-	-	-

Totals: 107

Defaulted Obligations and Deferring Securities

Security I.D.	Security Name	Date of Event	No. of Days	Principal Balance	Moody's Recovery Rate	Fitch Recovery Rate	Market Value	Moody's Collateral Value	Fitch Collateral Value	Calculation Amount
Totals:	**0**			**0.00**						**0.00**

Discount and Swapped Non-Discount Obligations

Security I.D.	Security Name	Purchase Date	Principal Balance	Purchase Price	Calculation Amount	% of ACB

Totals:	**0**		**0.00**		**0.00**	**0.00 %**

Collateral Enhancement Obligations and Exchanged Equity Securities

Security I.D.	Security Name	Asset Type	Number of Units	Principal Balance

Totals:	**0**

Participation Information

Security I.D.	Security Name	Selling Institution	Counterparty Ratings Moody's	Counterparty Ratings Fitch	Principal Balance
Totals:	0				-

Restructured Obligations - Additions

Security I.D.	Obligor Name	Issue/Facility Name	Asset Type	Restructuring Date	Par Amount	Maturity Date
BL0512022	Apleona GMBH	Bilfinger T/L B5 (Triangle)	Senior Secured Loan	16-May-18	1,540,000.00	01-Sep-23
BL0512022	Apleona GMBH	Bilfinger T/L B5 (Triangle)	Senior Secured Loan	16-May-18	3,857,142.86	01-Sep-23
BL0513038	House of HR	House of HR T/L B (05/18)	Senior Secured Loan	22-May-18	2,375,000.00	20-Dec-24
BL0513038	House of HR	House of HR T/L B (05/18)	Senior Secured Loan	22-May-18	625,000.00	20-Dec-24
BL0511230	Nidda Bondco GMBH	Stada/Nidda T/L C	Senior Secured Loan	29-May-18	3,471,481.46	21-Aug-24
Totals:	**5**				**11,868,624.32**	

Restructured Obligations - Removals

Security I.D.	Obligor Name	Issue/Facility Name	Asset Type	Restructuring Date	Par Amount	Maturity Date
BL0467029	Apleona GMBH	Bilfinger T/L B3 (Apleona)	Senior Secured Loan	16-May-18	1,540,000.00	01-Sep-23
BL0467029	Apleona GMBH	Bilfinger T/L B3 (Apleona)	Senior Secured Loan	16-May-18	3,857,142.86	01-Sep-23
BL0490997	House of HR	House of HR T/L B	Senior Secured Loan	22-May-18	2,375,000.00	20-Dec-24
BL0492654	House of HR	House of HR T/L B2	Senior Secured Loan	22-May-18	625,000.00	20-Dec-24
BL0481293	Nidda Healthcare Holding	Stada/Nidda T/L B1	Senior Secured Loan	29-May-18	3,471,481.46	21-Aug-24
Total:	**5**				**11,868,624.32**	

Rating Detail - Public

		Moody's Default Probability Rating				Moody's Rating				Fitch Rating			
Security I.D.	Security Name	Acquisition	Previous	Current	Status	Acquisition	Previous	Current	Status	Acquisition	Previous	Current	Status
BL0432007	Al Avocado Unit 4 T/L B2	B2	B2	B2		B2	B2	B2		-	-	-	P
BL0375586	ALL 3 Media Second Lien	B3	B3	B3		Caa2	Caa2	Caa2		-	-	-	P
BL0460396	Allnex T/L B1 (EUR) New	B1		B1		B1		B1		-	-	-	P
BL0466179	Alstom (Arvos) T/L B2	B3	B3	B3		B2	B3	B3		-	-	-	P
BL0496259	Altran T/L (EUR)	Ba2	Ba2	Ba2		Ba2	Ba2	Ba2		-	-	-	P
BL0505992	Amaya 3/18 (EUR) Cov-Lite	B2	B3	B3	CW-	B2	B3	B3	CW-	-	-	-	P
BL0459802	Armacell EUR T/L B3	B3	B3	B3		B2	B2	B2		-	-	-	P
BL0403503	Aruba Investments T/L B-1 (EUR)	B2	B2	B2		B1	B1	B1		-	-	-	P
AL0700735	AUTODI Float 05/01/22	B2	B2	B2		B2	B2	B2		-	-	-	P
BL0482481	Avantor Performance Materials EUR T/L	B3	B3	B3		B2	B2	B2		B	B	B	
BL0507519	Averys T/L B (04/18)	-	-	B2		B2	B2	B2		-	-	-	P
BL0475881	Beauty Holding New T/L B1 (formerly B15)	B2	B2	B2		B1	B1	B1		-	-	-	P
BL0475899	Beauty Holding New T/L B2 (formerly B16)	B2	B2	B2		B1	B1	B1		-	-	-	P
BL0475840	Beauty Holding New T/L B3 (formerly B17)	B2	B2	B2		B1	B1	B1		-	-	-	P
BL0475865	Beauty Holding New T/L B4 (formerly B18)	B2	B2	B2		B1	B1	B1		-	-	-	P
BL0475832	Beauty Holding New T/L B5 (formerly B19)	B2	B2	B2		B1	B1	B1		-	-	-	P
BL0475857	Beauty Holding New T/L B6 (formerly B20)	B2	B2	B2		B1	B1	B1		-	-	-	P
BL0475873	Beauty Holding New T/L B7 (formerly B21)	B2	B2	B2		B1	B1	B1		-	-	-	P
BL0472854	Belmond New Term Loan	B2	B2	B2		B2	B2	B2		-	-	-	P
BL0473258	Brammer EUR T/L B	B3	B3	B3		B2	B2	B2		-	-	-	P
BL0369332	Ceva Sante Animale T/L B	B1	B1	B1		B1	B1	B1		-	-	-	P
BL0462673	Chemours Company T/L B1	Ba3	Ba2	Ba2		Ba1	Baa3	Baa3		-	-	-	P
BL0435521	Coherent Holding T/L B	Ba2	Ba1	Ba1		Ba2	Ba1	Ba1		-	-	-	P
BL0495988	Dexko 1/18 New T/L B1	B2	B2	B2		B1	B1	B1		-	-	-	P
BL0496358	Dexko 1/18 New T/L B2	B2	B2	B2		B1	B1	B1		-	-	-	P
BL0467557	Diebold Nixdorf T/L	Ba3		B1		B1		B1		-	-	-	P
BL0475592	Diversey (Diamond) Term Loan	B3		B3		B1		B1		-	-	-	P
BL0483760	DomusVI (HomeVI) Term Loan B	B1	B1	B1		B2	B2	B2		-	-	-	P
QJ5428983	ECPG Float 11/15/21	B2	B2	B2		B2	B2	B2		-	-	-	P
BL0459745	Eircom Holdings (NEW)	B1	B1	B1		B1	B1	B1		B+	B+	B+	
BL0497141	Euro Garages T/L B1	B2	B2	B2		B2	B2	B2		B-	B	B	
BL0498636	Euro Garages T/L B3	B2	B2	B2		B2	B2	B2		B	B	B	
BL0501108	Flora Food (Sigma Bidco) T/L B (EUR)	B1	B1	B1		B1	B1	B1		B+	B+	B+	
AL0882525	GCLIM Float 11/15/21	B2	B2	B2		B2	B2	B2		-	-	-	P
BL0502080	Genesys 2/18 (EUR) TLB	B3	B3	B3		B2	B2	B2		-	-	-	P
AQ7881479	GFKLDE Float 09/01/23	B2	B2	B2		B2	B2	B2		-	-	-	P
AP9519996	HATAFI Float 11/15/22	B2	B3	B3		B2	B3	B3		-	-	-	P
BL0513038	House of HR T/L B (05/18)	B1		B1		Ba3		B1		-	-	-	P
BL0514606	Imagina T/L B	B1		B1		Ba3		Ba3		BB-		BB-	

Asset Status Legend:

N - Notched / Implied Rating
P - Private Rating
S - Shadow Rating
CW- - Credit Watch with negative implications
CW+ - Credit Watch with positive implications
DEF - In Default

Rating Detail - Public

		Moody's Default Probability Rating				Moody's Rating				Fitch Rating			
Security I.D.	Security Name	Acquisition	Previous	Current	Status	Acquisition	Previous	Current	Status	Acquisition	Previous	Current	Status
BL0485732	Ineos T/L B 2024	Ba2	Ba2	Ba2		Ba1	Ba1	Ba1		BB+	BB+	BB+	
BL0484602	Inovyn Finance 2024 Tranche B2 New EUR T/L	B1	B1	B1		B1	B1	B1		-	-	-	P
BL0487969	Ion Trading Euro T/L B	B2	B2	B2		B2	B2	B2		-	-	-	P
BL0499436	Kiloutou T/L	B1	B1	B1		B1	B1	B1		-	-	-	P
BL0473324	Klockner Pentaplast T/L B (6/17)	B3	B3	B3		B3	B3	B3		-	-	-	P
AL1055311	LABFP Float 07/01/22	B2	B2	B2		B2	B2	B2		B+	B	B	
BL0482572	Macdermid T/L C6	B2	B2	B2		B2	B2	B2		-	-	-	P
AM7964225	MATTER Float 02/01/23	B2	B2	B2		B2	B2	B2		-	-	-	P
BL0481319	McAfee T/L B New	B2	B2	B2		B1	B1	B1		-	-	-	P
BL0467474	Misys Term B Eur Loan	B3	B3	B3		B2	B2	B2		BB-	BB-	BB-	
BL0510224	Motor Fuel GroupTerm Loan B2	B2	B2	B2		B1	B1	B1		-	-	-	P
BL0472953	Motor Fuel New T/L B1	B2	B2	B2		B2	B1	B1		-	-	-	P
AP9769369	Navira Float 11/15/24 Corp	B1	B1	B1		B1	B1	B1		-	-	-	P
BL0472920	NEP Europe Finco T/L New	B2	B2	B2		B1	B2	B2		-	-	-	P
BL0489726	Nets TL B1E	B2		B2		B1		B1		B+		B+	
BL0472342	Nord Anglia Term Loan	B2		B2		B1		B1		-	-	-	P
BL0483653	Oberthur T/L New	B2	B2	B2		B2	B2	B2		B	B	B	
BL0487845	Paysafe TL B2 (PI UK HoldCo II)	B2	B2	B2		B1	B2	B2		-	-	-	P
BL0493082	Refresco T/L B	B1	B2	B2		B1	B1	B1		-	-	-	P
BL0491532	Sapphire 2nd Lien T/L (TMF Group)	B3	B3	B3		Caa2	Caa2	Caa2		-	-	-	P
BL0491045	Sapphire Refi T/L B (TMF Group)	B3	B3	B3		B2	B2	B2		-	-	-	P
BL0462855	SFR Group (Numericable / YPSO / Altice) T/L B11	B1	B1	B1		B1	B1	B1		-	-	-	P
BL0483604	SIG Combibloc T/L New	B2	B2	B2		B1	B1	B1		-	-	-	P
BL0426223	Solenis Add-on T/L	B3		B3		B2		B2		-	-	-	P
BL0377871	Solenis Term Loan	B3		B3		B2		B2		-	-	-	P
BL0478133	Springer Science T/L B12	B2	B1	B1	CW+	B2	B2	B2	CW+	-	-	-	P
BL0481293	Stada/Nidda T/L B1	B2		B2		B2		B2		B+		B+	
BL0482440	Stada/Nidda T/L B2	B2	B2	B2		B2	B2	B2		B+	B+	B+	
BL0511230	Stada/Nidda T/L C	B2		B2		B2		B2		B+		B+	
BL0476707	Swissport T/L B (New)	B3	B3	B3		B1	B2	B2		-	-	-	P
BL0426280	Taghleef T/L B1	Ba3	Ba3	Ba3		Ba3	Ba3	Ba3		B	BB-	BB-	
AS4046411	TCGR 3 7/8 05/02/25	B2	B2	B2		B2	B2	B2		B	B	B	
BL0449365	Technicolor T/L B New	Ba3	B1	B1		Ba3	B1	B1		-	-	-	P
BL0409583	Tele Columbus T/L A	B2	B2	B2		B2	B2	B2		B	B	B	
BL0403883	TI Automotive Initial Term Loan	B2	B1	B1		Ba3	Ba3	Ba3		-	-	-	P
BL0463390	Ufinet Telecom Holdings T/L NEW	B2	B2	B2		B2	B2	B2		-	-	-	P
BL0461063	Unilabs Diagnostics T/L B2	B3	B2	B2		B2	B1	B1		-	-	-	P
BL0480766	Vedici New T/L B2	B1	B1	B1		B1	B1	B1		-	-	-	P

Asset Status Legend:

N - Notched / Implied Rating
P - Private Rating
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CW- - Credit Watch with negative implications
CW+ - Credit Watch with positive implications
DEF - In Default

Rating Detail - Public

		Moody's Default Probability Rating				Moody's Rating				Fitch Rating			
Security I.D.	Security Name	Acquisition	Previous	Current	Status	Acquisition	Previous	Current	Status	Acquisition	Previous	Current	Status
BL0472474	Veritas New T/L B1	B3	B3	B3		B2	B2	B2		-	-	-	P
JV8940480	VERITS 7 1/2 02/01/23	B2	B3	B3		B1	B2	B2		-	-	-	P
AP6379337	WINTRE Float 01/20/24 Corp	B1	B1	B1		B1	B1	B1		B+	B+	B+	
BL0454613	Xella T/L B	B2	B2	B2		B2	B2	B2		-	-	-	P
BL0481814	Xella TL B2	B2	B2	B2		B2	B2	B2		-	-	-	P
BL0454134	Ziggo T/L F (EUR)	Ba3	B1	B1		Ba3	B1	B1		BB-	B+	B+	

Totals: 83

Asset Status Legend:

N - Notched / Implied Rating
P - Private Rating
S - Shadow Rating
CW- - Credit Watch with negative implications
CW+ - Credit Watch with positive implications
DEF - In Default

Rating Change History - Public

		Moody's				Fitch			
Security ID	Security Name	Prior	Curr	Date	Action	Prior	Curr	Date	Action

Totals: 0

Rating Change History - Shadow/Private

		Moody's				Fitch			
Security ID	Security Name	Prior	Prior Date	Curr	Curr Date	Prior	Prior Date	Curr	Curr Date

Totals:

Hedge Counterparty Ratings

			Moody's						Fitch					
Nbr	Counterparty	Counterparty Role	Short-term	Min	Result	Long-term	Min	Result	Short-term	Min	Result	Long-term	Min	Result
1	JP Morgan Securities Ltd		P-1			-			F1+			-		

Totals: 1

Intra-Period Collection Account Detail

Security I.D.	Issue/Facility Name	Interest Prior Balance	Interest Current Amounts Received	Interest Ending Balance	Principal Prior Balance	Principal Current Amounts Received	Principal Ending Balance	Total Collected
EUR								
BL0432007	AI Avocado Unit 4 T/L B2	14,400.00	13,750.00	28,150.00	-	-	-	28,150.00
BL0500696	Airbus (Defence Electronics/Hensoldt) T/L B3 666,:	-	30,730.56	30,730.56	-	-	-	30,730.56
BL0375586	ALL 3 Media Second Lien	-	-	-	-	-	-	-
BL0460396	Allnex T/L B1 (EUR) New	-	47,743.09	47,743.09	-	-	-	47,743.09
BL0466179	Alstom (Arvos) T/L B2	-	61,123.48	61,123.48	-	-	-	61,123.48
BL0496259	Altran T/L (EUR)	1,354.17	-	1,354.17	-	-	-	1,354.17
BL0505992	Amaya 3/18 (EUR) Cov-Lite	-	-	-	-	-	-	-
BL0459802	Armacell Bidco Lux EUR T/L B3	-	-	-	-	-	-	-
BL0403503	Aruba Investments T/L B-1 (EUR)	-	-	-	-	-	-	-
BL0464422	ASK Chemicals T/L	14,666.67	-	14,666.67	-	-	-	14,666.67
AL0700735	AUTODI Float 05/01/22	21,335.62	-	21,335.62	-	-	-	21,335.62
BL0482481	Avantor Performance Materials EUR T/L	13,566.00	13,142.06	26,708.06	-	-	-	26,708.06
BL0507519	Averys SAS	-	-	-	-	-	-	-
BL0475881	Beauty Holding New T/L B1 (formerly B15)	-	-	-	-	-	-	-
BL0475899	Beauty Holding New T/L B2 (formerly B16)	-	-	-	-	-	-	-
BL0475865	Beauty Holding New T/L B4	-	-	-	-	-	-	-
BL0475832	Beauty Holding New T/L B5 (formerly B19)	-	-	-	-	-	-	-
BL0475857	Beauty Holding New T/L B6 (formerly B20)	-	-	-	-	-	-	-
BL0475873	Beauty Holding New T/L B7 (formerly B21)	-	-	-	-	-	-	-
BL0475840	Beauty Holdings New T/L B3	-	-	-	-	-	-	-
BL0472854	Belmond New Term Loan	7,940.00	7,691.88	15,631.88	-	-	-	15,631.88
BL0467029	Bilfinger T/L B3 (Apleona)	20,239.29	8,770.36	29,009.65	-	-	-	29,009.65
BL0512022	Bilfinger T/L B5 (Triangle)	-	10,681.85	10,681.85	-	-	-	10,681.85
BL0473258	Brammer EUR T/L B	-	-	-	-	-	-	-
BL0473043	Caldic (Pertus Bidco B.V) New T/L	16,250.00	-	16,250.00	-	-	-	16,250.00
BL0369332	Ceva Financiere Mendal	-	-	-	-	-	-	-
BL0462673	Chemours Company T/L B1	-	-	-	-	-	-	-
BL0435521	Coherent Holding T/L B	-	-	-	-	-	-	-
BL0459299	Concardis Term Loan Eur	27,778.47	-	27,778.47	-	-	-	27,778.47

Intra-Period Collection Account Detail

		Interest			Principal			
Security I.D.	Issue/Facility Name	Prior Balance	Current Amounts Received	Ending Balance	Prior Balance	Current Amounts Received	Ending Balance	Total Collected
BL0495988	Dexko 1/18 New T/L B1	-	-	-	-	-	-	-
BL0496358	Dexko 1/18 New T/L B2	-	-	-	-	-	-	-
BL0467557	Diebold Nixdorf T/L	11,697.47	12,867.22	24,564.69	-	-	-	24,564.69
BL0475592	Diversey (Diamond) Term Loan	-	23,260.45	23,260.45	-	-	-	23,260.45
BL0483760	DomusVI (HomeVI) Term Loan B	42,182.29	-	42,182.29	-	-	-	42,182.29
BL0502536	DRT	3,694.45	-	3,694.45	-	-	-	3,694.45
QJ5428983	ECPG Float 11/15/21	58,097.22	-	58,097.22	-	-	-	58,097.22
BL0459745	Eircom Holdings (NEW)	17,062.50	17,631.25	34,693.75	-	-	-	34,693.75
BL0458838	Ethypharm New T/L	-	-	-	-	-	-	-
BL0497141	Euro Garages T/L B	-	-	-	-	-	-	-
BL0455636	Ferro Corporation T/L	7,146.57	-	7,146.57	-	-	-	7,146.57
BL0501108	Flora Food (Sigma Bidco) T/L B (EUR)	-	-	-	-	-	-	-
AL0882525	GCLIM Float 11/15/21	29,357.64	-	29,357.64	-	-	-	29,357.64
BL0502080	Genesys 2/18 (EUR) TLB	-	-	-	-	-	-	-
AQ7881479	GFKLDE Float 09/01/23	-	34,500.00	34,500.00	-	-	-	34,500.00
AP9519996	HATAFI Float 11/15/22	55,115.10	-	55,115.10	-	-	-	55,115.10
BL0379679	Hes Beheer T/L B	-	20,000.00	20,000.00	-	-	-	20,000.00
BL0490997	House of HR T/L B	-	25,795.14	25,795.14	-	-	-	25,795.14
BL0513038	House of HR T/L B (05/18)	-	-	-	-	-	-	-
BL0492654	House of HR T/L B2	-	3,615.45	3,615.45	-	-	-	3,615.45
BL0474819	IFS T/L New	-	-	-	-	-	-	-
BL0514606	Imagina T/L B	-	-	-	-	-	-	-
BL0485732	Ineos T/L B 2024	11,083.33	10,736.98	21,820.31	-	-	-	21,820.31
BL0484602	Inovyn Finance 2024 Tranche B2 New EUR T/L	-	-	-	-	-	-	-
BL0482317	Interoute Finco T/L	-	16,900.00	16,900.00	-	-	-	16,900.00
BL0461592	Invent Farma T/L B2	18,333.33	-	18,333.33	-	-	-	18,333.33
BL0487969	Ion Trading New T/L B	-	-	-	-	-	-	-
BL0499436	Kiloutou - KAPLA HOLDING	2,887.50	7,875.00	10,762.50	-	-	-	10,762.50
BL0473324	Klockner Pentaplast T/L B (6/17)	-	-	-	-	-	-	-
AL1055311	LABFP Float 07/01/22	-	-	-	-	-	-	-

Intra-Period Collection Account Detail

		Interest			Principal			
Security I.D.	Issue/Facility Name	Prior Balance	Current Amounts Received	Ending Balance	Prior Balance	Current Amounts Received	Ending Balance	Total Collected
BL0453458	LGC (Figaro) 2nd Lien	11,555.56	11,194.44	22,750.00	-	-	-	22,750.00
BL0482572	Macdermid T/L C6	15,962.98	15,464.14	31,427.12	-	-	-	31,427.12
AM7964225	MATTER Float 02/01/23	5,360.31	-	5,360.31	-	-	-	5,360.31
BL0481319	McAfee T/L B New	-	28,738.91	28,738.91	-	-	-	28,738.91
BL0413239	Median Kliniken T/L B1	-	-	-	-	-	-	-
BL0487738	Memora T/L B1	-	-	-	-	-	-	-
BL0487647	Memora T/L B2	-	-	-	-	-	-	-
BL0487654	Memora T/L B3	-	-	-	-	-	-	-
BL0487662	Memora T/L B4	-	-	-	-	-	-	-
BL0467474	Misys Term B Eur Loan	-	64,840.83	64,840.83	-	-	-	64,840.83
BL0510224	Motor Fuel GroupTerm Loan B2	-	-	-	-	-	-	-
AP9769369	Navira Float 11/15/24 Corp	-	21,250.00	21,250.00	-	-	-	21,250.00
BL0472920	NEP Europe Finco T/L New	-	-	-	-	-	-	-
BL0489726	Nets TL B1E	-	19,037.44	19,037.44	-	-	-	19,037.44
BL0472342	Nord Anglia Term Loan	-	25,187.50	25,187.50	-	-	-	25,187.50
BL0483653	Oberthur T/L New 1.182	-	-	-	-	-	-	-
BL0505141	Odyssey Investissement T/L B (Circet Groupe)	-	-	-	-	-	-	-
BL0424095	Parkeon EUR TL	32,083.33	-	32,083.33	-	-	-	32,083.33
BL0487845	Paysafe TL B	6,861.11	5,597.23	12,458.34	-	-	-	12,458.34
BL0490211	PlusServer New EUR Term Loan	-	47,395.83	47,395.83	-	-	-	47,395.83
BL0493082	Refresco T/L B	14,597.92	-	14,597.92	-	-	-	14,597.92
BL0473720	Safety Kleen T/L B1	-	-	-	-	-	-	-
BL0491532	Sapphire 2nd Lien T/L (TMF Group)	-	-	-	-	-	-	-
BL0491045	Sapphire Refi T/L B (TMF Group)	-	-	-	-	-	-	-
BL0462855	SFR Group SA	44,166.25	15,345.00	59,511.25	-	-	-	59,511.25
BL0483604	SIG Combibloc T/L New	15,472.16	14,988.66	30,460.82	-	-	-	30,460.82
BL0449811	SLV - Big White Acq	9,444.44	8,854.17	18,298.61	-	-	-	18,298.61
BL0426223	Solenis Add-on T/L	-	37,662.50	37,662.50	-	-	-	37,662.50
BL0377871	Solenis Holdings 3 LLC	-	21,463.41	21,463.41	-	-	-	21,463.41
BL0478133	Springer Science T/L B12 - Verlag	15,432.45	14,443.16	29,875.61	-	-	-	29,875.61

Intra-Period Collection Account Detail

Security I.D.	Issue/Facility Name	Interest Prior Balance	Interest Current Amounts Received	Interest Ending Balance	Principal Prior Balance	Principal Current Amounts Received	Principal Ending Balance	Total Collected
BL0481293	Stada/Nidda T/L B1	-	62,581.78	62,581.78	-	-	-	62,581.78
BL0482440	Stada/Nidda T/L B2	-	-	-	-	-	-	-
BL0511230	Stada/Nidda T/L C	-	-	-	-	-	-	-
BL0476707	Swissport T/L B (New)	20,182.22	17,476.69	37,658.91	-	-	-	37,658.91
BL0426280	Taghleef T/L B1	71,341.67	-	71,341.67	-	-	-	71,341.67
AS4046411	TCGR 3 7/8 05/02/25	-	-	-	-	-	-	-
BL0449365	Technicolor T/L B New	-	48,300.00	48,300.00	-	-	-	48,300.00
BL0483703	Tekni Plex T/L	-	-	-	-	-	-	-
BL0409583	Tele Columbus T/L A	50,375.00	8,125.00	58,500.00	-	-	-	58,500.00
BL0490666	Telenet Term Loan AM	-	2,291.67	2,291.67	-	-	-	2,291.67
BL0403883	TI Automotive Initial Term Loan	-	-	-	-	-	-	-
BL0464919	TMF T/L B	8,944.44	-	8,944.44	-	-	-	8,944.44
BL0463390	Ufinet Telecom Holdings T/L NEW	-	62,611.11	62,611.11	-	-	-	62,611.11
BL0461063	Unilabs Diagnostics T/L B (03/17)	-	-	-	-	-	-	-
BL0480766	Vedici Elsan SAS	14,531.26	14,531.26	29,062.52	-	-	-	29,062.52
BL0472474	Veritas New T/L B1	-	-	-	-	-	-	-
JV8940480	VERITS 7 1/2 02/01/23	-	-	-	-	-	-	-
BL0453755	Webhelp T/L B2 - Capucine SAS	-	-	-	-	-	-	-
AP6379337	WINTRE Float 01/20/24 Corp	65,450.00	-	65,450.00	-	-	-	65,450.00
BL0454613	Xella LSF10 XL Bidco SCA	-	-	-	-	-	-	-
BL0481814	Xella TL B2	-	-	-	-	-	-	-
BL0454134	Ziggo T/L F (EUR)	-	-	-	-	-	-	-
EUR Total:	**111**	**795,948.72**	934,195.50	**1,730,144.22**	**-**	**-**	**-**	**1,730,144.22**
GBP								
BL0472953	Motor Fuel New T/L B1	-	-	-	-	-	-	-
BL0473027	MRH T/L B3	8,404.52	8,414.64	16,819.16	-	-	-	16,819.16
GBP Total:	**2**	**8,404.52**	8,414.64	**16,819.16**	**-**	**-**	**-**	**16,819.16**
Totals:	**113**							

Hedge Transactions Details I

Nbr	Hedge Id	Hedge Type	Counterparty	Reference Security I.D.	Issue Name	Trade Date	Effective Date	Termination Date
1	14566	Cross Currency Swap	JP Morgan Securities Ltd	BL0473027	MRH T/L B3	30-Jun-17	30-Jun-17	14-Dec-23
2	14813	Cross Currency Swap	JP Morgan Securities Ltd	BL0472953	Motor Fuel New T/L B1	29-Sep-17	29-Sep-17	15-Jul-22

Totals: 2

Hedge Transaction Details II

Nbr	Hedge Id	Issue Name	Index Type Code	Index Type Code 2	Hedged Currency	Hedged Original Par	Hedged Current Par	Swapped Currency	Swapped Par
1	14566	MRH T/L B3	EurIBOR (3 months)	PIBOR (3 months)	British Pound	2,125,000.00	2,125,000.00	Euro	2,433,125.00
2	14813	Motor Fuel New T/L B1	EurIBOR (3 months)	LIBOR (3 months)	British Pound	2,000,000.00	2,000,000.00	Euro	2,369,600.00
Totals:	**2**					**4,125,000.00**	**4,125,000.00**		**4,802,725.00**

Hedge Transactions Details III

Security I.D	Issue/Facility Name	Counterparty	Next Payment Date	Currency	Spread	Exchange Rate	Floor
BL0472953	Motor Fuel New T/L B1	JP Morgan Securities Ltd	29-Jun-18	GBP	4.50	1.18480	-
BL0473027	MRH T/L B3	JP Morgan Securities Ltd	29-Jun-18	GBP	4.00	1.14500	-

Totals: 2

Stratifications - Countries

Country	# of Assets	Principal Balance	% of Aggr. Prin. Bal.
Germany	27	77,904,756.24	21.46 %
U.S.	19	67,125,064.43	18.49 %
United Kingdom	18	65,967,266.04	18.17 %
France	15	54,367,127.65	14.97 %
Netherlands	8	29,300,000.00	8.07 %
Spain	8	21,350,000.00	5.88 %
Switzerland	4	14,595,629.74	4.02 %
Belgium	2	8,811,500.00	2.43 %
Italy	2	7,600,000.00	2.09 %
Ireland	1	6,300,000.00	1.74 %
Sweden	1	4,000,000.00	1.10 %
Canada	1	3,000,000.00	0.83 %
Denmark	1	2,734,026.66	0.75 %
Total	**107**	**363,055,370.76**	**100.00 %**

Stratifications - Obligors (10 Largest)

Obligor	# of Assets	Principal Balance	% of Aggr. Prin. Bal.
Ziggo BV	1	8,000,000.00	2.20 %
Genesys Telecommunications Laboratories, Inc.	1	7,406,624.53	2.04 %
Tele Columbus GmbH	2	7,027,089.07	1.94 %
Pertento S.A.R.L	1	7,000,000.00	1.93 %
Nidda Bondco GMBH	3	6,400,000.01	1.76 %
Eircom Holdings (Ireland) Ltd	1	6,300,000.00	1.74 %
EG Group Limited	2	6,187,500.00	1.70 %
Inovyn Finance PLC	1	6,031,517.69	1.66 %
Kleopatra Holdings 1 S.C.A.	1	6,000,000.00	1.65 %
Magic Newco 5 S.a.r.l	1	5,955,000.00	1.64 %
Totals:	**14**	**66,307,731.30**	**18.26%**

Stratifications - Industries

Distribution of Moody's Industry Classifications

Industry	# of Assets	Principal Balance	% of Aggr. Prin. Bal.
Aerospace & Defense	1	3,700,000.00	1.02 %
Automotive	4	10,354,898.35	2.85 %
Banking, Finance, Insurance & Real Estate	3	11,350,000.00	3.13 %
Beverage, Food & Tobacco	2	9,900,000.00	2.73 %
Capital Equipment	3	11,846,374.30	3.26 %
Chemicals, Plastics, & Rubber	12	49,464,480.28	13.62 %
Construction & Building	4	13,916,042.62	3.83 %
Containers, Packaging & Glass	5	20,150,498.99	5.55 %
Environmental Industries	5	7,900,000.00	2.18 %
Healthcare & Pharmaceuticals	13	46,916,000.00	12.92 %
High Tech Industries	12	51,178,208.87	14.10 %
Hotel, Gaming & Leisure	2	5,977,500.00	1.65 %
Media: Advertising, Printing & Publishing	1	4,595,775.27	1.27 %
Media: Broadcasting & Subscription	4	20,967,089.07	5.78 %
Media: Diversified & Production	3	9,955,100.06	2.74 %
Retail	7	3,420,000.02	0.94 %
Services: Business	13	38,906,035.27	10.72 %
Telecommunications	5	22,067,142.66	6.08 %
Transportation: Cargo	1	2,000,000.00	0.55 %
Transportation: Consumer	6	15,990,225.00	4.40 %
Wholesale	1	2,500,000.00	0.69 %
Total	107	363,055,370.76	100.00 %

Distribution of Fitch Industry Classifications

Industry	# of Assets	Principal Balance	% of Aggr. Prin. Bal
Aerospace and Defense	1	3,700,000.00	1.02 %
Automobiles	4	10,354,898.35	2.85 %
Banking and Finance	3	11,350,000.00	3.13 %
Broadcasting and Media	4	14,550,875.33	4.01 %
Buildings and Materials	4	13,916,042.62	3.83 %
Business Services	11	29,236,154.32	8.05 %
Cable	3	15,027,089.07	4.14 %
Chemicals	12	49,464,480.28	13.62 %
Computer and Electronics	11	48,678,208.87	13.41 %
Consumer Products	1	2,500,000.00	0.69 %
Environmental Services	5	7,900,000.00	2.18 %
Food and Drug Retail	1	4,900,000.00	1.35 %
Food, Beverage and Tobacco	1	5,000,000.00	1.38 %
Gaming, Leisure and Entertainment	1	3,000,000.00	0.83 %
Healthcare	8	32,215,999.99	8.87 %
Industrial/Manufacturing	3	11,846,374.30	3.26 %
Lodging and Restaurants	1	2,977,500.00	0.82 %
Packaging and Containers	5	20,150,498.99	5.55 %
Pharmaceuticals	5	14,700,000.01	4.05 %
Real Estate	1	5,397,142.86	1.49 %
Retail	12	17,410,225.02	4.80 %
Telecommunications	6	28,007,142.66	7.71 %
Transportation and Distribution	4	10,772,738.09	2.97 %
Total	107	363,055,370.76	100.00 %

Risk Retention

Confirmation

The Collateral Administrator has received written confirmation from the Retention Holder that:

(i) it continues to hold Class M-1 Notes with an initial principal amount representing not less than 5 per cent. of the Aggregate Collateral Balance (the "Retention"); and

(ii) it has not sold, hedged or otherwise mitigated its credit risk under or associated with the Retention or the underlying portfolio of Collateral Debt Obligations, except to the extent permitted in accordance with the Retention Requirements.

Retention Detail

(i)	Principal Amount Outstanding as of the Issue Date of the Subordinated Notes held by the Retention Holder	17,650,000.00
(ii)	Principal Amount Outstanding of any additional Subordinated Notes held by the Retention Holder	0.00
	Aggregate principal amount held by the Retention Holder:	**17,650,000.00**

Retention Requirement

Aggregate Collateral Balance for the purposes of the compliance by the Retention Holder with the Retention Requirements	351,467,962.41
Aggregate principal amount held by the Retention Holder (expressed as a percentage of the Aggregate Collateral Balance)	5.02%
Minimum Requirement	5.00%
Retention Deficiency:	0.00%

Investment Gains

Investment Gains paid into the Interest Account since the previous Payment Date pursuant to the Conditions	0.00

Additional Notices

Disclaimer

This report is for the purposes of information only. Certain information included in this report is estimated, approximated or projected and it is provided without any representations or warranties as to its accuracy or completeness and none of the Collateral Administrator, the Trustee, the Issuer or the Collateral Manager will have any liability for estimates, approximations or projections contained herein.

U.S. Bank Global Corporate Trust Services is a trading name of Elavon Financial Services DAC (a U.S. Bancorp group company), registered in Ireland with the Companies Registration Office, Reg. No. 418442.

The liability of the member is limited. United Kingdom branch registered in England and Wales under the number BR009373. Authorised by the Central Bank of Ireland.

Address: U.S. Bank Global Corporate Trust Services, 125 Old Broad Street, Fifth Floor, London EC2N 1AR

other creditors of the Issuer ranking prior thereto or *pari passu* therewith. In the event of a shortfall in such proceeds, the Issuer will not be obliged to pay, and the other assets (including the Issuer Dutch Account and the rights of the Issuer under the Issuer Management Agreement (each as defined herein)) of the Issuer will not be available for payment of such shortfall, all claims in respect of which shall be extinguished. See Condition 4 (*Security*).

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 from Moody's Investors Service, Ltd. ("**Moody's**") and Fitch Ratings Limited ("**Fitch**" and, together with Moody's, the "**Rating Agencies**", and each, a "**Rating Agency**"): the Class A Notes: "Aaa (sf)" from Moody's and "AAAsf" from Fitch; the Class B Notes: "Aa2 (sf)" from Moody's and "AAsf" from Fitch; the Class C Notes: "A2 (sf)" from Moody's and "Asf" from Fitch; the Class D Notes: "Baa2 (sf)" from Moody's and "BBBsf" from Fitch; the Class E Notes: "Ba2 (sf)" from Moody's and "BBsf" from Fitch; and the Class F Notes: "B2 (sf)" from Moody's and "B-sf" from Fitch. The Subordinated Notes will not be rated.

The Notes have not been registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") and will be offered only: (a) outside the United States to non-U.S. Persons (as defined in Regulation S under the Securities Act ("**Regulation S**")); and (b) within the United States to persons and outside the United States to U.S. persons (as such term is defined in Regulation S ("**U.S. Persons**")), in each case, who are both qualified institutional buyers (as defined in Rule 144A under the Securities Act) in reliance on Rule 144A under the Securities Act and qualified purchasers for the purposes of Section 3(c)(7) of the United States Investment Company Act of 1940, as amended (the "**Investment Company Act**"). The Issuer will not be registered under the Investment Company Act. Interests in the Notes will be subject to certain restrictions on transfer, and each purchaser of 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 Barclays Bank PLC in its capacity as initial purchaser of the offering of such Notes (the "**Initial Purchaser**") subject to prior sale, when, as and if delivered to and accepted by the Initial Purchaser, and to certain conditions. It is expected that delivery of the Notes will be made on or about the Issue Date.

Barclays

Sole Arranger and Initial Purchaser

The date of this Offering Circular is 20 July 2016

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

None of the Initial Purchaser, the Trustee, the Investment Manager (save in respect of the sections headed "Risk Factors – Conflicts of Interest – Investment Manager" and "The Investment Manager"), the Collateral Administrator (save in respect of the section headed "Description of the Collateral Administrator"), any Agent, any Hedge Counterparty, the Retention Holder (save in respect of the section headed "The Retention Holder and Retention Requirements – Description of the Retention Holder") or any other party has separately verified the information contained in this Offering Circular and, accordingly, none of the Initial Purchaser, the Trustee, the Investment Manager (save as specified above), the Collateral Administrator (save as specified above), any Agent, any Hedge Counterparty, the Retention Holder (save in respect of the section headed "The Retention Holder and Retention Requirements – Description of the Retention Holder") 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 Investment Manager, the Collateral Administrator, any Agent, any Hedge Counterparty, the Retention Holder or any other party undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Offering Circular nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the aforementioned parties which is not included in this Offering Circular. None of the Initial Purchaser, the Trustee, the Investment Manager (save as specified above), the Collateral Administrator (save as specified above), any Agent, any Hedge Counterparty, the Retention Holder (save as specified above) or any other party (save for the Issuer as specified above) accepts any responsibility for the accuracy or completeness of any information contained in this Offering Circular.

This Offering Circular does not constitute an offer of, or an invitation by or on behalf of, the Issuer, the Initial Purchaser, the Investment Manager, the Retention Holder, the Collateral Administrator any of their respective Affiliates 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 outside the United Kingdom and are offered and accept this Offering Circular in compliance with such restrictions or (ii) are persons falling within Article 49(2)(a) to (d) (High net worth companies, unincorporated associations etc.) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 or who otherwise fall within an exemption set forth in such Order so

*that Section 21(1) of the Financial Services and Markets Act 2000 does not apply to the Issuer (all such persons together being referred to as "**relevant persons**"). This communication must not be distributed to, acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this communication relates is available only to relevant persons and will be engaged in only with relevant persons. For a description of certain further restrictions on offers and sales of Notes and distribution of this Offering Circular, see "Plan of Distribution" and "Transfer Restrictions" below.*

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

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

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

Retention requirements

The Retention Holder will represent and undertake to the Issuer, the Trustee, the Collateral Administrator and the Initial Purchaser in a letter agreement to hold the Retention on the terms set out in the Risk Retention Letter.

Each prospective investor in the Notes is required to independently assess and determine whether the information provided herein and in any reports provided to investors in relation to this transaction are sufficient to comply with the Retention Requirements (as defined in the Conditions) or any other regulatory requirement. None of the Issuer, the Investment Manager, the Retention Holder, 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 - Regulatory Initiatives*", "*Risk Factors – Risk Retention in Europe*", "*Risk Factors – Restrictions on the Discretion of the Investment Manager in Order to Comply with Risk Retention*" and "*The Retention Holder and Retention Requirements*" below.

Information as to placement within the United States

The Notes of each Class offered pursuant to an exemption from registration requirements 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 under the Securities Act ("**Rule 144A**")) ("**QIBs**") that are also "qualified purchasers" for the purposes of Section 3(c)(7) of the Investment Company Act ("**QPs**"). Rule 144A Notes of each Class (other than in certain circumstances, the Class E Notes, the Class F Notes and the Subordinated Notes) will each be represented on issue by beneficial interests in one or more permanent Global Certificates of such Class (each, a "**Rule 144A Global Certificate**" and together, the "**Rule 144A Global Certificates**") or in some cases definitive certificates (each a "**Rule 144A Definitive Certificate**" and together the "**Rule 144A Definitive Certificates**"), in each case in fully registered form, without interest coupons or principal receipts, which will be deposited on or about the Issue Date with, and registered in the name of, a nominee of a common depositary for Euroclear Bank S.A./N.V., as operator of the Euroclear system ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**") or in the case of Rule 144A Definitive Certificates, the registered holder thereof. The Notes of each Class sold outside the United States to non-U.S. Persons in reliance on Regulation S ("**Regulation S**") under the Securities Act (the "**Regulation S Notes**") will each (other than in certain circumstances, the Class E Notes, the Class F Notes and the Subordinated Notes) be represented on issue by beneficial interests in one or more permanent global certificates of such Class (each, a "**Regulation S Global Certificate**" and together, the "**Regulation S Global Certificates**"), or in some cases by definitive certificates of such Class (each a "**Regulation S Definitive Certificate**" and together, the "**Regulation S Definitive Certificates**") in fully registered form, without interest coupons or principal receipts, which will be deposited on or about the Issue Date with, and registered in the name of, a nominee of a common depositary for Euroclear and Clearstream Luxembourg or, in the case of Regulation S Definitive Certificates, the registered holder thereof. Neither U.S. Persons nor U.S. residents (as determined for the purposes of the Investment Company Act) ("**U.S. Residents**") may hold an interest in a Regulation S Global Certificate or a Regulation S Definitive Certificate. Ownership interests in the Regulation S Global Certificates and the Rule 144A Global Certificates (together, the "**Global Certificates**") will be shown on, and transfers thereof will only be effected through, records maintained by Euroclear and Clearstream, Luxembourg and their respective participants. Other than with respect to the Class E Notes, the Class F Notes and the Subordinated Notes, Notes in definitive certificated form will be issued only in limited circumstances. The Class E Notes, the Class F Notes and the Subordinated Notes may in certain circumstances described herein be issued in definitive, certificated, fully registered form, pursuant to the Trust Deed and will be offered outside the United States to non-U.S. Persons in reliance on Regulation S and within the United States to persons who are both QIBs and QPs and, in each case, will be registered in the name of the holder (or a nominee thereof). 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*".

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

both a QIB and 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*".

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

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

This Offering Circular has been prepared by the Issuer solely for use in connection with the offering of the Notes described herein (the "**Offering**"). Each of the Issuer 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 and the Initial Purchaser, 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.

Disclosure

Notwithstanding anything to the contrary herein, each recipient (and each employee, representative, or other agent of such recipient) may disclose to any and all persons, without limitation of any kind, the U.S. federal, state, and local tax treatment of the Issuer, the Notes, or the transactions referenced herein and all materials of any kind (including opinions or other U.S. tax analyses) relating to such U.S. federal, state, and local tax treatment and that may be relevant to understanding such U.S. federal, state, and local tax treatment.

Available Information

To permit compliance with the Securities Act in connection with the sale of the Notes in reliance on Rule 144A, the Issuer will be required under the Trust Deed to furnish upon request to a holder or beneficial owner who is a QIB of a Note sold in reliance on Rule 144A or a prospective investor who is a QIB designated by such holder or beneficial owner the information required to be delivered under Rule 144A(d)(4) under the Securities Act if at the time of the request the Issuer is neither a reporting company under Section 13 or Section 15(d) of the United States Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), nor exempt from reporting pursuant to Rule 12g 3 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 OR THE INITIAL PURCHASER, THE INVESTMENT MANAGER (OR ANY OF THEIR AFFILIATES), THE TRUSTEE (OR ANY OF THEIR RESPECTIVE

AFFILIATES) OR THE COLLATERAL ADMINISTRATOR SPECIFIED HEREIN SHALL HAVE ANY RESPONSIBILITY THEREFOR.

THE 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

CURRENCIES

In this Offering Circular, unless otherwise specified or the context otherwise requires, all references to "**euro**", "**EUR**" and "**€**" are to the lawful currency of 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). References to "**U.S. Dollars**" and "**U.S.$**" are to the lawful currency of the United States and references to "**£**" and "**Sterling**" are references to the lawful currency for the time being of the United Kingdom of Great Britain and Northern Ireland.

NO STABILISATION

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

COMMODITY POOL REGULATION

IN THE EVENT THAT TRADING IN HEDGE AGREEMENTS WOULD RESULT IN THE ISSUER'S ACTIVITIES FALLING WITHIN THE DEFINITION OF A "**COMMODITY POOL**" UNDER THE COMMODITY EXCHANGE ACT, THE INVESTMENT 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 INVESTMENT 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 of the Notes" below or are defined elsewhere in this Offering Circular. An index of defined terms appears at the back of this Offering Circular. References to a "**Condition**" are to the specified Condition in the "Terms and Conditions of the Notes" below and references to "**Conditions of the Notes**" are to the "Terms and Conditions of the Notes" below. For a discussion of certain risk factors to be considered in connection with an investment in the Notes, see "Risk Factors".*

Issuer	Cairn CLO VI B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of The Netherlands.
Investment Manager	Cairn Loan Investments LLP
Trustee	U.S. Bank Trustees Limited
Initial Purchaser	Barclays Bank PLC
Collateral Administrator	Elavon Financial Services DAC

Notes

Class of Notes	Principal Amount	Initial Stated Interest Rate[2]	Alternative Stated Interest Rate[3]	Moody's Rating[1]	Fitch Rating[1]	Stated Maturity	Issue Price[5]
Class A	€212,000,000	3 month EURIBOR + 1.30%	6 month EURIBOR + 1.30%	"Aaa (sf)"	"AAAsf"	2029	100.00%
Class B	€42,100,000	3 month EURIBOR + 2.05%	6 month EURIBOR + 2.05%	"Aa2 (sf)"	"AAsf"	2029	100.00%
Class C	€19,600,000	3 month EURIBOR + 3.05 %	6 month EURIBOR + 3.05%	"A2 (sf)"	"Asf"	2029	100.00%
Class D	€17,150,000	3 month EURIBOR + 4.05%	6 month EURIBOR + 4.05%	"Baa2 (sf)"	"BBBsf"	2029	98.40%
Class E	€24,000,000	3 month EURIBOR + 6.25%	6 month EURIBOR + 6.25%	"Ba2 (sf)"	"BBsf"	2029	94.00%
Class F	€8,700,000	3 month EURIBOR + 8.35%	6 month EURIBOR + 8.35%	"B2 (sf)"	"B-sf"	2029	89.50%
Class M-1 Notes	€17,650,000	N/A[4]	N/A[4]	N/A	N/A	2029	100.00%
Class M-2 Notes	€20,800,000	N/A[4]	N/A[4]	N/A	N/A	2029	95.00%

[1] 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 the Notes and may be subject to revision, suspension or withdrawal at any time by the applicable Rating Agency.

[2] Applicable at any time prior to the occurrence of a Frequency Switch Event. The rate of interest of the Rated Notes of each Class for the first Accrual Period will be determined by reference to six month EURIBOR. Payment of interest on the Subordinated Notes will be made on an available funds basis in accordance with the Priorities of Payments.

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

[4] Subject to available Interest Proceeds. See Condition 6(a)(ii) (*Subordinated Notes*).

[5] The Initial Purchaser may, on behalf of the Issuer, offer the Notes at other prices, as may be negotiated at the time of sale.

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

(a) outside of the United States to persons that are not U.S. Persons ("**non-U.S. Persons**") in "offshore transactions" in reliance on Regulation S under the Securities Act; 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 ..... Interest on the Notes will be payable:

(a) following the occurrence of a Frequency Switch Event on (A) 25 January and 25 July (where the Payment Date immediately prior to the occurrence of the relevant Frequency Switch Event falls in either January or July), or (B) 25 April and 25 October (where the Payment Date immediately prior to the occurrence of the relevant Frequency Switch Event falls in either April or October); and

(b) 25 January, 25 April, 25 July and 25 October, at all other times,

commencing on 25 January 2017 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).

The Issuer and the Investment Manager may (and shall if so directed by an Ordinary Resolution of the Subordinated Noteholders) designate a date other than a scheduled Payment Date as a Payment Date provided that, *inter alia*, it falls on a Business Day falling on or after the redemption in full of all Classes of Rated Notes (see Condition 3(l) (*Unscheduled Payment Dates*)).

Frequency Switch Event ..... The occurrence on any Frequency Switch Measurement Date of either:

(a) (i) the Aggregate Principal Balance of Collateral Debt Obligations which have become Semi-Annual Obligations in the previous Due Period (or where such previous Due Period is the first Due Period, in the last three months of such Due Period) as a result of the change in the frequency of interest payment on such Collateral Debt Obligations, is greater than or equal to 20 per cent. of the Aggregate Collateral Balance; and (ii) the Class A/B Interest Coverage Ratio being less than 100 per cent. (and provided that for such purpose, paragraph (b) of the definition of Interest Coverage Amount shall be deemed to be equal to zero), as calculated by the Collateral Administrator in consultation with, and notified to, the Investment Manager; or

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

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, in each case, on each Payment Date (with the first Payment Date occurring on 25 January 2017) 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 Class of Rated Notes in accordance with the Priorities of Payments shall not constitute an Event of Default unless and until (a) such failure continues for a period of at least five Business Days (save in the case of an administrative error or omission only, where such failure continues for a period of at least seven Business Days) and (b) in respect of the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes, such non-payment of interest is in respect of a Payment Date from (and including) the Payment Date immediately following the occurrence of a Frequency Switch Event (such Payment Date, the "**Relevant Payment Date**") and:

(a) in the case of non-payment of interest due and payable on the Class C Notes, the Class A Notes and the Class B Notes have been redeemed in full;

(b) in the case of non-payment of interest due and payable on the Class D Notes, the Class A Notes, the Class B Notes and the Class C Notes have been redeemed in full;

(c) in the case of non-payment of interest due and payable on 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

(d) in the case of non-payment of interest due and payable on 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 except in each case as the result of any deduction therefrom or the imposition of any withholding thereon as set out in Condition 9 (*Taxation*).

To the extent that interest payments on the Class C Notes, Class D Notes, Class E Notes or Class F Notes are not made on a Payment Date where a more senior Class of Notes remains Outstanding or, in respect of any Payment Date prior to the Relevant Payment Date only, where the relevant Class of Notes is the Controlling Class, an amount equal to such unpaid interest will be added to the principal amount of the Class C Notes, Class D Notes, Class E Notes or Class F Notes (as applicable) and from the date such unpaid interest is added to the applicable Principal Amount Outstanding of the relevant Class of Notes, such unpaid amount will accrue interest at the rate of interest applicable to the relevant 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 or Principal Proceeds will not constitute an Event of Default.

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

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

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

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

(d) after the Reinvestment Period, on each Payment Date out of Principal Proceeds transferred to the Payment Account immediately prior to the related Payment Date (see Condition 7(f) (*Redemption Following Expiry of the Reinvestment Period*));

(e) on any Payment Date during the Reinvestment Period at the discretion of the Investment Manager (acting on behalf of the Issuer) following written notification by the Investment Manager to the Trustee that, using reasonable endeavours, it has been unable, for a period of 20 consecutive Business Days, to identify a sufficient quantity of additional or Substitute Collateral Debt Obligations in which to invest or reinvest Principal Proceeds (see Condition 7(d) (*Special Redemption*));

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

(g) in part by the redemption in whole of one or more Classes of Rated Notes from Refinancing Proceeds on any Business Day following the expiry of the Non-Call Period if directed in writing by the Investment Manager or the Subordinated Noteholders (acting by way of an Ordinary Resolution), 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 or Investment Manager*);

(h) in whole (with respect to all Classes of Rated Notes) but not in part from Sale Proceeds on any Payment Date following the expiry of the Non-Call Period if, upon or at any time following the expiry of the Non-Call Period the Aggregate Collateral

Balance is less than 15 per cent. of the Target Par Amount and if directed in writing by the Investment Manager (see Condition 7(b)(iii) (*Optional Redemption in Whole - Investment Manager*);

(i) 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 Investment Manager following the redemption in full of all Classes of Rated Notes (see Condition 7(b)(viii) (*Optional Redemption of Subordinated Notes*);

(j) on any Payment Date following the occurrence of a Collateral Tax Event in whole (with respect to all Classes of Rated Notes) at the option of the Subordinated Noteholders acting by way of Ordinary Resolution (See Condition 7(b) (*Optional Redemption*);

(k) on any Payment Date in whole (with respect to all Classes of Rated Notes) at the option of the Controlling Class or the Subordinated Noteholders in each case acting by way of Extraordinary Resolution, following the occurrence of a Note Tax Event, subject to (i) the Issuer having failed to change the territory in which it is resident for tax purposes and (ii) certain minimum time periods. See Condition 7(g) (*Redemption following Note Tax Event*); and

(l) at any time following an Event of Default which occurs and is continuing, provided an Acceleration Notice has been given or deemed to have been given and not rescinded or annulled (See Condition 10 (*Events of Default*)).

Optional Redemption

Non-Call Period..... During the period from the Issue Date up to, but excluding, 25 July 2018, or if such day is not a Business Day, the next following day that is a Business Day (unless it would fall in the following month, in which case such date shall be brought forward to the immediately preceding Business Day) (the "**Non-Call Period**"), the Notes are not subject to redemption at the option of the Noteholders (save for (i) upon the occurrence of a Note Tax Event (see Condition 7(g) (*Redemption following Note Tax Event)* at the option of the Controlling Class or the Subordinated Noteholders, in each case acting by Extraordinary Resolution; or (ii) following the occurrence of a Collateral Tax Event at the option of the Subordinated Noteholders acting by Ordinary Resolution (see Condition 7(b)(i) (*Optional Redemption in Whole – Subordinated Noteholders/Retention Holder*)).

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 as at such date plus (b) accrued and unpaid interest (including, in the case of the Class C Notes, Class D Notes, Class E Notes and Class F Notes, any accrued and unpaid Deferred Interest on such Notes) 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 (S) of the Principal Proceeds Priority of Payments, paragraph (B) of the Collateral Enhancement Obligation Proceeds Priority of Payments

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

Collateral Enhancement Obligation Proceeds will be applied in accordance with the Collateral Enhancement Obligation Proceeds Priority of Payments both prior to and following an acceleration of the Notes.

Investment Management Fees

Senior Investment Management Fee..... 0.15 per cent. per annum of the Aggregate Collateral Balance (exclusive of VAT) calculated semi-annually following the occurrence of a Frequency Switch Event and quarterly at all other times, in each case on the basis of a 360-day year and the actual number of days elapsed in such Due Period. See "*Description of the Investment Management Agreement —Fees*".

Subordinated Investment Management Fee ..... 0.35 per cent. per annum of the Aggregate Collateral Balance (exclusive of VAT) calculated semi-annually following the occurrence of a Frequency Switch Event and quarterly at all other times, in each case on the basis of a 360-day year and the actual number of days elapsed in such Due Period. See "*Description of the Investment Management Agreement —Fees*".

Incentive Investment Management Fee ..... The Investment Manager will be entitled to an Incentive Investment Management Fee on each Payment Date on which the Incentive Investment Management Fee IRR Threshold of 12.0 per cent. has been met or surpassed, equal to 20.0 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 (exclusive of VAT) See "*Description of the Investment Management Agreement — Fees*".

Security for the Notes

General	The Notes will be secured in favour of the Trustee for the benefit of the Secured Parties by security over a portfolio of Collateral Debt Obligations predominantly consisting of Senior Loans, Senior Secured Bonds, Mezzanine Obligations and High Yield Bonds. The Notes will also be secured by an assignment by way of security of various of the Issuer's other rights, including its rights under certain of the agreements described herein but excluding its rights in respect of the Issuer Dutch Account and the Issuer Management Agreement. See Condition 4 (*Security*).
Hedge Arrangements	Subject to compliance with the Hedging Condition, the Issuer may enter into hedging arrangements to hedge the interest rate and currency risk in respect of the Portfolio on the Issue Date and upon acquisition of applicable Collateral Debt Obligations. The Issuer will obtain Rating Agency Confirmation prior to entering into any hedging arrangements after the Issue Date unless in a form in respect of which Rating Agency Confirmation has previously been obtained. See "*Hedging Arrangements*".
Non-Euro Obligations and Currency Hedge Transactions.....	The Issuer may purchase any Collateral Debt Obligation that is denominated in a currency other than Euro (each a "**Non-Euro Obligation**") provided that a Currency Hedge Transaction is entered into by the Issuer (or the Investment Manager on its behalf) in respect of each such Non-Euro Obligation with one or more Currency Hedge Counterparties satisfying the applicable Rating Requirement (and receipt of Rating Agency Confirmation in relation thereto, unless such Currency Hedge Transaction is a Form Approved Hedge), no later than the settlement of the acquisition thereof. In accordance with the Portfolio Profile Tests, no more than 30 per cent. of the Aggregate Collateral Balance may consist of Non-Euro Obligations. Under each Currency Hedge Transaction, the currency risk arising from the receipt of cash flows from the relevant Non-Euro Obligation, including interest and principal payments thereon, will be hedged. The Currency Hedge Transaction shall terminate on the maturity date of the Non-Euro Obligation and in the other circumstances specified therein.
Interest Rate Hedging	The Issuer (or the Investment Manager on its behalf) may enter into Interest Rate Hedge Transactions with one or more Interest Rate Hedge Counterparties satisfying the Rating Requirement in order to hedge any interest rate mismatch between the Notes and the Collateral Debt Obligations, subject to the receipt of Rating Agency Confirmation in respect thereof unless in a form previously approved by the Rating Agencies. In accordance with the Portfolio Profile Tests, no more than 5.0 per cent. of the Aggregate Collateral Balance may consist of Unhedged Fixed Rate Collateral Debt Obligations.
Investment Manager	Pursuant to the Investment Management Agreement, the Investment Manager is required to act as the Issuer's investment manager with respect to the Portfolio, to act in specific circumstances in relation to the Portfolio on behalf of the Issuer and to carry out the duties and functions described herein. Pursuant to the Investment Management Agreement, the Issuer delegates authority to the Investment Manager to carry out certain functions in relation to the Portfolio and any hedging arrangements without

the requirement for specific approval by the Issuer, the Collateral Administrator or the Trustee. See "*Description of the Investment Management Agreement*" and "*The Portfolio*".

Purchase of Collateral Debt Obligations

Initial Portfolio ..... The Investment Manager (on behalf of the Issuer) has purchased an initial portfolio of Collateral Debt Obligations prior to the Issue Date pursuant to the Warehouse Arrangements.

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 Investment Manager, subject to the Effective Date Determination Requirements having been satisfied; and

(b) 21 January 2017 (or, if such day is not a Business Day, the next following Business Day),

(such date, the "**Effective Date**" and, such period, the "**Initial Investment Period**"), the Issuer intends to purchase the remainder of the Portfolio of Collateral Debt Obligations, subject to the Eligibility Criteria and certain other restrictions.

Reinvestment in Collateral Debt Obligations..... Subject to the limits described in the Priorities of Payments and Principal Proceeds available from time to time, the Investment Manager shall, on behalf of the Issuer, use reasonable endeavours to purchase Substitute Collateral Debt Obligations meeting the Eligibility Criteria and the Reinvestment Criteria during the Reinvestment Period.

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

Eligibility Criteria..... In order to qualify as a Collateral Debt Obligation, 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 Investment Manager, acting on behalf of the Issuer) enters into a binding commitment to purchase such obligation save for an Issue Date Collateral Debt Obligation which must also satisfy the Eligibility Criteria on the Issue Date. See "*The Portfolio — Eligibility Criteria*".

Restructured Obligations ..... In order for a Collateral Debt Obligation which is the subject of a restructuring to qualify as a Restructured Obligation, such 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 Fitch and are Outstanding:

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

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

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

(c) the Moody's Minimum Diversity Test;

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

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

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

(f) the Minimum Weighted Average Spread Test;

(g) the Weighted Average Life Test; and

(h) the Maximum Obligor Concentration Test.

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

		Minimum	**Maximum**
(a)	Senior Secured Loans or Senior Secured Bonds in aggregate (which shall include the Balance of the Principal Account and the Unused Proceeds Account (and Eligible Investments that represent Principal Proceeds in the Principal Account and the Unused Proceeds Account))	90.0%	N/A
(b)	Senior Secured Loans (which shall include the Balance of the Principal Account and the Unused Proceeds Account (and Eligible Investments that represent Principal Proceeds in the Principal Account and the Unused Proceeds Account))	70.0%	N/A
(c)	Unsecured Senior Loans, Second Lien Loans and/or Mezzanine Obligations and High Yield Bonds in aggregate	N/A	10.0%
(d)	Senior Secured Loans and Senior Secured Bonds to a single Obligor	N/A	2.5% provided that up to five Obligors may represent up to

			3.0% each
(e)	Unsecured Senior Loans, Second Lien Loans and/or Mezzanine Obligations and High Yield Bonds to a single Obligor	N/A	1.5%
(f)	Collateral Debt Obligations in aggregate to a single Obligor	N/A	3.0%
(g)	Participations	N/A	5.0%
(h)	Current Pay Obligations	N/A	5.0%
(i)	Unfunded Amounts/Funded Amounts under Revolving Obligations/Delayed Drawdown Collateral Debt Obligations	N/A	5.0%
(j)	Caa Obligations	N/A	7.5%
(k)	CCC Obligations	N/A	7.5%
(l)	Bridge Loans	N/A	2.5
(m)	Corporate Rescue Loans	N/A	5.0% provided that not more than 2.0% shall consist of Corporate Rescue Loans from a single Obligor
(n)	PIK Securities	N/A	5.0%
(o)	Cov-Lite Loans	N/A	20.0%
(p)	Unhedged Fixed Rate Collateral Debt Obligations	N/A	5.0%
(q)	Non-Euro Obligation	N/A	30.0%
(r)	Fitch industry classification	N/A	Any three Fitch industries may, in aggregate, comprise up to 40.0% and one Fitch industry may comprise up to 17.5%
(s)	Moody's Rating derived from an S&P Rating	N/A	10.0%
(t)	Domicile of Obligors 1	N/A	10.0% Domiciled in countries or jurisdictions with a Fitch country ceiling below "AAA" by Fitch unless Rating Agency Confirmation from Fitch is obtained
(u)	Domicile of Obligors 2	N/A	10.0% Domiciled in countries or jurisdictions with a Moody's local-currency country risk ceiling rating between "A1"

			and "A3" unless Rating Agency Confirmation from Moody's is obtained
(v)	Bivariate Risk Table	N/A	See limits set out in "*The Portfolio-Bivariate Risk Table*".
(w)	Total indebtedness – between EUR 100,000,000 and EUR 150,000,000	N/A	5.0% Collateral Debt Obligations issued by Obligors each of which has total current indebtedness (comprised of all drawn and undrawn financial debt owing by the Obligor including the maximum available amount or total commitment under any revolving or delayed draw loans) greater than or equal to EUR 100,000,000 and less than EUR 150,000,000.

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

Coverage Tests ..... Each of the Par Value Tests and Interest Coverage Tests shall 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 second Payment Date, if the corresponding Par Value Ratio or Interest Coverage Ratio (as the case may be) is at least equal to the percentage specified in the table below in relation to that Coverage Test.

Following the failure of one or more Coverage Tests, Interest Proceeds and Principal Proceeds shall be applied on the

immediately following Payment Date and each Payment Date thereafter until, after having been recalculated on such date or dates, the applicable Coverage Test or Coverage Tests are satisfied. See Condition 7(c) (*Mandatory Redemption upon Breach of Coverage Tests*).

Class	Required Par Value Ratio
A/B	127.74 %
C	119.38 %
D	113.34 %
E	105.66 %
F	103.67 %

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

Reinvestment Overcollateralisation Test... During the Reinvestment Period only, if the Class F Par Value Ratio is less than 104.67 per cent., on the relevant Determination Date, Interest Proceeds shall be paid to the Principal Account during the Reinvestment Period, for the acquisition of additional Collateral Debt Obligations in an amount (such amount, the "**Required Diversion Amount**") equal to the lesser of (1) 50 per cent. of all remaining Interest Proceeds available for payment pursuant to paragraph (W) of the Interest Proceeds Priority of Payments and (2) the amount which, after giving effect to the payment of all amounts payable in respect of paragraphs (A) through (V) (inclusive) of the Interest Proceeds Priority of Payments, would be sufficient to cause the Reinvestment Overcollateralisation Test to be met as of the relevant Determination Date, after giving effect to any payments made pursuant to paragraph (W) of the Interest Proceeds Priority of Payments such amounts to be applied during the Reinvestment Period to purchase additional Collateral Debt Obligations, provided that such payment would not, in the determination of the Collateral Administrator (with such consultation with the Investment Manager and the Retention Holder as the Collateral Administrator deems necessary), cause (or would not be likely to cause) a Retention Deficiency.

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

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

Form, Registration and Transfer of the Notes ..... The Regulation S Notes of each Class (other than in certain circumstances, the Class E Notes, the Class F Notes and the Subordinated Notes as described below) will be represented on issue by beneficial interests in one or more Regulation S Global Certificates in fully registered form, without interest coupons or principal receipts, which will be deposited on or about the Issue Date with, and registered in the name of, a nominee of a common depositary for Euroclear Bank S.A./N.V., as operator of the

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

The Rule 144A Notes of each Class (other than in certain circumstances as described below, the Class E Notes, the Class F Notes and the Subordinated Notes as described below) will be represented on issue by one or more Rule 144A Global Certificates in fully registered form, without interest coupons or principal receipts deposited on or about the Issue Date with, and registered in the name of, a nominee of a common depositary for Euroclear and Clearstream, Luxembourg. Beneficial interests in a Rule 144A Global Certificate may at any time only be held through, and transfers thereof will only be effected through, records maintained by Euroclear or Clearstream, Luxembourg.

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

No beneficial interest in a Rule 144A Global Certificate may be transferred to a person who takes delivery thereof through a Regulation S Global Certificate unless the transferor provides the Trustee and the Transfer Agent with a written certification substantially in the form set out in the Trust Deed regarding compliance with certain of such transfer restrictions and such other additional requirements as may be required by the Trustee and/or the Transfer Agent. Any transfer of a beneficial interest in a Regulation S Global Certificate to a person who takes delivery through an interest in a Rule 144A Global Certificate is also subject to certification requirements substantially in the form set out in the Trust Deed and each purchaser thereof shall be deemed to represent that such purchaser is both a QIB and a QP. In addition, interests in any of the Regulation S Notes may not at any time be held by any U.S. Person 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 (other than, in certain circumstances as described below, with respect to the Class E Notes, the Class F Notes and the Subordinated Notes). See "*Form of the Notes - Exchange for Definitive Certificates*".

A transferee of a Class E Note, a Class F Note or a Subordinated Note in the form of a Rule 144A Global Certificate or a Regulation S Global Certificate will be deemed to represent (among other things) that except as provided below it is not and is not 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, as applicable, in the form of a Rule 144A Global Certificate or a Regulation S Global Certificate unless such transferee (i) obtains the written consent of the Issuer, (ii) provides an ERISA certificate to a Transfer Agent and the Issuer as to its status as a Benefit Plan Investor or Controlling Person (substantially in the form in the Annex (*Form of ERISA Certificate*) to this Offering Circular), and (iii) holds such Class E Note, Class F Note or Subordinated Note, as applicable, in the form of a Definitive Certificate, other than in the case where the transferee is acquiring Class E Notes, Class F Notes or Subordinated Notes on the Issue Date, in which case they may acquire such Class E Notes, Class F Notes or Subordinated Notes in the form of a Rule 144A Global Certificate or a Regulation S Global Certificate.

Transfers of interests in the Notes are subject to certain restrictions and must be made in accordance with the procedures set forth in the Trust Deed. See "*Form of the Notes*", "*Book Entry Clearance Procedures*" and "*Transfer Restrictions*". Each purchaser of Notes in making its purchase will 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*), Condition 2(i) (*Forced Sale pursuant to FATCA*) and Condition 2(j) (*Forced Transfer pursuant to ERISA*).

IM Removal and Replacement Voting Notes, IM Removal and Replacement Non-Voting Notes and IM Removal and Replacement Exchangeable Non-Voting Notes ..... The Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes may, in each case, be in the form of IM Removal and Replacement Voting Notes, IM Removal and Replacement Exchangeable Non-Voting Notes or IM Removal and Replacement Non-Voting Notes. IM Removal and Replacement Voting Notes shall carry a right to vote in respect of, and be counted for the purposes of determining a quorum and the result of any votes in respect of any IM Replacement Resolutions and any IM Removal Resolutions. IM Removal and Replacement Non-Voting Notes and IM Removal and Replacement Exchangeable Non-Voting Notes shall not carry any rights to vote in respect of, or be counted for the purposes of determining a quorum and the result of any votes in respect of any IM Removal Resolutions or any IM Replacement Resolutions but shall carry a right to vote on and be counted in respect of all other matters in respect of which the IM Removal and Replacement Voting Notes have a right to vote and be counted.

IM Removal and Replacement Voting Notes shall be exchangeable at any time upon request by the relevant Noteholder into IM Removal and Replacement Exchangeable Non-Voting Notes or IM Removal and Replacement Non-Voting Notes. IM Removal and Replacement Exchangeable Non-Voting Notes shall be exchangeable upon request by the relevant Noteholder for (a) IM Removal and Replacement Non-Voting Notes at any time; or (b) IM Removal and Replacement 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. IM Removal and Replacement Non-Voting Notes shall not be exchangeable at any

	time into IM Removal and Replacement Voting Notes or IM Removal and Replacement Exchangeable Non-Voting Notes. Any Class A Notes, Class B Notes, Class C Notes or Class D Notes held by or on behalf of the Investment Manager or any Investment Manager Related Person shall only be held in the form of IM Removal and Replacement Exchangeable Non-Voting Notes.
Governing Law	The Notes, the Trust Deed, the Investment Management Agreement, the Agency Agreement and all other Transaction Documents (save for the Issuer Management Agreement and the Letter of Undertaking (which are governed by the laws of The Netherlands)) will be governed by English law.
Listing.....	Application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List and trading on its Global Exchange Market. There can be no assurance that any such approval will be maintained.
Tax Status	See "*Tax Considerations*".
Certain ERISA Considerations	See "*Certain ERISA Considerations*".
Withholding Tax.....	No gross up of any payments to the Noteholders is required of the Issuer. See Condition 9 (*Taxation*).
Additional Issuances.....	Subject to certain conditions being met, additional Notes of all existing Classes may be issued and sold. See Condition 17 (*Additional Issuances*). Noteholders should be aware that if the additional Notes are not fungible with the existing Notes for U.S. federal income tax purposes, the additional Notes will be assigned a separate International Securities Identification Number.
Retention Holder and Retention Requirements	The Retention Holder will represent and undertake to hold the Retention (as defined in the section "*The Retention Holder and Retention Requirements*") on the terms set out in the Risk Retention Letter. See "*The Retention Holder and Retention Requirements*".

RISK FACTORS

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

1. GENERAL

1.1 General

It is intended that the Issuer will invest in Collateral Debt 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, the Class M-1 Notes and the Class M-2 Notes. Neither the Initial Purchaser nor the Trustee undertakes to review the financial condition or affairs of the Issuer or the Investment Manager during the life of the arrangements contemplated by this Offering Circular nor to advise any investor or potential investor in the Notes of any information coming to the attention of the Initial Purchaser or the Trustee which is not included in this Offering Circular.

1.2 Suitability

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

1.3 Limited Resources of Funds to Pay Expenses of the Issuer

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

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

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

1.5 Events in the CLO and Leveraged Finance Markets

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

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

As discussed further in 1.6 "*European Union and Euro Zone Risk*" below, it is possible that countries that have adopted the Euro could return to a national currency. The effect on a national economy as a result of its leaving the Euro is impossible to predict with any degree of certainty, but it could be negative. The exit of one or more countries from the Euro zone could have a destabilising effect on all European economies and possibly the global economy as well.

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

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

Some leading global financial institutions have been forced into mergers with other financial institutions, have been partially or fully nationalised or have gone bankrupt or insolvent. 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 Investment Manager in managing and administering the Collateral. Increasing capital requirements and changing regulations may also result in some financial institutions exiting, curtailing or otherwise adjusting some trading, hedging or investment activities which may have effects on the liquidity of investments such as the Notes as well as the Collateral.

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

1.6 European Union 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 July 2013 onwards.

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 Collateral (including the risks of currency losses arising out of redenomination and related haircuts on any affected assets), the Issuer and the Notes. Should the Euro dissolve entirely, the legal and contractual consequences for holders of Euro-denominated obligations would be determined by laws in effect at such time. These potential developments, or market perceptions concerning these and related issues, could adversely affect the value of the Notes. Investors should carefully consider how changes to the Euro zone, may affect their investment in the Notes.

1.7 Referendum on the UK's EU Membership

On 23 June 2016, the UK held a referendum with respect to its continued membership of the EU. The result of the referendum was a vote in favour of leaving the EU. Whilst the result of the referendum itself is clear, the next steps of the UK executive and UK Parliament and the reaction of the other Member States are not.

There is at present uncertainty as to whether or not the UK will formally decide to withdraw from the EU and subsequently invoke Article 50 of the Treaty on European Union ("**Article 50**"). Article 50 provides that a Member State which decides to withdraw from the EU is required to notify the European Council of its intention to do so. If notice is given under Article 50 by a Member State, the EU will negotiate and conclude an agreement with such Member State, setting out the arrangements for its withdrawal. There is currently no information as to the timing of any formal decision to withdraw from the EU or the subsequent notification by the UK government of its intention to withdraw from the EU pursuant to Article 50.

Given the political situation in the UK, information as to such timing may not be available for some time. Investors should be aware that pending any decision to withdraw from the EU and the subsequent notification under Article 50, as well as during any period of negotiations and discussions which may follow, the Issuer's risk profile may be materially affected by this uncertainty which might also have an adverse impact on the Portfolio and the Issuer's business, financial condition, results of operations and prospects and could therefore also be materially detrimental to Noteholders.

Applicability of EU law in the UK

EU law would cease to apply within the UK pursuant to the terms and timing of a future withdrawal agreement. This would be achieved by the UK ceasing to be party to the Treaty on European Union and the Treaty on the Functioning of the European Union, and by the parallel repeal of the European Communities Act 1972. The UK could alternatively cease to be a member of the EU in the event that a notice is served under Article 50 and a period of two years expires without (i) conclusion of a withdrawal agreement or (ii) the European Council agreeing with the UK to extend such two year period. At this time it is not possible to state with any certainty what might be the terms and effective date of any withdrawal agreement or the date when such a two year period (or any extension thereof) would expire. Until such date, EU law will remain in force in the UK.

It is at present unclear what type of relationship will be established between the UK and the EU, what the content of such a relationship would be, and on what date any such relationship will be agreed (whether before, on or after the date that the UK ceases to be a member of the EU). It is possible that a new relationship would

preserve the applicability of certain EU rules (or equivalent rules) in the UK. At this time it is not possible to state with any certainty to what extent that might be so.

Upon any withdrawal from the EU by the UK, and subject to agreement on (and the terms of) any future UK-EU relationship, EU law will cease to apply in the UK. However, many EU laws have been transposed into English law and these transposed laws will continue to apply until such time that they are repealed, replaced or amended. Over the years, English law has been devised to function in conjunction with EU law (in particular, laws relating to financial markets, financial services, prudential and conduct regulation of financial institutions, financial collateral, settlement finality and market infrastructure). As a result, depending on the terms of the UK's exit from the EU, substantial amendments to English law should be anticipated. Consequently, English law may change and it is impossible at this time to predict the consequences on the Portfolio or the Issuer's business, financial condition, results of operations or prospects. Such changes could be materially detrimental to Noteholders.

Regulatory Risk

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

There can be no assurance that the terms of the UK's exit from the EU will include arrangements for the continuation of the existing passporting regime or mutual access rights to market infrastructure and recognition of insolvency, bank recovery and resolution regimes. Such uncertainty could adversely impact the Issuer and, in particular, the ability of third parties to provide services to the Issuer, and could be materially detrimental to Noteholders.

Regulatory Risk – UK manager/Retention Holder

If the UK were, as a consequence of leaving the EU, no longer within the scope of MiFID and a passporting regime or third country recognition of the UK is not in place, then (a) a UK manager such as the Investment Manager may be unable to continue to provide collateral management services to the Issuer in reliance upon the passporting of relevant regulated services within the EU on a cross-border basis provided for under MiFID and (b) the Investment Manager may not be able to continue to act as Retention Holder to the extent it was required to hold the retention solely as "sponsor" in accordance with the Retention Requirements (even if the Investment Manager were to remain subject to UK financial services regulation). See (*Risk Retention and Due Diligence Requirements – EU Risk Retention and Due Diligence Requirements*) below.

Market Risk

Following the results of the referendum, the financial markets have experienced volatility and disruption. It is not possible to predict whether such volatility and disruption will continue, and investors should consider the effect thereof on the market for securities such as the Notes and on the ability of Obligors to meet their obligations under the Collateral Debt Obligations.

Investors should be aware that the result of the 23 June 2016 referendum and any subsequent negotiations, notifications, withdrawal and changes to legislation may introduce potentially significant new uncertainties and instabilities in the financial markets. These uncertainties and instabilities could have an adverse impact on the business, financial condition, results of operations and prospects of the Issuer, the Obligors, the Portfolio, the Investment Manager and the other parties to the transaction and could therefore also be materially detrimental to Noteholders.

Exposure to Counterparties

The Issuer will be exposed to a number of counterparties (including in relation to any Assignments, Participations and Hedge Transactions and also each of the Agents) throughout the life of the Notes. Investors

should note that if the UK does leave the EU, such counterparties may be unable to perform their obligations due to changes in regulation, including the loss of, or changes to, existing regulatory rights to do cross-border business in the EU. In addition, counterparties may be adversely affected by rating actions or by volatile and illiquid markets (including currency markets and bank funding markets) arising from the result of the referendum which may increase the risk that such counterparties may become unable to fulfil their obligations. Such inability could adversely impact the Issuer and could be materially detrimental to Noteholders. For further information on counterparties, see "*Counterparty Risk*" below.

Ratings actions

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

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

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

Currency exchange rates and exchange controls

Since the result of the referendum there has been a degree of volatility in the currency exchange rate markets. Investors should note that all payments on the Notes will be denominated in Euros. If an investor's financial activities are predominantly denominated in a currency other than the Euro, such investor may incur a number of risks including those relating to changes in exchange rates (which may be significant). An appreciation in the value of the investor's currency relative to the Euro would result in a decrease of (1) the investor's currency-equivalent yield on the Notes, (2) the investor's currency-equivalent value of the principal payable on the Notes and (3) the investor's currency-equivalent market value of the Notes. See also "*Currency Risk*" below.

It is possible that government and monetary authorities may impose or modify exchange controls in respect of certain currencies. The imposition or modification of exchange controls could adversely affect applicable exchange rates and/or restrict the convertibility or transferability of currencies within and/or outside of a particular jurisdiction. As a result, investors may receive less interest or principal than expected, or receive it later than expected or not at all.

1.8 Third Party Litigation; Limited Funds Available

The Issuer's investment activities may subject it to the risks of becoming involved in litigation by third parties. This risk may be greater where the Issuer exercises control or significant influence over a company's direction. The expense of defending claims against the Issuer by third parties (including bankruptcy or insolvency proceedings) and paying any amounts pursuant to settlements or judgments would, except in the unlikely event that that Issuer is indemnified for such amounts, be borne by the Issuer and would reduce the funds available for distribution and the Issuer's net assets . The funds available to the Issuer to pay certain fees and expenses of the Trustee, the Collateral Administrator and for payment of the Issuer's other accrued and unpaid Administrative Expenses are limited amounts available in accordance with the Priorities of 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.

2. REGULATORY INITIATIVES

2.1 Regulatory Initiatives

In Europe, the U.S. and elsewhere there is increased political and regulatory scrutiny of banks, financial institutions, "shadow banking entities" and the asset-backed securities industry. This has resulted in a raft of measures for increased regulation which are currently at various stages of implementation and which may have an adverse impact on the regulatory capital charge to certain investors in securitisation exposures and/or the incentives for certain investors to hold or trade asset-backed securities, and may thereby affect the liquidity of such securities. Investors in the Notes are responsible for analysing their own regulatory position and none of the Issuer, the Initial Purchaser, the Investment Manager, the Trustee nor any of their respective affiliates makes any representation to any prospective investor or purchaser of the Notes regarding the impact of such regulation on investors or 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) include trading, clearing and reporting requirements for derivatives transactions, higher capital and margin requirements relating to uncleared derivatives transactions, and capital and liquidity requirements that may result in mandatory "ring-fencing" of capital or liquidity in certain jurisdictions, among others. Investors should be aware that those risks are material and that the Issuer and, consequently, an investment in the Notes could be materially and adversely affected thereby.

2.2 Basel III

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

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

2.3 Risk Retention and Due Diligence Requirements

EU Risk Retention and Due Diligence Requirements

Investors should be aware of the risk retention and due diligence requirements in Europe (the "**EU Risk Retention and Due Diligence Requirements**") which currently apply, or are expected to apply in the future, in respect of various types of EU regulated investors including credit institutions, authorised alternative investment fund managers, investment firms, insurance and reinsurance undertakings and UCITS funds. 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) such investor 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 some aspects of the detail and effect of all of these requirements remain unclear, these requirements and any other changes to the regulation or regulatory treatment of securitisations or of the Notes for investors may negatively impact the regulatory position of individual holders. In addition such regulations could have a negative impact on the price and liquidity of the Notes in the secondary market.

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

Investors should note that the EBA published a report on 22 December 2014 (the "**EBA Report**"). In the EBA Report, the EBA suggested, amongst other things, that the definition of "Originator" should be narrowed in order to avoid potential abuses. Without limiting the foregoing, investors should be aware that at this time save for the EBA Report described above, the EBA has not published any binding guidance relating to the satisfaction of the CRR Retention Requirements by an originator. Furthermore, the EBA's or any other applicable regulator's views with regard to the CRR Retention Requirements may not be based exclusively on technical standards, guidance or other information known at this time.

On 30 September 2015, the European Commission published a proposal to amend the CRR (the "**Draft CRR Amendment Regulation**") and a proposed regulation relating to a European framework for simple, transparent and standardised securitisation (such proposed regulation, including any implementing regulation, technical standards and official guidelines related thereto, the "**Securitisation Framework**" and, together with the Draft CRR Amendment Regulation, the "**Securitisation Regulation**") which would, amongst other things, re-cast the EU risk retention rules as part of wider changes to establish a "Capital Markets Union" in Europe. The Presidency of the Council of Ministers of the European Union has also published compromise proposals concerning the Securitisation Regulation. The Securitisation Regulation will need to be considered, finalised and adopted by the European Parliament and Council of Ministers. It is unclear at this time when the Securitisation Regulation will become effective. Investors should be aware that there are material differences between the current EU Risk Retention and Due Diligence Requirements and the Securitisation Regulation. The Securitisation Regulation may also enter into force in a form that differs from the published proposals and drafts.

There can therefore be no assurances as to whether the transactions described herein will be affected by a change in law or regulation relating to the EU Risk Retention and Due Diligence Requirements (including the Securitisation Regulation), including as a result of any changes recommended in future reports or reviews. Investors should therefore make themselves aware of the EU Risk Retention and Due Diligence Requirements, the proposed Securitisation Regulation (and any corresponding implementing rules of their regulator), in addition to any other regulatory requirements that are (or may become) applicable to them and/or with respect to their investment in the Notes.

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

U.S. Risk Retention Requirements

On 21 October 2014, the final rules implementing the credit risk retention requirements of Section 941 of the Dodd-Frank Act (the **"U.S. Risk Retention Rules**") were issued. The U.S. Risk Retention Rules generally require the investment manager of a CLO to retain not less than five per cent. of the credit risk of the assets collateralising the CLO issuer's securities. The U.S. Risk Retention Rules will become effective with respect to CLO transactions on 24 December 2016. While the U.S. Risk Retention Rules will not apply to the issuance and sale of the Notes on the Issue Date, the U.S. Risk Retention Rules may have other adverse effects on the Issuer and/or the holders of the Notes. The U.S. Risk Retention Rules would apply to any additional Notes issued after the Issue Date or any Refinancing, if such subsequent issuance or Refinancing occurs on or after the effective date of the U.S. Risk Retention Rules. In addition, the SEC has indicated in contexts separate from the U.S. Risk Retention Rules that an "offer" and "sale" of securities may arise when amendments to securities are so material as to require holders to make a new "investment decision" with respect to such securities. Thus, if the SEC were to take a similar position with respect to the U.S. Risk Retention Rules, they could apply to material amendments to the terms of the Notes, including a re-pricing, to the extent such amendments require investors to make a new investment decision with respect to the Notes. As a result, the U.S. Risk Retention Rules may adversely affect the Issuer (and the performance and market value of the Notes) if the Issuer is unable to undertake any such additional issuance or Refinancing and may affect the liquidity of the Notes. Furthermore, no assurance can be given as to whether the U.S. Risk Retention Rules would have any future material adverse effect on the business, financial condition or prospects of the Investment Manager or the Issuer or on the market value or liquidity of the Notes.

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

The aim behind the relevant retention requirements described in 2.3 "*Risk Retention and Due Diligence Requirements - EU Risk Retention and Due Diligence Requirements*" above is that Affected Investors should only invest in securitisations where the originator, sponsor or original lender for the securitisation has explicitly disclosed that it will retain on an ongoing basis, a net economic interest of not less than five per cent. in the securitisation. The five per cent. net economic interest is measured as the nominal value of the securitised exposures, calculated based on the Aggregate Collateral Balance. The Retention Holder has agreed to retain such an interest in the transaction by holding Subordinated Notes having a Principal Amount Outstanding being, at any time, an amount equal to no less than five per cent. of the Aggregate Collateral Balance.

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

In particular, if, at any time, the deposit of Investment Gains or Excess Exchanged Security Sale Proceeds into the Principal Account would, in the sole discretion of the Investment Manager cause (or would be likely to cause) a Retention Deficiency, such Investment Gains or Excess Exchanged Security Sale Proceeds which would have been deposited into the Principal Account and designated for reinvestment or used to redeem the Notes in accordance with the Principal Proceeds Priority of Payments shall, subject to the relevant conditions set out in Condition 3(j)(ii)(O) (*Interest Account*) instead be deposited into the Interest Account. Such Investment Gains or Excess Exchanged Security Sale Proceeds will then be distributed as Interest Proceeds if the reinvestment of such amount would, in the sole discretion of the Investment Manager, cause (or would be likely to cause) a Retention Deficiency in accordance with the Priorities of Payments. In addition, the Investment Manager is not permitted to reinvest in Substitute Collateral Debt Obligations where such reinvestment would cause a Retention Deficiency. As a result, the Investment Manager may be prevented from reinvesting available proceeds in Collateral Debt Obligations in circumstances where such reinvestment would cause (or would be likely to cause) a Retention Deficiency and therefore the Aggregate Principal Balance of Collateral Debt Obligations securing the Notes may be less than what would have otherwise have been the case if such amounts had been reinvested in Collateral Debt Obligations.

Also, the Issuer may not issue further Notes without the Retention Holder (a) consenting to such issuance and (b) subscribing for sufficient Subordinated Notes such that its holding of such Notes equals at least five per cent. of the Aggregate Collateral Balance.

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

2.5 European Market Infrastructure Regulation (EMIR)

The European Market Infrastructure Regulation EU 648/2012 ("**EMIR**") and its various delegated regulations and technical standards impose a range of obligations on parties to over-the-counter ("**OTC**") derivative contracts according to whether they are "financial counterparties" such as investment firms, alternative investment funds (see 2.6 *Alternative Investment Fund Managers Directive* below), credit institutions and insurance companies, or other entities which are "non-financial counterparties".

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

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

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

Clearing obligation

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

Margin requirements

On 8 March 2016, the European supervisory authorities (comprising the EBA, ESMA and EIOPA) submitted their final draft regulatory technical standards on risk-mitigation techniques for OTC derivative contracts not cleared by a central counterparty to the European Commission. The European Commission has three months to decide whether to endorse such regulatory technical standards. If so endorsed, this will be followed by a period

of non-objection by the European Parliament and Council of the EU before the regulatory technical standards enter into force.

The draft regulatory technical standards detail the risk mitigation obligations and margin requirements in respect of non-cleared OTC derivative contracts as well as specify the criteria regarding intragroup exemptions and provide that the margin requirement will take effect on dates ranging from 1 September 2016 (for certain entities with a non-cleared OTC derivative portfolio above €3 trillion) to 1 September 2020 (for certain entities with a non-cleared OTC derivative portfolio above €8 billion). The margin requirements apply to financial counterparties and non-financial counterparties above the clearing threshold and, depending on the counterparty, will require collection and posting of variation margin and, for the largest counterparties/groups, initial margin.

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

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

If the Issuer were unable to comply with such requirements, it could result in the sale of obligations under any Currency Hedge Transactions and/or termination of relevant Hedge Agreements. Hedge counterparties may also be unable to enter into hedge transactions with the Issuer. This would limit the Issuer's ability to invest in Non-Euro Obligations and put it in breach of its obligation to enter into Currency Hedge Transactions with respect to any Non-Euro Obligations it has purchased. Any termination of a Hedge Agreement would expose the Issuer to costs and increased interest rate or currency exchange rate risk until the hedged assets can be sold.

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

Prospective investors should be aware that the regulatory changes arising from EMIR may in due course significantly increase the cost of entering into derivative contracts (including the potential for non-financial counterparties such as the Issuer to become subject to marking to market and collateral posting requirements in respect of non-cleared OTC derivative contracts such as Currency Hedge Transactions and Interest Rate Hedge Transactions). These changes may adversely affect the Issuer's ability to enter the Currency Hedge Transactions and Interest Rate Hedge Transactions and therefore the Issuer's ability to acquire Non-Euro Obligations and/or manage interest rate risk. As a result of such increased costs and/or additional regulatory requirements, investors may receive significantly less or no interest or return, as the case may be as the Investment 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.

Prospective investors should also be aware that on 13 August 2015 ESMA published four reports on the functioning of EMIR and providing input and recommendations to the European Commission's official review of EMIR (in accordance with Article 85(1) thereof). ESMA's reports recommend a number of changes to the EMIR framework, including potentially significant changes to the clearing obligation and the process for classifying non-financial counterparties. The ESMA reports are expected to feed into the general report on EMIR that the European Commission shall prepare and submit to the European Parliament and the Council; however the extent to which ESMA's recommendations will be integrated into the European Commission's report and ultimately endorsed is not known at this time and cannot be predicted.

2.6 Alternative Investment Fund Managers Directive

EU Directive 2011/61/EU on Alternative Investment Fund Managers ("**AIFMD**") introduced authorisation and regulatory requirements for managers of alternative investment funds ("**AIFs**"). If the Issuer were to be considered to be an AIF within the meaning in AIFMD, it would need to be managed by a manager authorised under AIFMD (an "**AIFM**"). The Investment Manager is not authorised under AIFMD but is authorised under EU Directive 2004/39/EC on Markets in Financial Instruments ("**MiFID**"). As the Investment Manager is not permitted to be authorised under AIFMD and also to conduct certain regulated activities under MiFID, it will not be able to apply for an authorisation under AIFMD unless it gives up its authorisation under MiFID (in which case it may not be able to hold the risk retention as a sponsor as required under the Retention Requirements (see 2.3 "*Risk Retention and Due Diligence Requirements - EU Risk Retention and Due Diligence Requirements* " above)). If considered to be an AIF, the Issuer would also be classified as a "financial counterparty" under EMIR and may be required to comply with clearing obligations with respect to Hedge Transactions and obligations to post margin to any central clearing counterparty or market counterparty. See also 2.5 "*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**"). The European Securities and Markets Authority ("**ESMA**") has not yet given any formal guidance on the application of the SSPE Exemption or whether a vehicle such as the Issuer would fall within it.

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

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

2.7 U.S. Dodd-Frank Act

The Dodd-Frank Wall Street Reform and Consumer Protection Act (the "**Dodd-Frank Act**") was signed into law on 21 July 2010. The Dodd-Frank Act represents a comprehensive change to financial regulation in the United States, and affects virtually every area of the capital markets. Implementation of the Dodd-Frank Act requires many lengthy rulemaking processes resulting in the adoption of a multitude of new regulations applicable to entities which transact business in the U.S. or with U.S. persons outside the U.S. Once fully implemented, the Dodd-Frank Act will affect many aspects, in the U.S. and internationally, of the business of the Investment Manager, including securitisation, proprietary trading, investing, creation and management of investment funds, OTC derivative contracts and other activities. While many regulations implementing various provisions of the Dodd-Frank Act have been finalised and adopted, some implementing regulations currently exist only in draft form and are subject to comment and revision, and still other implementing regulations have not yet been proposed. It is therefore difficult to predict whether and to what extent the businesses of the Investment Manager and its subsidiaries and affiliates and the Issuer, will be affected by the Dodd-Frank Act as implementing regulations are finalised over time and come into effect. In addition, the joint final rule implementing the U.S. Risk Retention Rules was adopted on October 21 and October 22, 2014. See 2.3 "*Risk Retention and Due Diligence Requirements-U.S. Retention Requirements*" above.

The Securities and Exchange Commission (the "**SEC**") has also proposed changes to Regulation AB (as defined under the Securities Act) under the Securities Act which would have 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 restrict the use of this Offering Circular or require 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. If such amendments are made to Regulation AB in the future, these may place additional requirements and therefore expenses on the Issuer in the event of the issuance and sale of any additional notes, which may reduce the amounts available for distribution to the Noteholders.

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

2.8 CFTC Regulations

Pursuant to the Dodd-Frank Act regulators in the United States have promulgated or are expected to promulgate a range of new regulatory requirements that may affect the pricing, terms and compliance costs associated with the entry into any Hedge Transaction by the Issuer and the availability of such Hedge Transactions. Some or all of the Hedge Transactions that the Issuer may enter into may be affected by (i) the requirement that certain swaps be centrally cleared and in some cases traded on a designated contract market or swap execution facility, (ii) initial or variation margin requirements of any central clearing organisation (with respect to cleared swaps) or initial or variation margin requirements 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 Investment Manager of entering into Hedge Transactions such that the Issuer may be unable to purchase certain types of Collateral Debt Obligations, have unforeseen legal consequences on the Issuer or the Investment Manager or have other material adverse effects on the Issuer or the Noteholders.

2.9 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, as amended ("**CEA**") and the Investment Manager to be a "commodity pool operator" ("**CPO**") and/or a "commodity trading advisor" (a "**CTA**"), each as defined in the CEA in respect of the Issuer. The CEA, as amended by the Dodd-Frank Act, defines a "commodity pool" to include certain investment vehicles operated for the purpose of trading in "commodity interests" which includes swaps. CPOs and CTAs are subject to regulation by the CFTC and must register with the CFTC unless an exemption from registration is available. Based on recent CFTC interpretive guidance, the Issuer is not expected to fall within the definition of a "commodity pool" under the CEA and as such, the Issuer (or the Investment 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 Investment Manager or any of its or their affiliates or any other person would be required to register as a CPO and/or a CTA with the CFTC with respect to the Issuer.

Notwithstanding the above, in the event that the recent CFTC guidance referred to above changes or the Issuer engages in one or more activities that might cause it to fall within the definition of a "commodity pool" under the CEA and no exemption from registration is available, registration of the Investment Manager as a CPO or a CTA may be required before the Issuer (or the Investment Manager on the Issuer's behalf) may enter into any Hedge Agreement. Registration of the Investment Manager as a CPO and/or a CTA could cause the Investment Manager to be subject to extensive compliance and reporting requirements that would involve material costs which may be passed on to the Issuer. The scope of such compliance costs is uncertain but could adversely affect the amount of funds available to make payments on the Notes. In addition, in the event an exemption from registration were available and the Investment Manager elected to file for an exemption, the Investment 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 or CTA. Further, the conditions of such exemption may constrain the extent to which the Issuer may be able to enter into swap transactions. In particular, the limits imposed by such exemptions may prevent the Issuer from entering into a Hedge Transaction that the Investment 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 Investment Manager determines that additional Hedge Transactions should be entered into by the Issuer in excess of the trading limitations set forth in any applicable exemption from registration as a CPO and/or a CTA, the Investment Manager may elect to withdraw its exemption from registration and instead register with the CFTC as the Issuer's CPO and/or a CTA. The costs of obtaining and maintaining these registrations and the related compliance obligations may be paid by the Issuer as Administrative Expenses. Such costs would reduce the amount of funds available to make payments on the Notes. These costs are uncertain and could be materially greater than the Investment Manager anticipated when deciding to enter into the transaction and register as a CPO and/or a CTA. In addition, it may not be possible or advisable for the Investment Manager

to withdraw from registration as a CPO and/or a CTA after any relevant swap transactions terminate or expire. The costs of CPO and/or CTA registration and the ongoing CPO and/or CTA compliance obligations of the Investment Manager could exceed, perhaps significantly, the financial risks that are being hedged pursuant to any Hedge Transaction.

2.10 Volcker Rule

Section 619 of the Dodd-Frank Act (the "**Volcker Rule**") prevents "banking entities" (a term which includes affiliates of a U.S. banking organisation as well as affiliates of a foreign banking organisation that has a branch or agency office in the U.S., regardless of where such affiliates are located) from (i) engaging in proprietary trading in financial instruments, or (ii) acquiring or retaining any "ownership interest" in, or in "sponsoring", a "covered fund," subject to certain exemptions.

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

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

It should be noted that a commodity pool as defined in the CEA (see 2.9 "*Commodity Pool Regulation"*, above) could, depending on which CEA exemption is used by such commodity pool or its commodity pool operator, also fall within the definition of a covered fund as described above.

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

No assurance can be made as to the effect of the Volcker Rule on the ability of certain investors subject thereto to acquire or retain an interest in the Notes.

The Transaction Documents have been drafted in a manner so as to disenfranchise the holders of any Class A Notes, Class B Notes, Class C Notes or Class D Notes in the form of IM Removal and Replacement Non-Voting Notes or IM Removal and Replacement Exchangeable Non-Voting Notes in respect of any IM Removal Resolution or IM Replacement Resolution. There can be no assurance that these features will be effective in resulting in investments issued by the Issuer not being characterised as "ownership interests" in the Issuer.

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

2.11 Reliance on Rating Agency Ratings

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

2.12 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. There remain several actions in the U.S. commenced by debtors of Lehman Brothers concerning the enforceability of flip clauses. 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 Payments would certainly be enforceable as a matter of English law, in the case of insolvency of a Hedge Counterparty.

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

2.13 LIBOR and EURIBOR Reform

The London Interbank Offered Rate ("**LIBOR**") has been reformed, with developments including:

(a) the activities of administering a specified benchmark and of providing information in relation to a specified benchmark becoming regulated activities in the United Kingdom (LIBOR has been a specified benchmark since April 2013);

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

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

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

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

The Euro Interbank Offered Rate ("**EURIBOR**"), together with LIBOR and other so-called "benchmarks" have been 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 "**Benchmark Regulation**") on indices used as benchmarks in financial instruments and financial contracts.

The Benchmark Regulation applies principally to "administrators" and also, in some respects, to "contributors" and certain "users" of "benchmarks", and will, among other things, (i) require benchmark administrators to be authorised (or, if non-EU-based, to be subject to an equivalent regulatory regime) and make significant changes to the way in which benchmarks falling within scope of the Benchmark Regulation are governed (including reforms of governance and control arrangements, obligations in relation to input data, certain transparency and record-keeping requirements and detailed codes of conduct for contributors) and (ii) prevent certain uses of "benchmarks" provided by unauthorised administrators by supervised entities in the EU. The scope of the Benchmark Regulation is wide and, in addition to so-called "critical benchmark" indices, could also potentially apply to many interest rate and foreign exchange rate indices, equity indices and other indices (including "proprietary" indices or strategies) where used to determine the amount payable under or the value or performance of certain financial instruments traded on a trading venue, financial contracts and investment funds. Benchmarks such as LIBOR or EURIBOR may be discontinued if they do not comply with these requirements, or if the administrator of the benchmark either fails to apply for authorisation or is refused authorisation by its home regulator. Potential effects of the Benchmark Regulation include (among other things):

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

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

Investors should be aware that:

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

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

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

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

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

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

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

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

2.14 Financial Transaction Tax

In February 2013, the European Commission published a proposal for a Council Directive implementing enhanced cooperation for a financial transaction tax ("**FTT**") requested by Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Slovakia, Slovenia and Spain (the "Participating Member States"). However, on 16 March 2016, Estonia completed the formalities required to cease participation in the enhanced cooperation on FTT.

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

At this stage, it is too early to say whether the proposed FTT will be adopted and in what form. Certain aspects of the current proposal are controversial and, if the FTT is progressed, may be altered prior to implementation. While the proposal for a Council Directive in February 2013 identified the date of introduction of the FTT across the Participating Member States as being 1 January 2014, this anticipated introduction date has been extended on several occasions. Additional Member States may also decide to participate in the FTT. 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 apply to dealings in the Collateral to the extent the Collateral constitutes financial instruments within its scope, such as bonds. In such circumstances, there will be no gross-up by any party to the transaction and amounts due to Noteholders may be adversely affected.

The meeting of the European Union Economic and Financial Affairs Council on 7 November 2014 confirmed the aim among the Participating Member States of implementing the first phase of the FTT with effect from 1 January 2016.

However, a publication by the Luxembourg Presidency of the Council of the European Union on 3 December 2015 setting out the 'state of play' in relation to the FTT indicated that a decision on the remaining open issues regarding the FTT would only be made at some point before the end of June 2016. A subsequent publication by the Netherlands Presidency of the Council of the European Union (the "**Netherlands Presidency**") on 3 June 2016 updating the 'state of play' in relation to the FTT identified that debate remains on-going between the Participating Member States regarding a number of key issues concerning the scope and application of the FTT. The 'state of play' report by the Netherlands Presidency concludes that discussions on these key issues should continue between the Participating Member States at ECOFIN level.

The anticipated implementation date for the FTT of 1 January 2016 was not met nor was a decision on the remaining open issues regarding the FTT made before the end of June 2016. At the ECOFIN meeting of 17 June 2016, the ten remaining Participating Member States further committed to reach agreement on the FTT by the end of September 2016, with the Austrian Finance Minister suggesting that failure to do so by that date may very well mean the end of the FTT initiative.

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

Many jurisdictions have adopted wide-ranging anti-money laundering, economic and trade sanctions, and anti-corruption and anti-bribery laws, and regulations (collectively, the "**AML Requirements**"). Any of the Issuer, the Initial Purchaser, the Investment 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 Investment 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. Failure to honour any request by the Issuer, the Initial Purchaser, the Investment Manager or the Trustee to provide requested information or take such other actions as may be necessary or advisable for the Issuer, the Initial Purchaser, the Investment Manager or the Trustee to comply with any AML Requirements, related legal process or appropriate requests (whether formal or informal) may result in, among other things, a forced sale to another investor of such investor's Notes. In addition, it is expected that each of the Issuer, the Initial Purchaser, the Investment 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.

2.16 CRA

CRA Regulation in Europe

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

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

2.17 Action Plan on Base Erosion and Profit Shifting

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

Action 4

In the Final Report relating to Action 4, the OECD recommends as a best practice that countries introduce a general limitation on tax deductions for net interest and economically equivalent payments under which, broadly speaking, a company would be denied those deductions to the extent they exceeded a particular percentage of the company's EBITDA ranging from 10 to 30 per cent.

The OECD recommends that, as a minimum, countries would apply this restriction to companies that form part of domestic and multinational groups only, or to companies that form part of multinational groups. However, the

OECD acknowledges that countries may also apply such restriction more broadly to include companies in a domestic group and standalone companies which are not part of a domestic group.

However, the restriction recommended would only apply to tax deductions for net interest and economically equivalent payments. As a result, since the Issuer will generally fund interest payments it makes under the Notes from interest payments to which it is entitled under Collateral Debt Obligations (that is, such that Issuer pays limited or no net interest), the restriction may be of limited relevance to the Issuer even if The Netherlands chose to apply such a restriction to companies such as the Issuer.

Action 6

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

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

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

In addition, whilst the Final Report makes provision for the inclusion of a CIV as a "qualified person" for the purposes of the LOB rule, the Final Report does not include specific provision for non-CIVs, such as the Issuer. In the Final Report, the OECD acknowledges the economic importance of non-CIV funds and the need to grant such vehicles treaty benefits where appropriate. Further work on the treaty benefits to be afforded to non-CIV funds has continued to be undertaken in the first part of 2016, including the publication on 24 March 2016 by OECD of a public discussion draft document on the entitlement of non-CIV funds to treaty benefits.

Action 7

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

contracts are concluded by an "independent agent" and that agent is connected to the foreign enterprise on behalf of which it is acting.

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

Implementation of the recommendations in the Final Report

The OECD Action Plan noted the need for a swift implementation of any measures which are finally decided upon and suggested that Actions 6 and 7, among others, could be implemented by way of multilateral instrument, rather than by way of negotiation and amendment of individual tax treaties. However, the Final Report on Action 6 acknowledges that the proposed changes will require a degree of negotiation between treaty jurisdictions and observes that there are various reasons as to why OECD Member States may not implement the proposed amendments to the OECD Model Convention in an identical manner and/or to the same extent. On 31 May 2016, the OECD released a discussion draft on the multilateral instrument to implement the tax-treaty related BEPS measures. This discussion draft requested input relating to the relationship between the provisions of the proposed multilateral instrument and the existing tax treaty networks of OECD member states. An accompanying press release noted that the OECD's aim was to finalise the multilateral instrument for signature by 31 December 2016. More generally, it is still not clear whether, when, how and to what extent particular jurisdictions will decide to adopt any of the recommendations that the OECD has published in its Final Reports for the fifteen actions relating to its BEPS project and what further recommendations, if any, will follow through the course of 2016.

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

2.18 Diverted Profits Tax

The UK Finance Act 2015 introduced a new tax in the United Kingdom called the "diverted profits tax" and charged at 25 per cent. of any "taxable diverted profits". The diverted profits tax has effect from 1 April 2015 and may apply in circumstances including where arrangements are designed to ensure that a non-UK resident company does not carry on a trade in the United Kingdom through a permanent establishment, the non-resident company supplies goods, services or other property in the course of that non-resident company's trade and it is reasonable to assume that arrangements are in place the main purpose or one of the main purposes of which is to avoid United Kingdom corporation tax.

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

2.19 EU Savings Directive

Under Council Directive 2003/48/EC (as amended) on the taxation of savings income (the "**EU Savings Directive**"), member states of the European Union have been required to provide to the tax authorities of other

member states details of certain payments of interest or similar income paid or secured by a person established in a member state to or for the benefit of an individual resident in another member state or certain limited types of entities established in another member state. For a transitional period, Austria has been required (unless during that period it elects otherwise) to operate a withholding system in relation to such payments. A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

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

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

2.20 The Common Reporting Standard

The common reporting standard framework was first released by the OECD in February 2014 as a result of the G20 members endorsing a global model of automatic exchange of information in order to increase international tax transparency. On 21 July 2014, the Standard for Automatic Exchange of Financial Account Information in Tax Matters was published by the OECD and this includes the Common Reporting Standard ("**CRS**"). The goal of the CRS is to provide for the annual automatic exchange between governments of financial account information reported to them by local reporting financial institutions (as defined) ("**FIs**") relating to account holders who are tax resident in other participating jurisdictions.

Directive 2014/107/EU on Administrative Cooperation in the Field of Taxation ("**DAC II**") implements CRS in a European context and creates a mandatory obligation for all EU Member States to exchange financial account information in respect of residents in other EU Member States on an annual basis commencing in 2017 in respect of the 2016 calendar year.

The Netherlands is a signatory jurisdiction to a Multilateral Competent Authority Agreement on the automatic exchange of financial account information in respect of CRS while the Finance Act 2014 and Finance Act 2015 contain measures necessary to implement the CRS internationally and across the European Union, respectively.

Over 95 jurisdictions have committed to exchanging information under the CRS and a group of 50 countries, including The Netherlands, have committed to the early adoption of the CRS from 1 January 2016 (known as the "**Early Adopter Group**"), with the first data exchanges expected to take place in September 2017. All EU Member States are members of the Early Adopter Group.

The Netherlands has enacted legislation to implement the requirements of the CRS and DAC II into Dutch law under which Dutch FIs (such as the Issuer) will be obliged to make a single return in respect of CRS and DAC II. For the purposes of complying with its obligations under CRS and DAC II, a Dutch FI (such as the Issuer) shall be entitled to require Noteholders to provide any information regarding their and, in certain circumstances, their controlling persons' tax status, identity or residence in order to satisfy any reporting requirements which the Issuer may have as a result of CRS and DAC II and Noteholders will be deemed, by their holding to have authorised the automatic disclosure of such information by the Issuer (or any nominated service provider) or any other person to the Dutch Tax Authorities (*Belastingdienst*). The information will be provided to the Dutch Tax Authorities (*Belastingdienst*) who will exchange the information with the tax authorities of other participating jurisdictions, as applicable. Failure by a Dutch FI to comply with its CRS and DAC II obligations may result in

the Issuer being deemed to be non-compliant in respect of its CRS obligations and monetary penalties may be imposed on a non-compliant FI under Dutch legislation.

The Issuer (or any nominated service provider) will agree that information (including the identity of any Noteholder) supplied for the purposes of CRS and DAC II compliance is intended for the Issuer's (or any nominated service provider's) use for the purposes of satisfying CRS and DAC II requirements and the Issuer (or any nominated service provider) will agree, to the extent permitted by applicable law, that it will take reasonable steps to treat such information in a confidential manner, except that the Issuer may disclose such information (i) to its officers, directors, agents and advisors, (ii) to the extent reasonably necessary or advisable in connection with tax matters, including achieving CRS and DAC II compliance, (iii) to any person with the consent of the applicable Noteholder, or (iv) as otherwise required by law or court order or on the advice of its advisors.

2.21 Lending

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

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

2.22 STS Regulation

If, upon entry into force of the STS Regulation the reporting requirements thereunder apply to the Issuer, the Issuer's costs in relation to such compliance and/or amendments will constitute Administrative Expenses.

2.23 EU Bank Recovery and Resolution Directive

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

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

2.24 Imposition of unanticipated Taxes on Issuer

The Issuer expects to earn a minimum profit that is subject to Dutch corporate tax but that no Dutch VAT should be payable on the Investment Management Fees, subject to what follows. There can be no assurance, however, that the Issuer will not be or in the future become subject to further tax by The Netherlands or some other jurisdiction. In the event that tax is imposed on the Issuer, the Issuer's ability to repay the Notes may be impaired. In particular, Investment Management Fees should be treated as consideration paid for collective portfolio management services provided to a "special investment fund" for the purposes of article 11(1)(i)(3) of the Dutch VAT act based upon Article 135(1)(g) of the VAT Directive, which provides that EU member states shall exempt from VAT the management of "special investment funds" (as defined by the relevant EU member state). In the case of Fiscale Eenheid X (Case C 595/13) ("**Fiscale Eenheid Case**"), the ECJ decided that the following are "special investment funds": (i) funds which constitute undertakings for collective investment in transferable securities within the meaning of Directive 2014/91/EU and (ii) funds which, without being collective investment undertakings within the meaning of that directive, display features that are sufficiently comparable for them to be in competition with such undertakings - in particular that they are subject to specific state supervision under national law. The ECJ and the Dutch courts, including the Supreme Court that referred the Fiscale Eenheid Case to the ECJ, have not elaborated on this concept of "specific state supervision". Accordingly, there is a risk that the Issuer may not qualify as a "special investment fund" under the VAT Directive and/or the Dutch value added tax act. The Issuer (and other Dutch collateralised loan obligation vehicles) have the benefit of a tax ruling from the Dutch tax authorities (which pre-dates Fiscale Eenheid Case), confirming that the relevant VAT exemption can be applied for investment management services to Dutch collateralised loan obligation vehicles (including the Issuer, once it is registered with the designated tax inspector). There is a risk that following the Fiscale Eenheid Case, this tax ruling may not be applicable. Nevertheless, the Issuer is not presently aware of any indication that, in light of the Fiscale Eenheid Case, the Dutch tax authorities intend to change the scope of the relevant VAT exemption in the Dutch value added tax act or change their practice in respect of the application of this exemption in the context of collateralised loan obligation structures, but there is a risk that the Dutch tax authorities may seek to change their position in the future and Dutch value added tax may be imposed on the Investment Management Fees.

3. RELATING TO THE NOTES

3.1 Limited Liquidity and Restrictions on Transfer

Neither the Sole Arranger nor the Initial Purchaser (or any of their affiliates) is under any obligation to make a market for the Notes. The Notes are illiquid investments. There can be no assurance that any secondary market for any of the Notes will develop or, if a secondary market does develop, that it will provide the Noteholders with liquidity of investment or 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, Notes held in the form of IM Removal and Replacement Non-Voting Notes are not exchangeable at any time for Notes held in the form of IM Removal and Replacement Voting Notes or IM Removal and

Replacement Exchangeable Non-Voting Notes and there are restrictions as to the circumstances in which Notes held in the form of IM Removal and Replacement Exchangeable Non-Voting Notes may be exchanged for Notes held in the form of IM Removal and Replacement Voting Notes. Such restrictions on exchange may limit their liquidity.

3.2 Optional Redemption and Market Volatility

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

A form of liquidity for the Subordinated Notes is the optional redemption provision set out in Condition 7(b) (*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.

3.3 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 or any Refinancing Proceeds (i) on any Business Day on or after the expiry of the Non-Call Period, at the direction of (A) the Subordinated Noteholders acting by way of Ordinary Resolution, or (B) the Retention Holder; (ii) on any Payment Date following the occurrence of a Collateral Tax Event at the direction of the Subordinated Noteholders acting by Ordinary Resolution; or (iii) on any Payment Date following the occurrence of a Note Tax Event at the direction of the Controlling Class or the Subordinated Noteholders, each acting by way of Extraordinary Resolution.

In addition, the Rated Notes may be redeemed in part by Class from Refinancing Proceeds at the applicable Redemption Prices, from any Refinancing Proceeds on any Business Day falling on or after expiry of the Non-Call Period at the direction of the Subordinated Noteholders acting by Ordinary Resolution or at the written direction of the Investment Manager. Any such redemption shall be of an entire Class or Classes of Notes subject to a number of conditions. See Condition 7(b) (*Optional Redemption*).

As described in Condition 7(b)(v) (*Optional Redemption effected in whole or in part through Refinancing*) Refinancing Proceeds may be used in connection with either a redemption in whole of the Rated Notes or a redemption in part of the Rated Notes by Class (or by tranche in relation to the Class B Notes). In the case of a Refinancing upon a redemption of the Rated Notes in whole but not in part, such Refinancing will only be effective if (among other things) the Refinancing Proceeds, all Sale Proceeds from the sale of Collateral Debt Obligations and Eligible Investments received in accordance with the procedures set forth in the Trust Deed, and all other available funds will be at least sufficient to pay any Refinancing Costs and all amounts due and payable in respect of all Classes of Notes (including without limitation Deferred Interest on any Class of Notes entitled thereto) save for the Subordinated Notes and all amounts payable in priority thereto pursuant to the Priorities of Payments (subject to any election to receive less than 100 per cent. of the Redemption Price) on such Redemption Date when applied in accordance with the Post-Acceleration Priority of Payments.

In the case of a Refinancing upon a redemption of the Rated Notes in part by Class (or by tranche in relation to the Class B Notes), such Refinancing will only be effective if certain conditions are satisfied, including but not limited to: (i) any redemption of a Class of Notes (or a tranche, as applicable) is a redemption of the entire Class (or a tranche, as applicable) which is subject to the redemption and (ii) the sum of (A) the Refinancing Proceeds and (B) the amount of Interest Proceeds standing to the credit of the Interest Account in excess of the aggregate amount of Interest Proceeds which would be applied in accordance with the Interest Proceeds Priority of Payments prior to paying any amount in respect of the Subordinated Notes will be at least sufficient to pay in full (a) the aggregate Redemption Prices of the entire Class or Classes of Rated Notes subject to Optional Redemption (or tranche, or tranches, as applicable) and (b) all accrued and unpaid Trustee Fees and Expenses

and Administrative Expenses in connection with such Refinancing. See Condition 7(b)(v) (*Optional Redemption effected in whole or in part through Refinancing*). It should be noted that following the publication of the U.S. Risk Retention Rules it is unclear whether a Refinancing or the issuance of additional notes will trigger the U.S. Risk Retention Rules if such action is taken after 24 December 2016. As such, the ability of the Issuer and the Noteholders to issue additional notes or enter into a Refinancing may be impacted. See "*U.S. Risk Retention Requirements*" above.

The Trust Deed provides that the holders of the Subordinated Notes will not have any cause of action against any of the Issuer, the Investment Manager, the Collateral Administrator 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 Investment 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 Subordinated Notes other than from the holders of the Subordinated Notes acting by way of Ordinary Resolution directing the redemption (if any). 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 (or tranche, or tranches, as applicable) of Notes not subject to redemption (or, in the case of the Subordinated Notes, the holders of the Subordinated Notes who do not direct such redemption).

The 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 Investment Manager.

The Investment Manager may also cause the Issuer to redeem the Rated Notes in whole from Sale Proceeds on any Payment Date falling on or after the expiry of the Non-Call Period, if the Aggregate Collateral Balance is less than 15 per cent. of the Target Par Amount.

In the event of an early redemption, the holders of the Notes will be repaid prior to the Maturity Date. Where the Notes are to be redeemed by liquidation, there can be no assurance that the Sale Proceeds realised and other available funds would permit any distribution on the Subordinated Notes after all required payments are made to the holders of the Rated Notes. In addition, an Optional Redemption could require the Investment Manager to liquidate positions more rapidly than would otherwise be desirable, which could adversely affect the realised value of the Collateral Debt Obligations sold.

Where the Rated Notes are redeemable at the discretion of a transaction party or a particular Class of Noteholders, 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.

3.4 The Notes are subject to Special Redemption at the Option of the Investment Manager

The Notes will be subject to redemption in part by the Issuer on any Payment Date during the Reinvestment Period if the Investment Manager in its sole discretion notifies the Trustee that it has been unable, for a period of at least 20 consecutive Business Days, to identify additional Collateral Debt Obligations that are deemed appropriate by the Investment 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 Debt Obligations. On the Special Redemption Date, the Special Redemption Amount will be applied in accordance with the Priorities of Payments. The application of funds in that manner could result in an elimination, deferral or reduction of amounts available to make payments with respect to the Subordinated Notes.

3.5 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 Class C Noteholders, the Class D Noteholders, the Class E Noteholders and the Class F Noteholders or the level of the returns to the Subordinated Noteholders, including in relation to the breach of any of the Coverage Tests. See Condition 7(c) (*Mandatory Redemption upon Breach of Coverage Tests*).

3.6 The Reinvestment Period may Terminate Early

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

3.7 The Investment Manager May Reinvest After the End of the Reinvestment Period

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

3.8 Actions May Prevent the Failure of Coverage Tests and an Event of Default

(a) Additional Issuances

At any time, subject to certain conditions set out in Condition 17 (*Additional Issuances*), the Issuer may issue and sell additional Notes and use the net proceeds to acquire Collateral Debt Obligations and, if applicable, enter into additional Hedge Transactions in connection with the Issuer's issuance of, and making payments on, the Notes and ownership of and disposition of the Collateral Debt Obligations See Condition 17 *(Additional Issuances)*.

(b) Redirection of funds to reinvestment

The Investment Manager may, pursuant to the Priorities of Payment, redirect funds (including by deferring or designating for reinvestment some or all of its Senior Management Fees and/or Subordinated Management Fees) to be applied toward the acquisition of additional Collateral Debt Obligations (if designated for reinvestment) or the payment of lower ranking amounts pursuant to the Interest Proceeds Priority of Payments if deferred.

(c) Investment Manager Advances

The Investment Manager may make Investment Manager Advances pursuant to Condition 3(k) (*Investment Manager Advances*) from time to time to the extent there are insufficient sums standing to the credit of the Collateral Enhancement Account to purchase or exercise rights under Collateral Enhancement Obligations which the Investment Manager determines on behalf of the Issuer should be purchased or exercised. Investment Manager Advances may bear interest provided that such rate of interest shall not exceed EURIBOR plus 2.0 per cent. per annum.

Any of the above actions could result in satisfaction of a Coverage Test that would otherwise be failing and therefore potentially decrease the occurrence of principal prepayments of the highest ranking Class of Notes. Likewise, any such action could prevent an 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 "*Average Life and Prepayment Considerations*" below).

3.9 Additional Issuances of Subordinated Notes not subject to Anti-Dilution Rights

The Issuer may issue and sell additional Notes, subject to the satisfaction of a number of conditions, including that the holders of the relevant Class of Notes in respect of which further Notes are issued 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 of such additional Notes. However, this requirement does not apply to any additional issuance of Subordinated Notes if such issuance is required in order to prevent or cure a Retention Deficiency for any reason. Accordingly, the proportion of Subordinated Notes held by a Subordinated Noteholder may be diluted following an additional issuance of Subordinated Notes. See Condition 17 (*Additional Issuances*).

3.10 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*). None of the Investment Manager, the Noteholders of any Class, the Initial Purchaser, the Retention Holder, the Trustee, the Collateral Administrator, the Custodian, any Agent, any Hedge Counterparty or any Affiliates of any of the foregoing or the Issuer's Affiliates or any other person or entity (other than the Issuer) will be obliged to make payments on the Notes of any Class. Consequently, Noteholders must rely solely on distributions on the Collateral Debt Obligations and other Collateral securing the Notes for the payment of principal, discount, interest and premium, if any, thereon. There can be no assurance that the distributions on the Collateral Debt Obligations and other Collateral securing the Notes will be sufficient to make payments on any Class of Notes after making payments on more senior Classes of Notes and certain other required amounts to other creditors ranking senior to or *pari passu* with such Class pursuant to the Priorities of Payments. If distributions on the Collateral are insufficient to make payments on the Notes, no other assets (and, in particular, no assets of the Investment Manager, the Noteholders, the Initial Purchaser, the Retention Holder, the Trustee, the Collateral Administrator, the Custodian, any Agent, any Hedge Counterparty or any Affiliates of any of the foregoing) will be available for payment of the deficiency and following realisation of the Collateral 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.

3.11 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) petition was presented in respect of the Issuer, then the presentation of such petition could 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.

3.12 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. 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 Rated Notes has been paid and, subject always to the

right of the Investment Manager on behalf of the Issuer to transfer amounts which would have been payable on the Subordinated Notes to the Collateral Enhancement Account to be applied in the acquisition of Substitute Collateral Debt Obligations or in the acquisition or exercise of rights under Collateral Enhancement Obligations and the requirement to transfer amounts to the Principal Account in the event that the Reinvestment Overcollateralisation Test is not met during the Reinvestment Period. Notwithstanding the above, Collateral Enhancement Obligation Proceeds may be distributed to the Subordinated Noteholders pursuant to the Collateral Enhancement Proceeds Priority of Payments on a Payment Date on which scheduled interest on the Rated Notes is not paid in full.

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 an 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, acting by Ordinary Resolution, may request the Trustee to accelerate the Notes pursuant to Condition 10 (*Events of Default*). Failure to pay scheduled interest on the Class C Notes, the Class D Notes, the Class E Notes or the Class F Notes (other than where the relevant Class of Notes is the Controlling Class in respect of any Payment Date from (and including) the Relevant Payment Date subject to and in accordance with the Conditions), or to pay interest and principal on the Subordinated Notes at any time, will not be an Event of Default. Holders of such Classes of Notes will consequently have no right to accelerate their Notes or to direct that the Trustee take enforcement action with respect to the Collateral to recover such outstanding interest on or the principal amount of their Notes outstanding in such circumstances.

In the event of any acceleration of the Controlling Class, each other Class of Notes will also be subject to automatic acceleration and, upon enforcement of the security over the Collateral, the Collateral will 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 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, 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. See Condition 14(e) (*Entitlement of the Trustee and Conflicts of Interest*).

3.13 Calculation of Rate of Interest

If the relevant EURIBOR screen rate does not appear, or the relevant page is unavailable, in the manner described in Condition 6(e)(i) (Floating *Rate of Interest*) there can be no guarantee that the Calculation Agent will be able to select four Reference Banks to provide quotations, in order to determine any Floating 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 Calculation Agent is unable to select Reference Banks to provide quotations in the manner described in Condition 6(e)(i)(B) (*Floating Rate of Interest*), the relevant Rate of Interest in respect of such Payment Date shall be determined, pursuant to Condition 6(e)(i)(C) (*Floating Rate of Interest*), as the Floating 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; provided that, in respect of any Accrual Period during which a Frequency Switch Event occurs, the relevant 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 provided further that following the occurrence of a Frequency Switch Event in respect of the Accrual Period ending on the Maturity Date if such Accrual Period is a three month period, the relevant Floating Rate of Interest shall be calculated using the offered rate for three month Euro deposits using the most recent rate obtainable by the Calculation Agent in its reasonable opinion. 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 Floating Rate of Interest on any other basis.

3.14 Amount and Timing of Payments

Other than where the relevant Class of Notes is the Controlling Class in respect of any Payment Date from (and including) the Relevant Payment Date, 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 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 (other than where the relevant Class of Notes is the Controlling Class in respect of any Payment Date from (and including) the Relevant Payment Date), or to pay interest and principal on the Subordinated Notes at any time, due to there being insufficient funds available to pay such interest and/or principal (as applicable) in accordance with the applicable Priorities of Payments, will not be an Event of Default. Payments of interest and principal on the Subordinated Notes will only be made to the extent that there are Interest Proceeds and Principal Proceeds available for such purpose in accordance with the Priorities of Payments. No interest or principal may therefore be payable on the Subordinated Notes for an unlimited period of time, to maturity or at all.

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

3.15 Reports Provided by the Collateral Administrator Will Not Be Audited

The Monthly Reports and Payment Date 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 Investment Manager. Information in the reports will not be audited nor will reports include a review or opinion by a public accounting firm.

3.16 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 if 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 Investment Manager or the Issuer that confirmation from such Rating Agency is not required for a certain action, that it is declining to review the effect of such action, or that its practice is to not give such confirmations for certain types of actions, the requirement for confirmation from such Rating Agency will not apply. Further, in connection with the Effective Date, if an Effective Date Rating Event shall have occurred, 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 or liquidity of the Notes.

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

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 for purposes of the federal securities laws and that determination may also have an adverse effect on the market prices and liquidity of the Rated Notes.

The SEC adopted Rule 15Ga-2 and Rule 17g-10 to the United States Securities Exchange Act of 1934, on 27 August 2014, which require certain filings or certifications to be made in connection with the performance of "due diligence services" for rated asset-backed securities on or after 15 June 2015. Under Rule 17g-10, a provider of third-party due diligence services must provide to each nationally recognised statistical rating organisation that is rating the applicable transaction, a written certification in a prescribed form (which obligation may be satisfied if the Issuer posts such certification in the required form to the Rule 17g-5 website referred to above, maintained in connection with the transaction).

It is presently unclear what, if any, services provided or to be provided by third parties to the Issuer in connection with the transaction described in this Offering Circular, would constitute "due diligence services" under Rule 17g-10, and consequently, no assurance can be given as to whether any certification will be posted by the Issuer or delivered by any applicable third party service provider to the Rating Agencies in circumstances where such certification is deemed to have been required under the rules described in the preceding paragraph.

If the Issuer or any third party that provides due diligence services to the Issuer does not comply with its obligations under Rule 17g-10, the Rating Agencies may withdraw (or fail to confirm) their ratings of the Notes. In such case, the price or transferability of the Notes (and any beneficial owner of Notes that relies on ratings of securities for regulatory or other compliance purposes) may be adversely affected.

3.17 Average Life and Prepayment Considerations

The Maturity Date of the Notes is the Payment Date falling on 25 July 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 Debt Obligations (whether through sale, maturity, redemption, default or other liquidation or disposition). The actual average lives and actual maturities of the Notes will be affected by the financial condition of the obligors of the underlying Collateral Debt Obligations and the characteristics of such assets, including the existence and frequency of exercise of any optional or mandatory redemption features, the prevailing level of interest rates, the redemption price, any prepayment fees, the actual default rate, the actual level of recoveries on any Defaulted Obligations and the timing of defaults and recoveries, and the frequency of tender or exchange offers for such Collateral Debt Obligations. Collateral Debt Obligations may be subject to optional prepayment by the Obligor of such loans. Any disposition of a Collateral Debt Obligation may change the composition and characteristics of the Collateral Debt Obligations and the rate of payment thereon and, accordingly, may affect the actual

average lives of the Notes. The rate of and timing of future defaults and the amount and timing of any cash realisation from Defaulted Obligations also will affect the maturity and average lives of the Notes.

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

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

3.18 Volatility of the Subordinated Notes

The Subordinated Notes represent a leveraged investment in the underlying Collateral Debt Obligations. Accordingly, it is expected that changes in the market value of the Subordinated Notes will be greater than changes in the market value of the underlying Collateral Debt Obligations, which themselves are subject to credit, liquidity, interest rate and other risks. Utilisation of leverage is a speculative investment technique and involves certain risks to investors and will generally magnify the Subordinated Noteholders' opportunities for gain and risk of loss. In certain scenarios, the Notes may not be paid in full, and the Subordinated Notes and one or more Classes of Rated Notes may be subject to a partial or a complete loss of invested capital. The Subordinated Notes represent the most junior securities in a leveraged capital structure. As a result, any deterioration in performance of the asset portfolio, including defaults and losses, a reduction of realised yield or other factors, will be borne first by holders of the Subordinated Notes, 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 Debt Obligations being applied on the next Payment Date to make principal payments on the more senior classes of Rated Notes until such Coverage Tests have been satisfied. This feature will likely reduce the return on the Subordinated Notes and/or one or more subordinate Classes of Rated Notes and cause temporary or permanent suspension of distributions to the Subordinated Notes and/or one or more subordinate Classes of Rated Notes. See 3.5 "*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.

3.19 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 an Event of Default on or about that date.

3.20 Withholding Tax on the Notes

Although no withholding tax is currently imposed on payments of interest on the Notes, there can be no assurance that the law will not change.

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 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 Payments.

3.21 Security

Clearing Systems: Collateral Debt Obligations or other assets forming part of the Collateral which are in the form of securities (if any) will be held by the Custodian on behalf of the Issuer pursuant to the Agency Agreement. The Custodian will hold such assets which can be cleared through Euroclear in an account with Euroclear unless the Trustee otherwise consents and will hold the other securities comprising the Portfolio which cannot be so cleared (i) through its accounts with Clearstream, Luxembourg 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 Debt Obligations that are held through the Custodian, take effect as a security interest over (i) the beneficial interest of the Issuer in its share of the pool of securities fungible with the relevant Collateral Debt Obligations held in the accounts of the Custodian for the benefit of the Issuer and (ii) the Issuer's ancillary contractual rights against the Custodian in accordance with the terms of the Agency Agreement (as defined in the Conditions) which may expose the Secured Parties to the risk of loss in the case of a shortfall of such securities in the event of insolvency of the Custodian or its sub-custodian.

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

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

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

3.22 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, however all of the following discussion is subject to the provisions in Condition 14(b)(ix)(*Retention Holder Veto*), that provided no Retention Deficiency has occurred and is continuing, no modification nor any Resolution to approve the modification of the Eligibility Criteria, the Portfolio Profile Tests, the Collateral Quality Tests, the Reinvestment Criteria or any material changes to them, nor the appointment of a replacement Investment Manager (other than a replacement Investment Manager appointed upon the removal of the Retention Holder or any Affiliate of the Retention Holder as Investment Manager), will be effective without the consent in writing of the Retention Holder.

Decisions may be taken by Noteholders by way of Ordinary Resolution or Extraordinary Resolution, in each case, either acting together or, to the extent specified in any applicable Transaction Document, as a Class of

Noteholders acting independently. Such Resolutions can be effected either at a duly convened meeting of the applicable Noteholders or by the applicable Noteholders resolving in writing. Meetings of the Noteholders may be convened by the Issuer, the Trustee or by one or more Noteholders holding not less than ten 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.

Regarding any Resolution relating to the removal of the Investment Manager, the appointment of a successor or in respect of the assignment or delegation of the Investment Manager's rights under the Investment Management Agreement, any Notes held by the Investment Manager, or any Investment Manager Related Person shall be disregarded and deemed not to be outstanding for the purposes of any such Resolution.

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 held or represented by any person or persons entitled to vote and which are present at such meeting and which are voted and not by the aggregate Principal Amount Outstanding of all Notes which are entitled to be voted in respect of such Resolution. This means that a lower percentage of Noteholders may pass a Resolution which is put to a meeting of Noteholders than would be required for a Written Resolution in respect of the same matter. There are however quorum provisions which provide that a minimum number of Noteholders representing a minimum amount of the aggregate Principal Amount Outstanding of the applicable Class or Classes of Notes be present at any meeting to consider an Extraordinary Resolution or an Ordinary Resolution. In the case of an Extraordinary Resolution, this is one or more persons holding or representing not less than 66⅔ per cent. of the aggregate Principal Amount Outstanding of each Class of Notes (or the relevant Class or Classes only, if applicable) and in the case of an Ordinary Resolution this is one or more persons holding or representing not less than 50 per cent. of the aggregate Principal Amount Outstanding of each Class of Notes (or the relevant Class or Classes only, if applicable). In the event that a quorum requirement is not satisfied at any meeting, lower quorum thresholds will apply at any such 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.

Notwithstanding the foregoing, the proportion of Subordinated Noteholders present at a meeting of Subordinated Noteholders for quorum purposes, the proportion of Subordinated Noteholders voting in favour of a Resolution at a meeting of Subordinated Noteholders to determine whether a voting threshold has been met, and the proportion of Subordinated Noteholders voting in favour of a Resolution of Subordinated Noteholders for the purposes of a Written Resolution to determine whether a voting threshold has been met, shall be determined in each case by reference to the Adjusted Class M-1 Proportion and the Adjusted Class M-2 Proportion and the provisions contained in Condition 14(b) (*Decisions and Meetings of Noteholders*).

Notes constituting the Controlling Class that are in the form of IM Removal and Replacement Non-Voting Notes or IM Removal and Replacement Exchangeable Non-Voting Notes will have no right to vote in connection with and will not be counted for the purposes of determining a quorum or the result of votes in respect of any IM Removal Resolution or any IM Replacement Resolution. As a result, for so long as any of the Class A Notes, the Class B Notes, the Class C Notes or the Class D Notes constitute the Controlling Class, only Notes that are in the form of IM Removal and Replacement Voting Notes may vote and be counted in respect of an IM Removal Resolution or an IM Replacement Resolution.

Notes in the form of IM Removal and Replacement Voting Notes may form a small percentage of the Controlling Class and/or be held by a concentrated group of Noteholders. Investors should be aware that such IM Removal and Replacement Voting Notes will be entitled to vote to pass an IM Removal Resolution or an IM Replacement Resolution and the remaining percentage of the Controlling Class (in the form of IM Removal and Replacement Non-Voting Notes and/or IM Removal and Replacement Exchangeable Non-Voting Notes) will be bound by such Resolution.

Investors in the Class A Notes should be aware that for so long as the Class A Notes have not been redeemed and paid in full, if no Class A Notes are held in the form of IM Removal and Replacement Voting Notes, the Class A Notes will not be entitled to vote in respect of such IM Removal Resolution or IM Replacement

Resolution and such right shall pass to a more junior Class of Notes in accordance with the definition of Controlling Class.

Similarly, investors in the other Classes of Notes should be aware that if there are no Notes in their Class that would be entitled to vote and be counted in respect of an IM Removal Resolution or an IM Replacement Resolution, such Class of Notes will not be entitled to vote in respect of such IM Removal Resolution or IM Replacement Resolution and such right shall pass to a more junior Class of Notes.

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

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

Each Hedge Counterparty may also need to be notified and its consent required to the extent provided for in the applicable Hedge Agreement in respect of a modification, amendment or supplement to any provision of the Transaction Documents. Any such consent, if withheld, may prevent the modification of the Transaction Documents which may be beneficial to or in the best interests of the Noteholders.

3.23 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 Investment Manager for cause and appointment are at the direction of holders of specified percentages of Subordinated Notes.

3.24 Enforcement Rights Following an Event of Default

If an 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 Ordinary Resolution, give notice to the Issuer and the Investment Manager that all the Notes are immediately due and repayable, provided that following an Event of Default described in Condition 10(a)(vi) *(Insolvency Proceedings*) or Condition 10(a)(vii) (*Illegality*) shall occur, such notice shall be deemed to have been given and all the Notes shall automatically become immediately due and payable.

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

3.25 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, (the "**Code**") or entities whose underlying assets are treated as assets of such plans or arrangements (collectively, "**Plans**") invest in the Class E Notes, the Class F Notes or the Subordinated Notes, the assets of the Issuer could be considered to be assets of such Plans and certain of the transactions contemplated under such Notes could be considered "prohibited transactions" under Section 406 of ERISA or Section 4975 of the Code.

3.26 Forced Transfer

Each initial purchaser of an interest in a Rule 144A Note and each transferee of an interest in a Rule 144A Note will be deemed to represent at the time of purchase that, amongst other things, the purchaser is 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 144A Note (any such person, a "**Non-Permitted Holder**") or a Noteholder is a Non-Permitted ERISA Holder, the Issuer shall, promptly after determination that such person is a Non-Permitted Holder or Non-Permitted ERISA Holder (as defined in Condition 2(j) (*Forced Transfer pursuant to ERISA*)) by the Issuer, send notice to such Non-Permitted Holder or Non-Permitted ERISA Holder (as applicable) demanding that such Holder transfer its interest outside the United States to a non-U.S. Person or to a person that is not a Non-Permitted Holder or Non-Permitted ERISA Holder (as applicable) within 30 days (or 10 days in the case of a Non Permitted ERISA Holder) of the date of such notice. If such Holder fails to effect the transfer required within such 30-day period (or 10 day period in the case of a Non Permitted ERISA Holder), (a) upon direction from the Issuer or the Investment Manager on its behalf, a Transfer Agent, on behalf of and at the expense of the Issuer, shall cause such beneficial interest to be transferred in a commercially reasonable sale to a person or entity that certifies in writing to such Transfer Agent and the Issuer, in connection with such transfer, that such person or entity either is not a U.S. Person or is a QIB and a QP and is not a Non-Permitted ERISA Holder and (b) pending such transfer, no further payments will be made in respect of such beneficial interest.

In addition, the Trust Deed generally provides that, if a Noteholder fails to provide the Issuer or its agents with any correct, complete and accurate information or documentation that may be required for the Issuer to comply with FATCA and to prevent the imposition of 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.

3.27 U.S. Tax Risks

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

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

U.S. trade or business

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 treated as 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 Investment Manager. A change in law or its interpretation also could result in the Issuer being treated as engaged in a trade or business in the United States for 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 treated as 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 The Netherlands, the Issuer will not be subject to withholding under FATCA if it complies with Dutch implementing legislation that requires 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 Dutch Tax Authorities (*belastingdienst*), which would then provide this information to the IRS. The Issuer shall use reasonable best efforts to comply with the intergovernmental agreement and the legislation; however, there can be no assurance that the Issuer will be able to do so. Moreover, FATCA could be amended to require the Issuer to withhold on "passthru" payments to holders that fail to provide certain information to the Issuer or are certain "foreign financial institutions" that do not comply with FATCA.

If a Noteholder fails to provide the Issuer or its agents with any correct, complete and accurate information or documentation that may be required for the Issuer to comply with FATCA and to prevent the imposition of U.S. federal withholding tax under FATCA on payments to or for the benefit of the Issuer, or if the Noteholder's ownership of any Notes would otherwise cause the Issuer to be subject to tax under FATCA, the Issuer is authorised to withhold amounts otherwise distributable to the Noteholder, to compel the Noteholder 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. Holders (as defined in "T*ax 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 "T*ax Considerations - Certain U.S. Federal Income Tax Considerations - U.S. Federal Tax Treatment of U.S. Holders of Rated Notes - Possible Treatment of Class E Notes and Class F Notes as Equity for U.S. Federal Tax Purposes*."

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

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

4. RELATING TO THE COLLATERAL

4.1 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 Investment Manager), on the Eligibility Criteria (and Reinvestment Criteria, when applicable) which each Collateral Debt Obligation is required to satisfy, as disclosed in this Offering Circular, and on the Portfolio Profile Tests, Collateral Quality Tests, Coverage Tests and 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 immediately preceding the second Payment Date) and in each case (save as described herein) thereafter. This Offering Circular does not contain any information regarding the individual Collateral Debt Obligations on which the Notes will be secured from time to time. Purchasers of any of the Notes will not have an opportunity to evaluate for themselves the relevant economic, financial and other information regarding the investments to be made by the Issuer and, accordingly, will be dependent upon the judgment and ability of the Investment 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 Debt Obligations. The value of the Portfolio may fluctuate from time to time (as a result of substitution or otherwise) and none of the Issuer, the Trustee, the Initial Purchaser, the Custodian, the Investment Manager, the Collateral Administrator, any Hedge Counterparty, or any of their Affiliates are under any obligation to maintain the value of the Collateral Debt Obligations at any particular level. None of the Issuer, the Trustee, the Custodian, the Investment Manager, the Retention Holder, the Collateral Administrator, any Hedge Counterparty, the Initial Purchaser or any of their Affiliates has any liability to the Noteholders as to the amount or value of, or any decrease in the value of, the Collateral Debt Obligations from time to time.

4.2 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 Debt Obligations which will secure the Notes will be predominantly comprised of Senior Secured Loans, Senior Secured Bonds, Unsecured Senior Loans, Second Lien Loans, Mezzanine Obligations, Corporate Rescue Loans and High Yield Bonds lent to or issued by a variety of Obligors with a principal place of business in a Qualifying Country which are primarily rated below investment grade.

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

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

The subordination levels of each of the Classes of Notes will be established to withstand certain assumed deficiencies in payment caused by defaults on the related Collateral Debt Obligations. If, however, actual payment deficiencies exceed such assumed levels, payments on the Notes could be adversely affected. Whether and by how much defaults on the Collateral Debt Obligations adversely affect each Class of Notes will be directly related to the level of subordination thereof pursuant to the Priorities of Payments. The risk that payments on the Notes could be adversely affected by defaults on the related Collateral Debt Obligations is likely to be increased to the extent that the Portfolio of Collateral Debt Obligations is concentrated in any one issuer, industry, region or country as a result of the increased potential for correlated defaults in respect of a single issuer or within a single industry, region or country as a result of downturns relating generally to such industry, region or country. Subject to any confidentiality obligations binding on the Issuer, Noteholders will

receive information through the Reports from time to time of the identity of Collateral Debt Obligations which are "Defaulted Obligations".

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

4.3 Acquisition of Collateral Debt Obligations prior to the Issue Date

On behalf of the Issuer, the Investment Manager has acquired, and will continue to enter into binding commitments to acquire, Collateral Debt Obligations prior to the Issue Date pursuant to a financing arrangement entered into with the Initial Purchaser in its capacity as senior and mezzanine lender, and various junior finance providers (the "**Warehouse Arrangements**"). The Warehouse Arrangements were provided by a senior lender and a junior lender (the "**Warehouse Providers**"). Some of the Collateral Debt Obligations may also have been acquired from one or more of the Warehouse Providers. 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 on or prior to the Issue Date, including from the proceeds of the issuance of the Notes.

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

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

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

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

The requirement that the Eligibility Criteria be satisfied applies only (i) at the time that any commitment to purchase a Collateral Debt Obligation is entered into (ii) in respect of Issue Date Collateral Debt Obligations, on the Issue Date and (iii) in respect of certain of the Eligibility Criteria that comprise the Restructured Obligation

Criteria, those Collateral Debt Obligations which are the subject of a restructuring (whether effected by way of an amendment to the terms of such Collateral Debt Obligation or by way of substitution of new obligations and/or change of Obligor), on the applicable Restructuring Date, and, in each case, any failure by such Collateral Debt Obligation to satisfy the relevant Eligibility Criteria at a later stage will not result in any requirement to sell it or take any other action.

Although the Initial Purchaser was involved in the Warehouse Arrangements, (as senior and mezzanine lender) its involvement in such arrangements, and its approval of the purchase of assets acquired under such arrangements, was solely in its capacity as Warehouse Provider (as senior and mezzanine lender) and should not be viewed as a determination by the Initial Purchaser as to whether a particular asset is an appropriate investment by the Issuer or whether such asset satisfies the Eligibility Criteria applicable to the Issuer. The Initial Purchaser's determination to approve the acquisition of such assets was not based on any credit analysis undertaken by, or available to it in relation to such assets, and the Initial Purchaser will not, nor is required to, monitor the value of such assets or the creditworthiness of the Obligor of any such asset.

During the period of the Warehouse Arrangements, the Issuer may have purchased Collateral Debt Obligations directly from the Initial Purchaser or any of its Affiliates and the price at which such assets were purchased by the Issuer may have resulted in the Initial Purchaser or its Affiliate, as the case may be, earning a profit from the sale of such asset.

4.4 Considerations Relating to the Initial Investment Period

During the Initial Investment Period, the Investment Manager on behalf of the Issuer, will seek to acquire additional Collateral Debt Obligations in order to satisfy each of the Coverage Tests (other than the Interest Coverage Tests which are required to be satisfied on the Determination Date immediately preceding the second 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 Investment 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 Investment Manager, including its ability to identify a suitable Currency Hedge Counterparty with whom the Issuer may enter into Currency Hedge Transactions. See also "*European Market Infrastructure Regulation (EMIR)*" above. To the extent it is not possible to purchase such additional Collateral Debt Obligations, the level of income receivable by the Issuer on the Collateral, and therefore its ability to meet its interest payment obligations under the Notes, may be adversely affected. Such inability to invest may also shorten the weighted average lives of the Notes as it may lead to early redemption of the Notes. To the extent such additional Collateral Debt Obligations are not purchased, the level of income receivable by the Issuer on the Collateral and therefore its ability to meet its interest payment obligations under the Notes, together with the weighted average lives of the Notes, may be adversely affected. Any failure by the Investment Manager (on behalf of the Issuer) to acquire such additional Collateral Debt 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 holders of the Subordinated Notes. Any such redemption of the Notes may also adversely affect the risk profile of Classes of Notes in addition to the Subordinated Notes to the extent that the amount of excess spread capable of being generated in the transaction reduces as the result of redemption of the most senior ranking Classes of Notes in accordance with the Note Payment Sequence which bear a lower rate of interest than the remaining Classes of Rated Notes.

Investors should note that, at any time prior to the Determination Date relating to the First Payment Date, the Investment Manager may apply some or all amounts standing to the credit of the First Period Reserve Account to the Unused Proceeds Account. Such application may affect the amounts which would otherwise have been payable to Noteholders (since, as once deposited in the Unused Proceeds Account, such funds may be applied to purchase Collateral Debt Obligations) and, in particular, may reduce amounts available for distribution to the Subordinated Noteholders.

4.5 Underlying Portfolio

Characteristics of Senior Loans, Senior Secured Bonds and Mezzanine Obligations

The Portfolio Profile Tests provide that as of the Effective Date, at least 90 per cent. of the Aggregate Collateral Balance must consist of Senior Secured Loans and Senior Secured Bonds in aggregate (which shall comprise for this purpose the aggregate of the Aggregate Principal Balance of the Senior Secured Loans and Senior Secured Bonds and the balances standing to the credit of the Principal Account and the Unused Proceeds Account (and Eligible Investments that represent Principal Proceeds in the Principal Account and the Unused Proceeds Account), in each case as at the relevant Measurement Date). At least 70 per cent. of the Aggregate Collateral Balance must consist of Senior Secured Loans (which shall comprise for this purpose the aggregate of the Aggregate Principal Balance of the Senior Secured Loans and the balances standing to the credit of the Principal Account and the Unused Proceeds Account (and Eligible Investments that represent Principal Proceeds in the Principal Account and the Unused Proceeds Account), in each case as at the relevant Measurement Date). Senior Loans, Senior Secured Bonds and Mezzanine Obligations 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 stock purchases. As a result of the additional debt incurred by the borrower in the course of such a transaction, the Obligor's creditworthiness is typically judged by the rating agencies to be below investment grade. Senior Secured Loans, Senior Secured Bonds and Unsecured Senior Loans 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. Senior Secured Loans and Senior Secured Bonds are often secured by specific collateral, including but not limited to, trademarks, patents, accounts receivable, inventory, equipment, buildings, real estate, franchises and common and preferred 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. Senior Secured Loans usually have shorter terms than more junior obligations and often require mandatory prepayments from excess cash flows, asset dispositions and offerings of debt and/or equity securities.

Senior Secured Bonds typically bear interest at a fixed rate. Risks associated with fixed rate obligations are discussed at 4.14 "*Interest Rate Risk*" below. Additionally, Senior Secured Bonds typically contain bondholder collective action clauses permitting specified majorities of bondholders to approve matters which, in a typical Senior Loan, would require unanimous lender consent. The Obligor under a Senior Secured Bond may therefore be able to amend the terms of the bond, including terms as to the amount and timing of payments, with the consent of a specified majority of bondholders, either voting by written resolution or as a majority of those attending and voting at a meeting, and the Issuer is unlikely to have a blocking minority position in respect of any such resolution. The Issuer may further be restricted by the Investment Management Agreement from voting on certain matters, particularly extensions of maturity, which may be considered at a bondholder meeting. Consequently, material terms of a Senior Secured Bond may be varied without the consent of the Issuer.

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

Senior Loans, Senior Secured 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 Senior Loan, Senior Secured Bond or Mezzanine Obligation which is not waived by the lending syndicate or bondholders normally is an event of acceleration which allows the syndicate to demand immediate repayment in full of the outstanding loan. However, although any particular Senior Loan, Senior Secured Bond or Mezzanine Obligation may share many similar features with other loans and obligations of its type, the actual term of any Senior Loans, Senior Secured Bonds or Mezzanine Obligation will have been a matter of negotiation and will be unique. Any such particular loan may contain non-standard terms and may provide less protection for creditors than may be expected generally, including in respect of covenants, events of default, security or guarantees.

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

In order to induce banks and institutional investors to invest in a Senior Loan or Mezzanine Obligation, and to obtain a favourable rate of interest, an Obligor under such an obligation often provides the investors therein with extensive information about its business, which is not generally available to the public. Because of the provision of confidential information, the unique and customised nature of the loan agreement including such Senior Loan or Mezzanine Obligation, and the private syndication of the loan, Senior Loans and Mezzanine Obligations are not as easily purchased or sold as a publicly traded security, and historically the trading volume in the loan market has been small relative to, for example, the high yield bond market. Historically, investors in or lenders under European Senior Loans and Mezzanine Obligations have been predominantly commercial banks and investment banks. The range of investors for such loans has broadened significantly to include money managers, insurance companies, arbitrageurs, bankruptcy investors and mutual funds seeking increased potential total returns and collateral managers of trusts or special purpose companies issuing collateralised bond and loan obligations. As secondary market trading volumes increase, new loans are frequently adopting more standardised documentation to facilitate loan trading which should improve market liquidity. There can be no assurance, however, that future levels of supply and demand in loan trading will provide the degree of liquidity which currently exists in the market. This means that such assets will be subject to greater disposal risk if such assets are sold following enforcement of the security over the Collateral or otherwise. The European market for Mezzanine Obligations is also generally less liquid than that for Senior Loans, resulting in increased disposal risk for such obligations.

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

Increased Risks for Mezzanine Obligations

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

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

Prepayment Risk

Loans are generally prepayable in whole or in part at any time at the option of the obligor thereof at par plus accrued and unpaid interest thereon. Senior Secured 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 Debt 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 Debt 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 Senior Loans and Mezzanine 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 loans 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 Senior Loans, Senior Secured Bonds, Mezzanine Obligations and Second Lien Loans and no assurance can be given as to the levels of default and/or recoveries that may apply to any Senior Loans, Senior Secured Bonds and Mezzanine Obligations purchased by the Issuer. As referred to above, although any particular Senior Loan, Mezzanine Obligation or Second Lien Loan often will share many similar features with other loans and obligations of its type, the actual terms of any particular Senior Loan, Senior Secured Bonds, Mezzanine Obligation or Second Lien Loan will have been a matter of negotiation and will thus be unique. The types of protection afforded to creditors will therefore vary from investment to investment. Recoveries on both Senior Loans, Mezzanine Obligations and Second Lien Loans may also be affected by the different bankruptcy regimes applicable in different jurisdictions, the availability of comprehensive security packages in different jurisdictions and the enforceability of claims against the Obligors thereunder.

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

A non-investment grade loan or debt obligation or an interest in a non-investment grade loan is generally considered speculative in nature and may become a Defaulted Obligation for a variety of reasons. Upon any Collateral Debt Obligation becoming a Defaulted Obligation, such Defaulted Obligation may become subject to either substantial workout negotiations or restructuring, which may entail, among other things, a substantial change in the interest rate, a substantial write-down of principal, a conversion of some or all of the principal debt into equity, 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.

Recoveries on Senior Loans, Senior Secured Bonds and Mezzanine Obligations will also be affected by the different bankruptcy regimes applicable in different European jurisdictions and the enforceability of claims against the Obligors thereunder. See 4.18 "*Insolvency Considerations relating to Collateral Debt Obligations*" below.

Investing in Cov-Lite Loans involves certain risks

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

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 4.18 "*Insolvency Considerations relating to Collateral Debt 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 Investment Manager, acting on behalf of the Issuer, may only be able to replace such called obligation with a lower yielding obligation, thus decreasing the net investment income from the Portfolio.

Investing in Second Lien Loans involves certain risks

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

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

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

Characteristics of Unsecured Senior Loans

The Collateral Debt Obligations may include Unsecured Senior Loans. Such obligations generally have greater credit, insolvency and liquidity risk than is typically associated with 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 Loans occurs, the holders of such obligation will be considered general, unsecured creditors of the Obligor and will have fewer rights than secured creditors of the Obligor.

4.6 Limited Control of Administration and Amendment of Collateral Debt Obligations

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

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

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

4.7 Participations, Novations and Assignments

The Investment Manager, acting on behalf of the Issuer may acquire interests in Collateral Debt Obligations which are loans either directly (by way of novation or assignment) or indirectly (by way of sub participation). Each institution from which such an interest is taken by way of participation or acquired by way of assignment 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. Whilst the Issuer may have a right to elevate a Participation to a direct interest in the participated loan, such right may be limited by a number of factors. In addition, Participations may be subject to the exercise of the "bail-in" powers attributed to Resolution Authorities under the BRRD or similar resolution mechanisms provided for in the SRM Regulation. See "*EU Bank Recovery and Resolution Directive*" above.

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 Debt Obligations that may comprise Participations as a proportion of the Aggregate Collateral Balance.

4.8 Voting Restrictions on Syndicated Loans for Minority Holders

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

4.9 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.

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 Obligors not subject to U.S. bankruptcy proceedings.

4.10 Bridge Loans

The Portfolio Profile Tests provide that not more than 2.5 per cent. of the Aggregate Collateral Balance may be comprised of Bridge Loans. Bridge Loans are generally a temporary financing instrument and as such the interest rate may increase after a short period of time in order to encourage an Obligor to refinance the Bridge Loan with more long-term financing. If an Obligor is unable to refinance a Bridge Loan, the interest rate may be subject to an increase and as such Bridge Loans may have greater credit and liquidity risk than other types of loans.

4.11 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 Collateral Enhancement Account at the relevant time. Such Balance shall be comprised of all sums deposited therein from time to time which will comprise interest payable in respect of the Subordinated Notes which the Investment Manager, acting on behalf of the Issuer, determines shall be paid into the Collateral Enhancement Account pursuant to the Priorities of Payments rather than being paid to the Subordinated Noteholders. The aggregate amount which may be credited to the Collateral Enhancement Account in accordance with the Priorities of Payments are subject to the following caps: (i) in aggregate on any particular Payment Date, such amount may not exceed €1,750,000 and (ii) the cumulative maximum aggregate total in respect of all Payment Dates may not exceed €10,500,000.

The Investment Manager is under no obligation whatsoever to exercise its discretion (acting on behalf of the Issuer) to take any of the actions described above and there can be no assurance that the Balance standing to the credit of the Collateral Enhancement Account will be sufficient to fund the exercise of any right or option under any Collateral Enhancement Obligation at any time. The ability of the Investment 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 Collateral Enhancement 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 Tests, or Collateral Quality Tests.

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

4.12 Counterparty Risk

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

In the event that a Hedge Counterparty is subject to a rating withdrawal or downgrade by the Rating Agencies to below the applicable Rating Requirement, there will be a termination event under the applicable Hedge Agreement unless, within the time period specified in the applicable Hedge Agreement, 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.

Similarly, the Issuer will be exposed to the credit risk of the Account Bank and the Custodian to the extent of, respectively, all cash of the Issuer held in the Accounts and all Collateral of the Issuer held by the Custodian. In the event that the Account Bank or the Custodian is subject to a rating withdrawal or downgrade by the Rating Agencies to below the applicable Rating Requirement, the Issuer shall use its reasonable endeavours to procure the appointment of a replacement Account Bank or Custodian, as the case may be, with the applicable Rating Requirement and within the time limits prescribed for such action in the applicable Transaction Documents.

Transactions with counterparties that are relevant institutions for the purposes of the BRRD may be subject to the exercise of the "bail-in" powers attributed to Resolution Authorities under the BRRD or similar resolution mechanisms provided for in the SRM Regulation. See "*EU Bank Recovery and Resolution Directive*" above.

4.13 Concentration Risk

The Issuer will invest in a Portfolio of Collateral Debt Obligations consisting, of Senior Loans, Senior Secured Bonds, Corporate Rescue 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*".

4.14 Interest Rate Risk

The Class A Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes and Class F Notes, each bear interest at a floating rate based on EURIBOR. It is possible that Collateral Debt Obligations (in particular High Yield Bonds) may bear interest at fixed rates and there is no requirement that the amount or portion of Collateral Debt Obligations securing the Notes must bear interest on a particular basis, save for the Portfolio Profile Test which requires that not more than 5.0 per cent. of the Aggregate Collateral Balance may comprise Unhedged Fixed Rate Collateral Debt Obligations.

In addition, any payments of principal or interest received in respect of Collateral Debt Obligations and not otherwise reinvested during the Reinvestment Period in Substitute Collateral Debt Obligations will generally be invested in Eligible Investments until shortly before the next Payment Date. There is no requirement that such Eligible Investments bear interest on a particular basis, and the interest rates available for such Eligible Investments are inherently uncertain. As a result of these factors, it is expected that there will be a fixed/floating rate mismatch and/or a floating rate basis mismatch between the Notes and the underlying Collateral Debt Obligations and Eligible Investments. Such mismatch may be material and may change from time to time as the composition of the related Collateral Debt Obligations and Eligible Investments change and as the liabilities of the Issuer accrue or are repaid. As a result of such mismatches, changes in the level of EURIBOR could adversely affect the ability to make payments on the Notes.

The calculation of EURIBOR on the Floating Rate Notes is subject to a floor of zero, and holders of such Notes, notwithstanding that the rate of EURIBOR reaches such floor, will remain entitled to receive no less than the Applicable Margin.

In addition, pursuant to the Investment Management Agreement, the Investment Manager, acting on behalf of the Issuer, is authorised to enter into the Interest Rate Hedge Transactions in order to mitigate such interest rate mismatch from time to time, subject to receipt in each case of Rating Agency Confirmation in respect thereof and subject to certain regulatory considerations in relation to swaps, discussed in paragraph 2.9 "*Commodity Pool Regulation*" above. However, the Issuer will depend on each Interest Rate Hedge Counterparty to perform its obligations under any Interest Rate Hedge Transaction to which it is a party and if any Interest Rate Hedge Counterparty defaults or becomes unable to perform due to insolvency or otherwise, the Issuer may not receive payments it would otherwise be entitled to from such Interest Rate Hedge Counterparty to cover its interest rate risk exposure.

In addition, some Collateral Debt Obligations permit the Obligor to re-set the interest period applicable to it 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 and on a quarterly basis at all other times. If a significant number of Collateral Debt Obligations pay semi-annually (or re-set to semi-annual interest payments in circumstances where a Frequency Switch Event has not yet been triggered by such resetting) 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 Investment Manager (on behalf of the Issuer) may elect hold back a portion of the interest received on Collateral Debt Obligations which pay interest less than quarterly in order make quarterly payments of interest on the Notes ("**Interest Smoothing**") (at all times other than following the occurrence of a Frequency Switch Event when interest on the Notes will switch to semi-annual pay). There can be no assurance that Interest Smoothing shall be sufficient to mitigate any timing mismatch. There can be no assurance that the Collateral Debt Obligations and Eligible Investments securing the Notes will in all circumstances generate sufficient Interest Proceeds to make timely payments of interest on the Notes or that any particular levels of return will be generated on the Subordinated Notes.

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

4.15 Non-Euro Obligations and Currency Hedge Transactions

Currency Risk

The Portfolio Profile Tests provide that up to 30.0 per cent. of the Aggregate Collateral Balance may comprise Non-Euro Obligations denominated in certain Qualifying Currencies. The percentage of the Portfolio that is comprised of these types of obligations may increase or decrease over the life of the Notes within the limits set by the Portfolio Profile Tests.

Notwithstanding that Non-Euro Obligations are required to be the subject of Currency Hedge Transactions, fluctuations in the U.S. dollar/Euro, sterling/Euro exchange rates or in the Euro exchange rate for currencies in which reference obligations are denominated may lead to the proceeds of the Portfolio being insufficient to pay all amounts due to the respective Classes of Noteholders. In addition, fluctuations in Euro exchange rates may result in a decrease in value of the Portfolio for the purposes of sale hereof upon enforcement of the security over it. The Investment Manager may also be limited at the time of reinvestment in its choice of Collateral Debt Obligation because of the cost of entry into such Currency Hedge Transaction and due to restrictions in the Investment Management Agreement with respect thereto. There are also currently a number of regulatory initiatives which may make it difficult or impossible for the Issuer to enter into Currency Hedge Transactions or Interest Rate Hedge Transactions. See "*European Market Infrastructure Regulation (EMIR)*", "*CFTC Regulations*" and "*Commodity Pool Regulation*" above.

The Issuer's ongoing payment obligations under such Currency Hedge Transaction (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 foreign exchange hedges and Collateral Debt Obligations. This may cause losses.

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.

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

4.16 Reinvestment Risk/Uninvested Cash Balances

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

During the Reinvestment Period, subject to compliance with certain criteria and limitations described herein, the Investment Manager will have discretion to dispose of certain Collateral Debt Obligations and to reinvest the proceeds thereof in Substitute Collateral Debt Obligations in compliance with the Reinvestment Criteria. In addition, following the expiry of the Reinvestment Period, the Investment Manager may reinvest some types of Principal Proceeds (see "*The Investment Manager May Reinvest After the End of the Reinvestment Period*" above). The yield with respect to such Substitute Collateral Debt Obligations will depend, among other factors, on reinvestment rates available at the time, on the availability of investments which satisfy the Reinvestment Criteria and are acceptable to the Investment Manager, and on market conditions related to high yield securities and bank loans in general. The need to satisfy such Reinvestment Criteria and identify acceptable investments may require the purchase of Collateral Debt Obligations with a lower yield than those replaced, with different characteristics than those replaced (including, but not limited to, coupon, maturity, call features and/or credit quality) or require that such funds be maintained in cash or Eligible Investments pending reinvestment in Substitute Collateral Debt Obligations, which will further reduce the 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 Debt Obligations are sold, prepaid, or mature, yields on Collateral Debt Obligations that are eligible for purchase will be at the same levels as those replaced and there can be no assurance that the characteristics of any Substitute Collateral Debt Obligations purchased will be the same as those replaced and there can be no assurance as to the timing of the purchase of any Substitute Collateral Debt Obligations.

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

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

4.17 Ratings on Collateral Debt Obligations

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

In addition to the rating assigned to the Rated Notes by the Rating Agencies, the Issuer will be utilising ratings assigned by rating agencies to Obligors of individual Collateral Debt Obligations.

There can be no assurance that Rating Agencies will continue to assign such ratings utilising the same methods and standards utilised today despite the fact that such Collateral Debt Obligation might still be performing fully to the specifications set forth in its underlying instrument. Any change in such methods and standards could result in a significant rise in the number of CCC Obligations and Caa Obligations in the Portfolio, which could cause the Issuer to fail to satisfy (i) the Par Value Tests on subsequent Determination Dates, which failure could lead to the early amortisation of some or all of one or more Classes of the Notes or restrict the Issuer (or the Investment Manager on its behalf from reinvesting in substitute Collateral Debt Obligations (see Condition 7(c) (*Mandatory Redemption upon Breach of Coverage Tests*)) or (ii) the Reinvestment Overcollateralisation Test, which failure could cause a reduction in the amounts available for distribution to the Subordinated Noteholders.

4.18 Insolvency Considerations relating to Collateral Debt Obligations

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

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

4.19 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 Investment Manager does not intend to advise the Issuer with respect to any, conduct that would form the basis for a successful cause of action based upon lender liability.

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

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

4.20 Loan Repricing

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

4.21 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 Debt Obligations either will not be reduced by any withholding tax (other than U.S. withholding tax imposed on commitment fees, amendment fees, waiver fees, consent fees, letter of credit fees, extension fees, or other similar fees) imposed by any jurisdiction or, if and to the extent that any such withholding tax does apply, either (i) such withholding tax can, upon the completion of the relevant procedural formalities, be sheltered by application being made under a double tax treaty or otherwise or (ii) 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 or regulation or interpretation thereof, the payments on the Collateral Debt Obligations might not in the future become subject to withholding tax or increased withholding rates in respect of which the relevant Obligor will not be obliged to gross up to the Issuer. In such circumstances, the Issuer may, where relevant, be able, but will not be obliged, to take advantage of (a) a double taxation treaty between The Netherlands and the jurisdiction from which the relevant payment is made, (b) the current applicable law in the jurisdiction of the borrower or (c) the fact that the Issuer has taken a Participation in such Collateral Debt Obligations from a Selling Institution which is able to pay interest payable under such Participation gross if paid in the ordinary course of its business. In the event that the Issuer receives any interest payments on any Collateral Debt Obligation net of any applicable withholding tax, the Coverage Tests and Collateral Quality Tests will be determined by reference to such net receipts. Such tax would also reduce the amounts available to make payments on the Notes. There can be no assurance that remaining payments on the Collateral Debt Obligations would be sufficient to make timely payments of interest and principal on the Notes of each Class and the other amounts payable in respect of the Notes on the Maturity Date. If the payments in respect of Collateral Debt 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/Retention Holder*).

4.22 UK Taxation of the Issuer

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

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

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

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

Even if the Issuer is regarded as carrying on a trade in the UK through the agency of the Investment Manager for the purposes of UK taxation, it will not be subject to UK corporation tax if the exemption in Article 5(6) of the UK-Netherlands tax treaty applies. This exemption will apply if the Investment Manager is regarded as an independent agent acting in the ordinary course of its business for the purpose of the UK-Netherlands tax treaty. It should be noted that the specific domestic UK tax exemption (the "**Investment Manager Exemption**") for profits generated in the UK by an investment manager on behalf of its non-resident clients (section 1146 of the Corporation Tax Act 2010) may not be available in the context of this transaction if the Investment Manager (or certain connected entities) has a beneficial entitlement to more than 20 per cent. of the Issuer's chargeable profit arising from the transactions carried out through the Investment Manager. 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-Netherlands tax treaty, as referred to above, applies.

Should the Investment Manager be assessed to UK tax on behalf of the Issuer, it may be entitled to an indemnity from the Issuer. Any payment to be made by the Issuer under this indemnity will be paid as Administrative Expenses of the Issuer. Administrative Expenses are payable by the Issuer on any Payment Date under the Priorities of Payments. 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 Investment Manager as its UK representative. Should the Issuer be assessed on this basis, the Issuer will be liable to pay UK tax on its UK taxable profit attributable to its UK activities in accordance with the Priority of Payments. 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 Priorities of Payment.

4.23 Investment Manager

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

In addition, the Investment Management Agreement places significant restrictions on the Investment Manager's ability to buy and sell Collateral Debt Obligations, and the Investment Manager is required to comply with the restrictions contained in the Investment Management Agreement. Accordingly, during certain periods or in certain specified circumstances, the Investment Manager may be unable to buy or sell Collateral Debt 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 Investment Management Agreement.

The Issuer is a newly formed entity and has no operating history or performance record of its own, other than entry into the Warehouse Arrangements. The actual performance of the Issuer will depend on numerous factors which are difficult to predict and may be beyond the control of the Investment 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 Investment 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 Investment Manager, Cairn Capital Limited ("**Cairn**

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

The Issuer will be highly dependent on the financial and managerial experience of certain individuals associated with the Investment Manager in analysing, selecting and managing the Collateral Debt Obligations. There can be no assurance that such key personnel currently associated with the Investment Manager or any of its Affiliates will remain in such position throughout the life of the transaction. The loss of one or more of such individuals could have a material adverse effect on the performance of the Issuer.

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

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

The Investment 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 Investment Manager may have implemented various measures to manage risks relating to these types of events, the failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the Investment 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 Investment Manager to perform its duties under the Transaction Documents.

4.24 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 Investment Manager or the Issuer and no authority to advise the Investment Manager or the Issuer or to direct their actions, which will be solely the responsibility of the Investment Manager and 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.

4.25 Acquisition and Disposition of Collateral Debt Obligations

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

Under the Investment Management Agreement and as described herein, the Investment Manager may only, on behalf of the Issuer, dispose of a limited percentage of Collateral Debt Obligations in any period of 12 calendar months as well as any Collateral Debt Obligation that meets the definition of a Defaulted Obligation, an Exchanged Security and, subject to the satisfaction of certain conditions, a Credit Impaired Obligation or Credit

Improved Obligation. Notwithstanding such restrictions and subject to the satisfaction of the conditions set forth in the Investment Management Agreement, sales and purchases by the Investment Manager of Collateral Debt Obligations could result in losses by the Issuer, which will be borne in the first instance by the holders of the Subordinated Notes and then by holders of the Rated Notes, beginning with the most junior Class.

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

4.26 Valuation Information; Limited Information

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

5. CERTAIN CONFLICTS OF INTEREST

The Initial Purchaser and its Affiliates, the Investment Manager and its Affiliates and Cairn Capital 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.

Investment Manager

Various potential and actual conflicts of interest may arise from the overall investment and other activities of the Investment Manager, any Affiliate of the Investment Manager, Cairn Capital, any Affiliate of Cairn Capital, and any director, officer, agent or employee of such entities or any fund, entity or account for which the Investment Manager, Cairn Capital or any of their respective Affiliates acts as an investment or collateral manager or exercises discretionary voting authority on behalf of such fund, entity or account in respect of the Notes (an "**Investment Manager Related Person**") investing for their own accounts or for the accounts of others and from the Investment Manager participating in the structuring of the transaction.

The Investment Manager or an Investment Manager Related Person may invest in securities or obligations that would be appropriate as Collateral Debt Obligations and may be buyers or sellers of credit protection that reference Collateral Debt Obligations owned by the Issuer to the extent permitted in accordance with the Retention Requirements. The Investment Manager, Cairn Capital or any of their respective Affiliates also currently serve as and expect to serve as investment manager or investment advisor for, act as a general partner to, or invest in or are 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 Investment Manager, Cairn Capital or any of their respective Affiliates may recommend activities that would compete with or otherwise adversely affect the Issuer. In the course of managing the Collateral Debt Obligations held by the Issuer, the Investment Manager may consider its relationships with other clients (including companies whose securities are pledged to secure the Notes) and its Affiliates and Cairn Capital and any Affiliates of Cairn Capital. The Investment Manager may decline to make a particular investment for the Issuer in view of such relationships. The Investment Manager, Cairn Capital or any of their respective Affiliates may make investment decisions for its clients and Affiliates that may be different from those made by the Investment Manager on behalf of the Issuer, even where the investment objectives are the same or similar to those of the Issuer. The Investment Manager, Cairn Capital or any of their respective Affiliates 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 Investment Manager, Cairn Capital or any of their respective Affiliates serves as investment adviser or investment manager, or for themselves. Likewise, the Investment Manager may on behalf of the Issuer make an investment in an issuer or obligor in which another account, client, the Investment Manager or Investment Manager Related Person is already invested or has co-invested. The Investment Manager or an Investment Manager Related Person may purchase Notes, creating potential conflicts of interest between the Investment Manager and/or its Affiliates that holds Notes, on the one hand, and other investors in Notes, on the other hand. The Investment Manager may, in its discretion, give priority over

the Issuer in the allocation of investment opportunities to certain accounts or clients designated by the Investment Manager in its discretion and to other accounts or clients of the Investment Manager or its Affiliates to the extent obligated or permitted by the application of regulatory requirements, internal policies and client guidelines and/or principles of fiduciary duty. The Investment Manager, Cairn Capital or any of their respective Affiliates have no obligation to obtain for the Issuer any particular investment opportunity, and the Investment Manager may be precluded from offering to the Issuer particular securities in certain situations including, without limitation, where the Investment Manager, Cairn Capital or any of their respective Affiliates may have a prior contractual commitment with other accounts or clients or as to which the Investment Manager, Cairn Capital or any of their respective Affiliates possesses material, non public information, or may be limited in its ability to affect 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 Investment Manager. There is also a possibility that the Issuer will invest in opportunities declined by the Investment Manager, Cairn Capital or any of their respective Affiliates for the accounts of others or for their own accounts. In making investments on behalf of the Issuer, the Investment Manager in its discretion may, but is not required to, aggregate orders for the Issuer with orders for such other accounts or clients that the Investment Manager or any of its Affiliates or Cairn Capital or any of its Affiliates manage or advise now or in the future, notwithstanding that depending upon market conditions, aggregated orders can result in a higher or lower average price.

No provision in the Investment Management Agreement prevents the Investment Manager, Cairn Capital or any of their respective Affiliates from rendering services of any kind to any person or entity, including the issuer of any obligation included in the Collateral Debt Obligations and their respective Affiliates, the Trustee, the holders of the Notes and the Hedge Counterparties. Without limiting the generality of the foregoing, the Investment Manager, its Affiliates and the directors, officers, employees and agents of the Investment Manager, Cairn Capital or any of their respective Affiliates 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 Debt Obligations; (b) receive and retain fees for services rendered to the issuer of any obligation included in the Collateral Debt Obligations or any Affiliate thereof; (c) be retained to provide services unrelated to the Investment Management 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 Debt Obligations; (e) sell or terminate any Collateral Debt Obligations or Eligible Investments to, or purchase or enter into any Collateral Debt 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 Debt Obligations which has become or may become a Defaulted Obligation; and (g) serve as members of the board or other management committee of the Investment Manager, Cairn Capital or any of their respective Affiliates. Services of this kind may lead to conflicts of interest with the Investment Manager, and may lead individual officers or employees of the Investment Manager to act in a manner adverse to the Issuer. The Investment Manager, Cairn Capital or any of their respective Affiliates are also entitled to retain fees and commissions in connection with work-out, restructuring, arrangement and underwriting fees.

The Investment Manager, Cairn Capital and its Affiliates or an Investment 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 Investment Manager or an Investment 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 Investment Manager shall act as Retention Holder and shall undertake to hold Subordinated Notes constituting the Retention, and the Investment Manager and/or Investment Manager Related Persons may purchase other Notes on or after the Issue Date. Any Class A Notes, Class B Notes, Class C Notes or Class D Notes held by or on behalf of the Investment Manager or any Investment Manager Related Person shall only be held in the form of IM Removal and Replacement Exchangeable Non-Voting Notes. There is no restriction on the ability of the Investment Manager or an Investment Manager Related Person to acquire additional Subordinated Notes or any Notes of any other Class at any time. It is possible that the Investment Manager or one or more Investment Manager Related Persons may, from time to time, acquire Notes in addition to the Retention held by the Retention Holder. The interests and incentives of the Investment Manager or an Investment 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 or the other Subordinated Noteholders. In addition, if an Investment Manager Related Person owns any Notes, the Investment Manager or an Affiliate of the Investment Manager, to the extent they act as investment adviser of the relevant Investment Manager Related Person, will exercise the rights thereof as holder of such Notes in accordance with any duty of care to such Investment

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 Investment Manager and/or an Investment Manager Related Person and other investors in the Notes. Resulting conflicts of interest could include (a) divergent economic interests between the Investment Manager and/or an Investment Manager Related Person, on the one hand, and other investors in the Notes, on the other hand, and (b) voting of Notes by the Investment Manager and/or Investment 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. See "*The Investment Manager*". In addition, the Investment Manager and any Investment Manager Related Person is not entitled to vote any Notes held by them in relation to an IM Removal Resolution or an IM Replacement Resolution.

Clients of the Investment 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 Investment Manager, Cairn Capital and each of their Affiliates 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 Debt Obligations. As a result, an Investment Manager Related Person may possess information relating to issuers of Collateral Debt Obligations which is not known to the individuals at the Investment Manager responsible for monitoring the Collateral Debt Obligations and performing the other obligations under the Investment Management Agreement. In addition, an Investment Manager Related Person may invest in loans and securities that are senior to, or have interests different from or adverse to, the Collateral Debt Obligations that are purchased to secure the Notes. It is intended that all Collateral Debt Obligations will be purchased and sold by the Issuer on terms prevailing in the market. Neither the Investment Manager nor any of its Affiliates 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 Investment Manager and/or its Affiliates may make an investment on behalf of any account that they manage or advise without offering the investment opportunity to or making any investment on behalf of the Issuer. The Investment Manager and/or its Affiliates 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 Investment Manager and/or its Affiliates manage or advise. Furthermore, Affiliates of the Investment Manager may make an investment on their own behalf without offering the investment opportunity to, or the Investment Manager making any investment on behalf of, the Issuer. Affirmative obligations may exist or may arise in the future, whereby Affiliates of the Investment Manager are obliged to offer certain investments to funds or accounts that such Affiliates manage or advise before or without the Investment Manager offering those investments to the Issuer. The Investment 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 Investment Manager will devote as much time to the Issuer as the Investment Manager deems appropriate to perform its duties in accordance with the Investment Management Agreement, those staff may have conflicts in allocating their time and services among the Issuer and the Investment Manager's other accounts.

The Investment 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 Investment Manager or an Affiliate of the Investment Manager acts as investment manager. The Investment Manager, on behalf of the Issuer, may conduct principal trades with itself and/or Investment Manager Related Persons, subject to applicable law. The Investment Manager may also effect client cross transactions where the Investment Manager causes a transaction to be effected between the Issuer and an Investment Manager Related Person. Client cross transactions enable the Investment 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 Investment Management Agreement. Accordingly, subject as provided above, the Investment Manager may enter into agency cross transactions where any Investment Manager Related Person acts as broker for the Issuer and for the other party to the transaction, in which case any such Investment Manager Related Person may receive and retain commissions from, and have a potentially conflicting division of loyalties and responsibilities regarding, both parties to the transaction.

In addition, the Investment Manager and/or any Investment Manager Related Person may own equity or other securities of Obligors of Collateral Debt Obligations and may have provided investment advice, investment management and other services to issuers of Collateral Debt Obligations. From time to time, the Investment Manager may, on behalf of the Issuer, purchase or sell Collateral Debt Obligations through the Initial Purchaser or its Affiliates. The Issuer may invest in the securities of companies Affiliated with the Investment Manager or an Investment Manager Related Person or companies in which the Investment Manager or an Investment 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 Investment Manager or an Investment Manager Related Person's own investments in such companies. It is possible that one or more Investment Manager Related Person may also act as counterparty with respect to one or more Participations.

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

In certain circumstances, the Investment 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 Investment Manager or its Affiliates.

On or about the Issue Date, the Investment Manager and Cairn Capital may be paid a fee for certain services in connection with the placement of the Notes. The Investment Manager is entitled to the Senior Investment Management Fee, the Subordinated Investment Management Fee and in certain circumstances, the Incentive Investment Management Fee, subject to the Priorities of Payments as described herein and the availability of funds therefor. The payment of the Incentive Investment Management Fee is dependent to some degree on the yield earned on the Collateral Debt Obligations. The fee structure could create an incentive for the Investment Manager to manage the Issuer's Investments in a manner as to seek to maximise the yield on the Collateral Debt Obligations relative to investments of higher creditworthiness. Managing the portfolio with the objective of increasing yield, even though the Investment Manager is constrained by investment restrictions described in "*The Portfolio*", could result in an increase in defaults or volatility and could contribute to a decline in the aggregate market value of the Collateral Debt Obligations.

The Investment Manager may, in its sole discretion, agree with one or more Noteholders to rebate a portion of its Investment Management Fees and, if such agreement is made, the Investment Manager will not be obliged to enter into similar agreements with or to notify other Noteholders. Such rebates may affect the incentives of the Investment Manager in managing the Collateral Debt Obligations and may also affect the actions of the relevant Noteholders in taking any actions it may be permitted to take in respect of the Notes, including votes concerning amendments.

Rating Agencies

Fitch 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 (the "**Barclays Parties**") will play various roles in relation to the placing, offering, including acting as the structurer of the transaction and in other roles described below.

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

The Initial Purchaser will purchase the Notes from the Issuer on the Issue Date and resell them in individually negotiated transactions at varying prices, which may result in a higher or 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 Barclays 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 Barclays Parties are part of a global banking, investment banking and securities and investment management firm that provides a wide range of financial services to a substantial and diversified client base that includes corporations, financial institutions, governments and high-net-worth individuals. As such, they actively make markets in and trade financial instruments for their own account and for the accounts of customers in the ordinary course of their business. The financial services that the Barclays Parties may provide also include financing and, as such, the Barclays Parties may have or may in future provide financing to the Investment Manager and/or any of their Affiliates. The Barclays Parties may have positions in and will likely have placed or underwritten certain of the Collateral Debt Obligations (or other obligations of the obligors of Collateral Debt Obligations) when they were originally issued and may have provided or may be providing investment banking services and other services to obligors of certain Collateral Debt Obligations. In addition, the Barclays Parties and their clients may invest in debt obligations and securities that are senior to, or have interests different from or adverse to, Collateral Debt Obligations. Each of the Barclays Parties will act in its own commercial interest in its various capacities without regard to whether its interests conflict with those of the holders of the Notes or any other party. Moreover, the Issuer may invest in loans of obligors affiliated with the Barclays Parties or in which one or more Barclays Parties hold an equity or participation interest. The purchase, holding or sale of such Collateral Debt Obligations by the Issuer may increase the profitability of the Barclays Party's own investments in such obligors.

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

6. INVESTMENT COMPANY ACT

The Issuer has not registered with the United States Securities and Exchange Commission (the "**SEC**") as an investment company pursuant to the Investment Company Act, in reliance on an exemption under Section 3(c)(7) of the Investment Company Act for 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.

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

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 (1) is a U.S. Person and (2) is not a QIB/QP (any such person, a "**Non-Permitted Holder**"), the Issuer shall, promptly after discovery that such person is a Non-Permitted Holder by the Issuer, send notice to such Non-Permitted Holder demanding that such Non-Permitted Holder transfer its interest outside the United States to a non-U.S. Person or to a person that is not a Non-Permitted Holder within 30 days of the date of such notice. If such Non-Permitted Holder fails to effect the transfer required within such 30 day period, (a) upon direction from the Issuer or the Investment Manager on its behalf, a Transfer Agent, on behalf of and at the expense of the Issuer, shall cause such beneficial interest to be transferred in a commercially reasonable sale to a person or entity that certifies to such Transfer Agent and the Issuer, in connection with such transfer, that such person or entity either is not a U.S. Person or is a QIB/QP and (b) pending such transfer, no further payments will be made in respect of such beneficial interest.

TERMS AND CONDITIONS OF THE NOTES

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

The issue of €212,000,000 Class A Senior Secured Floating Rate Notes due 2029 (the "**Class A Notes**"), €42,100,000 Class B Senior Secured Floating Rate Notes due 2029 (the "**Class B Notes**"), €19,600,000 Class C Senior Secured Deferrable Floating Rate Notes due 2029 (the "**Class C Notes**"), €17,150,000 Class D Senior Secured Deferrable Floating Rate Notes due 2029 (the "**Class D Notes**"), €24,000,000 Class E Senior Secured Deferrable Floating Rate Notes due 2029 (the "**Class E Notes**"), €8,700,000 Class F Senior Secured Deferrable Floating Rate Notes due 2029 (the "**Class F Notes**" and, together with the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes, the "**Rated Notes**"), €17,650,000 Class M-1 Notes due 2029 (the "**Class M-1 Notes**") and €20,800,000 Class M-2 Notes due 2029 (the "**Class M-2 Notes**") (the Class M-1 Notes and the Class M-2 Notes, together, the "**Subordinated Notes**" and the Rated Notes and the Subordinated Notes, together, the "**Notes**") of Cairn CLO VI B.V. (the "**Issuer**") was authorised by resolution of the board of Managing Directors of the Issuer dated on or about 15 July 2016. The Notes are constituted by a trust deed (together with any other security document entered into from time to time in respect of the Notes, the "**Trust Deed**") dated on or about 21 July 2016 between (amongst others) the Issuer and U.S. Bank Trustees Limited, in its capacity as trustee (the "**Trustee**", which expression shall include all persons for the time being the trustee or trustees under the Trust Deed) for the Noteholders.

These terms and conditions of the Notes (the "**Conditions of the Notes**" or the "**Conditions**") include summaries of, and are subject to, the detailed provisions of the Trust Deed (which includes the forms of the certificates representing the Notes). The following agreements have been entered into in relation to the Notes: (a) an agency agreement dated on or about 21 July 2016 (the "**Agency Agreement**") between, amongst others, the Issuer, U.S. Bank, National Association, as registrar (the "**Registrar**", which term shall include any successor or substitute registrar appointed pursuant to the terms of the Agency Agreement) and U.S. Bank, National Association as transfer agent (the "**Transfer Agent**" which term shall include any successor or substitute transfer agent, and together with the Registrar, the "**Transfer Agents**", each a "**Transfer Agent**"), Elavon Financial Services DAC, acting through its UK branch, as principal paying agent, account bank, calculation agent and custodian (respectively, "**Principal Paying Agent**", "**Account Bank**", "**Calculation Agent**" and "**Custodian**" which terms shall include any successor or substitute principal paying agent, account bank, calculation agent or custodian, respectively, appointed pursuant to the terms of the Agency Agreement) and the Trustee; (b) an investment management agreement dated on or about 21 July 2016 (the "**Investment Management Agreement**") between Cairn Loan Investments LLP, as investment manager in respect of the Portfolio (the "**Investment Manager**", which term shall include any successor investment manager appointed pursuant to the terms of the Investment Management Agreement), the Issuer, Elavon Financial Services DAC as collateral administrator and information agent (the "**Collateral Administrator**" and "**Information Agent**") which term shall include any successor collateral administrator and information agent appointed pursuant to the terms of the Investment Management Agreement), the Custodian and the Trustee; and (c) a management agreement between the Issuer and the Managing Directors entered into on or about the Issue Date (the "**Issuer Management Agreement**"). Copies of the Trust Deed, the Agency Agreement, the Investment Management Agreement and the Issuer Management Agreement are available for inspection during usual business hours at the principal office of the Issuer (presently at Cairn CLO VI B.V., Herikerbergweg 238, 1101 CM, Amsterdam, The Netherlands) and at the specified offices of the Transfer Agents for the time being. The holders of each Class of Notes are entitled to the benefit of, are bound by and are deemed to have notice of all the provisions of the Trust Deed, and are deemed to have notice of all the provisions of each other Transaction Document.

1. Definitions

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

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

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

"**Adjusted Collateral Principal Amount**" means, as of any date of determination, an amount equal to:

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

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

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

(d) in relation to a Deferring Security or a Defaulted Obligation, the lesser of: (i) its Fitch Collateral Value; and (ii) its Moody's Collateral Value, provided that, in the case of any 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, the amount to be determined under this paragraph (d) shall be zero; *plus*

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

(f) the Excess CCC/Caa Adjustment Amount;

provided further,

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

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

"**Adjusted Class M-1 Proportion**" means:

(a) for the purposes of determining the proportion of Subordinated Noteholders present at a meeting of Subordinated Noteholders for quorum purposes, the product of:

(i) the Class M-1 Allocation Proportion; and

(ii) the Principal Amount Outstanding of the Class M-1 Notes which are represented at the relevant meeting of Subordinated Noteholders; *divided by* the aggregate Principal Amount Outstanding of Class M-1 Notes;

(b) for the purposes of determining the proportion of Subordinated Noteholders voting in favour of a Resolution at a meeting of Subordinated Noteholders to determine whether a voting threshold has been met, the product of:

(i) the Class M-1 Allocation Proportion; and

(ii) the Principal Amount Outstanding of the Class M-1 Notes which are held or represented by any person or persons who vote in favour of such Resolution; *divided by* the aggregate

Principal Amount Outstanding of Class M-1 Notes which are held or represented by any person or persons at such meeting and are voted; and

(c) for the purposes of determining the proportion of Subordinated Noteholders voting in favour of a Resolution of Subordinated Noteholders for the purposes of a Written Resolution to determine whether a voting threshold has been met, the product of:

(i) the Class M-1 Allocation Proportion; and

(ii) the Principal Amount Outstanding of the Class M-1 Notes held or represented by any person or persons who are entitled to vote in respect of such Resolution and which are voted in favour thereof; *divided by* the aggregate Principal Amount Outstanding of Class M-1 Notes held or represented by any person or persons who are entitled to vote in respect of such Resolution.

"**Adjusted Class M-2 Proportion**" means:

(a) for the purposes of determining the proportion of Subordinated Noteholders present at a meeting of Subordinated Noteholders for quorum purposes, the product of:

(i) the Class M-2 Allocation Proportion; and

(ii) the Principal Amount Outstanding of the Class M-2 Notes which are represented at the relevant meeting of Subordinated Noteholders; *divided by* the aggregate Principal Amount Outstanding of Class M-2 Notes;

(b) for the purposes of determining the proportion of Subordinated Noteholders voting in favour of a Resolution at a meeting of Subordinated Noteholders to determine whether a voting threshold has been met, the product of:

(i) the Class M-2 Allocation Proportion; and

(ii) the Principal Amount Outstanding of the Class M-2 Notes which are held or represented by any person or persons who vote in favour of such Resolution; *divided by* the aggregate Principal Amount Outstanding of Class M-2 Notes which are held or represented by any person or persons at such meeting and are voted; and

(c) for the purposes of determining the proportion of Subordinated Noteholders voting in favour of a Resolution of Subordinated Noteholders for the purposes of a Written Resolution to determine whether a voting threshold has been met, the product of:

(i) the Class M-2 Allocation Proportion; and

(ii) the Principal Amount Outstanding of the Class M-2 Notes held or represented by any person or persons who are entitled to vote in respect of such Resolution and which are voted in favour thereof; *divided by* the aggregate Principal Amount Outstanding of Class M-2 Notes held or represented by any person or persons who are entitled to vote in respect of such Resolution.

"**Administrative Expenses**" means amounts due and payable by the Issuer in the following order of priority (in each case, except as expressly provided otherwise, together with any VAT thereon (and to the extent such amounts relate to costs and expenses, such VAT to be limited to irrecoverable VAT), whether payable to the relevant tax authority or to the relevant party):

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

(b) on a *pro rata* and *pari passu* basis, to each Reporting Delegate pursuant to any Reporting Delegation Agreement;

(c) 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 Debt Obligations, for fees and expenses (including surveillance fees) in connection with any such rating or confidential credit estimate including, in each case, the ongoing monitoring thereof and any other amounts due and payable to any Rating Agency under the terms of the Issuer's engagement with such Rating Agency;

(ii) to the independent certified public accountants, auditors, agents and counsel of the Issuer, (other than amounts payable to the Agents pursuant to paragraph (a) above and to the Managing Directors in respect of payments under paragraph (a) above);

(iii) to the Investment Manager pursuant to the Investment Management Agreement (including indemnities provided for therein), but excluding any Investment Management Fees or any VAT payable thereon and excluding any amount in respect of Investment Manager Advance;

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

(v) on a *pro rata* basis to any other Person in respect of any other fees or expenses contemplated in the Conditions of the Notes and in the Transaction Documents or any other documents delivered pursuant to or in connection with the issue and sale of the Notes which are not provided for elsewhere in this definition or in the Priorities of Payments, including, without limitation, an amount up to €10,000 per annum in respect of fees and expenses incurred by the Issuer (in its sole and absolute discretion) in assisting in the preparation, provision or validation of data for purposes of Noteholder tax jurisdictions;

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

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

(viii) on a *pro rata* basis to any Selling Institution pursuant to any Participation Agreement after the date of entry into any Participation (excluding, for avoidance of doubt, any payments on account of any Unfunded Amounts);

(ix) to any person in connection with satisfying the requirements of Rule 17g-5 of the Exchange Act; and

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

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

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

(i) on a *pro rata* basis to any other Person (including the Investment Manager) in connection with satisfying the requirements of Rule 17g-5, EMIR, CRA3, AIFMD, the STS Regulation or the Dodd-Frank Act;

(ii) on a *pro rata* basis to any Person (including the Investment Manager) in connection with satisfying the Retention Requirements or requirements of Solvency II, including any costs or fees related to additional due diligence or reporting requirements;

(iii) costs of complying with FATCA and/or the CRS; and

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

(e) any Refinancing Costs;

(f) except to the extent already provided for above, on a *pro rata* basis payment of any indemnities payable to any Person as contemplated in these Conditions or the Transaction Documents; and

(g) on a pro rata basis to the payment of all other costs, expenses and fees reasonably incurred by the Issuer (to the extent not already covered in paragraphs (a) to (f) above),

provided that:

(x) the Investment Manager may direct the payment of any Rating Agency fees set out in (c)(i) above other than in the order required by paragraph (c) above if the Investment Manager, Trustee or Issuer has been advised by a Rating Agency that non-payment of its fees will immediately result in the withdrawal of any ratings on any Class of Rated Notes so long as no such payments are made in priority to any payments due and payable under paragraphs (a) and (b) above; and

(y) the Investment Manager may, in its reasonable judgement, determine that a payment other than in the order required by paragraphs (c) to (f) above is required to ensure the delivery of certain accounting services and reports so long as no such payments are made in priority to any payments due and payable under paragraphs (a) and (b) above.

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

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

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

  (i) of such Person;

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

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

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

"**Agent**" means each of the Registrar, the Principal Paying Agent, the Transfer Agent, the Calculation Agent, the Account Bank, the Collateral Administrator, the Information Agent, 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 Investment Management Agreement and "**Agents**" shall be construed accordingly.

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

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

  (i) the Portfolio Profile Tests, the Principal Balance of each Defaulted Obligation shall be multiplied by its Market Value, unless otherwise expressly provided in the Transaction Documents; and

  (ii) the Collateral Quality Tests, the Principal Balance of each Defaulted Obligation shall be excluded, unless otherwise expressly provided in the Transaction Documents;

(b) the Balances standing to the credit of the Principal Account and the Unused Proceeds Account (to the extent such amounts represent Principal Proceeds) and any Eligible Investments which represent Principal Proceeds (excluding, for the avoidance of doubt, any interest accrued on Eligible Investments) *provided that* for the purposes of determining the Balances therein, Principal Proceeds to be used to purchase Collateral Debt Obligations in respect of which the Issuer has entered into a binding commitment to purchase the relevant Collateral Debt Obligations but such purchase(s) have not yet settled shall be excluded from the Balances in the calculation of the Aggregate Collateral

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

(c) solely for the purposes of calculating the Aggregate Collateral Balance for the purposes of determining compliance with the Retention Requirements, including whether a Retention Deficiency has occurred, the Principal Balance of any Exchanged Security or any other obligation which does not constitute a Collateral Debt Obligation shall be:

(i) in the case of a debt obligation or security, the principal amount outstanding of such obligation; and

(ii) in the case of any equity security, the nominal value thereof in the reasonable determination of the Investment Manager having regard to the Retention Requirements.

(d) For the avoidance of doubt, for the purposes of calculating the Aggregate Collateral Balance for the purposes of determining compliance with the Retention Requirements or in determining whether a Retention Deficiency has occurred, the Principal Balance of any Collateral Debt Obligation shall be its Principal Balance (where applicable, converted into Euro at the Currency Hedge Transaction Exchange Rate or the applicable Spot Rate) without any adjustments for purchase price or the application of haircuts or other adjustments.

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

"**AIFMD**" means the Directive 2011/61/EU on Alternative Investment Fund Managers (as amended from time to time and as implemented by Member States of the European Union) together with any implementing or delegated regulations, 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 18 December 2012 supplementing the AIFMD.

"**Allocation Proportions**" means each of the Class M-1 Allocation Proportion and the Class M-2 Allocation Proportion.

"**Applicable Exchange Rate**" means, in relation to any Currency Hedge Transaction, the Currency Hedge Transaction Exchange Rate, and in any other case, the Spot Rate.

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

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

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

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

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

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

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

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

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

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

provided that (i) to the extent that the Hedging Condition has been satisfied and a Currency Hedge Agreement is in place, amounts standing to the credit of the Currency Account shall be converted into Euro at the Applicable Exchange Rate, (ii) to the extent that no Currency Hedge Agreement is in place, any balance which is denominated in a currency other than Euro shall be converted into Euro at the Applicable Exchange Rate and (iii) in the event that a default as to payment of principal and/or interest has occurred and is continuing (disregarding any grace periods provided for pursuant to the terms thereof) in respect of any Eligible Investment or any material obligation of the obligor thereunder which is senior or equal in right of payment to such Eligible Investment, such Eligible Investment shall have a value equal to the lesser of its Fitch Collateral Value and its Moody's Collateral Value (determined as if such Eligible Investment were a Collateral Debt Obligation).

"**Benefit Plan Investor**" means:

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

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

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

"**Bivariate Risk Table**" means the table set forth in the Investment Management Agreement.

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

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

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

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

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

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

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

(b) the excess of the Principal Balance of all Caa Obligations over an amount equal to 7.5 per cent. of the Aggregate Collateral Balance (for which purposes, the Principal Balance of each Defaulted Obligation shall be its Market Value) as of the current Measurement 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 principal balance of such Collateral Debt Obligations as of such Determination Date) shall be deemed to constitute the CCC/Caa Excess.

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

"**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;

(g) the Class M-1 Notes; and

(h) the Class M-2 Notes,

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

(a) the Class A IM Removal and Replacement Voting Notes, the Class A IM Removal and Replacement Exchangeable Non-Voting Notes and the Class A IM Removal and Replacement Non-Voting Notes are in the same Class, (b) the Class B IM Removal and Replacement Voting Notes, the Class B IM Removal and Replacement Exchangeable Non-Voting Notes and the Class B IM Removal and Replacement Non-Voting Notes are in the same Class, (c) the Class C IM Removal and Replacement Voting Notes, the Class C IM Removal and Replacement Exchangeable Non-Voting Notes and the Class C IM Removal and Replacement Non-Voting Notes are in the same Class, and (d) the Class D IM Removal and Replacement Voting Notes, the Class D IM Removal and Replacement Exchangeable Non-Voting Notes and the Class D IM Removal and Replacement Non-Voting Notes are in the same Class, they shall not be treated as a single Class in respect of any vote or determination of quorum under the Trust Deed or these Conditions in connection with any IM Removal Resolution or IM Replacement Resolution, as further described in these Conditions, the Trust Deed and the Investment Management Agreement; and

(b) the Class M-1 Notes and the Class M-2 Notes shall be treated as a single Class for the purposes of any consent, direction, objection, approval, vote or determination of quorum under the Trust Deed and the Conditions, except as expressly provided in the Trust Deed or herein, with each holder of Class M-1 Notes and Class M-2 Notes voting based on the aggregate Principal Amount Outstanding of Subordinated Notes held by such holder.

"**Class A IM Removal and Replacement Exchangeable Non-Voting Notes**" means the Class A Notes in the form of IM Removal and Replacement Exchangeable Non-Voting Notes.

"**Class A IM Removal and Replacement Non-Voting Notes**" means the Class A Notes in the form of IM Removal and Replacement Non-Voting Notes.

"**Class A IM Removal and Replacement Voting Notes**" means the Class A Notes in the form of IM Removal and Replacement Voting Notes.

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

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

"**Class A/B Interest Coverage Ratio**" means, as of any Measurement Date occurring on and after the Determination Date immediately preceding the second Payment Date, the ratio (expressed as a percentage)

obtained by dividing the Interest Coverage Amount by the sum of the scheduled interest payments due on the Class A Notes and the Class B Notes on the next following Payment Date. For the purposes of calculating the Class A/B Interest Coverage Ratio, the expected interest income on Collateral Debt Obligations, Eligible Investments and the Accounts (to the extent applicable) and the expected interest payable on the Class A Notes and the Class B Notes will be calculated using the then current interest rates applicable thereto as at the relevant Measurement Date.

"**Class A/B Interest Coverage Test**" means the test which will apply as of any Measurement Date occurring on and after the Determination Date immediately preceding the second Payment Date and which will be satisfied on such Measurement Date if the Class A/B Interest Coverage Ratio is at least equal to 120.0 per cent.

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

"**Class A/B Par Value Test**" means the test which will apply as of any Measurement Date on and after the Effective Date and which will be satisfied on such Measurement Date if the Class A/B Par Value Ratio is at least equal to 127.74 per cent.

"**Class B IM Removal and Replacement Exchangeable Non-Voting Notes**" means the Class B Notes in the form of IM Removal and Replacement Exchangeable Non-Voting Notes.

"**Class B IM Removal and Replacement Non-Voting Notes**" means the Class B Notes in the form of IM Removal and Replacement Non-Voting Notes.

"**Class B IM Removal and Replacement Voting Notes**" means the Class B Notes in the form of IM Removal and Replacement Voting Notes.

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

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

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

"**Class C Interest Coverage Test**" means the test which will apply as of any Measurement Date occurring on and after the Determination Date immediately preceding the second Payment Date and which will be satisfied on such Measurement Date if the Class C Interest Coverage Ratio is at least equal to 110.0 per cent.

"**Class C IM Removal and Replacement Exchangeable Non-Voting Notes**" means the Class C Notes in the form of IM Removal and Replacement Exchangeable Non-Voting Notes.

"**Class C IM Removal and Replacement Non-Voting Notes**" means the Class C Notes in the form of IM Removal and Replacement Non-Voting Notes.

"**Class C IM Removal and Replacement Voting Notes**" means the Class C Notes in the form of IM Removal and Replacement Voting Notes.

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

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

"**Class C Par Value Test**" means the test which will apply as of any Measurement Date on and after the Effective Date and which will be satisfied on such Measurement Date if the Class C Par Value Ratio is at least equal to 119.38 per cent.

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

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

"**Class D Interest Coverage Test**" means the test which will apply as of any Measurement Date occurring on and after the Determination Date immediately preceding the second Payment Date and which will be satisfied on such Measurement Date if the Class D Interest Coverage Ratio is at least equal to 105.0 per cent.

"**Class D IM Removal and Replacement Exchangeable Non-Voting Notes**" means the Class D Notes in the form of IM Removal and Replacement Exchangeable Non-Voting Notes.

"**Class D IM Removal and Replacement Non-Voting Notes**" means the Class D Notes in the form of IM Removal and Replacement Non-Voting Notes.

"**Class D IM Removal and Replacement Voting Notes**" means the Class D Notes in the form of IM Removal and Replacement Voting Notes.

"**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 113.34 per cent.

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

"**Class E Par Value Ratio**" means, as of any Measurement Date on and after the Effective Date, the ratio (expressed as a percentage) obtained by dividing (a) the amount equal to the Adjusted Collateral Principal Amount by (b) the sum of the Principal Amount Outstanding of each of the Class A Notes, the Class B Notes, the Class C Notes, 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 105.66 per cent.

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

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

"**Class F Par Value Test**" means the test which will apply as of any Measurement Date on 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 103.67 per cent.

"**Class M-1 Allocation Proportion**" means, at any time:

(a) the aggregate, for all Class M-1 Notes then Outstanding, of the product, for each such Class M-1 Note, of (i) its initial Principal Amount Outstanding; and (ii) its issue price; *divided by*

(b) the aggregate, for all Subordinated Notes then Outstanding, of the product, for each such Subordinated Note, of (i) its initial Principal Amount Outstanding; and (ii) its issue price.

"**Class M-2 Allocation Proportion**" means, at any time:

(a) the aggregate, for all Class M-2 Notes then Outstanding, of the product, for each such Class M-2 Note, of (i) its initial Principal Amount Outstanding; and (ii) its issue price; *divided by*

(b) the aggregate, for all Subordinated Notes then Outstanding, of the product, for each such Subordinated Note, of (i) its initial Principal Amount Outstanding; and (ii) its issue price.

"**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.

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

"**Collateral Debt Obligation**" means any debt obligation or debt security purchased (including by way of a Participation) by or on behalf of the Issuer from time to time (or, if the context so requires, to be purchased by or on behalf of the Issuer) and which the Investment Manager has determined in accordance with the Standard of Care (as defined in the Investment Management Agreement) satisfies the Eligibility Criteria at the time that any commitment to purchase is entered into by or on behalf of the Issuer (or the Participation Agreement is entered into in respect of a Participation). References to Collateral Debt Obligations shall include Non-Euro Obligations but shall not include Collateral Enhancement Obligations, Eligible Investments or Exchanged Securities. Obligations which are to constitute Collateral Debt Obligations in respect of which the Issuer has entered into a binding commitment to purchase but which have not yet settled shall be included as Collateral Debt Obligations in the calculation of the Portfolio Profile Tests, the Collateral Quality Tests, the Coverage Tests and the Reinvestment Overcollateralisation Test at any time as if such purchase had been completed. Each Collateral Debt Obligation in respect of which the Issuer has entered into a binding commitment to sell, but in respect of which such sale has not yet settled, shall be excluded from being Collateral Debt Obligations solely for the purpose of the calculation of the Portfolio Profile Tests, the Collateral Quality Tests, the Coverage Tests and the Reinvestment Overcollateralisation Test at any time as if such sale had been completed. The failure of any obligation to satisfy the Eligibility Criteria, at any time after the Issuer or the Investment Manager on behalf of the Issuer has entered into a binding agreement to purchase it, shall not cause such obligation to cease to constitute a Collateral Debt Obligation unless it is an Issue Date Collateral Debt Obligation which does not satisfy the Eligibility Criteria on the Issue Date. A Collateral Debt Obligation which has been restructured (whether effected by way of an amendment to the terms of such Collateral Debt Obligation (including but not limited to an extension of its maturity) or by way of substitution of new obligations and/or change of Obligor) shall only constitute a Collateral Debt Obligation if it satisfies the Restructured Obligation Criteria on the appropriate Restructuring Date.

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

"**Collateral Enhancement Account**" means an interest bearing account in the name of the Issuer, so entitled and held with the Account Bank.

"**Collateral Enhancement Amount**" means, with respect to any Payment Date during the Reinvestment Period, the amount of Interest Proceeds retained in the Collateral Enhancement Account on the Payment Date in accordance with the Interest Proceeds Priority of Payments, at the sole discretion of the Investment Manager which amounts shall not exceed €1,750,000 in the aggregate for any Payment Date or an aggregate amount for all applicable Payment Dates of €10,500,000.

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

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

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

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

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

(i) the Moody's Minimum Diversity Test;

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

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

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

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

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

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

(i) the Minimum Weighted Average Spread Test;

(ii) the Weighted Average Life Test; and

(iii) the Maximum Obligor Concentration Test,

each as defined in the Investment Management Agreement.

"**Collateral Tax Event**" means at any time, as a result of: (i) FATCA or (ii) the introduction of a new, or any change in, any home jurisdiction or foreign tax statute, treaty, regulation, rule, ruling, practice, procedure or judicial decision or interpretation (whether proposed, temporary or final and including for the avoidance of doubt, related to FTT), interest payments due from the Obligors of any Collateral Debt Obligations (or from Selling Institutions in the case of Participations) in relation to any Due Period becoming properly subject to the imposition of home jurisdiction or foreign withholding tax (other than where such withholding tax is compensated for by a "gross up" provision in the terms of the Collateral Debt Obligation or such requirement to withhold is eliminated pursuant to a double taxation treaty or otherwise so that the Issuer receives the same amount on an after tax basis that it would have received had no withholding tax been imposed) so that the aggregate amount of such withholding tax on all Collateral Debt Obligations in relation to such Due Period is equal to or in excess of 6 per cent. of the aggregate interest payments due (for the avoidance of doubt, excluding any additional interest arising as a result of the operation of any gross up provision) on all Collateral Debt Obligations in relation to such Due Period.

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

"**Commitment Amount**" means, with respect to any Revolving Obligation or Delayed Drawdown Collateral Debt Obligation, the maximum aggregate outstanding principal amount (whether at the time funded or unfunded) of advances or other extensions of credit at any one time outstanding that the Issuer could be required

to make to the Obligor under the Underlying Instruments relating thereto or to a funding bank in connection with any ancillary facilities related thereto.

"**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 an IM Removal Resolution or an IM Replacement Resolution, if 100 per cent. of the Principal Amount Outstanding of the Class A Notes is held in the form of IM Removal and Replacement Non-Voting Notes and/or IM Removal and Replacement Exchangeable 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 an IM Removal Resolution or an IM 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 IM Removal and Replacement Non-Voting Notes and/or IM Removal and Replacement Exchangeable 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 an IM Removal Resolution or an IM 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 IM Removal and Replacement Non-Voting Notes and/or IM Removal and Replacement Exchangeable 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 an IM Removal Resolution or an IM 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 IM Removal and Replacement Non-Voting Notes and/or IM Removal and Replacement Exchangeable Non-Voting Notes,

the Class E Notes; or

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

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

provided that, solely in connection with an IM Removal Resolution or an IM Replacement Resolution, no Notes held in the form of IM Removal and Replacement Non-Voting Notes or IM Removal and Replacement Exchangeable Non-Voting Notes shall (A) constitute or form part of the Controlling Class, (B) be entitled to vote in respect of such IM Removal Resolution or IM Replacement Resolution or (C) be counted for the purposes of determining a quorum or the result of voting in respect of such IM Removal Resolution or IM 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 purposes of this definition means a person controlling, controlled by or under common control with such person, and control means the power to exercise a controlling influence over the management or policies of such person (other than an individual).

"**Corporate Rescue Loan**" means a Collateral Debt Obligation interest in a loan or financing facility that is acquired by way of assignment, novation or Participation which is paying interest on a current basis, has a Moody's Rating determined in accordance with paragraph (a) or (b) of the definition thereof of not less than "Caa3" and either:

(a) is an obligation of a debtor in possession as described in § 1107 of the United States Bankruptcy Code or a trustee (if appointment of such trustee has been ordered pursuant to § 1104 of the United States Bankruptcy Code) (a "**Debtor**") organised under the laws of the United States or any State therein, the terms of which have been approved by an order of the United States Bankruptcy Court, the United States District Court, or any other court of competent jurisdiction, the enforceability of which order is not subject to any pending contested matter or proceeding (as such terms are defined in the Federal Rules of Bankruptcy Procedure) and which order provides that (x) such Corporate Rescue Loan is secured by liens on the Debtor's otherwise unencumbered assets pursuant to § 364(c)(2) of the United States Bankruptcy Code; or (y) such Corporate Rescue Loan is secured by liens of equal or senior priority on property of the Debtor's estate that is otherwise subject to a lien pursuant to § 364(d) of the United States Bankruptcy Code; or (z) such Corporate Rescue Loan is secured by junior liens on the Debtor's unencumbered assets and such Corporate Rescue Loan is fully secured based upon a current valuation or appraisal report; or (aa) if the Corporate Rescue Loan or any portion thereof is unsecured, the repayment of such Corporate Rescue Loan retains priority over all other administrative expenses pursuant to § 364(c)(1) of the United States Bankruptcy Code; or

(b) is a credit facility or other advance made available to a company or group in a restructuring or insolvency process with main proceedings outside of the United States which (i) constitutes the most senior secured obligations of the entity which is the Obligor thereof and either (ii) ranks *pari passu* in all respects with the other senior secured debt of the Obligor, provided that such facility is entitled to recover proceeds of enforcement of security shared with the other senior secured indebtedness (e.g. bonds) of the Obligor and its subsidiaries in priority to all such other senior secured indebtedness, or (iii) achieves priority over other senior secured obligations of the Obligor otherwise than through the grant of security, such as pursuant to the operation of applicable insolvency legislation (including as an expense of the restructuring or insolvency process) or other applicable law.

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

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

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

"**Cov-Lite Loan**" means a loan that in the commercial judgment of the Investment Manager (a) does not contain any financial covenants; or (b) requires the Obligor to comply with an Incurrence Covenant, but does not require the Obligor to comply with a Maintenance Covenant; provided that for all purposes a loan which either contains a cross default provision to, or ranks *pari passu* with, another obligation of the Obligor that requires the Obligor to comply with one or more Maintenance Covenants where such compliance is required either (i) at all times during the life of such other obligation or (ii) only while such other obligation is funded or upon the occurrence of a particular specified event, such loan shall not constitute a Cov-Lite Loan. A loan shall not constitute a Cov-Lite Loan only for so long as the relevant *pari passu* obligation or the relevant obligation to which such loan contains a cross default provision is outstanding or is capable of being drawn.

"**CRA3**" means Regulation of the European Parliament and of the European Council amending Regulation EC 1060/2009 on credit rating agencies (as the same may be amended from time to time).

"**Credit Impaired Obligation**" means any Collateral Debt Obligation that, in the Investment Manager's reasonable commercial judgment, has a significant risk of declining in credit quality or price or the Credit Impaired Obligation Criteria are satisfied with respect to such Collateral Debt Obligation *provided that*, at any time following the expiry of the Reinvestment Period, a Collateral Debt Obligation will qualify as a Credit Impaired Obligation only if the Credit Impaired Obligation Criteria are satisfied with respect to such Collateral Debt Obligation.

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

(a) if such Collateral Debt Obligation is a Floating Rate Collateral Debt Obligation, the price of such Collateral Debt Obligation has changed during the period from the date on which the Issuer entered into a binding commitment to purchase such Collateral Debt Obligation to the proposed date the Issuer intends to enter into a binding commitment to sell such Collateral Debt Obligation by a percentage which is (i) in the case of Senior Secured Obligations, either at least 0.25 per cent. more negative or at least 0.25 per cent. less positive and (ii) in the case of Unsecured Senior 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 the applicable Eligible Loan Index over the same period;

(b) if such Collateral Debt Obligation is a Fixed Rate Collateral Debt Obligation which is a bond or security, the price of such obligation has changed since the date the Issuer or the Investment 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 Investment Manager;

(c) the price of such Collateral Debt Obligation has decreased by at least 1.00 per cent. of the price paid by the Issuer for such Collateral Debt Obligation;

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

(e) if such Collateral Debt Obligation has a projected cash flow interest coverage ratio (earnings before interest and taxes divided by cash interest expense as estimated by the Investment Manager) of the Obligor of such Collateral Debt 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; or

(f) it has been downgraded by any Rating Agency by at least one rating sub-category or has been placed and remains on a watch list for possible downgrade or on negative outlook by either Rating Agency since it was acquired by the Issuer.

"**Credit Improved Obligation**" means any Collateral Debt Obligation which, in the Investment Manager's reasonable commercial judgment, has significantly improved in credit quality after it was acquired by the Issuer or the Credit Improved Obligation Criteria are satisfied with respect to such Collateral Debt Obligation *provided that*, at any time following the expiry of the Reinvestment Period, a Collateral Debt Obligation will qualify as a Credit Improved Obligation only if the Credit Improved Obligation Criteria are satisfied with respect to such Collateral Debt Obligation.

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

(a) if such Collateral Debt Obligation is a loan obligation, a bond or security, the Sale Proceeds (excluding Sale Proceeds that constitute Interest Proceeds) of such Collateral Debt Obligation would be at least 101.00 per cent. of the purchase price paid by the Issuer at the time of its acquisition;

(b) if such Collateral Debt Obligation is a Floating Rate Collateral Debt Obligation, the price of such Collateral Debt Obligation has changed during the period from the date on which the Issuer or the Investment 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 over the same period;

(c) if such Collateral Debt Obligation is a Fixed Rate Collateral Debt Obligation which is a bond or security, the price of such obligation has changed since the date the Issuer or the Investment 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 Investment Manager;

(d) if such Collateral Debt Obligation is a Floating Rate Collateral Debt Obligation, the spread over the applicable reference rate for such Collateral Debt Obligation has been decreased in accordance with the underlying Collateral Debt Obligation since the date the Issuer or the Investment Manager acting on behalf of the Issuer entered into a binding commitment to purchase such obligation by (1) 0.25 per cent. or more (in the case of such a Collateral Debt Obligation with a spread (prior to such decrease) less than or equal to 2.00 per cent.), (2) 0.375 per cent. or more (in the case of such a Collateral Debt Obligation with a spread (prior to such decrease) greater than 2.00 per cent. but less than or equal to 4.00 per cent.) or (3) 0.50 per cent. or more (in the case of such a Collateral Debt Obligation with a spread (prior to such decrease) greater than 4.00 per cent.) due, in each case, to an improvement in the Obligor's financial ratios or financial results;

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

(f) it has been upgraded by any Rating Agency by at least one rating sub-category or has been placed and remains on a watch list for possible upgrade or on positive outlook by either Rating Agency since it was acquired by the Issuer.

"**CRR**" means Regulation (EU) No. 575/2013 of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms (as the same may be amended from time to time).

"**CRR Retention Requirements**" 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 the Final RTS and any other 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.

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

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

"**Currency Hedge Agreement**" means each 1992 ISDA Master Agreement (Multicurrency-Cross Border) or 2002 ISDA Master Agreement (or such other pro forma Master Agreement as may be published by ISDA from

time to time) and the schedule thereto which is entered into between the Issuer and a Currency Hedge Counterparty in order to hedge the Issuer's 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 Investment Management Agreement) entered into a Currency Hedge Agreement or any permitted successor or assignee thereof pursuant to the terms of such Currency Hedge Agreement which, in each case satisfies the applicable Rating Requirement upon the date of entry into such agreement or whose obligations are guaranteed by a guarantor which satisfies the applicable Rating Requirement on such date or in respect of which Rating Agency Confirmation has been obtained on such date and that has the regulatory capacity, as a matter of Dutch law, to enter into derivatives transactions with Dutch residents.

"**Currency Hedge Issuer Termination Payment**" means any amount payable by the Issuer to a Currency Hedge Counterparty upon termination or modification of the applicable Currency Hedge Agreement or Currency Hedge Transaction, but excluding, for all purposes other than determining the amount payable by the Issuer to the Currency Hedge Counterparty under the relevant Currency Hedge Agreement, any due and unpaid scheduled amounts payable thereunder.

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

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

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

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

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

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

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

    (i) the Collateral Debt Obligation has a Moody's Rating of at least "Caa1" and a Market Value of at least 80 per cent. of its current Principal Balance; or

    (ii) the Collateral Debt Obligation has a Moody's Rating of "Caa2" and its Market Value is at least 85 per cent. of its current Principal Balance.

"**Custody Account**" means the custody account or accounts held and administered outside The Netherlands 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).

"**DAC II**" means the Directive 2014/107/EU on Administrative Cooperation in the Field of Taxation.

"**Defaulted Currency Hedge Termination Payment**" means any amount payable by the Issuer to a Currency Hedge Counterparty upon termination of any Currency Hedge Transaction in respect of which the Currency Hedge Counterparty was (i) the "Defaulting Party" (as defined in the applicable Currency Hedge Agreement) or (ii) the sole "Affected Party" (as defined in the applicable Currency Hedge Agreement) in respect of any termination event, howsoever described, resulting from a rating downgrade of the Currency Hedge Counterparty and/or its failure or inability to take any specified action in relation to such rating downgrade within any

specified period within the applicable Currency Hedge Agreement; including any due and unpaid scheduled amounts thereunder.

"**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 Interest Rate Hedge Termination Payment**" means any amount payable by the Issuer to an Interest Rate Hedge Counterparty upon termination of any Interest Rate Hedge Transaction in respect of which the Interest Rate Hedge Counterparty was (i) the "Defaulting Party" (as defined in the applicable Interest Rate Hedge Agreement) or (ii) the sole "Affected Party" (as defined in the applicable Interest Rate Hedge Agreement) in respect of any termination event, howsoever described, resulting from a rating downgrade of the Interest Rate Hedge Counterparty and/or its failure or inability to take any specified action in relation to such rating downgrade within any specified period within the applicable Interest Rate Hedge Agreement; including any due and unpaid scheduled amounts thereunder.

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

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

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

(a) in respect of which there has occurred and is continuing a default with respect to the payment of interest or principal, disregarding any grace periods applicable thereto provided that in the case of any Collateral Debt Obligation in respect of which the Investment Manager has confirmed to the Trustee in writing that, to the knowledge of the Investment Manager, such default has resulted from non-credit related causes, such Collateral Debt Obligation shall not constitute a "Defaulted Obligation" for the lesser of five Business Days, seven calendar days or any grace period applicable thereto, in each case which default entitles the holders thereof, with notice or passage of time or both, to accelerate the maturity of all or a portion of the principal amount of such obligation, but only until such default has been cured;

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

(c) in respect of which the Investment 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 Debt Obligation are full recourse, unsecured obligations, the other obligation is senior to, or *pari passu* with, the Collateral Debt Obligation in right of payment and the holders of such obligation have accelerated the maturity of all or a portion of such obligation;

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

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

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

(g) which would be treated as a Current Pay Obligation except that such Collateral Debt Obligation would result in the Aggregate Principal Balance of all Collateral Debt Obligations which constitute Current Pay Obligations exceeding 5 per cent. of the Aggregate Collateral Balance (such Aggregate Collateral Balance to be determined excluding all Defaulted Obligations and assuming, for the purposes of determining whether an obligation is a Defaulted Obligation, that this paragraph (g) does not apply); or

(h) if the Obligor thereof offers holders of such Collateral Debt Obligation a new security, obligation or package of securities or obligations that amount to a diminished financial obligation (such as preferred or common stock, or debt with a lower coupon or par amount) of such Obligor and in the reasonable commercial judgment of the Investment Manager, such offer has the apparent purpose of helping the Obligor avoid default; provided, however, such obligation will cease to be a Defaulted Obligation under this paragraph if such new obligation is (i) a Restructured Obligation; and (ii) such Restructured Obligation does not otherwise constitute a Defaulted Obligation pursuant to any other paragraph of the definition hereof,

provided that (i) a Collateral Debt Obligation which is a Corporate Rescue Loan shall constitute a Defaulted Obligation if such Corporate Rescue Loan satisfies this definition of "Defaulted Obligation" other than paragraphs (b) and (h) thereof, (ii) save in the case of (g) above, a Collateral Debt Obligation which is a Current Pay Obligation shall not constitute a Defaulted Obligation and (iii) any Collateral Debt Obligation shall cease to be a Defaulted Obligation on the date such obligation no longer satisfies this definition of "Defaulted Obligation".

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

"**Deferred Interest**" has the meaning given thereto in Condition 6(c) (*Deferral of Interest*).

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

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

"**Deferring Security**" means a PIK Security that is deferring the payment of the current cash interest due thereon and has been so deferring the payment of such interest due thereon: (i) with respect to Collateral Debt 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 Debt 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 Debt Obligation**" means a Collateral Debt Obligation that: (a) requires the Issuer to make one or more future advances to the borrower under the Underlying Instruments relating thereto; (b) specifies a maximum amount that can be borrowed; and (c) does not permit the re-borrowing of any amount previously repaid; but any such Collateral Debt Obligation will be a Delayed Drawdown Collateral Debt Obligation only until all commitments to make advances to the borrower expire or are terminated or reduced to zero.

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

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

(a) in the case of any Floating Rate Collateral Debt Obligations, is acquired by the Issuer for a purchase price of less than 80 per cent. of the Principal Balance of such Collateral Debt 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); *provided* that such Collateral Debt Obligation shall cease to be a Discount Obligation at such time as the Market Value of such Collateral Debt Obligation, as determined for any period of 30 consecutive days since the acquisition by the Issuer of such Collateral Debt Obligation equals or exceeds 90 per cent. of the Principal Balance of such Collateral Debt Obligation; or

(b) in the case of any Fixed Rate Collateral Debt Obligation, is acquired by the Issuer for a purchase price of less than 75 per cent. of the Principal Balance of such Collateral Debt 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); *provided* that such Collateral Debt Obligation shall cease to be a Discount Obligation at such time as the Market Value of such Collateral Debt Obligation, as determined for any period of 30 consecutive days since the acquisition by the Issuer of such Collateral Debt Obligation, equals or exceeds 85 per cent. of the Principal Balance of such Collateral Debt Obligation,

(c) provided that where the Principal Balance of a Collateral Debt Obligation is partially composed of a Discount Obligation, any sale, repayment or prepayment in respect of such Collateral Debt Obligation will be applied *pro rata* to (1) the discounted portion of such Collateral Debt Obligation and (2) the non-discounted portion of such Collateral Debt Obligation; and provided further that if such interest is a Revolving Obligation or Delayed Drawdown Collateral Debt Obligation, the purchase price of such Revolving Obligation or Delayed Drawdown Collateral Debt Obligation for such purpose shall include an amount equal to the Unfunded Amount of such Revolving Obligation or Delayed Drawdown Collateral Debt Obligation which is required to be deposited in the Unfunded Revolver Reserve Account.

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

"**Dodd-Frank Act**" means the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act, which was signed into law on 21 July 2010, as amended.

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

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

(b) the jurisdiction and the country in which, in the Investment Manager's reasonable judgment, the main 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 Investment Manager to be the source of the majority of revenues, if any, of such Obligor).

"**Due Period**" means (as applicable):

(a) in the case of any Payment Date which is not an unscheduled Payment Date or the Final Distribution Date, the period commencing on and including the relevant Due Period Start Date and ending on and including the eighth Business Day prior to such Payment Date;

(b) in the case of any Payment Date which is not a scheduled Payment Date, a Redemption Date or the Final Distribution Date, the period commencing on and including the relevant Due Period Start Date and ending on and including the third Business Day prior to such Payment Date; and

(c) in the case of any Payment Date that is the Final Distribution Date, the period commencing on and including the relevant Due Period Start Date and ending on and including the Business Day preceding the Final Distribution Date.

"**Due Period Start Date**" means:

(a) in the case of the period relating to the first Payment Date, the Issue Date; and

(b) in the case of any subsequent Due Period, the day immediately following, if the immediately preceding Payment Date was a scheduled Payment Date, the eighth Business Day prior to the preceding Payment

Date or, if the immediately preceding Payment Date was an unscheduled Payment Date, the third Business Day prior to the preceding Payment Date.

"**Dutch Ineligible Securities**" means:

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

(b) all securities or interests in securities, the purchase or acquisition of which by or on behalf of the Issuer would cause the breach of applicable selling or transfer restrictions or of applicable Dutch laws relating to the offering of securities or of collective investment schemes;

(c) shares representing 5 per cent. or more of the nominal paid up share capital of or the voting rights in a corporate entity;

(d) obligations or instruments which are convertible into or exchangeable for shares, rights to acquire shares or derivatives referring to shares, where the shares underlying such obligations, instruments, rights or derivatives, alone or together with any shares held at any time by the Issuer, represent 5 per cent. or more of the nominal paid up share capital of or the voting rights in a corporate entity; or

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

"**EBA**" means the European Banking Authority or any predecessor, successor or replacement agency or authority.

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

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

(b) 21 January 2017 (or, if such day is not a Business Day, the next following Business Day).

"**Effective Date Class F Par Value Ratio**" means 108.17 per cent.

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

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

(a) the Issuer is provided with an accountants' certificate recalculating and comparing the Aggregate Principal Balance of all Collateral Debt Obligations to be purchased or committed to be purchased as at such date and the computations and results of the Portfolio Profile Tests, the Collateral Quality Tests and the Coverage Tests (other than the Interest Coverage Tests) and confirming that the Effective Date Determination Requirements have been met; and

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

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

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

(ii) either the failure by the Investment Manager (acting on behalf of the Issuer) to present a Rating Confirmation Plan to the Rating Agencies or Rating Agency Confirmation has not been obtained for the Rating Confirmation Plan following request therefor from the Investment Manager; or

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

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

"**Effective Date Report**" has the meaning given to it in the Investment Management Agreement.

"**EIOPA**" means the European Insurance and Occupational Pensions Authority (including any successor or replacement organisation thereto).

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

"**Eligible Bond Index**" means Markit iBoxx EUR High Yield Index or any other index proposed by the Investment Manager and notified to Moody's and Fitch.

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

(a) direct obligations of, and obligations the timely payment of principal of and interest under which is fully and expressly guaranteed by, a Qualifying Country or any agency or instrumentality of a Qualifying Country, the obligations of which are fully and expressly guaranteed by a Qualifying Country, which in each case has a rating of not less than the applicable Eligible Investments Minimum Rating;

(b) demand and time deposits in, certificates of deposit of and bankers' acceptances issued by any depository institution (including the Account Bank) or trust company incorporated under the laws of a Qualifying Country with, in each case, a maturity of no more than 90 days, or following the occurrence of a Frequency Switch Event, 180 days and subject to supervision and examination by governmental banking authorities so long as the commercial paper and/or the debt obligations of such depository institution or trust company (or, in the case of the principal depository institution in a holding company system, the commercial paper or debt obligations of such holding company) at the time of such investment or contractual commitment have a rating of not less than the applicable Eligible Investment Minimum Rating;

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

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

(ii) any other security issued or guaranteed by an agency or instrumentality of a Qualifying Country, in either case entered into with a depository institution or trust company (acting as principal) described in paragraph (b) above or entered into with a corporation (acting as principal) whose debt obligations are rated not less than the applicable Eligible Investments Minimum Rating at the time of such investment;

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

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

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

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

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

(ii) which has a credit rating not less than the applicable Eligible Investments Minimum Rating,

and in each case, such instrument or investment provides for payment of a pre determined fixed amount of principal on maturity that is not subject to change and either (A) has a Collateral Debt Obligation Stated Maturity (giving effect to any applicable grace period) no later than the Business Day immediately preceding the next following Payment Date or (B) is capable of being liquidated on demand without penalty, provided, however, that Eligible Investments shall not include any mortgage backed security, interest only security, security subject to withholding or similar taxes, security purchased at a price in excess of 100 per cent. of par, security whose repayment is subject to substantial non credit related risk (as determined by the Investment Manager in its discretion), any Dutch Ineligible Securities or investments the acquisition of which would give rise to stamp duty, stamp duty reserve tax or any other transfer duty or tax (except to the extent that such duty or tax is taken into account in deciding whether to acquire the investments).

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

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

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

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

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

(i) in the case of Eligible Investments with a Collateral Debt Obligation Stated Maturity of more than 30 days:

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

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

(C) such other ratings as confirmed by Fitch;

(ii) in the case of Eligible Investments with a Collateral Debt Obligation Stated Maturity of 30 days or less:

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

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

(C) such other ratings as confirmed by Fitch.

"**Eligible Loan Index**" means the S&P European Leveraged Loan Index, the Credit Suisse Western European Leveraged Loan Index, or any other index proposed by the Investment Manager and notified to Moody's and Fitch**.**

"**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.

"**Enforcement Agent**" means an agent, receiver, administrative receiver or other Appointee appointed by the Trustee to discharge certain of its functions under Condition 11 (*Enforcement*), including without limitation, the Investment Manager or any independent investment banking firm.

"**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 Notes*):

(a) in the case of the initial Accrual Period, as applicable to six month Euro deposits;

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

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

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

"**Euroclear**" means Euroclear Bank S.A./N.V., as operator of the Euroclear system.

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

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

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

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

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

"**Excess Exchanged Security Sale Proceeds**" means, in respect of any Exchanged Security, any excess sale proceeds over the outstanding principal amount of the related Collateral Debt Obligation or part thereof, that was exchanged, converted or otherwise subject to the exercise of an option in connection with the acquisition of such Exchanged Security.

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

"**Exchanged Security**" means any of (a) an equity security or warrant, including any equity security received upon conversion or exchange of, or exercise of an option in respect of a Collateral Debt Obligation, the acquisition of which would not cause the breach of applicable selling or transfer restrictions relating to the offering of securities or of collective investment schemes and which is delivered to the Issuer upon acceptance of an Offer in respect of a Defaulted Obligation or received by the Issuer as a result of restructuring of the terms of a Defaulted Obligation in effect as of the later of the Issue Date and the date of issuance of the relevant Collateral Debt Obligation and (b) a Collateral Debt Obligation which has been restructured (whether effected by way of an amendment to the terms of such Collateral Debt Obligation or by way of substitution of new obligations and/or a change of Obligor) for so long as it does not satisfy the Restructured Obligation Criteria on

the applicable Restructuring Date, provided that, if an Exchanged Security is a Dutch Ineligible Security, the Investment Manager shall sell such Dutch Ineligible Security in the manner described in the Investment Management Agreement.

"**Expense Reserve Account**" means the interest bearing account of the Issuer with the Account Bank into which amounts are to be paid in accordance with Condition 3(c)(i) (*Application of Interest Proceeds*) (and on the Issue Date from proceeds of the issuance of the Notes in accordance with Condition 3(j)(xi)(A) (*Expense Reserve Account*)) and out of which, among other things, Trustee Fees and Expenses and Administrative Expenses shall be paid.

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

"**Final Distribution Date**" means the date upon which the Notes will be redeemed in full or upon which the proceeds from the realisation of the security will be distributed in full.

"**Final RTS**" means Delegated Regulation (EU) no. 625/2014 as published in the Official Journal of the European Union on 13 June 2014 supplementing the CRR by way of regulatory technical standards specifying the requirements for investors, sponsors, original lenders and originator institutions relating to exposures to transferred credit risk.

"**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 or any successor or successors thereto.

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

(a) its prevailing Market Value; and

(b) the relevant Fitch Recovery Rate,

multiplied by its Principal Balance, provided that if the Market Value cannot be determined for any reason, the Fitch Collateral Value shall be determined in accordance with paragraph (b) above.

"**Fitch Maximum Weighted Average Rating Factor Test**" has the meaning given to it in the Investment Management Agreement.

"**Fitch Minimum Weighted Average Recovery Rate Test**" has the meaning given to it in the Investment Management Agreement.

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

"**Fitch Recovery Rate**" means, in respect of each Collateral Debt Obligation, the Fitch recovery rate determined in accordance with the Investment Management Agreement or as so advised by Fitch.

"**Fitch Tests Matrix**" has the meaning given to it in the Investment Management Agreement.

"**Fitch Tests Matrices**" has the meaning given to it in the Investment Management Agreement.

"**Fixed Rate Collateral Debt Obligation**" means a Collateral Debt Obligation which bears interest at a fixed rate provided that if such obligation is subject to a Hedge Agreement where payments received by the Issuer from a Hedge Counterparty are calculated by reference to a floating interest rate or index such obligation shall not constitute a Fixed Rate Collateral Debt Obligation but will be classified as a Floating Rate Collateral Debt Obligation for as long as such obligation is subject to such Hedge Agreement.

"**Floating Rate Collateral Debt Obligation**" means a Collateral Debt Obligation, interest payable in respect of which is calculated by reference to a floating interest rate or index, provided that if such obligation is subject to a Hedge Agreement where payments received by the Issuer from a Hedge Counterparty are calculated by reference to a fixed interest rate, such obligation shall not constitute a Floating Rate Collateral Debt Obligation but will be classified as a Fixed Rate Collateral Debt Obligation for as long as such obligation is subject to such Hedge Agreement.

"**Floating Rate 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.

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

"**Form Approved Hedge**" means either (i) an Interest Rate Hedge Transaction the documentation for and structure of which conforms to a form for which Rating Agency Confirmation has been received by the Issuer or which has previously been approved by the Rating Agencies and in respect of which the Rating Agencies have not notified the Issuer or Investment Manager that such approval has been withdrawn (in each case save for the amount and timing of periodic payments, the name of the Collateral Debt Obligation, the notional amount, the effective date, the termination date and other consequential and immaterial changes which have been notified in writing to the Rating Agencies) or (ii) a Currency Hedge Transaction the documentation for and structure of which conforms to a form for which Rating Agency Confirmation has been received by the Issuer or which has previously been approved by the Rating Agencies and in respect of which the Rating Agencies have not notified the Issuer or Investment Manager that such approval has been withdrawn (in each case save for the amount and timing of periodic payments, the name of the Non-Euro Obligation, the notional amount, the effective date, the termination date and other consequential and immaterial changes which have been notified in writing to the Rating Agencies).

"**Foundation**" means Stichting Cairn CLO VI, a foundation (*stichting*) established under the laws of The Netherlands.

"**Frequency Switch Event**" shall occur if, on any Frequency Switch Measurement Date (a) (i) the Aggregate Principal Balance of Collateral Debt Obligations that reset so as to become Semi-Annual Obligations in the previous Due Period (or where such Due Period is the first Due Period, in the last three months of such Due Period), is greater than or equal to 20 per cent. of the Aggregate Collateral Balance; and (ii) the Class A/B Interest Coverage Ratio is less than 100 per cent. (and provided that for such purpose, paragraph (b) of the definition of Interest Coverage Amount shall be deemed to be equal to zero), as calculated by the Collateral Administrator in consultation with, and notified to, the Investment Manager or (b) the Investment Manager declares in its sole discretion that a Frequency Switch Event shall have occurred, in each case notified in writing by the Investment Manager to the Rating Agencies, the Calculation Agent, the Issuer, the Principal Paying Agent, the Trustee, the Transfer Agent and the Registrar, and, (with respect to the occurrence of a Frequency Switch Event pursuant to paragraph (b) above), the Collateral Administrator.

"**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.

"**FTT**" means a common financial transaction tax as contemplated by the EU Commission in a draft Directive published on 14 February 2013.

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

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

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

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

"**Hedge Counterparty Termination Payment**" means the amount payable by a Hedge Counterparty to the Issuer upon termination or modification of a Hedge Transaction, but excluding, for all purposes other than

determining the amount payable by the Hedge Counterparty to the Issuer under the relevant Hedge Agreement, any due and unpaid scheduled amounts payable thereunder.

"**Hedge Issuer Tax Credit Payments**" means any amounts payable by the Issuer to a Hedge Counterparty pursuant to the terms of a Hedge Agreement in connection with any credit against, relief or remission for, or repayment of, any tax that has been obtained or utilised by the Issuer and which is attributable to a grossed up payment made by that Hedge Counterparty as a result of or in connection with any required withholding or deduction for or on account of any tax (or to such withholding or deduction itself) (but excluding, for the avoidance of doubt, any Hedge Issuer Termination Payments).

"**Hedge Issuer Termination Payment**" means the amount payable to a Hedge Counterparty by the Issuer upon termination or modification of a Hedge Transaction, but excluding, for all purposes other than determining the amount payable by the Issuer to a Hedge Counterparty under the relevant Hedge Agreement, any due and unpaid scheduled amounts payable thereunder.

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

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

"**Hedge Termination Account**" means, in respect of any Hedge Agreement, the interest bearing account of the Issuer with the Account Bank into which all Hedge Counterparty Termination Payments and Hedge Replacement Receipts relating to that Hedge Agreement will be deposited.

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

"**Hedging Condition**" means, in respect of a Hedge Agreement or a Hedge Transaction, receipt by the Investment Manager of legal advice from reputable legal counsel to the effect that the entry into such arrangements shall not require any of the Issuer, its directors or officers or the Investment 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.

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

"**IM Removal and Replacement Exchangeable Non-Voting Notes**" means Notes which:

(a) do not carry a right to vote in respect of or be counted for the purposes of determining a quorum and the result of votes in respect of an IM Removal Resolution or an IM 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 IM Removal and Replacement Voting Notes have a right to vote and be so counted; and

(b) are exchangeable into:

  (i) IM Removal and Replacement Non-Voting Notes at any time; or

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

"**IM Removal and Replacement 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 votes in respect of an IM Removal Resolution or an IM 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 IM Removal and Replacement Voting Notes have a right to vote and be so counted; and

(b) are not exchangeable into IM Removal and Replacement Voting Notes or IM Removal and Replacement Exchangeable Non-Voting Notes at any time.

"**IM Removal and Replacement Voting Notes**" means Notes which:

(a) carry a right to vote, in respect of and be counted for the purposes of determining a quorum and the result of any votes in respect of an IM Removal Resolution or an IM Replacement Resolution and all other matters as to which Noteholders are entitled to vote; and

(b) are, at any time, exchangeable into:

(i) IM Removal and Replacement Non-Voting Notes; or

(ii) IM Removal and Replacement Exchangeable Non-Voting Notes.

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

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

"**Incentive Investment Management Fee**" means the fee payable to the Investment Manager pursuant to the Investment Management 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 (S) of the Principal Proceeds Priority of Payments, paragraph (B) of the Collateral Enhancement Obligation Proceeds Priority of Payments and paragraph (Z) of the Post-Acceleration Priority of Payments (exclusive of VAT) provided that such amount will only be payable to the Investment Manager if the Incentive Investment Management Fee IRR Threshold has been reached.

"**Incentive Investment Management Fee IRR Threshold**" means the threshold which will have been reached on the relevant Payment Date if the Subordinated Notes Outstanding have received an IRR of least 12 per cent. on the Principal Amount Outstanding of the Subordinated Notes as of the first day of the Due Period preceding such Payment Date (after giving effect to all payments in respect of the Subordinated Notes to be made on such Payment Date) and assuming for such purpose that all Subordinated Notes were issued at a price equal to the Subordinated Notes Issue Price Percentage.

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

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

"**Initial Purchaser**" means Barclays Bank PLC.

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

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

"**Interest Amount**" has the meaning specified in Condition 6(e)(ii) (*Determination of Floating Rate of Interest and Calculation of Interest Amount*).

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

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

(b) the sum of all scheduled interest payments (including (x) any commitment fees due but not yet received in respect of any Revolving Obligations or Delayed Drawdown Collateral Debt Obligations, all amendment and waiver fees, all late payment fees, all commitment fees, all syndication fees, delayed compensation and all other fees and commission, (y) any amounts which the applicable Obligor has agreed 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 Investment Manager determines will be received within the same Due Period by way of recovery from an applicable tax authority under a double tax treaty) in each case, 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 Debt Obligations and the Eligible Investments, but only to the extent not representing Principal Proceeds, and the Accounts (other than each Counterparty Downgrade Collateral Account, but including interest on third party collateral accounts of the kind referred to in Condition 3(j)(vii) (*The Unfunded Revolver Reserve Account*)) excluding:

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

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

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

(iv) any amounts expected to be withheld at source or otherwise deducted in respect of taxes;

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

(vi) any Purchased Accrued Interest; and

(vii) any Ramp Accrued Interest;

provided that, in respect of a Non-Euro Obligation (i) that is the subject of a Currency Hedge Transaction, this paragraph (b) shall be deemed to refer to the related Scheduled Periodic Currency Hedge Counterparty Payment, subject to the exclusions set out above and (ii) that is not the subject of a Currency Hedge Transaction, the amount taken into account for this paragraph (b) shall be an amount equal to the product of (aa) the scheduled interest payments due but not yet received in respect of such Collateral Debt Obligation (subject to the exclusions set out above), converted into Euro at the Spot Rate; and (bb) (x) in the case of Non-Euro Obligations denominated in U.S. Dollars, Sterling, Danish Krone, Swiss Francs, Swedish Krona or Norwegian Krone, 0.85; and (y) in the case of Non-Euro Obligations denominated in each other Qualifying Currency, 0.50; minus

(c) the amounts payable pursuant to paragraphs (A) through to (F) (inclusive) of the Interest Proceeds Priority of Payments on the following Payment Date; minus

(d) 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; plus

(e) any amounts that would be payable from the Interest Smoothing Account, the First Period Reserve Account, and/or the Expense Reserve Account (to the extent such amounts are not designated for transfer to the Principal Account) to the Interest Account in the Due Period in which such Measurement Date falls (without double counting any such amounts which have been already transferred to the Interest Account); plus

(f) any Scheduled Periodic Interest Rate Hedge Counterparty Payments payable to the Issuer to the extent not already included in accordance with (a) above; minus

(g) any interest in respect of a PIK Security that has been deferred (but only to the extent such amount has not already been excluded in accordance with (b)(ii) or (iii) above).

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

"**Interest Coverage Ratio**" means the Class A/B Interest Coverage Ratio, the Class C Interest Coverage Ratio and the Class D Interest Coverage Ratio. For the purposes of calculating an Interest Coverage Ratio, the expected interest income on Collateral Debt Obligations, Eligible Investments and the Accounts (to the extent applicable) and the expected interest payable on the relevant Rated Notes will be calculated using the then current interest rates applicable thereto.

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

"**Interest Determination Date**" means the second Business Day prior to the commencement of each Accrual Period given thereto in Condition 6(e)(i) (*Floating Rate of Interest*). For the avoidance of doubt, in respect of the Issue Date, the Calculation Agent will determine the offered rate for six month Euro deposits on the Issue Date but such offered rate shall be calculated as of the second Business Day prior to the Issue Date.

"**Interest Proceeds**" means all amounts paid or payable into the Interest Account from time to time and, with respect to any Payment Date, means any Interest Proceeds received or receivable by the Issuer during the related Due Period to be disbursed pursuant to the Interest Proceeds Priority of Payments on such Payment Date, together with any other amounts to be disbursed out of the Payment Account as Interest Proceeds on such Payment Date pursuant to Condition 3(i) (*Accounts*).

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

"**Interest Rate Hedge Agreement**" means each 1992 ISDA Master Agreement (Multicurrency-Cross Border) or 2002 ISDA Master Agreement (or such other pro forma Master Agreement as may be published by ISDA from time to time) and the schedule thereto which is entered into between the Issuer and an Interest Rate Hedge Counterparty, including any guarantee thereof and any credit support annex entered into pursuant to the terms thereof and together with each confirmation entered into thereunder from time to time in respect of an Interest Rate Hedge Transaction, as amended or supplemented from time to time and including any Replacement Interest Rate Hedge Agreement entered into in replacement thereof.

"**Interest Rate Hedge Counterparty**" means each financial institution with which the Issuer enters into an Interest Rate Hedge Agreement or any permitted assignee or successor under any Interest Rate Hedge Agreement which, in each case, satisfies the applicable Rating Requirement upon the date of entry into such agreement or whose obligations are guaranteed by a guarantor which satisfies the applicable Rating Requirement on such date or in respect of which Rating Agency Confirmation has been obtained on such date and that has the regulatory capacity, as a matter of Dutch law, to enter into derivatives transactions with Dutch residents.

"**Interest Rate Hedge Issuer Termination Payment**" means any amount payable by the Issuer to an Interest Rate Hedge Counterparty upon termination or modification of the applicable Interest Rate Hedge Agreement or Interest Rate Hedge Transaction, but excluding, for all purposes other than determining the amount payable by the Issuer to the Interest Rate Hedge Counterparty under the relevant Interest Rate Hedge Agreement, any due and unpaid scheduled amounts payable thereunder.

"**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)(viii)(*Interest Smoothing Account*).

"**Interest Smoothing Amount**" means, in respect of each Determination Date following (and including) the Determination Date upon which a Frequency Switch Event occurs, zero and, in respect of each other Determination Date and for so long as any Rated Notes are Outstanding, an amount equal to the excess, if any, of:

(a) the sum of all payments of interest received during the related Due Period in respect of each Semi-Annual Obligation (that was a Semi-Annual Obligation at all times during such Due Period); over

(b) the sum of

(i) the product of:

(A) 0.25; multiplied by

(B) the sum of:

(i) EURIBOR (as of the relevant Determination Date); plus

(ii) the Weighted Average Spread provided that, for the purpose of calculating the Weighted Average Spread, such calculation shall only include Floating Rate Collateral Debt Obligations which are Semi-Annual Obligations and that were Semi-Annual Obligations at all times during the related Due Period and such calculation shall exclude any Floating Rate Collateral Debt Obligations that are Defaulted Obligations or Deferring Securities; multiplied by

(C) the Aggregate Principal Balance of all Semi-Annual Obligations that were Semi-Annual Obligations at all times during the related Due Period and which are Floating Rate Collateral Debt Obligations, excluding the Aggregate Principal Balance of any Semi-Annual Obligations that are Defaulted Obligations or Deferring Securities; and

(ii) the product of:

(A) 0.25; multiplied by

(B) the Weighted Average Fixed Coupon, provided that, for purposes of calculating the Weighted Average Fixed Coupon, such calculation shall only include Fixed Rate Collateral Debt Obligations which are Semi-Annual Obligations and that were Semi-Annual Obligations at all times during the related Due Period and such calculation shall exclude any Fixed Rate Collateral Debt Obligations that are Defaulted Obligations or Deferring Securities; multiplied by

(C) the Aggregate Principal Balance of all Semi-Annual Obligations that were Semi-Annual Obligations at all times during the related Due Period and which are Fixed Rate Collateral Debt Obligations, excluding the Aggregate Principal Balance of any Semi-Annual Obligations that are Defaulted Obligations or Deferring Securities,

provided that (x) such amount may not be less than zero and (y) following redemption in full of the Rated Notes or if the Aggregate Principal Balance of the Semi-Annual Obligations (as at the last day of the related Due Period) is less than or equal to 5 per cent. of the Aggregate Collateral Balance, such amount shall be deemed to be zero.

"**Intermediary Obligation**" means an interest in relation to a loan which is structured to be acquired indirectly by lenders therein at or prior to primary syndication thereof, including pursuant to a collateralised deposit or guarantee, a sub-participation or other arrangement which has the same commercial effect and in each case, in respect of any obligation of the lender to a "fronting bank" in respect of non-payment by the Obligor, is 100 per cent. collateralised by such lenders.

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

"**Investment Gains**" means in respect of any Collateral Debt Obligation which is repaid, prepaid, redeemed or sold, the excess (if any) of (a) the Scheduled Principal Proceeds, Unscheduled Principal Proceeds or Sale Proceeds (as applicable) received in respect thereof over (b) the greater of (x) the Principal Balance of such Collateral Debt Obligation and (y) the purchase price thereof paid by or on behalf of the Issuer for such Collateral Debt Obligation, in each case net of (i) any expenses incurred in connection with any repayment, prepayment, redemption or sale thereof, and (ii) in the case of a sale of such Collateral Debt Obligation, any

interest accrued but not paid thereon which has not been capitalised as principal and included in the sale price thereof.

"**Investment Manager Advance**" has the meaning given to that term under Condition 3(k) (*Investment Manager Advances*).

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

"**Irish Stock Exchange**" means the Irish Stock Exchange plc.

"**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) an aggregate purchase amount equal to the initial aggregate Principal Amount Outstanding of the Subordinated Notes issued on the Issue Date (and, in the case of Subordinated Notes issued pursuant to Condition 17 (*Additional Issuances*), the date of issuance thereof) multiplied by the Subordinated Notes Issue Price Percentage as the initial cash outflow and all distributions to the Subordinated Notes on the current and each preceding Payment Date as subsequent cash inflows (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 21 July 2016 (or such other date as may shortly follow such date as may be agreed between the Issuer, the Initial Purchaser and the Retention Holder and is notified to the Noteholders in accordance with Condition 16 (*Notices*) and the Irish Stock Exchange).

"**Issue Date Collateral Debt Obligation**" means an obligation for which the Issuer (or the Investment Manager, acting on behalf of the Issuer) has entered into a binding commitment to purchase on or prior to the Issue Date.

"**Issuer Dutch Account**" means the account in the name of the Issuer with Coöperatieve Rabobank U.A. in Utrecht, The Netherlands.

"**Issuer Management Agreement**" means the management agreement relating to the Issuer dated on or about the Issue Date between the Issuer and the Managing Directors.

"**Letter of Undertaking**" means the letter of undertaking from, amongst others, the Issuer and its Managing Directors to the Initial Purchaser, Investment Manager and the Trustee.

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

"**Managing Directors**" means Arthur Weglau, Jakob Boonman and Philip Rutovitz or such person(s) who may be appointed as Managing Director(s) of the Issuer from time to time.

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

(a) the bid price of such Collateral Debt Obligation determined by an independent recognised pricing service; or

(b) if such independent recognised pricing service is not available, the mean of the bid prices (in the case of any Senior Secured Bond, High Yield Bond or PIK Security, excluding accrued interest) determined by three independent broker-dealers active in the trading of such Collateral Debt Obligations; or

(c) if three such broker-dealer prices are not available, the lower of the bid side prices (in the case of any Senior Secured Bond, High Yield Bond or PIK Security, excluding accrued interest) determined by two such broker-dealers; or

(d) if two such broker-dealer prices are not available, the bid side price (in the case of any Senior Secured Bond, High Yield Bond or PIK Security, excluding accrued interest) determined by one independent

broker-dealer (unless, in each case, the fair market value thereof determined by the Investment Manager pursuant to (e) hereafter would be lower); or

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

(i) 70 per cent.; and

(ii) the fair market value thereof determined by the Investment Manager on a best efforts basis (x) in a manner consistent with reasonable and customary market practice, (y) in a manner consistent with any determination the Investment Manager applies with respect to any other similar obligation managed by the Investment Manager, and (z) using the same fair market value as is assigned by the Investment Manager to such Collateral Debt Obligation for all other purposes, in each case, as notified to the Collateral Administrator on the date of determination thereof, provided if the Investment Manager is not subject to Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 (or other comparable regulation), where the Market Value is determined by the Investment Manager in accordance with this paragraph (e)(ii), such Market Value shall only be valid for 30 days; or

(f) if the Market Value of an asset is not determined in accordance with paragraphs (a), (b), (c), (d) or (e) above, then the Market Value will be deemed to be zero until such determination is made in accordance with paragraphs (a), (b), (c), (d) or (e) above and if any Market Value determined in accordance with paragraph (e)(ii) above, is no longer valid and the Market Value cannot be ascertained by broker-dealers or an independent recognised pricing service then the Market Value shall be deemed to be zero.

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 services and broker-dealers from whom a bid price is sought and (B) each pricing service and broker dealer is not an Affiliate of the Investment Manager.

"**Maturity Date**" means 25 July 2029 (or, if such day is not a Business Day, then the next succeeding Business Day (unless it would fall in the following month, in which case it shall be moved to the immediately preceding Business Day)).

"**Maximum Obligor Concentration Test**" has the meaning given to it in the Investment Management Agreement.

"**Measurement Date**" means:

(a) the Effective Date;

(b) for the purposes of determining satisfaction of the Reinvestment Criteria, any Business Day after the Effective Date on which such criteria are required to be determined;

(c) the date of acquisition of any additional Collateral Debt Obligation following the Effective Date;

(d) for the purposes of determining compliance with the Retention Requirements or in determining whether a Retention Deficiency has occurred, any Business Day;

(e) each Determination Date;

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

(g) following the Effective Date, with reasonable (and not less than five Business Days') notice, any Business Day requested by any Rating Agency then rating any Class of Notes Outstanding.

"**Mezzanine Obligation**" means an obligation (other than a Senior Secured Loan or a Second Lien Loan):

(a) with a junior contractual claim on tangible or intangible property (which property is subject to a prior lien (other than customary permitted liens, such as, but not limited to, any tax liens)) to secure payment of a debt or the fulfilment of a contractual obligation; and

(b) which is a Subordinated Obligation,

including any such obligation with attached warrants and any such obligation which is evidenced by an issue of notes (other than High Yield Bonds and Senior Secured Bonds), as determined by the Investment Manager in its reasonable commercial judgment, or a Participation therein.

"**Minimum Denomination**" means:

(a) in the case of the Regulation S Notes of each Class, €100,000;

(b) in the case of the Rule 144A Notes of each Class, €250,000;

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

"**Monthly Report**" means any monthly report defined as such in the Investment Management Agreement which is prepared by the Collateral Administrator (in consultation with the Investment Manager) on behalf of the Issuer on such dates as are set forth in the Investment Management Agreement, is made available via a secured website at https://usbtrustgateway.usbank.com (or such other website as may be notified by the Collateral Administrator to the Issuer, the Trustee, the Investment Manager, the Initial Purchaser, each Hedge Counterparty, each Rating Agency, the Principal Paying Agent and the Noteholders from time to time) to the Issuer, the Trustee, each Hedge Counterparty, the Investment Manager, the Initial Purchaser 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 Investment Management Agreement.

"**Moody's**" means Moody's Investors Service, Ltd. and any successor or successors thereto.

"**Moody's Collateral Value**" means in the case of any Collateral Debt Obligation or Eligible Investment, the lower of:

(a) its prevailing Market Value; and

(b) the relevant Moody's Recovery Rate,

in each case, multiplied by its Principal Balance.

"**Moody's Maximum Weighted Average Rating Factor Test**" has the meaning given to it in the Investment Management Agreement.

"**Moody's Minimum Diversity Test**" has the meaning given to it in the Investment Management Agreement.

"**Moody's Minimum Weighted Average Recovery Rate Test**" has the meaning given to it in the Investment Management Agreement.

"**Moody's Rating**" has the meaning given to it in the Investment Management Agreement.

"**Moody's Recovery Rate**" means, in respect of each Collateral Debt Obligation, the recovery rate determined in accordance with the Investment Management Agreement or as so advised by Moody's.

"**Moody's Test Matrix**" has the meaning given to it in the Investment Management Agreement.

"**Non-Call Period**" means the period from and including the Issue Date up to, but excluding 25 July 2018 (or, if such day is not a Business Day, then the next succeeding Business Day (unless it would fall in the following month, in which case it shall be moved to the immediately preceding Business Day)).

"**Non-Eligible Issue Date Collateral Debt Obligation**" has the meaning given thereto in the Investment Management Agreement.

"**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.

"**Non-Euro Obligation**" means any Collateral Debt Obligation or part thereof, as applicable, denominated in a currency other than Euro.

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

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

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

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

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

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

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

provided that, for the purposes of any redemption of the Notes in accordance with the Note Payment Sequence following 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.

"**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; or

    (iii) by reason of the failure by the relevant Noteholder to comply with any applicable procedures required to establish non-residence or other similar claim for exemption from such tax or to provide information concerning nationality, residency or connection with The Netherlands or other applicable taxing authority; or

(b) United Kingdom or U.S. federal, state or local or governmental tax authorities impose net income, profits or similar tax upon the Issuer of any amount in excess of EUR1,000 for the relevant year.

"**Obligor**" means, in respect of a Collateral Debt Obligation, the borrower thereunder or issuer thereof or, in either case, the guarantor thereof (as determined by the Investment Manager on behalf of the Issuer).

"**Offer**" means, with respect to any Collateral Debt Obligation, (a) any offer by the Obligor under such obligation or by any other Person made to all of the creditors of such Obligor in relation to such obligation to purchase or otherwise acquire such obligation (other than pursuant to any redemption in accordance with the terms of the related Underlying Instruments) or to convert or exchange such obligation into or for cash, securities or any other type of consideration or (b) any solicitation by the Obligor of such obligation or any other Person to amend, modify or waive any provision of such obligation or any related Underlying Instrument.

"**Ongoing Expense Excess Amount**" means, on any Payment Date, an amount equal to the excess, if any, of (i) the Senior Expenses Cap, over (ii) the sum of (without duplication) (x) all amounts paid pursuant to clauses (B)

and (C) of Condition 3(c)(i) (*Application of Interest Proceeds*) on such Payment Date plus (y) all Trustee Fees and Expenses and Administrative Expenses paid during the related Due Period.

"**Ongoing Expense Reserve Amount**" means, an amount equal to the lesser of (i) the Ongoing Expense Reserve Ceiling and (ii) the Ongoing Expense Excess Amount.

"**Ongoing Expense Reserve Ceiling**" means, on any Payment Date, the excess, if any, of €250,000 over the amount then on deposit in the Expense Reserve Account without giving effect to any deposit thereto on such Payment Date pursuant to sub-clause (D) of Condition 3(c)(i)) (*Application of Interest Proceeds*).

"**Optional Redemption**" means a redemption pursuant to and in accordance with Condition 7(b) (*Optional Redemption*).

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

"**Other Plan Law**" means any federal, state, local or non-U.S. law or regulation that is similar to the prohibited transaction provisions of Section 406 of ERISA and/or Section 4975 of the Code.

"**Outstanding**" means in relation to the Notes of a Class as of any date of determination, all of the Notes of such Class issued, as further defined in the Trust Deed.

"**Par Value Ratio**" means the Class A/B Par Value Ratio, the Class C Par Value Ratio, the Class D Par Value Ratio, the Class E Par Value Ratio or the Class F Par Value Ratio (as applicable).

"**Par Value Test**" means the Class A/B Par Value Test, the Class C Par Value Test, the Class D Par Value Test, the Class E Par Value Test or the Class F Par Value Test (as applicable).

"**Participation**" means an interest in a Collateral Debt Obligation taken indirectly by the Issuer by way of sub-participation from a Selling Institution which shall include, for the purposes of the Bivariate Risk Table set forth in the Investment Management Agreement, Intermediary Obligations.

"**Participation Agreement**" means an agreement between the Issuer and a Selling Institution in relation to the purchase by the Issuer of a Participation.

"**Payment Account**" means the account described as such in the name of the Issuer held with the Account Bank 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, on (A) 25 January and 25 July (where the Payment Date immediately prior to the occurrence of the relevant Frequency Switch Event falls in either January or July), or (B) 25 April and 25 October (where the Payment Date immediately prior to the occurrence of the relevant Frequency Switch Event falls in either April or October); and

(b) 25 January, 25 April, 25 July and 25 October at all other times,

in each case, in each year commencing on 25 January 2017 up to and including the Maturity Date (each a "**scheduled Payment Date**"), any Redemption Date in connection with a redemption in whole, the Final Distribution Date, and/or following the date upon which the Rated Notes have been redeemed in full, any Business Day (other than and in addition to the dates set out in paragraph (a) and (b) above and any Redemption Date) either agreed between the Issuer and the Investment Manager or designated by the Issuer and the Investment Manager as directed by the Subordinated Noteholders acting by Ordinary Resolution and notified to the Principal Paying Agent, the Collateral Administrator and the Noteholders (each an "**unscheduled Payment Date**"), provided that if any Payment Date would otherwise fall on a day which is not a Business Day, it shall be postponed to the next day that is a Business Day (unless it would thereby fall in the following month, in which case it shall be brought forward to the immediately preceding Business Day).

"**Payment Date Report**" means the accounting report defined as such in the Investment Management Agreement which is prepared and determined as of each Determination Date by the Collateral Administrator (in consultation with the Investment Manager) on behalf of the Issuer and made available via a secured website at https://usbtrustgateway.usbank.com (or such other website as may be notified by the Collateral Administrator to the Issuer, the Trustee, the Investment Manager, the Initial Purchase, each Hedge Counterparty, each Rating Agency, the Principal Paying Agent and the Noteholders from time to time) to the Issuer, the Trustee, the Investment Manager, the Initial Purchaser, each Hedge Counterparty, any holder of a beneficial interest in any Note (upon written request of such holder) in accordance with Condition 4(f) (*Information Regarding the Collateral*) and each Rating Agency not later than the Business Day preceding the related Payment Date.

"**Permitted Use**" has the meaning ascribed to it in Condition 3(j)(vi) (*Collateral Enhancement 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 Debt Obligation which is a security, the terms of which permit the deferral of the payment of all 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 Debt Obligations, Collateral Enhancement Obligations, Exchanged Securities, Eligible Investments and other similar obligations or securities held by or on behalf of the Issuer from time to time.

"**Portfolio Profile Tests**" means the Portfolio Profile Tests each as defined in the Investment Management Agreement.

"**Post-Acceleration Priority of Payments**" means the priority of payments set out in Condition 11 (*Enforcement*).

"**Presentation Date**" means a day which (subject to Condition 12 (*Prescription*)):

(a) is a Business Day;

(b) is or falls after the relevant due date or, if the due date is not or was not a Business Day in the place of presentation, is or falls after the next following Business Day which is a Business Day in the place of presentation; and

(c) is a Business Day in which the account specified by the payee is open.

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

"**Principal Amount Outstanding**" means in relation to any Class of Notes and at any time, the aggregate principal amount outstanding under such Class of Notes at that time, including, in the case of the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes, Deferred Interest which has been capitalised pursuant to Condition 6(c) (*Deferral of Interest*) save that Deferred Interest shall not be included for the purposes of determining voting rights or quorums attributable to the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes as applicable, and the applicable quorum at any meeting of the Noteholders pursuant to Condition 14 (*Meetings of Noteholders, Modification, Waiver and Substitution*).

"**Principal Balance**" means, with respect to any Collateral Debt Obligation, Eligible Investment, Collateral Enhancement Obligation or Exchanged Security, as of any date of determination, the outstanding principal amount thereof (excluding any interest capitalised pursuant to the terms of such instrument other than, with respect to a Mezzanine Obligation and a PIK Security, any such interest capitalised pursuant to the terms thereof which is paid for on the date of acquisition of such Mezzanine Obligation or PIK Security), provided however that:

(a) the Principal Balance of any Revolving Obligation and Delayed Drawdown Collateral Debt Obligation as of any date of determination, shall be the outstanding principal amount of such Revolving Obligation or Delayed Drawdown Collateral Debt Obligation, plus any undrawn commitments that have not been irrevocably cancelled with respect to such Revolving Obligation or Delayed Drawdown Collateral Debt Obligation;

(b) the Principal Balance of each Exchanged Security and each Collateral Enhancement Obligation, shall be deemed to be zero; and

(c) the Principal Balance of:

(i) any Non-Euro Obligation subject to a Currency Hedge Transaction shall be an amount equal to the Euro equivalent of the outstanding principal amount of the reference Non-Euro Obligation, converted into Euro at the Currency Hedge Transaction Exchange Rate; and

(ii) any Non-Euro Obligation which is not subject to a Currency Hedge Transaction shall be an amount equal to the product of (i) the Euro equivalent of the outstanding principal amount of such Non-Euro Obligation, converted into Euro at the Spot Rate, and (ii) (x) in the case of Non-Euro Obligations denominated in U.S. Dollars, Sterling, Danish Krone, Swiss Francs, Swedish Krona, or Norwegian Krone, 0.85; and (y) in the case of Non-Euro Obligations denominated in each other Qualifying Currency, 0.50;

(d) for the purposes of the Collateral Quality Tests only, the Principal Balance of a Defaulted Obligation shall be zero;

(e) for the purposes of the Portfolio Profile Tests only, the Principal Balance of a Defaulted Obligation shall be its outstanding principal amount multiplied by its Market Value; and

(f) the Principal Balance of any cash shall be the amount of such cash converted where applicable into Euro at the Applicable Exchange Rate.

"**Principal Proceeds**" means all amounts paid or payable into the Principal Account from time to time and, with respect to any Payment Date, means Principal Proceeds received or receivable by the Issuer during the related Due Period and any other amounts to be disbursed as Principal Proceeds on such Payment Date pursuant to Condition 3(c)(ii) (*Application of Principal Proceeds*) or Condition 11(b) (*Enforcement*).

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

"**Priorities of Payments**" means:

(a) save for (i) in connection with any optional redemption of the Notes in whole but not in part pursuant to Condition 7(b) (*Optional Redemption*), (ii) in connection with a redemption in whole pursuant to Condition 7(g) (*Redemption following Note Tax Event*) or (iii) following the delivery of an Acceleration Notice (deemed or otherwise) which has not subsequently been rescinded and annulled in accordance with Condition 10(c) (*Curing of Default*), in the case of Interest Proceeds, the Interest Proceeds Priority of Payments and in the case of Principal Proceeds, the Principal Proceeds Priority of Payments;

(b) in the event of any optional redemption of the Notes in whole but not in part pursuant to Condition 7(b) (*Optional Redemption*) or Condition 7(g) (*Redemption following Note Tax Event*) or following the delivery of an Acceleration Notice (deemed or otherwise) which has not subsequently been rescinded and annulled in accordance with Condition 10(c) (*Curing of Default*), the Post-Acceleration Priority of Payments; and

(c) in the case of Collateral Enhancement Obligation Proceeds, the Collateral Enhancement Obligation Proceeds Priority of Payments set out in Condition 3(c)(iii) (*Application of Collateral Enhancement Obligation Proceeds*).

"**Purchased Accrued Interest**" means, with respect to any Due Period, all payments of interest and proceeds of sale received during such Due Period in relation to any Collateral Debt Obligation, in each case, to the extent that such amounts represent accrued and/or capitalised interest in respect of such Collateral Debt Obligation

(including, in respect of a Mezzanine Obligation, any accrued interest which, as at the time of purchase, had been capitalised and added to the principal amount of such Mezzanine Obligation in accordance with its terms), which was purchased at the time of the acquisition thereof with Principal Proceeds and/or amounts paid out of the Unused Proceeds Account (other than Ramp Accrued Interest).

"**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 Australia, Austria, Belgium, Bermuda, Canada, the Channel Islands, Denmark, Finland, France, Germany, Republic of Ireland, Italy, Japan, Jersey, Liechtenstein, Luxembourg, The Netherlands, New Zealand, Norway, Poland. Portugal, Singapore, Spain, Sweden, Switzerland, the United States, the United Kingdom and any country the foreign currency government bond rating of which is rated, at the time of acquisition of the relevant Collateral Debt Obligation, at least "Baa3" by Moody's and the foreign currency country issuer rating of which is rated, at the time of acquisition of the relevant Collateral Debt Obligation, at least "BBB-" by Fitch (provided that Rating Agency Confirmation is received in respect of any such 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 Debt Obligation, Rating Agency Confirmation is received.

"**Qualifying Currency**" means Euro, Sterling, U.S. Dollars, Swedish Krona, Norwegian Krone, Danish Krone, Australian Dollars, New Zealand Dollars, Swiss Francs, Canadian Dollars, Japanese Yen, Polish Zloty or such other currency in respect of which Rating Agency Confirmation from each of Moody's and Fitch is received and for which the Account Bank has confirmed it is able to hold deposits.

"**Ramp Accrued Interest**" means, with respect to any Due Period, all payments of interest and proceeds of sale received during such Due Period in relation to any Collateral Debt Obligation, in each case, to the extent that such amounts represent accrued interest in respect of such Collateral Debt Obligation (including, in respect of a Mezzanine Obligation, any accrued interest which, as at the time of purchase, had been capitalised and added to the principal amount of such Mezzanine Obligation in accordance with its terms), which was purchased at the time of the acquisition thereof with amounts paid out of the Unused Proceeds Account and/or amounts paid to the Warehouse Providers under the Warehouse Arrangements.

"**Rated Notes**" means the Class A Notes, the Class B Notes, the Class C Note, the Class D Notes, the Class E Notes and the Class F Notes.

"**Rating Agencies**" means Moody's and Fitch, provided that if at any time Moody's and/or Fitch ceases to provide rating services, "**Rating Agencies**" shall mean any other nationally recognised investment rating agency or rating agencies (as applicable) selected by the Issuer and satisfactory to the Trustee (a "**Replacement Rating Agency**") and "**Rating Agency**" means any such rating agency. In the event that at any time a Rating Agency is replaced by a Replacement Rating Agency, references to rating categories of the original Rating Agency in these Conditions, the Trust Deed and the Investment Management Agreement shall be deemed instead to be references to the equivalent categories of the relevant Replacement Rating Agency as of the most recent date on which such other rating agency published ratings for the type of security in respect of which such Replacement Rating Agency is used and all references herein to "Rating Agencies" shall be construed accordingly. Any rating agency shall cease to be a Rating Agency if, at any time, it ceases to assign a rating in respect of any Class of Rated Notes.

"**Rating Agency Confirmation**" means, with respect to any specified action, determination or appointment, receipt by the Issuer and/or the Trustee of written confirmation (which may take the form of a bulletin, press release, email or other written communication) by each Rating Agency which has, as at the relevant date assigned ratings to any Class of the Rated Notes that are Outstanding (or, if applicable, the Rating Agency specified in respect of any such action or determination, provided that such Rating Agency has, as at the relevant date assigned ratings to any Class of the Rated Notes) that such specified action, determination or appointment will not result in the reduction or withdrawal of any of the ratings currently assigned to the Rated Notes by such Rating Agency. Notwithstanding anything to the contrary in any Transaction Document and these Conditions, no Rating Agency Confirmation shall be required from a Rating Agency in respect of any action or determination if such Rating Agency has declined a request from the Trustee, the Investment Manager or the Issuer to review the effect of such action, determination or appointment or if such Rating Agency announces or

confirms to the Trustee, the Investment 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 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 Investment Manager (acting on behalf of the Issuer) to the Rating Agencies setting forth the intended timing and manner of acquisition of additional Collateral Debt Obligations and/or any other intended action which will cause confirmation of the Initial Ratings, as further described and as defined in the Investment Management Agreement.

"**Rating Requirement**" means:

(a) in the case of the Account Bank:

(i) a short-term senior unsecured debt rating of "P-1" by Moody's or a long-term senior unsecured issuer credit rating of at least "A2" by Moody's; and

(ii) a long-term issuer default rating of at least "A" and a short-term issuer default rating of at least "F1" by Fitch; and

(b) in the case of the Custodian or any sub-custodian appointed thereby:

(i) a short-term senior unsecured debt rating of "P-1" by Moody's or a long-term senior unsecured issuer credit rating of at least "A2" by Moody's; and

(ii) a long-term issuer default rating of at least "A" and a short-term issuer default rating of at least "F1" by Fitch; and

(c) in the case of any Hedge Counterparty, the rating requirement(s) as set out in the relevant Hedge Agreement; and

(d) in the case of a Selling Institution with regards to a Participation only, a counterparty which satisfies the ratings set out in the Bivariate Risk Table; and

(e) in the case of the Principal Paying Agent:

(i) a long-term senior unsecured issuer credit rating of at least "Baa3" by Moody's; or

(ii) if the Principal Paying Agent has no long-term senior unsecured issuer credit rating by Moody's, a short-term senior unsecured issuer credit rating of at least "P-3" by Moody's; 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 thereto in Condition 7(b)(vi) (*Optional Redemption effected through Liquidation only*).

"**Redemption Notice**" means a redemption notice in the form available from any of the Transfer Agents which has been duly completed by a 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 (S) of Condition 3(c)(ii) (*Application of Principal Proceeds*), paragraph (B) of the Collateral Enhancement Obligations Proceeds Priority of Payments and paragraph (Z) of the Post-Acceleration Priority of Payments of the aggregate proceeds of liquidation of the Collateral, or realisation of the security thereover in such circumstances, remaining following application thereof in accordance with the Priorities of Payments; and

(b) any 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 and any interest accrued thereon.

"**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 thereto in paragraph (2) of Condition 6(e)(i) (*Floating Rate of Interest*).

"**Refinancing**" has the meaning given to it in Condition 7(b)(v) (*Optional Redemption effected in whole or in part through Refinancing*).

"**Refinancing Costs**" means the fees, costs, charges and expenses incurred by or on behalf of the Issuer in respect of a Refinancing and have been incurred as a direct result of a Refinancing, as determined by the Investment 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 in offshore transactions outside of the United States in reliance on Regulation S.

"**Reinvestment Criteria**" has the meaning given to it in the Investment Management Agreement.

"**Reinvestment Overcollateralisation Test**" means the test which will apply as of any Measurement Date on or after the Effective Date and during the Reinvestment Period which will be satisfied on such Measurement Date if the Class F Par Value Ratio is at least equal to 104.67 per cent.

"**Reinvestment Period**" means the period from and including the Issue Date up to and including the earliest of: (i) 25 July 2020 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 such Acceleration Notice has not been rescinded or annulled in accordance with Condition 10(c) (*Curing of Default*)); and (iii) the date on which the Investment Manager reasonably believes and notifies the Issuer, the Rating Agencies and the Trustee that it can no longer reinvest in additional Collateral Debt Obligations in accordance with the Reinvestment Criteria.

"**Reinvestment Target Par Balance**" means, as of any date of determination an amount equal to: (a) the Target Par Amount minus (b) the amount of any reduction in the Principal Amount Outstanding of the Notes plus (c) the aggregate amount of net issue proceeds designated as Principal Proceeds that results from the issuance of any additional Notes, issued pursuant to Condition 17 (*Additional Issuance*).

"**Relevant Payment Date**" means the Payment Date immediately following the occurrence of a Frequency Switch Event.

"**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 approved by the Investment Manager and in respect of which Rating Agency Confirmation is obtained (unless any such Replacement Currency Hedge Agreement constitutes a Form Approved Hedge).

"**Replacement Hedge Agreements**" means each Replacement Currency Hedge Agreement and each Replacement Interest Rate Hedge Agreement and "Replacement Hedge Agreement" means any of them.

"**Replacement Hedge Transaction**" means any replacement Interest Rate Hedge Transaction or Currency Hedge Transaction entered into under a Replacement Interest Rate Hedge Agreement or Replacement Currency Hedge Agreement (as applicable) (or under another existing Interest Rate Hedge Agreement or Currency Hedge Agreement with another Hedge Counterparty) in respect of the relevant terminated Interest Rate Hedge Transactions or Currency Hedge Transactions under the relevant terminated Interest Rate Hedge Agreement or Currency Hedge Agreement (as applicable).

"**Replacement Interest Rate Hedge Agreement**" means any Interest Rate Hedge Agreement entered into by the Issuer upon termination of an existing Interest Rate Hedge Agreement in full on substantially the same terms as the original Interest Rate Hedge Agreement that preserves for the Issuer the economic equivalent of the terminated Interest Rate Hedge Transactions outstanding thereunder, subject to such amendments as may be approved by the Investment Manager and in respect of which Rating Agency Confirmation is obtained (unless any such Replacement Interest Rate Hedge Agreement constitutes a Form Approved Hedge).

"**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.

"**Resolution**" means any Ordinary Resolution or Extraordinary Resolution, as the context may require.

"**Restricted Trading Period**" means the period during which:

(a) 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; or

(b) the Moody's rating of the Class B Notes, the Class C Notes, the Class D Notes or the Class E Notes is withdrawn (and not reinstated) or is two or more sub categories below its rating on the Issue Date, provided the Class B Notes, the Class C Notes, the Class D Notes or the Class E Notes (as applicable) are Outstanding; or

(c) the Moody's rating of the Class F Notes is withdrawn (and not reinstated) or is three or more sub categories below its rating on the Issue Date, provided the Class F Notes are Outstanding; or

(d) the Fitch rating of the Class A Notes is withdrawn (and not reinstated) or is one or more sub categories below its rating on the Issue Date, provided the Class A Notes are Outstanding; or

(e) the Fitch rating of the Class B Notes, the Class C Notes, the Class D Notes or the Class E Notes is withdrawn (and not reinstated) or is two or more sub categories below its rating on the Issue Date, provided the Class B Notes, the Class C Notes, the Class D Notes or the Class E Notes (as applicable) are Outstanding; or

(f) the Fitch rating of the Class F Notes is withdrawn (and not reinstated) or is three or more sub categories below its rating on the Issue Date, provided the Class F Notes are Outstanding;

provided that, in each case, such period will not be a Restricted Trading Period if:

(I) (A) the sum of: (1) the Aggregate Principal Balance of all Collateral Debt Obligations (excluding the Collateral Debt Obligation being sold but including, without duplication, any related reinvestment and the anticipated cash proceeds, if any, of such sale), and (2) amounts standing to the credit of the Principal Account and the Unused Proceeds Account (to the extent such amounts have not and will not be designated as Interest Proceeds to be credited to the Interest Account and including Eligible Investments therein but save for any interest accrued on Eligible Investments) is greater than or equal to the Reinvestment Target Par Balance; (B) each of the Coverage Tests applicable during such period is satisfied; and (C) each of the Collateral Quality Tests is satisfied; or

(II) the downgrade or withdrawal of such rating is as a result of either (1) regulatory change or (2) a change in the relevant Rating Agency's structured finance rating criteria; or

(III) upon the direction of the Issuer with the consent of the Controlling Class acting by Ordinary Resolution,

provided further that no Restricted Trading Period shall restrict any sale of a Collateral Debt 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 Debt Obligation which has been restructured (whether effected by way of an amendment to the terms of such Collateral Debt Obligation (including but not limited to an extension of its maturity) or by way of substitution of new obligations and/or change of Obligor) and which satisfies the Restructured Obligation Criteria as at its applicable Restructuring Date, provided that the failure of a Restructured Obligation to satisfy the Restructured Obligation Criteria at any time after the applicable Restructuring Date shall not cause such obligation to cease to constitute a Restructured Obligation unless it is subsequently restructured again, in which case such obligation shall constitute a Restructured Obligation provided it satisfies the Restructured Obligation Criteria as at its Restructuring Date.

"**Restructured Obligation Criteria**" means the restructured obligation criteria specified in the Investment Management Agreement which are required to be satisfied in respect of each Restructured Obligation at the applicable Restructuring Date.

"**Restructuring Date**" means the date a restructuring of a Collateral Debt Obligation becomes binding on the holders thereof provided that if an obligation satisfies the Restructured Obligation Criteria at a later date, such later date shall be deemed to be the Restructuring Date for the purposes of determining whether such obligation shall constitute a Restructured Obligation.

"**Retention Deficiency**" means, as of any date of determination, an event which occurs if the Principal Amount Outstanding of the Class M-1 Notes held by the Retention Holder is less than 5 per cent. of the Aggregate Collateral Balance and the Retention Requirements are not or would not be complied with as a result.

"**Retention Note Purchase Agreement**" means an agreement for the purchase of Subordinated Notes by the Retention Holder in accordance with the Risk Retention Letter and the Retention Requirements.

"**Retention Holder**" means Cairn Loan Investments LLP in its capacity as retention holder in accordance with the Risk Retention Letter and any successor assign or transferee to the extent permitted under the Risk Retention Letter and the Retention Requirements.

"**Retention Requirements**" means the CRR Retention Requirements, the AIFMD Retention Requirements and the Solvency II Retention Requirements.

"**Revolving Obligation**" means any Collateral Debt Obligation (other than a Delayed Drawdown Collateral Debt Obligation) that is a loan (including, without limitation, revolving loans, funded and unfunded portions of revolving credit lines and letter of credit facilities, unfunded commitments under specific facilities and other similar loans and investments) that pursuant to the terms of its Underlying Instruments may require one or more future advances to be made to the borrower by the Issuer; but any such Collateral Debt Obligation will be a Revolving Obligation only until all commitments to make advances to the borrower expire or are terminated or reduced to zero.

"**Risk Retention Letter**" means the letter entered into between the Issuer, the Retention Holder, the Trustee, the Collateral Administrator and Barclays Bank PLC in its capacity as sole arranger and initial purchaser dated on or about 21 July 2016.

"**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 Credit Market Services Europe Limited, a division of S&P Global Ratings. and any successor or successors thereto.

"**Sale Proceeds**" means:

(a) all proceeds received upon the sale of any Collateral Debt Obligation (other than any Non-Euro Obligations with a related Currency Hedge Transaction) excluding any sale proceeds representing accrued interest designated as Interest Proceeds, by the Investment Manager provided that no such designation may be made in respect of: (i) Purchased Accrued Interest; or (ii) Ramp Accrued Interest (provided that any Ramp Accrued Interest shall be credited to the Unused Proceeds Account in accordance with these Conditions); or (iii) 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 (iv) proceeds that represent deferred interest accrued in respect of any PIK Security; or (v) 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 and Ramp Accrued Interest in relation to such Defaulted Obligation has been paid, together with all proceeds received upon the sale of any Exchanged Security (to the extent that such proceeds are not Excess Exchanged Security Sale Proceeds to be credited to the Interest Account in accordance with these Conditions);

(b) in the case of any Non-Euro Obligation with a related Currency Hedge Transaction, all amounts in Euros (or other currencies, if applicable) received by the Issuer from the applicable Currency Hedge Counterparty in exchange for payment by the Issuer of the sale proceeds of any Collateral Debt 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 Debt Obligation and, where applicable, converted into Euro at the Applicable Exchange Rate.

"**Scheduled Periodic Currency Hedge Counterparty Payment**" means, with respect to any Currency Hedge Agreement, all amounts in the nature of or with respect to a coupon rather than principal payments, 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 in the nature of or with respect to a coupon rather than principal payments, to be paid by the Issuer to the applicable Currency Hedge Counterparty pursuant to the terms of such Currency Hedge Agreement, excluding any Currency Hedge Issuer Termination Payment.

"**Scheduled Periodic Hedge Counterparty Payment**" means a Scheduled Periodic Currency Hedge Counterparty Payment or a Scheduled Periodic Interest Rate Hedge Counterparty Payment.

"**Scheduled Periodic Hedge Issuer Payment**" means a Scheduled Periodic Currency Hedge Issuer Payment or a Scheduled Periodic Interest Rate Hedge Issuer Payment.

"**Scheduled Periodic Interest Rate Hedge Counterparty Payment**" means, with respect to any Interest Rate Hedge Agreement, all amounts scheduled to be paid by the Hedge Counterparty to the Issuer pursuant to the

terms of such Interest Rate Hedge Agreement, excluding any Interest Rate Hedge Counterparty Termination Payment.

"**Scheduled Periodic Interest Rate Hedge Issuer Payment**" means, with respect to any Interest Rate Hedge Agreement, all amounts scheduled to be paid by the Issuer to the applicable Interest Rate Hedge Counterparty pursuant to the terms of such Hedge Agreement, excluding any Interest Rate Hedge Issuer Termination Payment.

"**Scheduled Principal Proceeds**" means:

(a) in the case of any Collateral Debt Obligation (other than Non-Euro Obligations with a related Currency Hedge Transaction), scheduled principal repayments received by the Issuer (including scheduled amortisation, instalment or sinking fund payments);

(b) in the case of any Non-Euro Obligation with a related Currency Hedge Transaction, scheduled final and interim payments in the nature of principal payable to the Issuer by the applicable Currency Hedge Counterparty under the related Currency Hedge Transaction; and

(c) in the case of any Hedge Agreements, any Hedge Replacement Receipts and Hedge Counterparty Termination Payments transferred from the Hedge Termination Accounts into the Principal Account and any amounts transferred from Counterparty Downgrade Collateral Accounts to the Principal Account in accordance with Condition 3(j)(v) (*Counterparty Downgrade Collateral Accounts*).

"**Second Lien Loan**" means an obligation (other than a Senior Secured 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 Obligations**" has the meaning given to it in the Trust Deed.

"**Secured Party**" means each of the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders, the Class F Noteholders, the Subordinated Noteholders, the Initial Purchaser, the Investment Manager, the Trustee, any Receiver, any Appointee, the Agents, each Reporting Delegate, each Hedge Counterparty and the Managing Directors and "**Secured Parties**" means any two or more of them as the context so requires.

"**Secured Senior Obligation**" means a Senior Secured Bond or a Senior Secured Loan.

"**Secured Senior RCF Percentage**" means, in relation to a Senior Secured Bond or a Senior Secured Loan, 15 per cent, or more, if Rating Agency Confirmation from each Rating Agency is obtained.

"**Securities Act**" means the United States Securities Act of 1933, as amended.

"**Selling Institution**" means an institution from whom (i) a Participation is taken and satisfies the applicable Rating Requirement; or (ii) an Assignment is acquired.

"**Semi-Annual Obligations**" means Collateral Debt Obligations which, at the relevant date of measurement, pay interest less frequently than quarterly.

"**Senior Expenses Cap**" means, in respect of each Payment Date and the Due Period immediately preceding such Payment Date the sum of:

(a) €300,000 per annum (pro rated for the Due Period for the first Payment Date on the basis of a 360-day year and the actual number of days elapsed in such Due Period, and thereafter on the basis of a 360-day year comprised of twelve 30-day months with each anniversary of the first Payment Date being the start of such 360 day period); and

(b) 0.0230 per cent. per annum (pro rated for the Due Period for the first Payment Date on the basis of a 360-day year and the actual number of days elapsed in such Due Period and thereafter on the basis of a 360 day year and the actual number of days elapsed in such Due Period, with each anniversary of the first Payment Date being the start of such 360 day period) of the Aggregate Collateral Balance as at the Determination Date immediately preceding such Payment Date

provided however that if the aggregate amount of Trustee Fees and Expenses and Administrative Expenses paid on the three immediately preceding Payment Dates (or, if a Frequency Switch Event has occurred, the immediately preceding Payment Date) together with the aggregate amount of Trustee Fees and Expenses and Administrative Expenses paid during the related Due Period(s) is less than the stated Senior Expenses Cap, the amount of each such shortfall shall be added to the Senior Expenses Cap with respect to the then current Payment Date. For the avoidance of doubt, the application of any such shortfall in this manner may not at any time result in an increase of the Senior Expenses Cap on a per annum basis.

"**Senior Investment Management Fee**" means the fee payable to the Investment Manager in arrear on each Payment Date in respect of each Due Period pursuant to the Investment Management Agreement in an amount, as determined by the Collateral Administrator, equal to 0.15 per cent. per annum (calculated semi-annually following the occurrence of a Frequency Switch Event and quarterly at all other times, in each case on the basis of a 360-day year and the actual number of days elapsed in such Due Period) of the Aggregate Collateral Balance (exclusive of VAT) as of the first day of such Due Period, as determined by the Collateral Administrator.

"**Senior Loan**" means a Collateral Debt Obligation that is a Senior Secured Loan, an Unsecured Senior Loan or a Second Lien Loan.

"**Senior Secured Bond**" means a Collateral Debt Obligation that is a senior secured debt security in the form of, or represented by, a bond, note, certificated debt security or other debt security (that is not a Senior Secured Loan) as determined by the Investment Manager in its reasonable commercial judgment or a Participation therein, provided that:

(a) it is secured (i) by assets of the Obligor thereof if and to the extent that the provision of security over assets is permissible under applicable law (save in the case of assets where the failure to take such security is consistent with reasonable secured lending practices), and otherwise (ii) by at least 80 per cent. of the equity interests in the shares of an entity owning, either directly or indirectly, such assets; and

(b) no other obligation of the Obligor has any higher priority security interest in such assets or shares referred to in (a) above provided that a revolving loan of the Obligor that, pursuant to its terms, may require one or more future advances to be made to the borrower may have a higher priority security interest in such assets or shares in the event of an enforcement in respect of such loan representing up to the Secured Senior RCF Percentage of the Obligor's senior debt.

"**Senior Secured Loan**" means a Collateral Debt Obligation (which may be a Revolving Obligation or a Delayed Drawdown Collateral Debt Obligation) that is a senior secured loan obligation as determined by the Investment Manager in its reasonable commercial judgment or a Participation therein, provided that:

(a) it is secured (i) by assets of the Obligor thereof if and to the extent that the provision of security over assets is permissible under applicable law (save in the case of assets where the failure to take such security is consistent with reasonable secured lending practices), and otherwise (ii) by at least 80 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 the Secured Senior RCF Percentage of the Obligor's senior debt.

"**Similar Law**" means any federal, state, local or non-U.S. law or regulation that could cause the underlying assets of the Issuer to be treated as assets of the investor in any Note (or any interest therein) by virtue of its interest and thereby subject the Issuer and the Investment Manager (or other persons responsible for the investment and operation of the Issuer's assets) to any Other Plan Law.

"**Solvency II**" means Directive 2009/138/EC including any implementing and/or delegated regulations, technical standards and guidance related thereto as may be amended, replaced or supplemented from time to time.

"**Solvency II Retention Requirements**" means the risk retention requirements and due diligence requirements set out in Articles 254 and 256 of Commission Delegated Regulation (EU) 2015/35, as amended from time to time.

"**Special Redemption**" has the meaning given to it in Condition 7(d) (*Special Redemption*).

"**Special Redemption Amount**" has the meaning given to it in Condition 7(d) (*Special Redemption*).

"**Special Redemption Date**" has the meaning given to it in Condition 7(d) (*Special Redemption*).

"**Spot Rate**" means with respect to any conversion of any currency into Euro or, as the case may be, of Euro into any other relevant currency, the relevant spot rate of exchange quoted by the Collateral Administrator on the date of calculation.

"**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.

"**STS Regulation**" shall mean the proposed regulation of the European Union relating to a European framework for simple, transparent and standardised securitisation including any implementing regulation, technical standards and official guidance related thereto.

"**Subordinated Investment Management Fee**" means the fee payable to the Investment Manager in arrear on each Payment Date in respect of the immediately preceding Due Period, pursuant to the Investment Management Agreement equal to 0.35 per cent. per annum (calculated semi-annually following the occurrence of a Frequency Switch Event and quarterly at all other times, in each case on the basis of a 360-day year and the actual number of days elapsed in such Due Period) of the Aggregate Collateral Balance (exclusive of VAT) as of the first day of such Due Period, as determined by the Collateral Administrator.

"**Subordinated Noteholders**" means the holders of any Class M-1 Notes or any Class M-2 Notes from time to time.

"**Subordinated Notes**" have the meaning ascribed to them in the first paragraph of these Conditions.

"**Subordinated Notes Issue Price Percentage**" means 100 per cent. for the Class M-1 Notes and 95 per cent. for the Class M-2 Notes.

"**Subordinated Obligation**" means a debt obligation that by its terms and conditions is subordinated to all non-subordinated debt obligations of the relevant Obligor.

"**Subscription Agreement**" means the subscription agreement between the Issuer and the Initial Purchaser dated on or about 21 July 2016.

"**Substitute Collateral Debt Obligation**" means a Collateral Debt Obligation purchased in substitution for a previously held Collateral Debt Obligation pursuant to the terms of the Investment Management Agreement and which satisfies both the Eligibility Criteria and the Reinvestment Criteria.

"**Swapped Non-Discount Obligation**" means any Collateral Debt Obligation that would otherwise be considered a Discount Obligation, but that is purchased with the Sale Proceeds of a Collateral Debt Obligation (the "**Original Obligation**") that was not a Discount Obligation at the time of its purchase, and will not be considered a Discount Obligation so long as such purchased Collateral Debt Obligation:

(a) is purchased or committed to be purchased within 20 Business Days of the sale of such Original Obligation;

(b) is purchased at a price (as a percentage of par) equal to or greater than the sale price of the Original Obligation;

(c) is purchased at a price not less than 50 per cent. of the Principal Balance thereof; and

(d) the Moody's Rating thereof is equal to or higher than the Moody's Rating of the Original Obligation,

provided, however that:

(i) to the extent the Aggregate Principal Balance of all Swapped Non-Discount Obligations held by the Issuer as at the relevant date of determination exceeds 5 per cent. of the Aggregate Collateral Balance, 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 exceeds 10 per cent. of the Target Par Amount, such excess will not constitute Swapped Non-Discount Obligations (and for the avoidance of doubt, such excess will instead constitute Discount Obligations);

(iii) in the case of a Collateral Debt Obligation that is an interest in a Floating Rate Collateral Debt Obligation, such Collateral Debt Obligation will cease to be a Swapped Non-Discount Obligation at such time as the Market Value (expressed as a percentage of its Principal Balance) for such Collateral Debt Obligation on each day during any period of 30 consecutive days since the acquisition of such Collateral Debt Obligation equals or exceeds 90 per cent.; and

(iv) in the case of any Collateral Debt Obligation that is an interest in a Fixed Rate Collateral Debt Obligation, such Collateral Debt Obligation will cease to be a Swapped Non-Discount Obligation at such time as the Market Value (expressed as a percentage of its Principal Balance) for such Collateral Debt Obligation on each day during any period of 30 consecutive days since the acquisition of such Collateral Debt Obligation equals or exceeds 85 per cent.

"**Target Par Amount**" means €350,000,000.

"**TARGET2**" means the Trans-European Automated Real-time Gross Settlement Express Transfer system (or, if such system ceases to be operative, such other system (if any) determined by the Trustee to be a suitable replacement).

"**Transaction Documents**" means the Trust Deed (including these Conditions), the Agency Agreement, the Subscription Agreement, the Retention Note Purchase Agreement, the Investment Management Agreement, any Hedge Agreements, the Risk Retention Letter, any Reporting Delegation Agreement, the Collateral Acquisition Agreements, the Letter of Undertaking, the Participation Agreements, the Issuer Management Agreement and any document supplemental thereto or issued in connection therewith.

"**Trustee Fees and Expenses**" means the fees and expenses (including, without limitation, legal fees) and all other amounts payable to the Trustee or to any Receiver or Appointee pursuant to the Trust Deed or any other Transaction Document from time to time plus any applicable VAT thereon payable under the Trust Deed or any other Transaction Document, including indemnity payments and any fees, costs, charges and expenses 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 Debt Obligation has been issued or created and each other agreement that governs the terms of, or secures the obligations represented by, such Collateral Debt Obligation or under which the holders or creditors under such Collateral Debt Obligation are the beneficiaries.

"**Unfunded Amount**" means, with respect to any Revolving Obligation or Delayed Drawdown Collateral Debt Obligation, the excess, if any, of (i) the Commitment Amount under such Revolving Obligation or Delayed Drawdown Collateral Debt Obligation, as the case may be, at such time over (ii) the Funded Amount thereof at such time.

"**Unfunded Revolver Reserve Account**" means the interest bearing account of the Issuer established and maintained with the Account Bank pursuant to the Agency Agreement, amounts standing to the credit of which, subject to certain conditions, may be used to fund in full the amount of any unfunded commitments or unfunded liabilities from time to time, in relation to Delayed Drawdown Collateral Debt Obligations and Revolving Obligations.

"**Unscheduled Principal Proceeds**" means (i) with respect to any Collateral Debt Obligation (other than Non-Euro Obligations with a related currency Hedge Transaction), principal proceeds received by the Issuer prior to the Collateral Debt Obligation Stated Maturity thereof as a result of optional redemptions, prepayments (including any acceleration) or Offers (excluding any premiums or make whole amounts in excess of the principal amount of such Collateral Debt Obligation), and (ii) with respect to any Non-Euro Obligation with a related Currency Hedge Transaction any amounts in Euro payable to the Issuer by the applicable Currency Hedge Counterparty in exchange for payment by the Issuer of any unscheduled principal proceeds received in respect of any Collateral Debt Obligation under the related Currency Hedge Transaction;

"**Unsecured Senior Loan**" means a Collateral Debt Obligation that:

(a) is a loan obligation senior to any unsecured, subordinated obligation of the Obligor as determined by the Investment Manager in its reasonable commercial judgment; and

(b) is not secured (i) by assets of the Obligor or guarantor thereof if and to the extent that the granting of security over assets is permissible under applicable law or (ii) by at least 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.

"**VAT**" means any tax imposed in conformity with the Council Directive of 28 November 2006 on the common system of VAT (EC Directive 2006/112) and any other tax of a similar fiscal nature substituted for, or levied in addition to such tax whether in the European Union, or elsewhere in any jurisdiction together with any interest and penalties thereon.

"**Warehouse Arrangements**" means the warehouse financing and related arrangements entered into by the Issuer prior to the Issue Date to finance the acquisition of Collateral Debt Obligations prior to the Issue Date.

"**Warehouse Providers**" means the senior and junior lenders under the Warehouse Arrangements.

"**Weighted Average Fixed Coupon**" has the meaning given to it in the Investment Management Agreement.

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

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

"**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. The Issuer shall procure that the Register shall at all times be kept and maintained outside the United Kingdom and that no entire copy of the Register shall be created, kept or maintained in the United Kingdom.

(b) Title to the Registered Notes

Title to the Notes passes upon registration of transfers in the Register in accordance with the provisions of the Agency Agreement and the Trust Deed. Notes will be transferable only on the books of the Issuer and its agents. The registered holder of any Note will (except as

otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it, any writing on it, or its theft or loss) and no person will be liable for so treating the holder.

(c) Transfer

One or more Notes may be transferred in whole or in part in nominal amounts of the applicable Authorised Denomination only upon the surrender, at the specified office of the Registrar or any Transfer Agent, of the Definitive Certificate representing such Note(s) to be transferred, with the form of transfer endorsed on such Definitive Certificate duly completed and executed and together with such other evidence as the Registrar or Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Notes represented by one Definitive Certificate, a new Definitive Certificate will be issued to the transferee in respect of the part transferred and a further new Definitive Certificate in respect of the balance of the holding not transferred will be issued to the transferor.

(d) Delivery of New Certificates

Each new Definitive Certificate to be issued pursuant to Condition 2(c) (*Transfer*) will be available for delivery within five Business Days of receipt of such form of transfer or of surrender of an existing certificate upon partial redemption. Delivery of new Definitive Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar, as the case may be, to whom delivery or surrender shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the form of transfer or otherwise in writing, shall be mailed by pre paid first class post, at the risk of the holder entitled to the new Definitive Certificate, to such address as may be so specified. In this Condition 2(d) (*Delivery of New Certificates*), "**Business Day**" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified offices of the Transfer Agent and the Registrar.

(e) Transfer Free of Charge

Transfer of Notes and Definitive Certificates representing such Notes in accordance with these Conditions of the Notes on registration or transfer will be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agent, but upon payment (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require in respect thereof) of any tax or other governmental charges which may be imposed in relation to it.

(f) Closed Periods

No Noteholder may require the transfer of a Note to be registered (i) during the period of 15 calendar days ending on the due date for redemption (in full) of that Note or (ii) during the period of seven calendar days ending on (and including) any Record Date.

(g) Regulations Concerning Transfer and Registration

All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning the transfer of Notes scheduled to the Trust Deed, including without limitation, that a transfer of Notes in breach of certain of such regulations will result in such transfer being void *ab initio*. The regulations may be changed by the Issuer in any manner which is reasonably required by the Issuer (after consultation with the Trustee) to reflect changes in legal or regulatory requirements or in any other manner which, in the opinion of the Issuer (after consultation with the Trustee and subject to not less than 60 days' notice of any such change having been given to the Noteholders in accordance with Condition 16 (*Notices*)), is not prejudicial to the interests of the holders of the relevant Class of Notes. A copy of the current regulations may be inspected at the offices of any Transfer Agent during usual business hours on any Business Day 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 both a QIB and a QP (any such person, a "**Non-Permitted Holder**"), the Issuer shall, promptly after determination that such person is a Non-Permitted Holder by the Issuer, send notice to such Non-Permitted Holder demanding that such holder transfer its Notes outside the United States to a non-U.S. Person or within the United States to a U.S. Person that is a QIB/QP within 30 days of the date of receipt of such notice. If such holder fails to effect the transfer of 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 Holder by its acceptance of an interest in the Rule 144A Notes agrees to cooperate with the Issuer and the Trustee 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 neither the Issuer nor the Trustee 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 and the Trustee reserve 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 and the Trustee have 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 and the Trustee reserve the right to refuse to honour a transfer of beneficial interests in a Rule 144A Note to any Person who is not either a non-U.S. Person or a U.S. Person that is a QIB/QP.

(i) Forced Sale pursuant to FATCA

Each Noteholder (which, for the purposes of this Condition 2(i) (*Forced Sale pursuant to FATCA*) may include a nominee or beneficial owner of a Note) will agree to provide the Issuer and its agents with any correct, complete and accurate information or documentation that may be required for the Issuer to comply with FATCA and to prevent the imposition of tax under FATCA on payments to or for the benefit of the Issuer. In the event the Noteholder fails to provide such information or documentation, or to the extent that its ownership of the Notes would otherwise cause the Issuer to be subject to tax under FATCA, (A) the Issuer and its agents are authorised to withhold amounts otherwise distributable to the Noteholder as compensation for any taxes to which the Issuer is subject under FATCA as a result of such failure or the Noteholder's ownership of Notes, and (B) to the extent necessary to avoid an adverse effect on the Issuer as a result of such failure or the Noteholder's ownership of Notes, the Issuer will have the right to compel the Noteholder to sell its Notes, and, if the Noteholder does not sell its Notes within 10 Business Days after notice from the Issuer or any agent of the Issuer, the Issuer will have the right to sell such Notes at a public or private sale called and conducted in any manner permitted by law, and to remit the net proceeds of such sale (taking into account any costs, charges, and any taxes incurred by the Issuer in connection with such sale) to the Noteholder as payment in full for such Notes. The Issuer may also assign each such Note a separate ISIN in the Issuer's sole discretion. For the avoidance of doubt, the Issuer shall have the right to sell a beneficial owner's interest in a Note in its entirety notwithstanding that the sale of a portion of such an interest would permit the Issuer to comply with FATCA.

(j) Forced Transfer pursuant to ERISA

If any Noteholder is determined by the Issuer to be a Noteholder who has made or is deemed to have made a prohibited transaction, Benefit Plan Investor, Controlling Person, Other Plan Law or Similar Law representation that is subsequently shown to be false or misleading, or whose beneficial ownership otherwise causes a violation of the 25 per cent. limitation set out

in Title I of ERISA and Section 4975 of the Code (any such Noteholder a "**Non-Permitted ERISA Holder**"), the Non-Permitted ERISA Holder will 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 and the Trustee, to the extent required to effect such transfers. None of the Issuer, the Trustee and the Registrar shall be liable to any Noteholder having an interest in the Notes sold or otherwise transferred as a result of any such sale or transfer. The Issuer shall be entitled to deduct from the sale or transfer price an amount equal to all the expenses and costs incurred and any loss suffered by the Issuer as a result of such forced transfer. The Non-Permitted ERISA Holder will receive the balance, if any.

(k) Forced Transfer mechanics

In order to effect the forced transfer provisions set out in Conditions 2(h) (*Forced Transfer of Rule 144A Notes*), 2(j) (*Forced Transfer pursuant to ERISA*) and 2(i) (*Forced Sale pursuant to FATCA*), the Issuer may repay any affected Notes and issue replacement Notes and the Issuer, the Trustee, the Agents and the Registrar shall work with the Clearing Systems to take such action as may be necessary to effect such repayment and issue of replacement Notes.

(l) Registrar authorisation

The Noteholders hereby authorise the Registrar and the Clearing Systems to take such actions as are necessary in order to effect the forced transfer provisions set out in Conditions 2(h) (*Forced Transfer of Rule 144A Notes*), 2(j) (*Forced Transfer pursuant to ERISA*) and 2(i) (*Forced Sale pursuant to FATCA*) above without the need for any further express instruction from any affected Noteholder. The Noteholders shall be bound by any actions taken by the Registrar, the Clearing Systems or any other party taken pursuant to the above-named Conditions.

(m) Exchange of Voting/Non-Voting Notes

A Noteholder holding Notes in the form of IM Removal and Replacement Exchangeable Non-Voting Notes may request by the delivery to the Registrar or a Transfer Agent of a written request that such Notes be exchanged for Notes in the form of IM Removal and Replacement Non-Voting Notes. A Noteholder holding Notes in the form of IM Removal and Replacement Exchangeable Non-Voting Notes may request by the delivery to the Registrar or a Transfer Agent of a written request that such Notes be exchanged for Notes in the form of IM Removal and Replacement Voting Notes only in connection with the transfer of such Notes to an entity that is not an Affiliate of such Noteholder.

Notes in the form of IM Removal and Replacement Exchangeable Non-Voting Notes shall not be exchanged for Notes in the form of IM Removal and Replacement Voting Notes in any other circumstances.

Notes in the form of IM Removal and Replacement Non-Voting Notes shall not be exchangeable at any time for Notes in the form of IM Removal and Replacement Voting Notes or IM Removal and Replacement Exchangeable Non-Voting Notes.

Notes in the form of IM Removal and Replacement Voting Notes shall be exchangeable at any time for Notes in the form of IM Removal and Replacement Non-Voting Notes or IM Removal and Replacement Exchangeable Non-Voting Notes.

3. **Status**

(a) Status

The Notes of each Class constitute direct, general, secured, unconditional obligations of the Issuer, recourse in respect of which is limited in the manner described in Condition 4(c) (*Limited Recourse*). The Notes of each Class are secured in the manner described in Condition

4(a) (*Security*) and, within each Class, shall at all times rank *pari passu* and without any preference amongst themselves.

(b) Relationship Among the Classes

The Notes of each Class are constituted by the Trust Deed and are secured on the Collateral as further described in the Trust Deed. Payments of interest on the Class A Notes will rank senior to payments of interest on each Payment Date in respect of each other Class; payment of interest on the Class B Notes will be subordinated in right of payment to payments of interest in respect of the Class A Notes, but senior in right of payment to payments of interest in respect of the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Subordinated Notes; payment of interest on the Class C Notes will be subordinated in right of payment to payments of interest in respect of the Class A Notes and the Class B Notes, but senior in right of payment to payments of interest 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 on the Rated Notes (other than the Class F Notes) but senior in right of payment to payment of any interest on the Subordinated Notes. Payment of interest on the Subordinated Notes will be subordinated in right of payment to payment of any interest in respect of the Rated Notes. Interest on the Subordinated Notes shall be paid *pari passu* and without any preference amongst themselves.

No amount of principal in respect of the Class B Notes shall become due and payable until redemption and payment in full of the Class A Notes. No amount of principal in respect of the Class C Notes shall become due and payable until redemption and payment in full of the Class A Notes and the Class B Notes. No amount of principal in respect of the Class D Notes shall become due and payable until redemption and payment in full of the Class A Notes, the Class B Notes and the Class C Notes. No amount of principal in respect of the Class E Notes shall become due and payable until redemption and payment in full of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes. No amount of principal in respect of the Class F Notes shall become due and payable until redemption and payment in full of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes. Subject to the applicability of the Post-Acceleration Priority of Payments, the Subordinated Notes will be entitled to receive, out of Principal Proceeds, the amounts described under the Principal 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 Investment Manager pursuant to the terms of the Investment Management Agreement on each Determination Date), on behalf of the Issuer (i) on each Payment Date prior to the delivery of an Acceleration Notice (deemed or otherwise) in accordance with Condition 10(b) (*Acceleration*); (ii) following delivery of an Acceleration Notice (deemed or otherwise) which has subsequently been rescinded and annulled in accordance with Condition 10(c) (*Curing of 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 to Interest Proceeds and Principal Proceeds, but not, for the avoidance of doubt, Collateral Enhancement Obligation Proceeds), cause the Account Bank to disburse Interest Proceeds, Principal Proceeds and Collateral

Enhancement Obligation Proceeds transferred to the Payment Account, in each case, in accordance with the following Priorities of Payments:

(i) *Application of Interest Proceeds*

Subject as further provided below, Interest Proceeds in respect of a Due Period shall be paid on the Payment Date immediately following such Due Period in the following order of priority:

(A) to the payment of: (i) firstly taxes owing by the Issuer accrued in respect of the related Due Period (other than Dutch corporate income tax in relation to the amounts equal to the minimum profit referred to in (ii) below and any amounts payable in respect of VAT to the recipient of a payment made by the Issuer pursuant to the Priorities of Payments), as certified by an Authorised Officer of the Issuer to the Trustee, if any; and (ii) secondly amounts equal to the minimum profit to be retained by the Issuer for Dutch tax purposes, for deposit into the Issuer Dutch Account from time to time;

(B) to the payment of accrued and unpaid Trustee Fees and Expenses, up to an amount equal to the Senior Expenses Cap in respect of the related Due Period, provided that following the occurrence of an Event of Default, the Senior Expenses Cap shall not apply in respect of such Trustee Fees and Expenses;

(C) to the payment of Administrative Expenses in the priority stated in the definition thereof, up to an amount equal to the Senior Expenses Cap in respect of the related Due Period less any amounts paid pursuant to paragraph (B) above;

(D) to the Expense Reserve Account, at the Investment Manager's discretion, of an amount equal to the Ongoing Expense Reserve Amount;

(E) to the payment:

(1) *firstly*, to the Investment Manager of the Senior Investment Management Fee due and payable on such Payment Date and any VAT in respect thereof (whether payable to the Investment Manager or directly to the relevant taxing authority) (save for any Deferred Senior Investment Management Amounts and Deferred Subordinated Investment Management Amounts) except that the Investment 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 Investment Manager under this paragraph (E) (any such amounts, being "**Deferred Senior Investment Management Amount**") on any Payment Date, provided that any such amount in the case of (x) shall (a)(i) be used to purchase Substitute Collateral Debt Obligations or (ii) be deposited in the Principal Account pending investment in Collateral Debt Obligations and (b) not be treated as unpaid for the purposes of this paragraph (E), paragraphs (X) and (CC) 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 Investment Manager having notified the Collateral Administrator in writing not later than one Business Day prior to the relevant Determination Date of any amounts to be so applied; and

(2) *secondly*, to the Investment Manager, any previously due and unpaid Senior Investment Management Fees (other than Deferred Senior Investment Management Amounts) and any VAT in respect

thereof (whether payable to the Investment Manager or directly to the relevant taxing authority),

(F) (1) *firstly* to the payment, on a *pro rata* basis, of (i) any Scheduled Periodic Hedge Issuer Payments, (ii) any Currency Hedge Issuer Termination Payments (to the extent not paid out of the Currency Account, any relevant Counterparty Downgrade Collateral Accounts or the relevant Hedge Termination Account and other than Defaulted Currency Hedge Termination Payments), and (iii) any Interest Rate Hedge Issuer Termination Payments (to the extent not paid out of the Interest Account or the relevant Hedge Termination Account, any relevant Counterparty Downgrade Collateral Accounts and other than Defaulted Interest Rate Hedge Termination Payments); and

(2) *secondly*, on a *pro rata* basis, to the payment of any Hedge Replacement Payments (to the extent not paid out of the relevant Hedge Termination Account);

(G) to the payment on a *pro rata* basis of all 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* 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 either of the Class A/B Coverage Tests is not satisfied on any Determination Date on or after the Effective Date, or in the case of the Class A/B Interest Coverage Test, on the Determination Date preceding the second Payment Date or any Determination Date thereafter, to the redemption of the Notes in accordance with the Note Payment Sequence to the extent necessary to cause each Class A/B Coverage Test to be satisfied if recalculated following such redemption;

(J) to the payment on a *pro rata* basis of the Interest Amounts due and payable on the Class C Notes in respect of the Accrual Period ending on such Payment Date (excluding any Deferred Interest but including interest on Deferred Interest in respect of the relevant Accrual Period);

(K) to the payment on a *pro rata* basis of any Deferred Interest on the Class C Notes which is due and payable pursuant to Condition 6(c) (*Deferral of Interest*);

(L) if either of the Class C Coverage Tests is not satisfied on any Determination Date on or after the Effective Date, or in the case of the Class C Interest Coverage Test, on the Determination Date preceding the second Payment Date or any Determination Date thereafter, to the redemption of the Notes in accordance with the Note Payment Sequence to the extent necessary to cause each Class C Coverage Test to be met if recalculated following such redemption;

(M) to the payment on a *pro rata* basis of the Interest Amounts due and payable on the Class D Notes in respect of the Accrual Period ending on such Payment Date (excluding any Deferred Interest but including interest on Deferred Interest in respect of the relevant Accrual Period);

(N) to the payment on a *pro rata* basis of any Deferred Interest on the Class D Notes which is due and payable pursuant to Condition 6(c) (*Deferral of Interest*);

(O) if either of the Class D Coverage Tests is not satisfied on any Determination Date on or after the Effective Date, or in the case of the Class D Interest Coverage Test, on the Determination Date preceding the second Payment Date or any Determination Date thereafter, to the redemption of the Notes in accordance with the Note Payment Sequence to the extent necessary to cause each Class D Coverage Test to be met if recalculated following such redemption;

(P) to the payment on a *pro rata* basis of the Interest Amounts due and payable on the Class E Notes in respect of the Accrual Period ending on such Payment Date (excluding any Deferred Interest but including interest on Deferred Interest in respect of the relevant Accrual Period);

(Q) to the payment on a *pro rata* basis of any Deferred Interest on the Class E Notes which is due and payable pursuant to Condition 6(c) (*Deferral of Interest*);

(R) if the Class E Par Value Test is not satisfied on any Determination Date on or after the Effective Date to the redemption of the Notes in accordance with the Note Payment Sequence to the extent necessary to cause each Class E Par Value Test to be met if recalculated following such redemption;

(S) to the payment on a *pro rata* basis of the Interest Amounts due and payable on the Class F Notes in respect of the Accrual Period ending on such Payment Date (excluding any Deferred Interest but including interest on Deferred Interest in respect of the relevant Accrual Period);

(T) to the payment on a *pro rata* basis of any Deferred Interest on the Class F Notes which is due and payable pursuant to Condition 6(c) (*Deferral of Interest*);

(U) if the Class F Par Value Test is not satisfied on any Determination Date on or after the Effective Date, to the redemption of the Notes in accordance with the Note Payment Sequence to the extent necessary to cause such Class F Par Value Test to be met if recalculated 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 Notes in full in accordance with the Note Payment Sequence or, if earlier, until an Effective Date Rating Event is no longer continuing;

(W) on any Determination Date on or after the Effective Date and during the Reinvestment Period only, if after giving effect to the payment of all amounts payable in respect of paragraphs (A) through (V) (inclusive) above, the Reinvestment Overcollateralisation Test has not been met, to the payment to the Principal Account as Principal Proceeds, for the acquisition of additional Collateral Debt Obligations in an amount (such amount, the "**Required Diversion Amount**") equal to the lesser of (1) 50 per cent. of all remaining Interest Proceeds available for payment and (2) the amount which, after giving effect to the payment of all amounts payable in respect of paragraphs (A) through (V) (inclusive) above, would be sufficient to cause the Reinvestment Overcollateralisation Test to be met, provided that such payment would not, in the determination of the Collateral Administrator (with such consultation with the Investment Manager and the Retention Holder as the Collateral Administrator deems necessary), cause (or would not be likely to cause) a Retention Deficiency;

(X) to the payment:

(1) *firstly*, to the Investment Manager of the Subordinated Investment Management Fee due and payable on such Payment Date and any VAT in respect thereof (whether payable to the Investment Manager or directly to the relevant taxing authority) (save for any Deferred Senior Investment Management Amounts and Deferred Subordinated Investment Management Amounts) until such amount has been paid in full except that the Investment 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 Investment Manager under this paragraph (X) (any such amounts, being "**Deferred Subordinated Investment Management Amounts**") on any Payment Date, provided that any such amount in the case of (x) shall (a)(i) be used to purchase Substitute Collateral Debt Obligations or (ii) be deposited in the Principal Account pending reinvestment in Substitute Collateral Debt 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 Investment Manager having notified the Collateral Administrator in writing not later than one Business Day prior to the relevant Determination Date of any amounts to be so applied;

(2) *secondly*, to the Investment Manager of any previously due and unpaid Subordinated Investment Management Fee (other than Deferred Senior Investment Management Amounts and Deferred Subordinated Investment Management Amounts) and any VAT in respect thereof (whether payable to the Investment Manager or directly to the relevant taxing authority);

(3) *thirdly*, at the election of the Investment Manager (at its sole discretion) to the Investment Manager in payment of any previously Deferred Senior Investment Management Amounts and Deferred Subordinated Investment Management Amounts and to the relevant tax authority any VAT in respect thereof payable directly thereto; and

(4) *fourthly*, to the repayment of any Investment Manager Advances and any interest thereon;

(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 Currency Hedge Termination Payments due to any Currency Hedge Counterparty or Defaulted Interest Rate Hedge Termination Payments due to any Interest Rate Hedge Counterparty (in each case to the extent not paid out of the Hedge Termination Accounts or any relevant Counterparty Downgrade Collateral Account);

(BB) during the Reinvestment Period at the direction and in the discretion of the Investment Manager, to transfer to the Collateral Enhancement Account, any Collateral Enhancement Amount;

(CC) (1) if the Incentive Investment 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 by

reference to the Allocation Proportions, until the Incentive Investment 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, the Principal Proceeds Priority of Payments and the Collateral Enhancement Obligation Proceeds Priority of Payments, the Incentive Investment Management Fee IRR Threshold has been reached (on or prior to such Payment Date):

(a) firstly, up to 20 per cent. of any remaining Interest Proceeds, to the payment to the Investment Manager as an Incentive Investment Management Fee;

(b) secondly to the payment of any VAT in respect of the Incentive Investment Management Fee referred to in (a) above (whether payable to the Investment Manager or directly to the relevant taxing authority); and

(c) thirdly, any remaining Interest Proceeds, to the payment of interest on the Subordinated Notes on a *pro rata* basis by reference to the Allocation Proportions.

(ii) *Application of Principal Proceeds*

Principal Proceeds in respect of a Due Period shall be paid on the Payment Date immediately following such Due Period in the following order of priority:

(A) to the payment on a sequential basis of the amounts referred to in paragraphs (A) through (I) (inclusive) of the Interest Proceeds Priority of Payments, but only to the extent not paid in full thereunder;

(B) to the payment of the amounts referred to in paragraph (J) of the Interest Proceeds Priority of Payments but only to the extent not paid in full thereunder and only to the extent that the Class C Notes are the Controlling Class;

(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 to the extent that the Class C Notes are the Controlling Class;

(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 met as of the related Determination Date;

(E) to the payment of the amounts referred to in paragraph (M) of the Interest Proceeds Priority of Payments but only to the extent not paid in full thereunder and only to the extent that the Class D Notes are the Controlling Class;

(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 to the extent that the Class D Notes are the Controlling Class;

(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 met as of the related Determination Date;

(H) to the payment of the amounts referred to in paragraph (P) of the Interest Proceeds Priority of Payments but only to the extent not paid in full thereunder and only to the extent that the Class E Notes are the Controlling Class;

(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 E Notes are the Controlling Class;

(J) to the payment of the amounts referred to in paragraph (R) of the Interest Proceeds Priority of Payments but only to the extent not paid in full thereunder and only to the extent necessary to cause the Class E Par Value Test that is applicable on such Payment Date with respect to the Class E Notes to be met as of the related Determination Date;

(K) to the payment of the amounts referred to in paragraph (S) of the Interest Proceeds Priority of Payments but only to the extent not paid in full thereunder and only to the extent that the Class F Notes are the Controlling Class;

(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 to the extent that the Class F Notes are the Controlling Class;

(M) to the payment of the amounts referred to in paragraph (U) 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 F Par Value Test that is applicable on such Payment Date with respect to the Class F Notes to be met as of the related Determination Date;

(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 Investment Manager, to make payments in an amount equal to the Special Redemption Amount (if any) applicable to such Payment Date in accordance with the Note Payment Sequence;

(P) (1) during the Reinvestment Period, at the discretion of the Investment Manager, either to the purchase of Substitute Collateral Debt Obligations or to the Principal Account pending reinvestment in Substitute Collateral Debt Obligations at a later date in each case in accordance with the Investment Management Agreement;

(2) after the Reinvestment Period in the case of Principal Proceeds representing Unscheduled Principal Proceeds and Sale Proceeds from the sale of Credit Impaired Obligations and Credit Improved Obligations at the discretion of the Investment Manager, either to the purchase of Substitute Collateral Debt Obligations or to the Principal Account pending reinvestment in Substitute Collateral Debt Obligations at a later date in each case in accordance with the Investment Management Agreement;

(Q) after the Reinvestment Period, to redeem the Notes in accordance with the Note Payment Sequence;

(R) after the Reinvestment Period to the payment on a sequential basis of the amounts referred to in paragraphs (X) through (BB) (inclusive) of the Interest Proceeds Priority of Payments, but only to the extent not paid in full thereunder;

(S) (1) if the Incentive Investment Management Fee IRR Threshold has not been reached, any remaining Principal Proceeds to the payment on the Subordinated Notes on a *pro rata* basis by reference to the Allocation Proportions, until the Incentive Investment 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, the Principal Proceeds Priority of Payments and the Collateral Enhancement Obligation Proceeds Priority of Payments, the Incentive Investment Management Fee IRR Threshold has been reached (on or prior to such Payment Date):

(a) *firstly*, 20 per cent. of any remaining Principal Proceeds, to the payment to the Investment Manager as an Incentive Investment Management Fee;

(b) *secondly*, to the payment of any VAT in respect of the Incentive Investment Management Fee referred to in (a) above (whether payable to the Investment Manager or directly to the relevant taxing authority); and

(c) *thirdly*, any remaining Principal Proceeds, to the payment of principal on the Subordinated Notes on a *pro rata* basis by reference to the Allocation Proportions and thereafter to the payment of interest on a *pro rata* basis by reference to the Allocation Proportions on the Subordinated Notes.

(iii) *Application of Collateral Enhancement Obligation Proceeds*

Collateral Enhancement Obligation Proceeds in respect of a Due Period that are not paid into the Principal Account or the Interest Account (at the discretion of the Investment Manager) shall be paid on the Payment Date immediately following such Due Period in the following order of priority:

(A) to the payment of interest on the Subordinated Notes until the Incentive Investment Management Fee IRR Threshold has been reached; and

(B) if the Incentive Investment Management Fee IRR Threshold has been reached:

(1) *firstly*, 20 per cent. of any remaining Collateral Enhancement Obligation Proceeds, to the payment to the Investment Manager as the accrued but unpaid Incentive Investment Management Fee due and payable on such Payment Date;

(2) *secondly*, to the payment of any VAT in respect of the Incentive Investment Management Fee referred to in (1) above (whether payable to the Investment Manager or directly to the relevant taxing authority); and

(3) *thirdly*, any remaining Collateral Enhancement Obligation Proceeds, to the payment of principal on the Subordinated Notes on a *pro rata* basis by reference to the Allocation Proportions and

thereafter to the payment of interest on a *pro rata* basis by reference to the Allocation Proportions on the Subordinated Notes.

(iv) *Taxes*

Where the payment of any amount in accordance with the Priorities of Payments set out above is subject to any deduction or withholding for or on account of any tax, payment of the amount so deducted or withheld 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 has arisen.

If the Issuer must account to the recipient of any payment for any amounts in respect of value added taxes or in respect of any other taxes attributable to any of the items referred to in the Priorities of Payments set out above then such amounts in respect of such taxes shall be paid *pro rata* and *pari passu* with such items (other than in respect of the Incentive Management Fee at paragraph (CC)(2) of the Interest Proceeds Priority of Payments and paragraph (S)(2) of the Principal Proceeds Priority of Payments and paragraph (A) of the Interest Proceeds Priority of Payments).

(d) Non payment of Amounts

Failure on the part of the Issuer to pay the Interest Amounts due and payable on any Class of Rated Notes pursuant to Condition 6 (*Interest*) and the Interest Proceeds Priority of Payments by reason solely that there are insufficient funds standing to the credit of the Payment Account shall not be an Event of Default unless and until:

(i) such failure continues for a period of at least five Business Days (save in the case of an administrative error or omission only, where such failure continues for a period of at least seven Business Days); and

(ii) (A) in the case of non-payment of interest due and payable on the Class C Notes in respect of any Payment Date from (and including) the Relevant Payment Date, the Class A Notes and the Class B Notes have been redeemed in full;

(B) in the case of non-payment of interest due and payable on the Class D Notes in respect of any Payment Date from (and including) the Relevant Payment Date, the Class A Notes, the Class B Notes and the Class C Notes have been redeemed in full;

(C) in the case of non-payment of interest due and payable on the Class E Notes in respect of any Payment Date from (and including) the Relevant Payment Date, the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes have been redeemed in full; and

(D) in the case of non-payment of interest due and payable on the Class F Notes in respect of any Payment Date from (and including) the Relevant Payment Date, the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and Class E Notes have been redeemed in full,

and save in each case as the result of any deduction therefrom or the imposition of withholding thereon as set forth in Condition 9 (*Taxation*).

Failure on the part of the Issuer to pay Interest Amounts on the Class C Notes, the Class D Notes, the Class E Notes or the Class F Notes on any Payment Date prior to the Relevant Payment Date as a result of the insufficiency of available Interest Proceeds or Principal Proceeds shall not constitute an Event of Default.

Failure on the part of the Issuer to pay interest and principal amounts on the Subordinated Notes as a result of the insufficiency of available Interest Proceeds or Principal Proceeds, shall not at any time constitute an Event of Default.

Subject always, in the case of Interest Amounts payable in respect of the Class C Notes, the Class D Notes, Class E Notes and Class F Notes to Condition 6(c) (*Deferral of Interest*) and save as otherwise provided in respect of any unpaid Investment Management Fees (and VAT payable in respect thereof), in the event of non payment of any amounts referred to in the Interest Proceeds Priority of Payments or the Principal Proceeds Priority of Payments on any Payment Date, such amounts shall remain due and shall be payable on each subsequent Payment Date in the orders of priority provided for in this Condition 3 (*Status*). References to the amounts referred to in the Interest Proceeds Priority of Payments and the Principal Proceeds Priority of Payments of this Condition 3 (*Status*) shall include any amounts thereof not paid when due in accordance with this Condition 3 (*Status*) on any preceding Payment Date.

(e) Determination and Payment of Amounts

The Collateral Administrator will, in consultation with the Investment Manager, on each Determination Date, calculate the amounts payable on the applicable Payment Date pursuant to the Priorities of 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 Collateral Enhancement Account (together with, to the extent applicable, amounts standing to the credit of any other Account) to the extent required to pay the amounts referred to in the Interest Proceeds Priority of Payments, the Principal Proceeds Priority of Payments, the Collateral Enhancement Obligation Proceeds Priority of Payments and the Post-Acceleration Priority of Payments which are payable on such Payment Date, to be transferred to the Payment Account in accordance with Condition 3(j) (*Payments to and from the Accounts*).

(f) De Minimis Amounts

The Collateral Administrator may, in consultation with the Investment Manager, adjust the amounts required to be applied in payment of principal on the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Subordinated Notes from time to time pursuant to the Priorities of 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 each Subordinated Note is a whole amount, not involving any fraction of a 0.01 Euro or, at the discretion of the Collateral Administrator, part of a Euro.

(g) Publication of Amounts

The Collateral Administrator will cause details 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 (to the extent applicable) the third Business Day after the last day of the applicable Due Period.

(h) Notifications to be Final

All notifications, opinions, determinations, certificates, quotations and decisions given, expressed, made or obtained or discretions exercised for the purposes of the provisions of this Condition 3 (*Status*) will (in the absence of manifest error) be binding on the Issuer, the Collateral Administrator, the Investment Manager, the Trustee, the Registrar, the Principal Paying Agent, the Transfer Agent and all Noteholders and (in the absence of the fraud, wilful default or negligence of the Collateral Administrator) 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 Collateral Enhancement Account;
- the Expense Reserve Account;
- the Unfunded Revolver Reserve Account;
- the Currency Account;
- the Interest Smoothing Account;
- the First Period Reserve Account;
- each Counterparty Downgrade Collateral Account;
- each Hedge Termination Account;
- the Custody Account; and
- the Collection Account.

The Account Bank, the Principal Paying Agent and the Custodian shall at all times be a financial institution satisfying the Rating Requirement applicable thereto, which is not resident or which is acting through an office which is not situated, in The Netherlands but which has the necessary regulatory capacity and licences to perform the services required by it in The Netherlands. If the Account Bank, the Principal Paying Agent or the Custodian at any time fails to satisfy the Rating Requirement, the Issuer shall use reasonable endeavours to procure that a replacement Account Bank, Principal Paying Agent or Custodian, as applicable, acceptable to the Trustee, which satisfies the Rating Requirement is appointed in accordance with the provisions of the Agency Agreement.

Amounts standing to the credit of the Accounts (other than the Unfunded Revolver Reserve Account, each Counterparty Downgrade Collateral Account, the Payment Account and the Collection Account) from time to time may be invested by the Investment Manager on behalf of the Issuer in Eligible Investments.

All interest accrued on any of the Accounts (other than any Counterparty Downgrade Collateral Accounts) from time to time shall be paid into the Interest Account, save to the extent that the Issuer is contractually bound to pay such amounts to a third party. All principal amounts received in respect of Eligible Investments standing to the credit of any Account from time to time shall be credited to that Account upon maturity, save to the extent that the Issuer is contractually bound to pay such amounts to a third party. All interest accrued on such Eligible Investments (including capitalised interest received upon the sale, maturity or

termination of any such investment) shall be paid to the Interest Account as, and to the extent provided, above.

To the extent that any amounts required to be paid into any Account pursuant to the provisions of this Condition 3 (*Status*) are denominated in a currency other than Euro, the Investment Manager, acting on behalf of the Issuer, may (other than any Counterparty Downgrade Collateral Accounts) convert such amounts into the currency of the Account at the Spot Rate as determined by the Collateral Administrator at the direction of the Investment Manager.

Notwithstanding any other provisions of this Condition 3(i) (*Accounts*) or Condition 3(j) (*Payments to and from the Accounts*), all amounts standing to the credit of each of the Accounts (other than (i) the Interest Account, (ii) the Payment Account, (iii) the Expense Reserve Account, (iv) the Collateral Enhancement Account, (v) all interest accrued on the Accounts, (vi) the Counterparty Downgrade Collateral Accounts, (vii) the First Period Reserve Account, (viii) the Interest Smoothing Account and (ix) the Currency Account to the extent that the same represent Sale Proceeds in respect of Non-Euro Obligations sold subject to and in accordance with the terms of a Currency Hedge Transaction which shall be paid to the relevant Hedge Counterparty in accordance with the terms thereof outside the Priorities of Payments) shall be transferred to the Payment Account and shall constitute Principal Proceeds on the Business Day prior to any redemption of the Notes in full, and all amounts standing to the credit of each of the Interest Account, the Interest Smoothing Account, the Expense Reserve Account, the Collateral Enhancement Account, the First Period Reserve Account and, to the extent not required to be repaid to any Hedge Counterparty, each Counterparty Downgrade Collateral Account shall be transferred to the Payment Account as Interest Proceeds on the Business Day prior to any redemption of the Notes in full.

Application of amounts in respect of Hedge Issuer Tax Credit Payments received by the Issuer shall be paid out of the Interest Account to the relevant Hedge Counterparty in accordance with the terms of the relevant Hedge Agreement, without regard to the Priorities of Payments.

(j) Payments to and from the Accounts

(i) *Principal Account*

The Issuer will procure that the following Principal Proceeds are paid into the Principal Account promptly upon receipt thereof:

(A) all principal payments received in respect of any Collateral Debt Obligation including, without limitation:

(1) Scheduled Principal Proceeds, other than any Hedge Replacement Receipts or Hedge Counterparty Termination Payments;

(2) amounts received in respect of any maturity, scheduled amortisation, mandatory prepayment or mandatory sinking fund payment on a Collateral Debt Obligation;

(3) Unscheduled Principal Proceeds; and

(4) any other principal payments with respect to Collateral Debt Obligations or Eligible Investments (to the extent not included in the Sale Proceeds);

but excluding:

(i) any such payments received in respect of any Revolving Obligation or Delayed Drawdown Collateral Debt Obligation, to the extent required to be paid into the Unfunded Revolver Reserve Account; and

(ii) any Investment Gains or Excess Exchanged Security Sale Proceeds required to be paid into the Interest Account in accordance with Condition 3(j)(ii) (*Interest Account*);

(B) all interest and other amounts received in respect of any Defaulted Obligation or any Mezzanine Obligation for so long as it is a Defaulted Obligation or a Defaulted Deferring Mezzanine Obligation (as applicable) (save for Defaulted Obligation Excess Amounts and Defaulted Mezzanine Excess Amounts) and amounts representing the element of deferred interest in any payments received in respect of any PIK Security;

(C) all premiums (including prepayment premiums) receivable upon redemption of any Collateral Debt Obligation at maturity or otherwise or upon exercise of any put or call option in respect thereof which is above the outstanding principal amount of any Collateral Debt Obligation;

(D) all fees and commissions received in connection with the purchase or sale of any Collateral Debt Obligations or Eligible Investments or work out or restructuring of any Defaulted Obligations or Collateral Debt Obligations as determined by the Investment Manager in its reasonable discretion;

(E) all Sale Proceeds received in respect of a Collateral Debt Obligation save for Investment Gains required to be paid into the Interest Account in accordance with Condition 3(j)(ii) (*Interest Account*);

(F) all Distributions and Sale Proceeds received in respect of Exchanged Securities, provided that any Excess Exchanged Security Sale Proceeds may, at the discretion of the Investment Manager, be, or may be required to be, credited to the Interest Account in accordance with Condition 3(j)(ii) (*Interest Account*);

(G) all Purchased Accrued Interest;

(H) amounts transferred to the Principal Account from any other Account as required below;

(I) pending any reinvestment, all proceeds received from any additional issuance of the Notes that are not invested in Collateral Debt Obligations or required to be paid into the Collateral Enhancement Account or the Unused Proceeds Account;

(J) any other amounts received in respect of the Collateral which are not required to be paid into another Account;

(K) all amounts transferable from the Counterparty Downgrade Collateral Accounts to the Principal Account in accordance with Condition 3(j)(v) (*Counterparty Downgrade Collateral Accounts*) below;

(L) all amounts transferred from the Collateral Enhancement Account in accordance with paragraph (B) of Condition 3(j)(vi) (*Collateral Enhancement Account*);

(M) all amounts transferred from the Expense Reserve Account in accordance with paragraph (C)(2) of Condition 3(j)(xi) (*Expense Reserve Account*);

(N) all amounts payable into the Principal Account pursuant to paragraph (W) of the Interest Proceeds Priority of Payments upon the failure to meet the Reinvestment Overcollateralisation Test during the Reinvestment Period;

(O) all principal payments received in respect of any Non-Eligible Issue Date Collateral Debt Obligation or any other asset which did not satisfy the Eligibility Criteria on the date it was required to do so and which have not

been sold by the Investment Manager in accordance with Investment Management Agreement; and

(P) all amounts transferred to the Principal Account from the Currency Account pursuant to paragraph (B) of Condition 3(j)(x) (*Currency Accounts*) following exchange of such amounts into Euros (to the extent not already in Euros) by the Issuer following consultation with the Investment Manager;

(Q) all Refinancing Proceeds;

(R) amounts transferred from the Unused Proceeds Account in accordance with paragraph (3) of Condition 3(j)(iii) (*Unused Proceeds Account*); and

(S) 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*).

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 Investment Manager (on behalf of the Issuer) pursuant to the Investment Management Agreement for a period beyond such Payment Date, provided that (i) if the Coverage Tests are not satisfied, Principal Proceeds from Defaulted Obligations may not be designated for reinvestment by the Investment 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 Investment Manager, acting on behalf of the Issuer, in accordance with the terms of, and to the extent permitted under, the Investment Management Agreement, in the acquisition of Collateral Debt Obligations including amounts equal to the Unfunded Amounts of any Revolving Obligations or Delayed Drawdown Collateral Debt Obligations which are required to be deposited in the Unfunded Revolver Reserve Account and including any initial principal exchange amounts payable by the Issuer to a Currency Hedge Counterparty pursuant to any Currency Hedge Transaction in connection with funding the acquisition of Non-Euro Obligations;

(3) on any Payment Date on which a Refinancing has occurred, all amounts credited to the Principal Account pursuant to sub-paragraph (Q) 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

(4) on any Payment Date, at the discretion of the Investment Manager, acting on behalf of the Issuer, in accordance with and subject to the terms of the Investment Management Agreement, in payment of the purchase price of any Notes purchased by the Issuer in accordance with Condition 7(k) (*Purchase*).

(ii) *Interest Account*

The Issuer will procure that the following Interest Proceeds are credited to the Interest Account promptly upon receipt thereof:

(A) all cash payments of interest in respect of the Collateral Debt Obligations other than any Purchased Accrued Interest or any Ramp Accrued Interest, together with all amounts received by the Issuer by way of gross up in respect of such interest and from a tax authority in respect of a claim under any applicable double taxation treaty but excluding (i) interest proceeds on any Non-Euro Obligation to the extent required to be paid into the Currency Account and (ii) any interest received in respect of any Defaulted Obligations and Mezzanine Obligation for so long as it is a Defaulted Obligation or Defaulted Deferring Mezzanine Obligation (as applicable) other than Defaulted Obligation Excess Amounts and Defaulted Mezzanine Excess Amounts (as applicable);

(B) all interest accrued on the Balance standing to the credit of the Interest Account from time to time and all interest accrued in respect of the Balances standing to the credit of the other Accounts (including interest on any Eligible Investments standing to the credit thereof) (other than in respect of any Counterparty Downgrade Collateral Account);

(C) all amendment and waiver fees, all late payment fees, all commitment fees, syndication fees, delayed compensation and all other fees and commissions received in connection with any Collateral Debt Obligations and Eligible Investments as determined by the Investment Manager in its reasonable discretion (other than fees and commissions received in connection with the purchase or sale of any Collateral Debt Obligations or Eligible Investments or work out or restructuring of any Defaulted Obligations or Collateral Debt Obligations which fees and commissions shall be payable into the Principal Account and shall constitute Principal Proceeds);

(D) all accrued interest included in the proceeds of sale of any other Collateral Debt Obligation that are designated by the Investment Manager as Interest Proceeds pursuant to the Investment Management Agreement (provided that no such designation may be made in respect of (i) any Purchased Accrued Interest, (ii) any Ramp Accrued Interest, (iii) (1) any interest received in respect of any Mezzanine Obligation for so long as it is a Defaulted Deferring Mezzanine Obligation other than Defaulted Mezzanine Excess Amounts or (2) any interest received in respect of a Defaulted Obligation save for Defaulted Obligation Excess Amounts);

(E) all amounts representing the element of deferred interest in any payments received in respect of any Mezzanine Obligation which is not a Defaulted Deferring Mezzanine Obligation which by its contractual terms provides for the deferral of interest;

(F) amounts transferred to the Interest Account from the Unused Proceeds Account in the circumstances described under Condition 3(j)(iii) (*Unused Proceeds Account*) below;

(G) all scheduled commitment fees received by the Issuer in respect of any Revolving Obligations or Delayed Drawdown Collateral Debt Obligations;

(H) all amounts received by the Issuer in respect of interest paid in respect of any collateral deposited by the Issuer with a third party as security for any reimbursement or indemnification obligations to any other lender under a Revolving Obligation or a Delayed Drawdown Collateral Debt Obligation in an account established pursuant to an ancillary facility;

(I) all amounts transferred from the Collateral Enhancement Account to the Interest Account in accordance with Condition 3(j)(vi) (*Collateral Enhancement Account*);

(J) all amounts transferred from the Expense Reserve Account to the Interest Account in accordance with Condition 3(j)(xi) (*Expense Reserve Account*);

(K) any Interest Smoothing Amounts which are required to be transferred from the Interest Smoothing Account;

(L) all Scheduled Periodic Hedge Counterparty Payments payable to the Issuer under any Hedge Transactions; and

(M) all cash payments of interest in respect of any Non-Eligible Issue Date Collateral Debt 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 Investment Manager, other than any Purchased Accrued Interest and Ramp Accrued Interest, together with all amounts received by the Issuer by way of gross up in respect of such interest and in respect of a claim under any applicable double taxation treaty in accordance with the Investment Management Agreement;

(N) all amounts transferred from the First Period Reserve Account to the Interest Account in accordance with Condition 3(j)(xiii) (*First Period Reserve Account*);

(O) any Investment Gains or Excess Exchanged Security Sale Proceeds realised in respect of any Collateral Debt Obligation or Exchanged Security that the Investment Manager determines shall be paid into the Interest Account in accordance with any or all of the following provisions:

(1) if after taking into account payment of such Excess Exchanged Security Sale Proceeds, as appropriate or necessary (or both of them) to the Interest Account (i) the Aggregate Collateral Balance (for which purposes, the Principal Balance of each Defaulted Obligation shall be the lesser of its Moody's Collateral Value and its Fitch Collateral Value), is greater than or equal to the Reinvestment Target Par Balance; (ii) the Class F Par Value Ratio is at least equal to the Effective Date Class F Par Value Ratio, (iii) the Minimum Weighted Average Spread Test is satisfied; and (iv) the Moody's Maximum Weighted Average Rating Factor Test is satisfied the Investment Manager may, in its discretion, determine that Excess Exchanged Security Sale Proceeds shall be paid into the Interest Account upon receipt; or

(2) to the extent that the deposit of Excess Exchanged Security Sale Proceeds into the Principal Account would, in the sole discretion of the Investment Manager, cause (or would be likely to cause) a Retention Deficiency then Excess Exchanged Security Sale Proceeds as appropriate or necessary (or both of them) in an amount sufficient in order to ensure no Retention Deficiency occurs (as determined by the Investment Manager) shall be paid into the Interest Account upon receipt; or

(3) to the extent that the deposit of any Investment Gains realised in respect of any Collateral Debt Obligation into the Principal Account would, in the sole discretion of the Investment Manager, cause (or would be likely to cause) a Retention Deficiency then if, after taking into account the payment of such amounts to the Interest Account the Aggregate Collateral Balance is greater than or equal to the Reinvestment Target Par Balance, Investment Gains

as appropriate or necessary (or both of them) in an amount sufficient in order to ensure no Retention Deficiency occurs (as determined by the Investment Manager) shall be paid into the Interest Account upon receipt;

(P) any Hedge Issuer Tax Credit Payments received by the Issuer; and

(Q) all proceeds received during the related Due Period from any additional issuance of Subordinated Notes that are not reinvested or retained for reinvestment in Collateral Debt Obligations.

The Issuer shall procure payment of the following amounts (and shall ensure that payment of no other amount is made, save to the extent otherwise permitted above) out of the Interest Account:

(1) on the Business Day prior to each Payment Date, all Interest Proceeds standing to the credit of the Interest Account shall be transferred to the Payment Account to the extent required for disbursement pursuant to the Interest Proceeds Priority of Payments save for amounts deposited after the end of the related Due Period and any amounts to be disbursed pursuant to (2) below on such Business Day or amounts representing any Hedge Issuer Tax Credit Payments to be disbursed pursuant to (3) below;

(2) at any time in accordance with the terms of, and to the extent permitted under, the Investment Management Agreement, in the acquisition of Collateral Debt Obligations to the extent that any such acquisition costs represent accrued interest;

(3) at any time any Scheduled Periodic Interest Rate Hedge Issuer Payments and any Hedge Issuer Tax Credit Payments in accordance with the terms of the relevant Hedge Agreement; and

(4) on the Business Day following each Determination Date save for (i) the first Determination Date following the Issue Date; (ii) a Determination Date following the occurrence of an Event of Default which is continuing; (iii) the Determination Date immediately prior to any redemption of the Notes in full; and (iv) the Determination Date upon which a Frequency Switch Event occurs, any Interest Smoothing Amount required to be transferred to the Interest Smoothing Account.

(iii) *Unused Proceeds Account*

The Issuer will procure that the following amounts are credited to the Unused Proceeds Account, as applicable:

(A) an amount transferred from the Collection Account equal to the net proceeds of issue of the Notes remaining after the payment of all amounts pursuant to Condition 3(j)(xii)(A) (*Collection Account*) below;

(B) all proceeds received during the Initial Investment Period from any additional issuance of Notes that are not invested in Collateral Debt Obligations or paid into the Interest Account in accordance with Condition 17(b) (*Additional Issuances*);

(C) amounts transferred from the First Period Reserve Account to the Unused Proceeds Account at the direction of the Investment Manager; and

(D) all Ramp Accrued Interest.

The Issuer shall procure payment of the following amounts (and shall ensure that payment of no other amount is made, save to the extent otherwise permitted above) out of the applicable sub-ledger of the Unused Proceeds Account:

(1) 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 Investment Management Agreement, in the acquisition of Collateral Debt Obligations;

(2) in the event of the occurrence of an Effective Date Rating Event, the Balance standing to the credit of the Unused Proceeds Account, on the Business Day prior to the Payment Date falling immediately after the Effective Date, to the extent required, to the Payment Account for application as Principal Proceeds in accordance with the Priorities of Payments, in redemption of the Notes in accordance with the Note Payment Sequence or, if earlier, until an Effective Date Rating Event is no longer continuing;

(3) at any time on and after the Effective Date, the Balance standing to the credit of the Unused Proceeds Account, to the Principal Account or the Interest Account, in each case, at the discretion of the Investment 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 Debt Obligations, the Aggregate Principal Balance (provided that, for the purposes of determining the Aggregate Principal Balance, any repayments or prepayments of any Collateral Debt Obligations subsequent to the Issue Date, not subsequently reinvested shall be disregarded and the Principal Balance of a Collateral Debt Obligation which is a Defaulted Obligation will be the lower of its Fitch Collateral Value and its Moody's Collateral Value) of which equals or exceeds the Reinvestment Target Par Balance; and (ii) no more than 1 per cent. of the Reinvestment Target Par Balance may be so transferred to the Interest Account (after taking into account all transfers to the Interest Account from such 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 Accounts*

The Issuer will procure that all Counterparty Downgrade Collateral transferred pursuant to a Hedge Agreement shall be deposited in a sub account within the relevant Counterparty Downgrade Collateral Account. All Counterparty Downgrade Collateral deposited from time to time in any Counterparty Downgrade Collateral Account shall be held and released pursuant to the terms set out below.

The funds or securities credited to the Counterparty Downgrade Collateral Accounts and any interest or distributions thereon or liquidation proceeds thereof are held separate from and do not form part of Principal Proceeds, Interest Proceeds or of Collateral Enhancement Obligation Proceeds (other than in the circumstances set out below) and accordingly, are not available to fund general distributions of the Issuer

(save as set out below and in the applicable Hedge Agreement). The amounts standing to the credit of the applicable Counterparty Downgrade Collateral Account shall not be commingled with any other funds from any other party.

Amounts standing to the credit of each Counterparty Downgrade Collateral Account will not be available for the Issuer to make payments to the Noteholders nor any other creditor of the Issuer (other than in the circumstances set out below). The Issuer will procure the payment of the following amounts (and shall ensure that no other payments are made, save to the extent required hereunder):

(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 including, if applicable, the credit support annex thereto);

(2) any "Interest Amounts" and "Distributions" (if applicable and each as defined in such Hedge Agreement including, if applicable, 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) and (B) the Issuer enters into one or more Replacement Hedge Agreements or any novation of the relevant Hedge Counterparty's obligations to a replacement Hedge Counterparty, in the following order of priority:

(1) *first*, in or towards payment of any Hedge Issuer Termination Payments relating to such terminated "Transactions" (to the extent not funded from the relevant Hedge Termination Account);

(2) *second*, in or towards payment of any Hedge Replacement Payments in respect of Replacement Hedge Transactions relating to such terminated "Transactions" (to the extent not funded from the relevant Hedge Termination Account);

(3) *third*, the surplus amount (if any) standing to the credit of such Counterparty Downgrade Collateral Account 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 Termination Account);

(2) *second*, in or towards payment of any Hedge Replacement Payments in respect of Replacement Hedge Transactions relating to such terminated "Transactions" (to the extent not funded from the relevant Hedge Termination Account); and

(3) *third*, the surplus amount (if any) standing to the credit of such Counterparty Downgrade Collateral Account 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 Investment Manager on its behalf, determines not to replace such terminated "Transactions" and Rating Agency Confirmation is received in respect of such determination or termination of such "Transactions" occurs on a Redemption Date or if for any reason the Issuer is unable to enter into one or more Replacement Hedge Agreements or any novation of the relevant Hedge Counterparty's obligations to a replacement Hedge Counterparty, in the following order of priority:

(1) *first*, in or towards payment of any Hedge Issuer Termination Payments relating to such terminated "Transactions" (to the extent not funded from the relevant Hedge Termination Account); and

(2) *second*, the surplus amount (if any) standing to the credit of such Counterparty Downgrade Collateral Account to the Principal Account.

(vi) *Collateral Enhancement Account*

The Issuer will procure that, all Collateral Enhancement Obligation Proceeds are credited on receipt into the Collateral Enhancement Account; on each Payment Date, any Collateral Enhancement Amount applied in payment into the Collateral Enhancement Account pursuant to paragraph (BB) of the Interest Proceeds Priority of Payments, is credited to the Collateral Enhancement Account; and any Investment Manager Advances are credited on receipt into the Collateral Enhancement Account.

The Issuer will procure payment of the following amounts (and shall ensure that payment of no other amount is made, save to the extent otherwise permitted above) out of the Collateral Enhancement Account:

(A) on the Business Day prior to each Payment Date, all Collateral Enhancement Obligation Proceeds standing to the credit of the Collateral Enhancement Account to be transferred to the Payment Account to the extent required for disbursements pursuant to the Collateral Enhancement

Obligation Proceeds Priority of Payments, save for amounts deposited after the end of the related Due Period;

(B) at any time to the Principal Account (x) during the Reinvestment Period to reinvest in Substitute Collateral Debt Obligations or (y) otherwise for distribution on the next following Payment Date in accordance with the Priorities of Payments, but only to the extent that such payment into the Principal Account would not cause (or would not be likely to cause) a Retention Deficiency;

(C) at any time to the Interest Account for distribution in accordance with the Priorities of Payments;

(D) 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 Investment Management Agreement; and

(E) at any time to purchase any Rated Notes in accordance with Condition 7(k) (*Purchase*).

For the avoidance of doubt, the Investment Manager may, in its sole discretion, but shall not be obliged to, direct the Issuer to transfer all or any portion of the Balance standing to the credit of the Collateral Enhancement Account to the Payment Account to be applied in accordance with the Collateral Enhancement Obligation Proceeds Priority of Payments.

(vii) *The Unfunded Revolver Reserve Account*

The Issuer shall procure the following amounts are paid into the Unfunded Revolver Reserve Account:

(A) upon the acquisition by or on behalf of the Issuer of any Revolving Obligation, Delayed Drawdown Collateral Debt Obligation, an amount equal to the amount which would cause the Balance standing to the credit of the Unfunded Revolver Reserve Account to be at least equal to the combined aggregate principal amounts of the Unfunded Amounts under each of the Revolving Obligations and Delayed Drawdown Collateral Debt Obligations (which Unfunded Amounts will be treated as part of the purchase price for the related Revolving Obligation or Delayed Drawdown Collateral Debt Obligation) less amounts posted thereafter as collateral (which do not constitute Funded Amounts), pursuant to paragraph (2) below, as applicable;

(B) all principal payments received by the Issuer in respect of any Revolving Obligation or Delayed Drawdown Collateral Debt Obligation, if and to the extent that the amount of such principal payments may be re borrowed under such Revolving Obligation or Delayed Drawdown Collateral Debt Obligation or otherwise by the Investment Manager, acting on behalf of the Issuer; and

(C) all repayments of collateral to the Issuer originally paid by the Issuer pursuant to (2) below.

The Issuer shall procure payment of the following amounts (and shall ensure that no other amounts are paid) out of the Unfunded Revolver Reserve Account:

(1) all amounts required to fund any drawings under any Delayed Drawdown Collateral Debt Obligation or Revolving Obligation;

(2) in respect of Delayed Drawdown Collateral Debt Obligations or Revolving Obligations, all amounts required to be deposited in the

Issuer's name with any third party which satisfies the Rating Requirement applicable to an Account Bank (or if the third party does not satisfy the Rating Requirement applicable to an Account Bank, subject to receipt of Rating Agency Confirmation) as collateral for any reimbursement or indemnification obligations of the Issuer owed to any other lender under such Revolving Obligation or Delayed Drawdown Collateral Debt Obligation (subject to such security documentation as may be agreed between such lender, the Investment Manager acting on behalf of the Issuer and the Trustee);

(3) (x) at any time at the direction of the Investment Manager (acting on behalf of the Issuer) or (y) upon the sale (in whole or in part) of a Revolving Obligation or the reduction, cancellation or expiry of any commitment of the Issuer to make future advances or otherwise extend credit thereunder, any excess of (a) the amount standing to the credit of the Unfunded Revolver Reserve Account over (b) the sum of the Unfunded Amounts of all Revolving Obligations and Delayed Drawdown Collateral Debt Obligations after taking into account such sale or such reduction, cancellation or expiry of such commitment or notional amount to the Principal Account; and

(4) all interest accrued on the Balance standing to the credit of the Unfunded Revolver Reserve Account from time to time to the Interest Account.

(viii) *Interest Smoothing Account*

On the Business Day following each Determination Date the Investment Manager (acting on behalf of the Issuer) may elect that the Interest Smoothing Amount (if any) shall be credited to the Interest Smoothing Account from the Interest Account provided that such election may not be made on:

(A) the first Determination Date following the Issue Date;

(B) a Determination Date following the occurrence of an Event of Default which is continuing;

(C) the Determination Date immediately prior to any redemption of the Notes in full, and

(D) any Determination Date on or following the occurrence of a Frequency Switch Event,

(E) the Interest Smoothing Amount shall be credited to the Interest Smoothing Account from the Interest Account.

The Issuer shall procure on each Business Day falling after the Payment Date following the Determination Date on which any Interest Smoothing Amount was transferred to the Interest Smoothing Account, such Interest Smoothing Amount to be transferred to the Interest Account.

(ix) *Hedge Termination Accounts*

The Issuer will procure that all Hedge Counterparty Termination Payments and Hedge Replacement Receipts are paid into the relevant Hedge Termination Account promptly upon receipt thereof.

The Issuer will procure payment of the following amounts (and shall ensure that payment of no other amount is made save to the extent otherwise permitted) out of the relevant Hedge Termination Account as provided below:

(A) at any time, in the case of any Hedge Replacement Receipts paid into the relevant Hedge Termination Account, in payment of any Hedge Issuer Termination Payment, as applicable, due and payable to a Hedge Counterparty under the Hedge Transaction being replaced or to the extent not required to make such payment, in payment of such amount to the Principal Account;

(B) at any time, in the case of any Hedge Counterparty Termination Payments paid into the relevant Hedge Termination Account, in payment of any Hedge Replacement Payment and any other amounts payable by the Issuer upon entry into a Replacement Hedge Transaction in accordance with the Investment Management Agreement; and

(C) in the case of any Hedge Counterparty Termination Payments paid into the relevant Hedge Termination Account, in the event that:

(1) the Issuer, or the Investment Manager on its behalf, determines not to replace the Hedge Transaction and Rating Agency Confirmation is received in respect of such determination (other than where such determination is made in connection with a Currency Hedge Transaction which has been terminated solely as a result of the sale or prepayment or redemption or repayment of the relevant Non-Euro Obligation); or

(2) termination of the Hedge Transaction 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.

(x) *Currency Accounts*

The Issuer will procure that all amounts received in respect of any Non-Euro Obligations (including Sale Proceeds and including any initial principal exchange amounts received by the Issuer from a Currency Hedge Counterparty in connection with funding the acquisition of Non-Euro Obligations pursuant to a Currency Hedge Transaction, but excluding Hedge Replacement Receipts and Hedge Counterparty Termination Payments) to the extent not required to be paid directly to the Interest Account or Principal Account are paid into the appropriate Currency Account in the currency of receipt thereof. A separate Currency Account will be established in respect of each applicable currency.

The Issuer will procure payment of the following amounts (and shall ensure that payment of no other amount is made) out of the Currency Account:

(A) at any time, all amounts payable by the Issuer to the Currency Hedge Counterparty under any Currency Hedge Transaction save for Currency Hedge Issuer Termination Payments (other than where such Currency Hedge Issuer Termination Payments arise in connection with the termination of a Currency Hedge Transaction in circumstances where no Replacement Hedge Transaction is entered into by the Issuer which gives rise to a Hedge Replacement Receipt, including where a Currency Hedge Transaction has been terminated solely as a result of the sale or prepayment or redemption or repayment of the relevant Non-Euro Obligation), Hedge Replacement Payments, and any initial principal exchange amounts payable by the Issuer to a Currency Hedge Counterparty under any Currency Hedge Transaction in connection with funding the acquisition of Non-Euro

Obligations which for the avoidance of doubt shall be payable out of amounts standing to the credit of the Principal Account;

(B) cash amounts representing any excess standing to the credit of the Currency Account after paying, or provision for the payment of any amounts to be paid to, any Currency Hedge Counterparty pursuant to paragraph (A) above shall be converted into Euro at the Spot Rate by the Collateral Administrator on behalf of the Issuer following consultation with the Investment Manager and transferred to the Principal Account; and

(C) at any time, in the amount of any initial principal exchange amounts received by the Issuer from a Currency Hedge Counterparty under a Currency Hedge Transaction to be applied in connection with the acquisition of Non-Euro Obligations in accordance with the terms of and to the extent permitted under the Investment Management Agreement.

(xi) *Expense Reserve Account*

The Issuer shall procure that the following amounts are paid into the Expense Reserve Account:

(A) on the Issue Date, an amount determined on the Issue Date for the payment of amounts due or accrued in connection with the issue of the Notes, in accordance with (1) below; and

(B) any Ongoing Expense Reserve Amount applied in payment into the Expense Reserve Account pursuant to paragraph (D) of the Interest Proceeds Priority of Payments.

(C) 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 the 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 Investment 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.

(xii) *Collection Account*

The Issuer will procure that the following amounts are credited to the Collection Account:

(A) on the Issue Date, the net proceeds of issue of the Notes; and

(B) all amounts received in respect of any Collateral (other than as otherwise provided in Condition 3(j)(v) (*Counterparty Downgrade Collateral Accounts*)).

The Issuer shall procure payment of the following amounts (and shall ensure that payment of no other amount is made, save to the extent otherwise permitted above) out of the Collection Account:

(1) on or about the Issue Date:

(a) in payment of amounts due or accrued with respect to action taken on or in connection with the Issue Date with respect to the issue of Notes, the entry into the Transaction Documents and the termination of the Warehouse Arrangements;

(b) amounts payable into the Expense Reserve Account;

(c) to repay the relevant lenders under the Warehouse Arrangements in respect of the funding provided by them to finance the purchase of Collateral Debt Obligations prior to the Issue Date (including an amount equal to the accrued interest due from the Issuer to the Warehouse Provider in accordance with the Warehouse Arrangements);

(d) to pay to the Investment Manager certain fees and expenses pursuant to Warehouse Arrangements;

(e) to pay all other amounts due under the Warehouse Arrangements;

(f) amounts payable into the First Period Reserve Account; and

(g) any remaining amounts to the Unused Proceeds Account; and

(2) subject to the prior payment of all amounts pursuant to paragraph (1) above, in transfer to the other Accounts as required in accordance with Condition 3(j) (*Accounts*) on a daily basis, such that the balance standing to the credit of the Collection Account at the end of each Business Day is zero.

(xiii) *First Period Reserve Account*

The Issuer shall direct the Account Bank to deposit €1,500,000 in the First Period Reserve Account on the Issue Date. At any time prior to the Determination Date related to the first Payment Date at the discretion of the Investment Manager, the funds in the First Period Reserve Account may be transferred to the Unused Proceeds Account. On the Determination Date relating to the first Payment Date all of the funds in the First Period Reserve Account shall be transferred to the Interest Account for distribution on the first Payment Date.

(k) Investment Manager Advances

To the extent that there are insufficient sums standing to the credit of the Collateral Enhancement Account from time to time to purchase or exercise rights under Collateral Enhancement Obligations which the Investment Manager determines on behalf of the Issuer should be purchased or exercised, the Investment Manager may, at its discretion, pay amounts required in order to fund such purchase or exercise (such amount, a "**Investment Manager Advance**") to such Account pursuant to the terms of the Investment Management Agreement. Each Investment Manager Advance may bear interest at a rate agreed between the Issuer and the Investment Manager (and notified to the Collateral Administrator in writing), provided that such rate of interest shall not exceed a rate of EURIBOR plus 2.0 per cent. per annum. All such Investment Manager Advances shall be repaid out of Interest Proceeds and Principal

Proceeds on each Payment Date pursuant to the Priorities of Payments. The aggregate amount outstanding of all Investment Manager Advances shall not, at any time, exceed €8,750,000 or such greater number as the Subordinated Noteholders may approve, acting by way of an Ordinary Resolution.

(l) Unscheduled Payment Dates

The Issuer and the Investment Manager may (and must if so directed by the Subordinated Noteholders acting by Ordinary Resolution) designate a date (other than a scheduled Payment Date and a Redemption Date) as a Payment Date (each an "**unscheduled Payment Date**") if the following conditions are met:

(i) the proposed unscheduled Payment Date is a Business Day falling after the date upon which the Rated Notes have been repaid or redeemed in full;

(ii) the unscheduled Payment Date falls no less than 5 Business Days after the Investment Manager (on behalf of the Issuer) has notified the Collateral Administrator, the Principal Paying Agent and the Noteholders of the intended date of the unscheduled payment;

(iii) the proposed unscheduled Payment Date falls more than 5 Business Days prior to a scheduled Payment Date; and

(iv) the proposed unscheduled Payment Date falls no less than 5 Business Days after any previous scheduled or unscheduled Payment Date.

4. **Security**

(a) Security

Pursuant to the Trust Deed, the obligations of the Issuer under the Notes of each Class, the Trust Deed, the Agency Agreement and the Investment Management Agreement (together with the obligations owed by the Issuer to the other Secured Parties) are secured in favour of the Trustee for the benefit of the Secured Parties by:

(i) an assignment by way of security of all the Issuer's present and future rights, title and interest (and all entitlements or other benefits relating thereto) in respect of all Collateral Debt Obligations, Exchanged Securities, Collateral Enhancement Obligations, Eligible Investments standing to the credit of each of the Accounts (other than Counterparty Downgrade Collateral Accounts) and any other investments (other than the Counterparty Downgrade Collateral), in each case held by the Issuer from time to time (where such rights are contractual rights (other than contractual rights the assignment of which would require the consent of a third party or the entry by the Trustee into an intercreditor agreement or deed) and where such contractual rights arise other than under securities), including, without limitation, all moneys received in respect thereof, all dividends and distributions paid or payable thereon, all property paid, distributed, accruing or offered at any time on, to or in respect of or in substitution therefor and the proceeds of sale, repayment and redemption thereof;

(ii) a first fixed charge and first priority security interest granted over all the Issuer's present and future rights, title and interest (and all entitlements or other benefits relating thereto) in respect of all Collateral Debt Obligations, Exchanged Securities, Collateral Enhancement Obligations, Eligible Investments standing to the credit of each of the Accounts (other than the Counterparty Downgrade Collateral Accounts) and any other investments (other than Counterparty Downgrade Collateral), in each case held by the Issuer (where such assets are securities or contractual rights not assigned by way of security pursuant to paragraph (i) above and which are capable of being the subject of a first fixed charge and first priority security interest), including, without limitation, all moneys received in respect thereof, all dividends and distributions paid or payable thereon, all property paid, distributed, accruing or offered at any time on, to or in respect of or in substitution therefor and the proceeds of sale, repayment and redemption thereof;

(iii) a first fixed charge over all present and future rights of the Issuer in respect of each of the Accounts (other than the Counterparty Downgrade Collateral Accounts) and all moneys from time to time standing to the credit of such Accounts (other than the Counterparty Downgrade Collateral Accounts) and the debts represented thereby and including, without limitation, all interest accrued and other moneys received in respect thereof;

(iv) a first fixed charge and first priority security interest (where the applicable assets are securities) over, or an assignment by way of security (where the applicable rights are contractual obligations) of, all present and future rights of the Issuer in respect of any Counterparty Downgrade Collateral standing to the credit of the Counterparty Downgrade Collateral Accounts; including, without limitation, all moneys received in respect thereof, all dividends and distributions paid or payable thereon, all property paid, distributed, accruing or offered at any time on, to or in respect of or in substitution therefor and the proceeds of sale, repayment and redemption thereof and over the Counterparty Downgrade Collateral Accounts and all moneys from time to time standing to the credit of the Counterparty Downgrade Collateral Accounts 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;

(v) an assignment by way of security of all the Issuer's present and future rights against the Custodian under the Agency Agreement (to the extent it relates to the Custody Account) and a first fixed charge over all of the Issuer's right, title and interest in and to the Custody Account (including each cash account relating to the Custody Account) and any cash held therein and the debts represented thereby;

(vi) an assignment by way of security of all the Issuer's present and future rights under each Hedge Agreement (or any security interest entered into by the Issuer for the benefit of the relevant Hedge Counterparty) and each Hedge Transaction entered into thereunder (including the Issuer's rights under any guarantee or credit support annex entered into pursuant to any Hedge Agreement, provided that such assignment by way of security is without prejudice to, and after giving effect to, any contractual netting or set-off provision under the relevant Hedge Agreement and shall not in any way restrict the release of collateral granted thereunder in whole or in part at any time pursuant to the terms thereof);

(vii) an assignment by way of security of all the Issuer's present and future rights under the Investment Management Agreement and all sums derived therefrom;

(viii) a first fixed charge over all moneys held from time to time by the Principal Paying Agent and any other Agent for payment of principal, interest or other amounts on the Notes (if any);

(ix) an assignment by way of security of all the Issuer's present and future rights under the Agency Agreement and the Subscription Agreement and all sums derived therefrom;

(x) an assignment by way of security of all the Issuer's present and future rights under the Collateral Acquisition Agreements and all sums derived therefrom;

(xi) an assignment by way of security of all of the Issuer's present and future rights under any other Transaction Document and all sums derived therefrom; and

(xii) 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 (xii) above, (A) any and all assets, property or rights which are located in, or governed by the laws of, The Netherlands (except for contractual rights or receivables (*rechten of vorderingen op naam*) which are assigned or charged to the Trustee pursuant to (i) to (xii) above), (B) Dutch Ineligible Securities; (C) the Issuer's rights under the

Issuer Management Agreement; and (D) amounts standing to the credit of the Issuer Dutch Account.

The security created pursuant to paragraphs (i) to (xii) above is granted to the Trustee for itself and as trustee for the other Secured Parties as continuing security for the payment of the Secured Obligations provided that the security granted by the Issuer over any collateral provided to the Issuer pursuant to a Hedge Agreement will only be available to the Secured Parties (other than with respect to the collateral provided to the relevant Hedge Counterparty pursuant to such Hedge Agreement and Condition 3(j)(v) (*Counterparty Downgrade Collateral Accounts*)) when such collateral is expressed to be available to the Issuer in accordance with the applicable Hedge Agreement and the Conditions and (if a title transfer arrangement) to the extent that no equivalent amount is owed to the Hedge Counterparty pursuant to the relevant Hedge Agreement and/or Condition 3(j)(v) (*Counterparty Downgrade Collateral Accounts*). The security will extend to the ultimate balance of all sums payable by the Issuer in respect of the above, regardless of any intermediate payment or discharge in whole or in part.

If, for any reason, the purported assignment by way of security of, and/or the grant of first fixed charge over, the property, assets, rights and/or benefits described above is found to be ineffective in respect of any such property, assets, rights and/or benefits (together, the "**Affected Collateral**"), the Issuer shall hold to the fullest extent permitted under Dutch 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 Investment Management Agreement, if no Event of Default has occurred and is continuing, the Issuer shall be entitled to apply the benefit of such Trust Collateral and such sums in respect of such Trust Collateral received by it and held on trust under this paragraph without prior direction from the Trustee), (ii) exercise any rights it may have in respect of the Trust Collateral at the direction of the Trustee and (iii) at its own cost take such action and execute such documents as the Trustee may in its sole discretion require.

The Issuer may from time to time grant security:

(A) by way of a first priority security interest to a Hedge Counterparty over the relevant Counterparty Downgrade Collateral Account and any Counterparty Downgrade Collateral deposited by such Hedge Counterparty in the relevant Counterparty Downgrade Collateral Account as security for the Issuer's obligations to repay, return or apply such Counterparty Downgrade Collateral pursuant to the terms of the applicable Hedge Agreement (subject to such security documentation as may be agreed between such third party, the Investment Manager acting on behalf of the Issuer and the Trustee); and/or

(B) by way of first priority security interest over amounts representing all or part of the Unfunded Amount of any Revolving Obligation or Delayed Drawdown Collateral Debt Obligation and deposited in its name with a third party as security for any reimbursement or indemnification obligation of the Issuer owed to any other lender under such Revolving Obligation or Delayed Drawdown Collateral Debt Obligation, subject to the terms of Condition 3(j)(vii) (*The Unfunded Revolver Reserve Account*) (including Rating Agency Confirmation),

excluding for the purposes of (A) and (B) above (i) any and all assets, property or rights which are located in, or governed by the laws of, The Netherlands, and (ii) all Dutch Ineligible Securities.

All deeds, documents, assignments, instruments, bonds, notes, negotiable instruments, papers and any other instruments comprising, evidencing, representing and/or transferring the

Portfolio will be deposited with or held by or on behalf of the Custodian until the security over such obligations is irrevocably discharged in accordance with the provisions of the Trust Deed. In the event that the ratings of the Custodian are downgraded to below the Rating Requirement or withdrawn, the Issuer shall use reasonable endeavours to procure that a replacement Custodian with the Rating Requirement is appointed in accordance with the provisions of the Agency Agreement.

Pursuant to the terms of the Trust Deed, the Trustee is exempted from any liability in respect of any loss or theft or reduction in value of the Collateral, from any obligation to insure the Collateral and from any claim arising from the fact that the Collateral is held in a clearing system or in safe custody by the Custodian, a bank or other custodian. The Trustee has no responsibility for ensuring that the Custodian, the Account Bank, the Principal Paying Agent or any Hedge Counterparty satisfies the Rating Requirement applicable to it or, in the event of its failure to satisfy such Rating Requirement, to procure the appointment of a replacement custodian, account bank, principal paying agent or hedge counterparty. The Trustee has no responsibility for the management of the Portfolio by the Investment Manager or to supervise the administration of the Portfolio by the Collateral Administrator or by any other party and is entitled to rely on the certificates or notices of any relevant party without further enquiry. The Trust Deed also provides that the Trustee shall accept without investigation, requisition or objection such right, benefit, title and interest, if any, as the Issuer may have in and to any of the Collateral and is not bound to make any investigation into the same or into the Collateral in any respect.

(b) Application of Proceeds upon Enforcement

The Trust Deed provides that the net proceeds of realisation of, or enforcement with respect to the security over, the Collateral constituted by the Trust Deed, shall be applied in accordance with the Priorities of Payments set out in Condition 11 (*Enforcement*).

(c) Limited Recourse

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, upon enforcement thereof in accordance with Condition 11 (*Enforcement*) and the provisions of the Trust Deed are less than the aggregate amount payable in such circumstances by the Issuer in respect of the Notes and to the other Secured Parties (such negative amount being referred to herein as a "**shortfall**"), the obligations of the Issuer in respect of the Notes of each Class and its obligations to the other Secured Parties in such circumstances will be limited to such net proceeds, which shall be applied in accordance with the Priorities of Payments. In such circumstances, the other assets (including the Issuer Dutch Account and its rights under the Issuer Management Agreement) of the Issuer will not be available for payment of such shortfall which shall be borne by the 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). The rights of the Secured Parties to receive any further amounts in respect of such obligations shall be extinguished and none of the Noteholders of each Class or the other Secured Parties may take any further action to recover such amounts. None of the Noteholders of any Class, the Trustee or the other Secured Parties (nor any other person acting on behalf of any of them) shall be entitled at any time to institute against the Issuer, or 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 of any Class, the Trust Deed or otherwise owed to the Secured Parties, save for lodging a claim in the liquidation of the Issuer which is initiated by another non-Affiliated party or taking proceedings to obtain a declaration as to the obligations of the Issuer and without limitation to the Trustee's right to enforce and/or realise the security constituted by the Trust Deed (including by appointing a receiver or an administrative receiver).

In addition, none of the Noteholders or any of the other Secured Parties shall have any recourse against any director, shareholder or officer of the Issuer in respect of any obligations, covenants or agreements entered into or made by the Issuer pursuant to the terms of these Conditions or any other Transaction Document to which the Issuer is a party or any notice or documents which it is requested to deliver hereunder or thereunder.

None of the Trustee, the Managing Directors, the Initial Purchaser, the Investment Manager, the Retention Holder and any Agent has any obligation to any Noteholder of any Class for payment of any amount by the Issuer in respect of the Notes of any Class.

(d) Acquisition and Sale of Portfolio

Prior to the Issue Date, the Issuer acquired certain Collateral Debt Obligations pursuant to the Warehouse Arrangements. The Investment 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 Investment Management Agreement and subject to the overall supervision and control of the Issuer. The duties of the Investment Manager with respect to the Portfolio include (amongst others) the use of reasonable endeavours to:

(i) purchase Collateral Debt 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 the Counterparty Downgrade Collateral Accounts, the Unfunded Revolver Reserve Account, the Payment Account and the Collection Account) in Eligible Investments; and

(iii) sell certain of the Collateral Debt Obligations and reinvest the Principal Proceeds received in Substitute Collateral Debt Obligations in accordance with the criteria set out in the Investment Management Agreement.

The Investment Manager is required to monitor the Collateral Debt Obligations with a view to seeking to determine whether any Collateral Debt Obligation has converted into, or been exchanged for, an Exchanged Security or Defaulted Obligation, provided that, if it fails to do so, it will not have any liability to the Issuer except by reason of acts constituting bad faith, wilful misconduct, negligence or reckless disregard in the performance of its obligations. No Noteholder shall have any recourse against any of the Issuer, the Investment Manager, the Retention Holder, 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 Investment Management Agreement, the Retention Holder, the holders of the Subordinated Notes and the Controlling Class (provided such Notes are not in the form of IM Removal and Replacement Non-Voting Notes or IM Removal and Replacement Exchangeable Non-Voting Notes) have certain rights in respect of the removal of the Investment Manager and appointment of a replacement Investment Manager.

(e) Exercise of Rights in Respect of the Portfolio

Pursuant to the Investment Management Agreement, the Issuer authorises the Investment Manager, prior to enforcement of the security over the Collateral, to exercise all rights and remedies of the Issuer in its capacity as a holder of, or person beneficially entitled to, the Portfolio. In particular, the Investment Manager is authorised, subject to any specific direction given by the Issuer, to attend and vote at any meeting of holders of, or other persons interested or participating in, or entitled to the rights or benefits (or a part thereof) under, the Portfolio and to give any consent, waiver, indulgence, time or notification, make any declaration or agree any composition, compounding or other similar arrangement with respect to any obligations forming part of the Portfolio, subject to and in accordance with the management criteria set out in the Investment Management Agreement.

(f) Information Regarding the Collateral

The Issuer shall procure that a copy of each Monthly Report and any Payment Date Report is made available to each Noteholder of each Class (upon request in writing therefor in the form set out in the Agency Agreement certifying that it is such a Noteholder) and that copies of each such Report are made available to the Trustee, the Investment Manager, the Initial Purchaser, each Hedge Counterparty and each Rating Agency in respect of each Payment Date Report, no later than the Business Day preceding the related Payment Date and within two Business Days of publication thereof in respect of each Monthly Report.

5. **Covenants of and Restrictions on the Issuer**

(a) Covenants of the Issuer

Unless otherwise provided and as more fully described in the Transaction Documents, 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 Investment Management Agreement;

(E) under the Issuer Management Agreement;

(F) under the Collateral Acquisition Agreements;

(G) under the Risk Retention Letter;

(H) under any Hedge Agreements; and

(I) any other Transaction Documents;

(ii) comply with its obligations under the Notes, the Trust Deed, the Agency Agreement, the Investment Management Agreement and each other Transaction Document to which it is a party;

(iii) keep proper books of account;

(iv) at all times maintain its tax residence outside the United Kingdom and the United States and will not have a permanent establishment in the United Kingdom for United Kingdom tax purposes (and in this regard no account shall be taken of the activities which the Investment Manager carries out on behalf of the Issuer pursuant to the Investment Management Agreement irrespective of whether such activities constitute a permanent establishment or not, and for this purpose, "permanent establishment" shall be construed pursuant to section 1141 of the Corporation Tax Act 2010) or register as a company in the United Kingdom or the United States;

(v) pay its debts generally as they fall due;

(vi) do all such things as are necessary to maintain its corporate existence;

(vii) 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;

(viii) supply such information to the Rating Agencies as they may reasonably request;

(ix) ensure that its "centre of main interests" (as that term is referred to in article 3(1) of Council Regulation (EC) No. 1346/2000 on Insolvency Proceedings) and its tax residence is and remains at all times in The Netherlands;

(x) 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;

(xi) act as an entity that issues notes to investors and uses the majority of the proceeds to purchase interests in loans from one or more other lenders within the meaning of the 2012 ECB guidance to Regulation (EC) No. 24/2009 of the European Central Bank of 19 December 2008 (which may include where such purchase is effected by way of novation); and

(xii) agree that information (including the identity of any Noteholder) supplied for the purposes of CRS and DAC II compliance is intended for the Issuer's (or any nominated service provider's) use for the purposes of satisfying CRS and DAC II requirements and the Issuer (or any nominated service provider) will agree, to the extent permitted by applicable law, that it will take reasonable steps to treat such information in a confidential manner, except that the Issuer may disclose such information (i) to its officers, directors, agents and advisors, (ii) to the extent reasonably necessary or advisable in connection with tax matters, including achieving CRS and DAC II compliance, (iii) to any person with the consent of the applicable Noteholder, or (iv) as otherwise required by law or court order or on the advice of its advisors.

(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 (and in the case of (viii) only, subject to Rating Agency Confirmation from Moody's):

(i) sell, factor, discount, transfer, assign, lend or otherwise dispose of any of its right, title or interest in or to the Collateral, other than in accordance with the Investment Management Agreement, nor will it create or permit to be outstanding any mortgage, pledge, lien, charge, encumbrance or other security interest over the Collateral except in accordance with the Trust Deed, these Conditions or the Transaction Documents;

(ii) sell, factor, discount, transfer, assign, lend or otherwise dispose of, nor create or permit to be outstanding any mortgage, pledge, lien, charge, encumbrance or other security interest over, any of its other property or assets or any part thereof or interest therein other than in accordance with the Trust Deed, a Hedge Agreement, these Conditions or the Transaction Documents;

(iii) engage in any business other than:

(A) acquiring and holding any property, assets or rights that are capable of being effectively charged in favour of the Trustee or that are capable of being held on trust by the Issuer in favour of the Trustee under the Trust Deed;

(B) issuing and performing its obligations under the Notes;

(C) entering into, exercising its rights and performing its obligations under or enforcing its rights under the Trust Deed, the Agency Agreement, the Investment Management Agreement and each other Transaction Document to which it is a party, as applicable; or

(D) performing any act incidental to or necessary in connection with any of the above;

(iv) amend any term or Condition of the Notes of any Class (save in accordance with these Conditions and the Trust Deed);

(v) agree to any amendment to any provision of, or grant any waiver or consent under the Trust Deed, the Agency Agreement, the Investment Management Agreement, the Issuer Management Agreement or any other Transaction Document to which it is a party (save in accordance with these Conditions and the Trust Deed);

(vi) incur any indebtedness for borrowed money, other than in respect of:

(A) the Notes (including the issuance of additional Notes pursuant to Condition 17 (*Additional Issuances*)) or any document entered into in connection with the Notes or the sale thereof or any additional Notes or the sale thereof;

(B) any Refinancing; or

(C) as otherwise contemplated or permitted pursuant to the Trust Deed or the Investment Management Agreement;

(vii) amend its constitutional documents;

(viii) have any subsidiaries or establish any offices, branches or other "establishment" (as that term is used in article 2(h) of Council Regulation (EC) No. 1346/2000 on Insolvency Proceedings) outside of The Netherlands;

(ix) have any employees (for the avoidance of doubt the Managing Directors of the Issuer do not constitute employees);

(x) enter into any reconstruction, amalgamation, merger or consolidation;

(xi) convey or transfer all or a substantial part of its properties or assets (in one or a series of transactions) to any person, otherwise than as contemplated in these Conditions and except for dividends payable to the Foundation;

(xii) issue any shares (other than such share as is in issue as at the Issue Date) nor redeem or purchase any of its issued share capital;

(xiii) enter into any material agreement or contract with any Person (other than an agreement on customary market terms which for the avoidance of doubt will include agreements to buy and sell obligations and documentation relating to restructurings (including steering committee indemnity letters)), which terms do not contain the provisions below) unless such contract or agreement contains "limited recourse" and "non-petition" provisions and such Person agrees that, prior to the date that is one year and one day after all the related obligations of the Issuer have been paid in full (or, if longer, the applicable preference period under applicable insolvency law), such Person shall not take any action or institute any proceeding against the Issuer under any insolvency law applicable to the Issuer or which would reasonably be likely to cause the Issuer to be subject to or seek protection of, any such insolvency law; provided that such Person shall be permitted to become a party to and to participate in any proceeding or action under any such insolvency law that is initiated by any other Person other than one of its Affiliates;

(xiv) otherwise than as contemplated in the Transaction Documents, release from or terminate the appointment of the Custodian or the Account Bank under the Agency Agreement, the Investment Manager or the Collateral Administrator under the Investment Management Agreement (including, in each case, any transactions entered into thereunder) or, in each case, from any executory obligation thereunder;

(xv) enter into any lease in respect of, or own, premises;

(xvi) comingle its assets with those of any other Person or entity; or

(xvii) act as an entity that issues notes to investors and uses any of the proceeds to grant new loans for its own account, within the meaning of the 2012 ECB guidance to Regulation (EC) No. 24/2009 of the European Central Bank of 19 December 2008 (provided that the acquisition of an interest in a loan by way of novation shall not constitute a new loan for the purposes of this restriction).

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 January 2017; (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 (S) of the Principal Proceeds Priority of Payments paragraph (B) of the Collateral Enhancement Obligation Proceeds Priority of Payments, and paragraph (Z) of the Post-Acceleration Priority of Payments 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 the Subordinated Notes remains Outstanding at all times and any amounts which are to be applied in redemption of the Subordinated Notes pursuant hereto which are in excess of the Principal Amount Outstanding thereof minus €1, shall constitute interest payable in respect of the Subordinated Notes and shall not be applied in redemption of the Principal Amount Outstanding thereof, provided always however that such €1 principal shall no longer remain Outstanding and the Subordinated Notes shall be redeemed in full on the date on which all of the Collateral securing the Notes has been realised and is to be finally distributed to the Noteholders.

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 following payment in full of amounts payable pursuant to the Priorities of Payments.

(b) Interest Accrual

(i) *Rated Notes*

Each Rated Note will cease to bear interest from the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused. In such event, it shall continue to bear interest in accordance with this Condition 6 (*Interest*) (both before and after judgment) until whichever is the earlier of (A) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (B) the day following seven days after the Trustee or the Principal Paying Agent has notified the Noteholders of such Class of Notes in accordance with Condition 16 (*Notices*) of receipt of all sums due in respect

of all the Notes of such Class up to that seventh day (except to the extent that there is failure in the subsequent payment, and including, 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

(i) For so long as any of the Class A Notes or the Class B Notes remain Outstanding, or, in respect of any Payment Date prior to the Relevant Payment Date where the Class C Notes are 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; and for so long as any of the Class C Notes remain Outstanding or, in respect of any Payment Date prior to the Relevant Payment Date where the Class D Notes are the Controlling Class, the Issuer shall, and shall only be obliged to pay any Interest Amount payable in respect of the Class D Notes, the Class E Notes or the Class F Notes in full on any Payment Date; and for so long as any of the Class D Notes remain Outstanding or, in respect of any Payment Date prior to the Relevant Payment Date where the Class E Notes are the Controlling Class, the Issuer shall, and shall only be obliged to, pay any Interest Amount payable in respect of the Class E Notes or the Class F Notes in full on any Payment Date; and for so long as any of the Class E Notes remain Outstanding or, in respect of any Payment Date prior to the Relevant Payment Date where the Class F Notes are the Controlling Class, the Issuer shall, and shall only be obliged to, pay any Interest Amount payable in respect of 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.

(ii) In the case of the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes for so long as any such Class is not the Controlling Class, or, where the relevant Class is the Controlling Class in respect of any Payment Date prior to the Relevant Payment Date, an amount of interest equal to any shortfall in payment of the Interest Amount which would, but for the first paragraph of this Condition 6(c) (*Deferral of Interest*), otherwise be due and payable in respect of any of such Classes of Notes on any Payment Date in accordance with the Interest Proceeds Priority of Payments (each such amount being referred to as "**Deferred Interest**") will not be due and 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 and the Class F Notes, as applicable, and thereafter will accrue interest at the rate of interest applicable to that Class of Notes, and the failure to pay such Deferred Interest to the holders of such Notes, as applicable, will not be an Event of Default until the Maturity Date or any earlier date of redemption in full of the Notes. If the relevant Class is the Controlling Class in respect of any Payment Date from (and including) the Relevant Payment Date, Deferred Interest shall not be added to the principal amount of such Class and failure to pay interest will constitute an Event of Default, as more fully provided in Condition 10(a)(i) (*Non payment of Interest*).

(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 Priorities of Payments, to the extent that Interest Proceeds or Principal Proceeds, as applicable, are available to make such payment in accordance with the Priorities of Payments (and, if applicable, the Note Payment Sequence). Deferred Interest on the Class C Notes and/or Class D Notes and/or Class E Notes and/or Class F Notes, as applicable will be added to the principal amount of the Class C Notes

and/or Class D Notes and/or Class E Notes and/or Class F Notes, as applicable. An amount equal to any such Deferred Interest so paid shall be subtracted from the principal amount of the Class C Notes and/or Class D Notes and/or Class E Notes and/or Class F Notes, as applicable.

(e) Interest on the Rated Notes

(i) *Floating Rate of Interest*

The rate of interest from time to time in respect of the Class A Notes (the "**Class A Floating Rate of Interest**"), in respect of the Class B Notes (the "**Class B Floating Rate of Interest**"), in respect of the Class C Notes (the "**Class C Floating Rate of Interest**"), in respect of the Class D Notes (the "**Class D Floating Rate of Interest**") in respect of the Class E Notes (the "**Class E Floating Rate of Interest**") and in respect of the Class F Notes (the "**Class F Floating Rate of Interest**") (and each a "**Floating Rate of Interest**") will be determined by the Calculation Agent on the following basis:

(A) On each Interest Determination Date:

(1) in the case of the initial Accrual Period, the Calculation Agent will determine the offered rate for six month Euro deposits;

(2) in the case of each Interest Determination Date other than the initial Interest Determination Date and prior to the occurrence of a Frequency Switch Event, the Calculation Agent will determine (i) the offered rate for six month Euro deposits; and (ii) the offered rate for three month Euro deposits; and

(3) in the case of each Interest Determination Date following the occurrence of a Frequency Switch Event, the Calculation Agent will determine the offered rate for six month Euro deposits (provided that, following the occurrence of a Frequency Switch Event, if the Accrual Period ending on the Maturity Date is a three month period, the Calculation Agent will determine the offered rate for three month Euro deposits in the case of the Interest Determination Date relating to such period),

in each case, as at 11.00 am (Brussels time) on the Interest Determination Date in question ("**EURIBOR**"). Such offered rate will be that which appears on the display designated on the Bloomberg Screen "**BTMM EU**" Page (or such other page or service as may replace it for the purpose of displaying EURIBOR rates). The Class A Floating Rate of Interest, the Class B Floating Rate of Interest, the Class C Floating Rate of Interest, the Class D Floating Rate of Interest, the Class E Floating Rate of Interest and the Class F Floating Rate of Interest for such Accrual Period shall be equal to the aggregate of the Applicable Margin (as defined below) in respect of (i) the initial Accrual Period, the rate referred to in paragraph (1) above; (ii) each six month Accrual Period, the rate referred to in paragraph (2)(i) or the six month rate referred to in paragraph (3) above (as applicable); and (iii) each three month Accrual Period, the rate referred to in paragraph (2)(ii) or the three month rate referred to in paragraph (3) above (as applicable), above, in each case as determined by the Calculation Agent.

(B) If the offered rate so appearing is replaced by the corresponding rates of more than one bank then paragraph (1) shall be applied, with any necessary consequential changes, to the arithmetic mean (rounded, if necessary, to the nearest one hundred thousandth of a percentage point (with 0.000005 being rounded upwards)) of the rates (being at least two) which so appear, as determined by the Calculation Agent. If for any other reason such offered rate does not so appear, or if the relevant page is unavailable, the

Calculation Agent will request each of four major banks in the Euro zone interbank market acting in each case through its principal Euro zone office appointed pursuant to Condition 6(e)(iii)(B) (*Reference Banks and Calculation Agent*) below (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 period of six months;

(2) in respect of each Interest Determination Date other than the initial Interest Determination Date and prior to the occurrence of a Frequency Switch Event, for a period of (i) six months; and (ii) three months; and

(3) in respect of each Interest Determination Date following the occurrence of a Frequency Switch Event, for a period of six months (or for a period of three months, in respect of the Interest Determination Date following the occurrence of a Frequency Switch Event and relating to the Accrual Period ending on the Maturity Date, if such Accrual Period is a three month period),

in each case, as at 11.00 am (Brussels time) on the Interest Determination Date in question. The Class A Floating Rate of Interest, the Class B Floating Rate of Interest, the Class C Floating Rate of Interest, the Class D Floating Rate of Interest, the Class E Floating Rate of Interest and the Class F Floating Rate of Interest for such Accrual Period shall be the aggregate of the Applicable Margin (if any) and the arithmetic mean, in each case, (rounded, if necessary, to the nearest one hundred thousandth of a percentage point (with 0.000005 being rounded upwards)) of, in respect of (i) the initial Accrual Period; the quotations referred to in paragraph (1) above; (ii) each six month Accrual Period, the quotations referred to in paragraph (2)(i) or the quotations for a six month rate referred to in paragraph (3) above (as applicable); and (iii) each three month Accrual Period, the quotations referred to in paragraph (2)(ii) or the quotations for a three month rate referred to in paragraph (3) above (as applicable) (or of such quotations, being at least two, as are so provided), all as determined by the Calculation Agent.

(C) If on any Interest Determination Date one only or none of the Reference Banks provides such quotations, the Class A Floating Rate of Interest, the Class B Floating Rate of Interest, the Class C Floating Rate of Interest, the Class D Floating Rate of Interest, the Class E Floating Rate of Interest and the Class F Floating Rate of Interest, respectively, for the next Accrual Period shall be the Class A Floating Rate of Interest, the Class B Floating Rate of Interest, the Class C Floating Rate of Interest, the Class D Floating Rate of Interest, the Class E Floating Rate of Interest and the Class F Floating Rate of Interest in each case in effect as at the immediately preceding Accrual Period; provided that in respect of any Accrual Period during which a Frequency Switch Event occurs, the Class A Floating Rate of Interest, the Class B Floating Rate of Interest, the Class C Floating Rate of Interest, the Class D Floating Rate of Interest, the Class E Floating Rate of Interest and the Class F Floating Rate of Interest shall be calculated using the offered rate for six month Euro deposits using the rate available as at the previous Interest Determination Date; and provided further that following the occurrence of a Frequency Switch Event in respect of the Accrual Period ending on the Maturity Date if such Accrual Period is a three month period, the Class A Floating Rate of Interest, the Class B Floating Rate of Interest, the Class C Floating Rate of Interest, the Class D Floating Rate of Interest, the Class E Floating Rate of Interest and the Class F Floating Rate of Interest shall be calculated using the offered rate for three month Euro

deposits using the most recent rate obtainable by the Calculation Agent in its reasonable opinion.

(D) Where:

"**Applicable Margin**" means:

(1) in the case of the Class A Notes: 1.30 per cent. per annum;

(2) in the case of the Class B Notes: 2.05 per cent. per annum;

(3) in the case of the Class C Notes: 3.05 per cent. per annum;

(4) in the case of the Class D Notes: 4.05 per cent. per annum;

(5) in the case of the Class E Notes: 6.25 per cent. per annum; and

(6) in the case of the Class F Notes: 8.35 per cent. per annum.

Notwithstanding paragraphs (A) and (B) above, if, in relation to any Interest Determination Date, EURIBOR in respect of any Class of Floating Rate Notes as determined in accordance with paragraphs (A) and (B) above would yield a rate less than zero, such rate shall be deemed to be zero for the purposes of determining the floating rate of interest pursuant to this Condition 6(e)(i) (*Rate of Interest*).

(ii) *Determination of Floating Rate of Interest and Calculation of Interest Amount*

The Calculation Agent will, as soon as practicable (and in any event (i) for each Accrual Period following the occurrence of a Frequency Switch Event, not later than the Business Day following the relevant Interest Determination Date; and (ii) for each Accrual Period prior to the occurrence of a Frequency Switch Event and for any Accrual Period during which a Frequency Switch Event occurs, not later than the Determination Date immediately preceding the relevant Payment Date), determine the Class A Floating Rate of Interest, the Class B Floating Rate of Interest, the Class C Floating Rate of Interest, the Class D Floating Rate of Interest, the Class E Floating Rate of Interest and the Class F Floating Rate of Interest and calculate the interest amount payable in respect of original principal amounts of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes equal to the Authorised Integral Amount applicable thereto for the relevant Accrual Period. The amount of interest (an "**Interest Amount**") payable in respect of each Authorised Integral Amount applicable to any such Notes shall be calculated by applying the Class A Floating Rate of Interest in the case of the Class A Notes, the Class B Floating Rate of Interest in the case of the Class B Notes, the Class C Floating Rate of Interest in the case of the Class C Notes, the Class D Floating Rate of Interest in the case of the Class D Notes, the Class E Floating Rate of Interest in the case of the Class E Notes and the Class F Floating Rate of Interest in the case of the Class F Notes, respectively, to 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 Floating Rate of Interest, the Class B Floating Rate of Interest, the Class C Floating Rate of Interest, the Class D Floating Rate of Interest, the Class E Floating Rate of Interest and the Class F Floating Rate of Interest are to be calculated by Reference Banks pursuant to paragraph (2) of Condition 6(e)(i) (*Floating Rate of Interest*), that the number of Reference Banks required pursuant to such paragraph (2) are appointed.

If the Calculation Agent is unable or unwilling to continue to act as the Calculation Agent for the purpose of calculating interest hereunder or fails duly to establish any Floating Rate of Interest for any Accrual Period, or to calculate the Interest Amount on any Class of Rated Notes, the Issuer shall (with the prior approval of the Trustee) appoint some other leading bank to act as such in its place. The Calculation Agent may not resign its duties without a successor having been so appointed.

(f) Interest Proceeds in respect of Subordinated Notes

Solely in respect of each of the Class M-1 Notes and the Class M-2 Notes, the Calculation Agent will on each Determination Date calculate the Interest Proceeds payable to the extent of available funds in respect of an original principal amount of each of the Class M-1 Notes and the Class M-2 Notes equal to the Authorised Integral Amount applicable thereto for the relevant Accrual Period. The Interest Proceeds payable on each Payment Date in respect of an original principal amount of each of the Class M-1 Notes and the Class M-2 Notes equal to the Authorised Integral Amount applicable thereto shall be calculated by multiplying the amount of Interest Proceeds to be applied on each of the Class M-1 Notes and the Class M-2 Notes on the applicable Payment Date pursuant to paragraph (CC) of the Interest Proceeds Priority of Payments, paragraph (S) of the Principal Proceeds Priority of Payments paragraph (B) of the Collateral Enhancement Obligation Proceeds Priority of Payments and paragraph (Z) of the Post-Acceleration Priority of Payments by fractions equal to the amount of such Authorised Integral Amount, as applicable, divided by the aggregate original principal amount of each of the Class M-1 Notes and the Class M-2 Notes.

(g) Publication of Rates of Interest, Interest Amounts and Deferred Interest

The Calculation Agent will (at the cost of the Issuer) cause the Class A Floating Rate of Interest, the Class B Floating Rate of Interest, the Class C Floating Rate of Interest, the Class D Floating Rate of Interest, the Class E Floating Rate of Interest and the Class F Floating Rate of Interest and the Interest Amounts payable in respect of each Class of Rated Notes, the amount of any Deferred Interest due but not paid on any Class C Notes, Class D Notes, Class E Notes or Class F Notes for each Accrual Period and Payment Date and the Principal Amount Outstanding of each Class of Notes as of the applicable Payment Date to be notified to the Registrar, the Principal Paying Agent, the Transfer Agent, the Trustee and the Investment Manager, 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, following receipt of notice thereof from the Investment Manager, the 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 and the Class F Notes or the Payment Date in respect of any Class of Notes so published may subsequently be amended (or appropriate alternative arrangements made with the consent of the Trustee by way of adjustment) without notice in the event of an extension or shortening of the Accrual Period. If any of the Notes become due and payable under Condition 10 (*Events of Default*), interest shall nevertheless continue to be calculated as previously by the Calculation Agent in accordance with this Condition 6 (*Interest*) but no publication of the applicable Interest Amounts shall be made unless the Trustee so determines.

(h) Determination or Calculation by Trustee

If the Calculation Agent does not at any time for any reason so calculate the Class A Floating Rate of Interest, the Class B Floating Rate of Interest, the Class C Floating Rate of Interest, the Class D Floating Rate of Interest, the Class E Floating Rate of Interest or the Class F Floating Rate of Interest for an 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, the Transfer Agent and all Noteholders and (in the absence of the fraud, negligence or wilful default of the Calculation Agent or the Trustee) 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(i) (*Notifications, etc. to be Final*).

7. Redemption and Purchase

(a) Final Redemption

Save to the extent previously redeemed in full and cancelled, the Notes of each Class will be redeemed on the Maturity Date of such Notes. In the case of a redemption pursuant to this Condition 7(a) (*Final Redemption*), the Rated Notes will be redeemed at their Redemption Price in accordance with the Note Payment Sequence and the Subordinated Notes will be redeemed at the amount equal to their share of the amounts of Principal Proceeds to be applied towards such redemption pursuant to paragraph (S) of the Principal Proceeds Priority of Payments. Notes may not be redeemed other than in accordance with this Condition 7 (*Redemption and Purchase*).

(b) Optional Redemption

(i) *Optional Redemption in Whole - Subordinated Noteholders/Retention Holder*

Subject to the provisions of Condition 7(b)(iv) (*Terms and Conditions of an Optional Redemption*), Condition 7(b)(v) (*Optional Redemption effected in whole or in part through Refinancing*) and Condition 7(b)(vi) (*Optional Redemption effected through Liquidation only*), the Rated Notes may be redeemed in whole but not in part by the Issuer at the applicable Redemption Prices, from Sale Proceeds or any Refinancing Proceeds (or a combination thereof):

(A) on any Business Day falling on or after expiry of the Non-Call Period at the direction of (i) the Subordinated Noteholders acting by Ordinary Resolution (as evidenced by duly completed Redemption Notices) or (ii) the Retention Holder; or

(B) upon the occurrence of a Collateral Tax Event, on any Payment Date falling after such occurrence at the direction of the Subordinated Noteholders acting by Ordinary Resolution (as evidenced by duly completed Redemption Notices).

(ii) *Optional Redemption in Part - Subordinated Noteholders or Investment Manager*

Subject to the provisions of Condition 7(b)(iv) (*Terms and Conditions of an Optional Redemption*) and Condition 7(b)(v) (*Optional Redemption effected in whole or in part through Refinancing*), the Rated Notes of any Class may be redeemed by the Issuer at the applicable Redemption Prices, solely from Refinancing Proceeds (in accordance with Condition 7(b)(v) (*Optional Redemption effected in whole or in part through Refinancing*) below) on any Business Day falling on or after expiry of the Non-Call Period at the direction of the Subordinated Noteholders acting by Ordinary Resolution (as evidenced by duly completed Redemption Notices) or at the written direction of the Investment Manager. No such Optional Redemption may occur unless any Class of Rated Notes to be redeemed represents the entire Class of such Rated Notes.

(iii) *Optional Redemption in Whole - Investment Manager*

Subject to the provisions of Condition 7(b)(iv) (*Terms and Conditions of an Optional Redemption*), the Rated Notes may be redeemed in whole but not in part by the Issuer, at the applicable Redemption Prices, from Sale Proceeds on any Payment Date falling on or after expiry of the Non-Call Period if, upon or at any time following the expiry of the Non-Call Period, the Aggregate Collateral Balance is less than 15 per cent. of the Target Par Amount and if directed in writing by the Investment Manager.

(iv) *Terms and Conditions of an Optional Redemption*

In connection with any Optional Redemption:

(A) the Issuer shall procure that at least 30 days' (and not more than 60 days') prior written notice (or such shorter period or longer period, respectively, as may be agreed between the Trustee and the Investment Manager) of such Optional Redemption (but stating that such redemption is subject to satisfaction of the conditions set out in this Condition 7 (*Redemption and Purchase*), including the applicable Redemption Date, and the relevant Redemption Price therefor, is given to the Trustee, the Collateral Administrator, 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 Investment Manager no later than 20 days (or such shorter period of time as may be agreed by the Trustee and the Investment Manager, acting reasonably) prior to the relevant Redemption Date;

(C) any such redemption must comply with the procedures set out in Condition 7(b)(vii) (*Mechanics of Redemption*); and

(D) any redemption in part of the Notes pursuant to Condition 7(b)(ii) (*Optional Redemption in Part – Subordinated Noteholders or Investment Manager*) may be effected solely from Refinancing Proceeds in accordance with Condition 7(b)(v) (*Optional Redemption effected in whole or in part through Refinancing*) below.

(v) *Optional Redemption effected in whole or in part through Refinancing*

Following receipt of, or as the case may be, confirmation from the Registrar of receipt of (i) a direction in writing from the requisite percentage of Subordinated Noteholders or the Retention Holder; or (ii) a direction in writing from the Investment Manager, as the case may be, to exercise any right of optional redemption pursuant to Condition 7(b)(i) (*Optional Redemption in Whole – Subordinated Noteholders/Retention Holder*) or Condition 7(b)(ii) (*Optional Redemption in Part – Subordinated Noteholders or Investment Manager*), the Issuer may:

(A) in the case of a redemption in whole of all Classes of Rated Notes (1), enter into a loan (as borrower thereunder) with one or more financial institutions (qualifying as (i) a "professional market party" pursuant to the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) the "**Dutch FSA**", and (ii) to the extent that PMP's are deemed to qualify as the "public" (within the meaning of article 4(1) of the CRR and the rules promulgated thereunder, as amended, or any subsequent replacement of such regulation), a person that would not cause the Issuer to receive any repayable funds (*opvorderbare gelden*) from the "public" (as defined in Directive 2003/71/EC, as amended from time to time)); or (2) issue replacement notes (in accordance with the provisions of the Dutch FSA); and

(B) in the case of a redemption in part of the entire Class of a Class of Rated Notes, issue replacement notes (in accordance with the provisions of the Dutch FSA) (each, a "**Refinancing Obligation**"),

whose terms in each case will be negotiated by the Investment 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 Investment Manager (acting in its sole discretion) 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/Retention Holder*). 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 – Subordinated Noteholders or Investment Manager*).

(A) Refinancing in relation to a Redemption in Whole

In the case of a Refinancing in relation to the redemption of the Rated Notes in whole but not in part pursuant to Condition 7(b)(i) (*Optional Redemption in Whole – Subordinated Noteholders/Retention Holder*) as described above, such Refinancing will be effective only if:

(1) the Issuer provides prior written notice thereof to Fitch and Moody's;

(2) all Refinancing Proceeds, all Sale Proceeds, if any, from the sale of Collateral Debt Obligations and Eligible Investments and all other available funds will be at least sufficient to pay any Refinancing Costs, (including, for the avoidance of doubt, any Trustee Fees and Expenses that are Refinancing Costs and any Administrative Expenses that are 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 of a Class of Noteholders 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 Debt Obligations and Eligible Investments, are received by (or on behalf of) the Issuer prior to the applicable Redemption Date,

and in addition, where the Refinancing Obligations in relation to any such Refinancing are replacement notes:

(6) 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;

(7) the maturity date of each class of Refinancing Obligation is the same as the Maturity Date of the Class or Classes of Notes being redeemed with the Refinancing Proceeds;

(8) the interest rate of any Refinancing Obligations will not be greater than the interest rate of the Rated Notes subject to such Optional Redemption (taking into account any discount on issuance);

(9) 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; and

(10) 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,

in each case, as certified to the Issuer and the Trustee by the Investment 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 (or by tranche as described above, in relation to the Class B Notes, as applicable) pursuant to Condition 7(b)(ii) (*Optional Redemption in Part –Subordinated Noteholders or Investment Manager*), such Refinancing will be effective only if:

(1) the Issuer provides prior written notice thereof to Fitch and Moody's;

(2) the Refinancing Obligations are in the form of notes;

(3) any redemption of a Class of Notes is a redemption of the entire Class (or tranche, as applicable) which is subject to the redemption;

(4) the sum of (A) the Refinancing Proceeds and (B) the amount of 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 on the next Payment Date will be at least sufficient to pay in full:

(a) the aggregate Redemption Prices of the entire Class or Classes (or tranche or tranches, as applicable) 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 is equal to the aggregate Principal Amount Outstanding of the Class or Classes (or tranche or tranches, as applicable) of Notes being redeemed with the Refinancing Proceeds;

(8) the maturity date of each class (or tranche, as applicable) of Refinancing Obligation is the same as the Maturity Date of the Class or Classes (or tranche or tranches, as applicable) of Notes being redeemed with the Refinancing Proceeds;

(9) the interest rate of any Refinancing Obligations will not be greater than the interest rate of the Rated Notes subject to such Optional Redemption;

(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 than the relevant Class or Classes (or tranche or tranches, as applicable) 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 (or tranche, as applicable) 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 certified to the Issuer and the Trustee by the Investment 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 Investment Manager and the Noteholders in accordance with Condition 16 (*Notices*).

None of the Issuer, the Investment Manager, the Collateral Administrator or the Trustee shall be liable to any party, including the Subordinated Noteholders, for any failure to obtain a Refinancing.

(C) Consequential Amendments

Following a Refinancing, the Trustee shall agree to the modification of the Trust Deed and the other Transaction Documents to the extent the Issuer certifies (upon which certification the Trustee shall rely without liability and without further enquiry) that any such modification is necessary to reflect the terms of the Refinancing. No further consent for such amendments shall be required from the holders of Notes other than from the holders of the Subordinated Notes acting by way of an Ordinary Resolution directing the redemption (if any).

The Trustee will not be obliged to enter into any modification that, in its opinion would have the effect of (i) exposing the Trustee to any liability against which it has not been indemnified and/or secured and/or prefunded to its satisfaction or (ii) adding to or increasing its duties, obligations or liabilities or decreasing its rights, powers, authorisations, indemnities or protections under the Trust Deed or the other Transaction Documents, and the Trustee will be entitled to conclusively rely upon an officer's certificate of the Issuer and/or opinion of counsel as to matters of law (which may be supported as to factual (including financial and capital markets) matters by any relevant certificates and other documents necessary or advisable in the judgment of counsel delivering such opinion of counsel) provided by the Issuer to the effect that such amendment meets the requirements specified above and is permitted under the Trust Deed without the consent of the holders of the Notes (except that such officer or counsel will have no obligation to certify or opine as to the sufficiency of the Refinancing Proceeds).

(vi) *Optional Redemption effected through Liquidation only*

Following receipt of notice from the Issuer or, as the case may be, of confirmation from the Registrar of (i) a direction in writing from the requisite percentage of Subordinated Noteholders or from the Retention Holder, (ii) a direction in writing from the requisite percentage of the Controlling Class; or (iii) a direction in writing from the Investment 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 a 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 15 Business Days prior to the scheduled Redemption Date (the "**Redemption Determination Date**"), calculate the Redemption Threshold Amount in consultation with the Investment Manager. The Investment Manager, Cairn Capital Limited or any of their Affiliates will be permitted to purchase Collateral Debt Obligations in the Portfolio on arm's length terms where the Subordinated Noteholders or the Retention Holder exercise their right of early redemption pursuant to this Condition 7(b) (*Optional Redemption*).

The Notes shall not be optionally redeemed where such Optional Redemption is to be effected solely through the liquidation or realisation of the Collateral unless:

(A) at least five Business Days before the scheduled Redemption Date the Investment Manager shall have certified to the Trustee that the Investment Manager on behalf of the Issuer has entered into a binding agreement or agreements with a financial or other institution or institutions (which (a) either (x) has a short-term senior unsecured rating of "P-1" by Moody's or (y) in respect of which Rating Agency Confirmation from Moody's has been obtained and (b) either (x) has a long-term issuer credit rating of at least "A" by Fitch or, if it does not have a long-term issuer credit rating by Fitch, a short-term issuer credit rating of "F1" by Fitch, or (y) in respect of which a Rating Agency Confirmation from Fitch has been obtained) to purchase (directly or by participation or other arrangement) from the Issuer, not later than the Business Day immediately preceding the scheduled Redemption Date in immediately available funds, all or part of the Portfolio at a purchase price at least sufficient, together with the Eligible Investments

maturing, redeemable or putable to the issuer thereof at par on or prior to the scheduled Redemption Date, to meet the Redemption Threshold Amount; or

(B) (i) prior to selling any Collateral Debt Obligations and/or Eligible Investments, the Investment Manager confirms in writing to the Trustee that, in its judgment, the aggregate sum of (A) expected proceeds from the sale of Eligible Investments, and (B) for each Collateral Debt Obligation, the product of its Principal Balance and its Market Value, shall be at least sufficient to meet the Redemption Threshold Amount; and (ii) at least two Business Days before the scheduled Redemption Date, the Issuer shall have received proceeds of disposition of all or part of the Portfolio at least sufficient to meet the Redemption Threshold Amount.

(C) Prior to the scheduled Redemption Date, the Collateral Administrator shall give notice to the Trustee in writing of the amount of all expenses incurred by the Issuer up to and including the scheduled Redemption Date in effecting such liquidation.

(D) Any confirmation delivered by the Investment Manager pursuant to this section must include (1) the prices of, and expected proceeds from, the sale (directly or by participation or other arrangement) of any Collateral Debt Obligations and/or Eligible Investments and (2) all calculations required by this Condition 7(b) (*Optional Redemption*). Any Noteholder, the Investment Manager or any of the Investment Manager's Affiliates, or Cairn Capital Limited or any of its Affiliates, shall have the right, subject to the same terms and conditions afforded to other bidders, to bid on Collateral Debt Obligations to be sold as part of an Optional Redemption pursuant to this Condition 7(b)(vi) (*Optional Redemption effected through Liquidation only*).

(E) The Trustee will be entitled to conclusively rely upon any evidence, confirmation or certificate formalised by the Investment Manager pursuant to or in connection with this Condition 7(b)(vi) (*Optional Redemption effected through Liquidation only*).

If neither condition (A) nor (B) above is satisfied on the Business Day falling immediately prior to the Redemption Date, the Issuer shall cancel the redemption of the Notes and shall give notice of such cancellation to the Trustee, the Collateral Administrator and the Noteholders in accordance with Condition 16 (*Notices*).

If the condition in (B)(i) above is satisfied and the condition in (B)(ii) is not satisfied on the Business Day immediately prior to the Redemption Date solely as result of the fact that one or more of the trades has not been settled on or prior to that date, the Issuer shall give notice of such to the Trustee, the Collateral Administrator and the Noteholders in accordance with Condition 16 (*Notices*) and the Subordinated Noteholders (acting by Ordinary Resolution) shall have the right to elect to direct the Issuer to redeem the Notes on a date falling not less than 3 days after the first date notified to Noteholders of as the date of such redemption (the "**Original Redemption Date**") and no more than 30 Business Days after the Original Redemption Date.

The provisions of Condition 7(b)(iv) (*Terms and Conditions of an Optional Redemption*) and this Condition 7(b)(vi) (*Optional Redemption effected through Liquidation only*) shall apply as conditions to a redemption at the election of the Subordinated Noteholders pursuant to this Condition 7(b)(vi) (*Optional Redemption effected through Liquidation only*), provided that the notice period in Condition 7(b)(iv)(A) (*Terms and Conditions of an Optional Redemption*) shall be read as seven days' prior written notice (rather than 30 days' prior written notice) and the Redemption Determination Date shall be 1 Business Day prior to any such Redemption Date (rather than 15 Business Days prior to the scheduled Redemption Date).

(vii) *Mechanics of Redemption*

Following calculation by the Collateral Administrator in consultation with the Investment Manager of the relevant Redemption Threshold Amount, if applicable, the Collateral Administrator shall make such other calculations as it is required to make pursuant to the Investment Management Agreement and shall notify the Issuer, the Trustee, the Investment 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 pursuant to Condition 7(g) (*Redemption following a Note Tax Event*) shall be effected by delivery to a Transfer Agent, by the requisite amount of Subordinated Noteholders or the requisite amount of Notes comprising the Controlling Class (as applicable) held thereby together with duly completed Redemption Notices not less than 30 days, or such shorter period of time as the Trustee and the Investment Manager find reasonably acceptable, prior to the proposed Redemption Date prior to the applicable Redemption Date. No Redemption Notice and Subordinated Note or Notes comprising the Controlling Class so delivered or any direction given by the Investment Manager or the Retention Holder may be withdrawn without the prior consent of the Issuer. The Registrar shall copy each Redemption Notice or any direction given by the Investment Manager or the Retention Holder received to each of the Issuer, the Trustee, the Collateral Administrator and, if applicable, the Investment Manager.

The Investment Manager shall notify the Issuer, the Trustee, the Collateral Administrator, each Hedge Counterparty and the Registrar upon satisfaction of any of the conditions set out in this Condition 7(b) (*Optional Redemption*) and shall arrange for liquidation and/or realisation of the Portfolio in whole or in part as necessary, on behalf of the Issuer in accordance with the Investment Management Agreement. The Issuer shall deposit, or cause to be deposited, the funds required for an optional redemption of the Notes in accordance with this Condition 7(b) (*Optional Redemption*) in the Payment Account on or before the Business Day prior to the applicable Redemption Date. Principal Proceeds and Interest Proceeds received in connection with a redemption in whole of all the Rated Notes shall be payable in accordance with the Post-Acceleration Priority of Payments. Any redemption in whole of a Class (or tranche, as applicable) of Rated Notes (other than a redemption in whole of all Classes of Rated Notes) shall be paid to the holders of such Class (or tranche, as applicable) of Notes.

(viii) *Optional Redemption of Subordinated Notes*

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

(c) Mandatory Redemption upon Breach of Coverage Tests

(i) *Class A Notes and Class B Notes*

If the Class A/B Par Value Test is not met on any Determination Date on or after the Effective Date or if the Class A/B Interest Coverage Test is not met on the Determination Date immediately preceding the second Payment Date and 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 Tests are satisfied if recalculated following such redemption.

(ii) *Class C Notes*

If the Class C Par Value Test is not met on any Determination Date on or after the Effective Date or if the Class C Interest Coverage Test is not met on the Determination Date immediately preceding the second Payment Date and 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.

(iii) *Class D Notes*

If the Class D Par Value Test is not met on any Determination Date on or after the Effective Date or if the Class D Interest Coverage Test is not met on the Determination Date immediately preceding the second Payment Date and 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.

(iv) *Class E Notes*

If the Class E Par Value Test is not met on any Determination Date on or after the Effective Date, Interest Proceeds and thereafter Principal Proceeds will be applied in redemption of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes in accordance with the Note Payment Sequence, on the related Payment Date in accordance with and subject to the Priorities of Payments (including payment of all prior ranking amounts) until each such Coverage Test is satisfied if recalculated following such redemption.

(v) *Class F Notes*

If the Class F Par Value Test is not met on any Determination Date on or after the Effective Date, Interest Proceeds and thereafter Principal Proceeds will be applied in redemption of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes in accordance with and subject to the Note Payment Sequence, on the related Payment Date in accordance with and subject to the Priorities of Payments (including payment of all prior ranking amounts) until such Coverage Test is satisfied if recalculated following such redemption.

(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 Investment Manager (acting on behalf of the Issuer) if, at any time during the Reinvestment Period, the Investment Manager (acting on behalf of the Issuer) notifies the Trustee (upon which notification to the Trustee will be entitled to conclusively rely without further enquiry and without liability) that using reasonable endeavours it has been unable, for a period of 20 consecutive Business Days, to identify additional Collateral Debt Obligations that are deemed appropriate by the Investment Manager (acting on behalf of the Issuer) in its 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 Debt 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 Debt Obligations or Substitute Collateral Debt Obligations (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 the Noteholders of each Class of Notes 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 Investment Manager (acting on behalf of the Issuer) and the Investment 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 and thereafter out of Principal Proceeds subject to the Priorities of Payments, in each case, until redeemed in full or, if earlier, until an Effective Date Rating Event is no longer continuing.

(f) Redemption following Expiry of the Reinvestment Period

Following expiry of the Reinvestment Period, the Issuer shall, on each Payment Date occurring thereafter, apply Principal Proceeds transferred to the Payment Account immediately prior to the related Payment Date in redemption of the Notes at their applicable Redemption Prices in accordance with the Priorities of Payments.

(g) Redemption following Note Tax Event

Upon the occurrence of a Note Tax Event, the Issuer shall, subject to and in accordance with the terms of the Trust Deed, use all reasonable efforts to change the territory in which it is resident for tax purposes to another jurisdiction which, at the time of such change, would not give rise to a Note Tax Event. Upon the earlier of (a) the date upon which the Issuer notifies (or procures the notification of) the Trustee (upon which notification the Trustee will be entitled to conclusively rely without further enquiry and without liability) and the Noteholders in accordance with Condition 16 (*Notices*) that it is not able to effect such change of residence and (b) the date which is 90 days from the date upon which the Issuer first becomes aware of such Note Tax Event (provided that such 90 day period shall be extended by a further 90 days in the event that during the former period the Issuer has notified (or procured the notification of) the Noteholders in accordance with Condition 16 (*Notices*) that, based on advice received by it, it expects that it shall have changed its place of residence by the end of the latter 90 day period), the Controlling Class or the Subordinated Noteholders, in each case acting by way of Extraordinary Resolution, may elect that the Notes of each Class are redeemed, in whole but not in part, on any Payment Date thereafter, at their respective Redemption Prices in accordance with the Note Payment Sequence, in which case the Issuer shall so redeem the Notes on such terms, provided that such Note Tax Event would affect payment of principal or interest in respect of the Controlling Class or, as the case may be, the Subordinated Notes (in addition to any other Class of Notes) on such Payment Date; provided further that such redemption of the Notes, whether pursuant to the exercise of such option by the Controlling Class or the Subordinated Noteholders, shall take place in accordance with the procedures set out in Condition 7(b) (*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

All Notes redeemed in full by the Issuer will be cancelled and may not be reissued or resold.

No Note may be surrendered (including in connection with any abandonment, donation, gift, contribution or other event or circumstance) except for payment as provided herein for cancellation pursuant to Condition 7(k) (*Purchase*) below, for registration of transfer, exchange or redemption, or for replacement in connection with any Note mutilated, defaced or deemed lost or stolen.

(j) Notice of Redemption

The Issuer shall procure that notice of any redemption in accordance with this Condition 7 (*Redemption and Purchase*) (which notice shall be irrevocable) is given to the Trustee and Noteholders in accordance with Condition 16 (*Notices*) and promptly in writing to the Rating Agencies.

(k) Purchase

On any Payment Date, at the discretion of the Investment Manager, acting on behalf of the Issuer, in accordance with and subject to the terms of the Investment Management Agreement the Issuer may, subject to the conditions below, purchase any of the Rated Notes (in whole or in part), using Principal Proceeds standing to the credit of the Principal Account or the Collateral Enhancement Account.

No purchase of Rated Notes by the Issuer may occur unless each of the following conditions is satisfied:

(i) (A) such purchase of Rated Notes shall occur in the following sequential order of priority: first, the Class A Notes, until the Class A Notes are purchased or redeemed in full and cancelled; second, the Class B Notes until the Class B Notes are purchased or redeemed in full and cancelled; third, the Class C Notes, until the Class C Notes are purchased or redeemed in full and cancelled; fourth, the Class D Notes, until the Class D Notes are purchased or redeemed in full and cancelled; fifth, the Class E Notes, until the Class E Notes are purchased or redeemed in full and cancelled; and sixth, the Class F Notes, until the Class F Notes are purchased or redeemed in full and cancelled;

(B) (1) each such purchase of Rated Notes of any Class shall be made pursuant to an offer made to all holders of the Rated Notes of such Class, by notice to such holders, which notice shall specify the purchase price (as a percentage of par) at which such purchase will be effected, the maximum amount of Principal Proceeds and Collateral Enhancement Amounts that will be used to effect such purchase and the length of the period during which such offer will be open for acceptance;

(2) each such holder of a Rated Note shall have the right, but not the obligation, to accept such offer in accordance with its terms; and

(3) if the aggregate Principal Amount Outstanding of Notes of the relevant Class held by holders who accept such offer exceeds the amount of Principal Proceeds specified in such offer, a portion of the Notes of each accepting holder shall be purchased *pro rata* based on the respective Principal Amount Outstanding held by each such holder subject to adjustment for Authorised Denominations if required;

(C) each such purchase shall be effected only at prices discounted from par;

(D) each such purchase of Rated Notes shall occur prior to the expiry of the Reinvestment Period;

(E) each Coverage Test is satisfied immediately prior to each such purchase and will be satisfied after giving effect to such purchase or, if any Coverage Test

is not satisfied it shall be at least maintained or improved after giving effect to such purchase as it was immediately prior thereto;

(F) if Sale Proceeds are used to consummate any such purchase, either:

(1) each requirement or test, as the case may be, of the Portfolio Profile Tests and the Collateral Quality Tests will be satisfied after giving effect to such purchase; or

(2) if any requirement or test, as the case may be, of the Portfolio Profile Tests and the Collateral Quality Tests was not satisfied immediately prior to such purchase, such requirement or test will be maintained or improved after giving effect to such purchase;

(G) no Event of Default shall have occurred and be continuing;

(H) any Rated Notes to be purchased shall be surrendered to the Registrar for cancellation and may not be reissued or resold; and

(I) each such purchase will otherwise be conducted in accordance with applicable law (including the laws of The Netherlands).

Upon instruction by the Issuer, the Registrar shall cancel any such purchased Rated Notes surrendered to it for cancellation. The cancellation (and/or decrease, as applicable) of any such surrendered 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. Upon application of the holder to the specified office of the Principal Paying Agent or any Paying Agent not less than five Business Days before the due date for any payment in respect of a Note, the payment may be made (in the case of any final payment of principal against presentation and surrender (or, in the case of part payment only of such final payment, endorsement) of such Note as provided above) by wire transfer, in immediately available funds, on the due date to a Euro account maintained by the payee with a bank in Western Europe.

(b) Payments

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives (including FATCA), but without prejudice to the provisions of Condition 9 (*Taxation*). No commission shall be charged to the Noteholders.

(c) Payments on Presentation Days

A holder shall be entitled to present a Note for payment only on a Presentation Date and shall not, except as provided in Condition 6 (*Interest*), be entitled to any further interest or other payment if a Presentation Date falls after the due date.

If a Note is presented for payment at a time when, as a result of differences in time zones it is not practicable to transfer the relevant amount to an account as referred to above for value on the relevant Presentation Date, the Issuer shall not be obliged so to do but shall be obliged to transfer the relevant amount to the account for value on the first practicable date after the Presentation Date.

(d) Principal Paying Agent and Transfer Agents

The names of the initial Principal Paying Agent and Transfer Agents and their initial specified offices are set out below. The Issuer reserves the right at any time, with the prior written approval of the Trustee, to vary or terminate the appointment of the Principal Paying Agent and any Transfer Agent and appoint additional or other Agents, provided that it will maintain (i) a Principal Paying Agent and (ii) if required in order to avoid any withholding or deduction on account of tax pursuant to European Council Directive 2003/48/EC (or any other Directive implementing or complying with, or introduced in order to conform to, such Directive), a paying agent in an EU Member State that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive, in each case, as approved in writing by the Trustee and shall procure that it shall at all times maintain a Custodian, Account Bank, Investment Manager and Collateral Administrator. Notice of any change in any Agent or their specified offices or in the Investment Manager 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 The Netherlands, or any political sub division or any authority therein or thereof or anywhere else in the world having the power to tax, unless such withholding or deduction is required by law. For the avoidance of doubt, the Issuer shall not be required to gross up any payments made to Noteholders of any Class and shall withhold or deduct from any such payments any amounts on account of such tax where so required by law (including FATCA). Any such withholding or deduction shall not constitute an Event of Default under Condition 10(a) (*Events of Default*).

Subject as provided below, if the Issuer certifies to the Trustee (upon which certification the Trustee will be entitled to conclusively rely without further enquiry and without liability) that it has or will on the occasion of the next payment due in respect of the Notes of any Class become obliged by the laws of The Netherlands to withhold or account for tax so that it would be unable to make payment of the full amount that would otherwise be due but for the imposition of such tax, the Issuer (with the consent of the Trustee and save as provided below) shall use all reasonable endeavours to 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.

Notwithstanding the above, if any taxes referred to in this Condition 9 (*Taxation*) arise:

(i) due to any present or former connection of any Noteholder (or between a fiduciary, settlor, beneficiary, member or shareholder of such Noteholder if such Noteholder is an estate, a trust, a partnership, or a corporation) with The Netherlands (including without limitation, such Noteholder (or such fiduciary, settlor, beneficiary, member of shareholder) being or having been a citizen or resident thereof or being or having been engaged in a trade or business or present therein or having had a permanent establishment therein) otherwise than by reason only of the holding of any Note or receiving principal or interest in respect thereof;

(ii) by reason of the failure by the relevant Noteholder to comply with any applicable procedures required to establish non residence or other similar claim for exemption from such tax or to provide information concerning nationality, residency or connection with The Netherlands or other applicable taxing authority;

(iii) in respect of a payment made or secured for the immediate benefit of an individual or a non corporate entity which is required to be made pursuant to European Council Directive 2003/48/EC on the taxation of savings implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive or any arrangement entered into between the Member States and certain third countries and territories in connection with the Directive;

(iv) as a result of presentation for payment by or on behalf of a Noteholder who would have been able to avoid such withholding or deduction by presenting the relevant Note to another paying agent or Transfer Agent in a Member State of the European Union;

(v) in connection with FATCA (including any voluntary agreement entered into with a taxing authority pursuant thereto); or

(vi) any combination of the preceding clauses (i) through (v) inclusive,

the requirement to substitute the Issuer as a principal obligor and/or change its residence for taxation purposes shall not apply.

10. **Events of Default**

(a) Events of Default

Any of the following events shall constitute an "**Event of Default**":

(i) *Non payment of Interest*

the Issuer fails to pay any interest in respect of any Class A Note or 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, in respect of any Payment Date from (and including) the Payment Date immediately following the occurrence of a Frequency Switch Event (the "**Relevant Payment Date**"), 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 A Notes, the Class B Notes and the Class C Notes, in respect of any Payment Date from (and including) the Relevant Payment Date, 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 A Notes, the Class B Notes, the Class C Notes and the Class D Notes, in respect of any Payment Date from (and including) the Relevant Payment Date, 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 A Notes, the Class B Notes, the Class C Notes, the Class D Notes, and the Class E Notes, in respect of any Payment Date from (and including) the Relevant Payment Date, the Issuer fails to pay any interest in respect of any Class F Note when the same becomes due and payable (save, in each case, as the result of any deduction therefrom or the imposition of withholding thereon in the circumstances described in Condition 9 (*Taxation*)) and provided that any such failure to pay such interest in such circumstances continues for a period of at least five Business Days (save in the case of a failure to disburse due to an administrative error or omission only, where such failure continues for a period of at least seven Business Days);

(ii) *Non payment of Principal*

the Issuer fails to pay any principal when the same becomes due and payable on any Rated Note on any Redemption Date and such failure to pay principal continues for a period of at least five Business Days provided that, in the case of a failure to disburse due to an administrative error or omission, such failure continues for a period of at least seven Business Days after the Trustee receives written notice of, or has actual knowledge of, such administrative error or omission and provided further that, failure to effect any Optional Redemption or redemption following a Note Tax Event for which notice is withdrawn in accordance with the Conditions or, in the case of an Optional Redemption with respect to which a Refinancing fails, will not constitute an Event of Default;

(iii) *Default under Priorities of Payments*

the failure on any Payment Date to disburse amounts (other than (i) or (ii) above) available in the Payment Account in excess of €1,000 and payable in accordance with the Priorities of Payments and continuation of such failure for a period of 10

Business Days or, in the case of a failure to disburse due to an administrative error or omission, such failure continues for 10 Business Days after the Trustee receives written notice of, or has actual knowledge of, such administrative error or omission;

(iv) *Collateral Debt Obligations*

on any Measurement Date on or after the Effective Date, failure of the percentage equivalent of a fraction, (i) the numerator of which is equal to (1) the Aggregate Collateral Balance (excluding any Defaulted Obligations) plus (2) the aggregate of the Market Value of each Defaulted Obligation multiplied by its Principal Balance and (ii) the denominator of which is equal to the Principal Amount Outstanding of the Class A Notes, to equal or exceed 102.5 per cent.;

(v) *Breach of Other Obligations*

except as otherwise provided in this definition of "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, Coverage Test or Reinvestment Overcollateralisation Test is not an Event of Default and any failure to satisfy the Effective Date Determination Requirements is not an Event of Default, except in either case to the extent provided in paragraph (iv) above) or the failure of any material representation 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 the earlier of (A) the date the Issuer has actual knowledge of such default, breach or failure and (B) the date notice is given to the Issuer and the Investment Manager by registered or certified mail or courier, from the Trustee, the Issuer, or the Investment Manager, or to the Issuer, the Investment Manager and the Trustee from the Controlling Class acting pursuant to an Ordinary Resolution, specifying such default, breach or failure and requiring it to be remedied and stating that such notice is a "Notice of Default" under the Trust Deed; provided that if the Issuer (as notified to the Trustee by the Investment Manager in writing) has commenced curing such default, breach or failure during the 45 day period specified above, such default, breach or failure shall not constitute an Event of Default under this paragraph (v) unless it continues for a period of 60 days (rather than, and not in addition to, such 45 day period specified above) after the earlier of (A) the date the Issuer has actual knowledge of such default, breach or failure and (B) the date notice is given to the Issuer in accordance herewith. For the purposes of this paragraph, the materiality of such default, breach, covenant, representation or warranty shall be determined by the Trustee;

(vi) *Insolvency Proceedings*

proceedings are initiated against the Issuer under any applicable liquidation, insolvency, bankruptcy, composition, reorganisation or other similar laws (together, "**Insolvency Law**"), or a receiver, administrative receiver, trustee, administrator, custodian, conservator, liquidator, curator, *bewindvoerder* or *vereffenaar* or other similar official (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 any of the Collateral becomes required to register as an "investment company" under the Investment Company Act and such requirement continues for 45 days.

(b) Acceleration

(i) If an Event of Default occurs and is continuing, the Trustee may, at its discretion and shall, at the request of the Controlling Class acting by way of Ordinary 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 Investment Manager that all the Notes are immediately due and repayable (such notice, an "**Acceleration Notice**"), provided that following an Event of Default described in paragraph (vi) or (vii) 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 repayable at their applicable Redemption Price.

(ii) Upon any such Acceleration 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 (other than with respect to an Event of Default occurring under paragraph (vi) or (vii) of the definition thereof where delivery of an Acceleration Notice is not required and shall be deemed to have been given).

(c) Curing of Default

At any time after an Acceleration Notice has been given pursuant to Condition 10(b)(i) (*Acceleration*) following the occurrence of an Event of Default (other than with respect to an Event of Default occurring under paragraphs (vi) or (vii) 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 in writing from the Controlling Class, may and shall, if so requested by the Controlling Class, in each case, acting by Extraordinary Resolution, (and subject, in each case, to the Trustee being indemnified and/or secured and/or prefunded to its satisfaction against all liabilities, proceedings, claims and demands to which it may thereby become liable and all costs, charges and expenses which may be incurred by it in connection therewith) rescind and annul such notice of acceleration under Condition 10(b)(i) (*Acceleration*) above and its consequences if:

(i) the Issuer has paid or deposited with the Trustee (or to its order) a sum sufficient to pay:

(A) all overdue payments of interest and principal on the Notes, other than the Subordinated Notes;

(B) all due but unpaid taxes owing by the Issuer, as certified by an Authorised Officer of the Issuer to the Trustee;

(C) all unpaid Administrative Expenses and Trustee Fees and Expenses; and

(D) all amounts due and payable by the Issuer under any Currency Hedge Agreement or Interest Hedge Rate.

(ii) the Trustee has determined that all Events of Default, other than the non-payment of the interest in respect of, or principal of, the Notes that have become due solely as a result of the acceleration thereof under Condition 10(b)(i) (*Acceleration*) above due to such Events of Default, have been cured or waived.

Any previous rescission and annulment of a notice of acceleration pursuant to this paragraph (c) shall not prevent the subsequent acceleration of the Notes if the Trustee, at its discretion or, as subsequently requested, accelerates the Notes or if the Notes are automatically accelerated in accordance with Condition 10(b)(i) (*Acceleration*) above.

All amounts received in respect of this Condition 10(c) (*Curing of Default*) shall be distributed two Business Days following receipt by or on behalf of the Trustee of such amounts in accordance with the Post-Acceleration Priority of Payment.

(d) Restriction on Acceleration of Notes

No acceleration of the Notes shall be permitted pursuant to this Condition 10(d) (*Restriction on Acceleration of Notes*) by any Class of Noteholders, other than the Controlling Class as provided in Condition 10(b) (*Acceleration*).

(e) Notification and Confirmation of No Default

The Issuer shall immediately notify the Trustee, the Investment Manager, the Noteholders (in accordance with Condition 16 (*Notices*) and the Rating Agencies upon becoming aware of the occurrence of an Event of Default. The Trust Deed contains provision for the Issuer to provide written confirmation to the Trustee and the Rating Agencies on an annual basis that no Event of Default has occurred and that no condition, event or act has occurred which, with the lapse of time and/or the issue, making or giving of any notice, certification, declaration and/or request and/or the taking of any similar action and/or the fulfilment of any similar condition would constitute an Event of Default and that no other matter which is required (pursuant thereto) to be brought to the Trustee's attention has occurred.

11. **Enforcement**

(a) Security Becoming Enforceable

Subject as provided in paragraph (b) below, the security constituted by the Trust Deed over the Collateral shall become enforceable upon an acceleration of the maturity of the Notes pursuant to Condition 10(b) (*Acceleration*).

(b) Enforcement

At any time after the Notes become due and repayable and the security under the Trust Deed becomes enforceable, the Trustee may, at its discretion but subject always to Condition 4(c) (*Limited Recourse*), and shall, if so directed by the Controlling Class acting by Ordinary Resolution, institute such proceedings or take such other action against the Issuer or take any other action as it may think fit to enforce the terms of the Trust Deed and the Notes and pursuant and subject to the terms of the Trust Deed and the Notes, realise and/or otherwise liquidate or sell the Collateral in whole or in part and/or take such other action as may be permitted under applicable laws against any Obligor in respect of the Collateral and/or take any other action to enforce 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) subject to being indemnified and/or prefunded and/or secured to its satisfaction, the Trustee (or any Appointee on its behalf) determines that the anticipated proceeds realised from such Enforcement Action (after

deducting any expenses properly incurred in connection therewith) would be sufficient to discharge in full all amounts due and payable in respect of all Classes of Notes (including, without limitation, Deferred Interest on the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes) other than the Subordinated Notes and all amounts payable in priority thereto pursuant to the Post-Acceleration Priority of Payments (such amount the "**Enforcement Threshold**" and such determination being an "**Enforcement Threshold Determination**"), subject to consultation with the Investment Manager; or

(B) if the Enforcement Threshold will not have been met then:

(1) in the case of an Event of Default specified in sub-paragraph (i), (ii) or (iv) of Condition 10(a) (*Events of Default*), the Controlling Class acting by way of Extraordinary Resolution (and no other Class of Notes) directs the Trustee to take Enforcement Action without regard to any other Event of Default which has occurred prior to, contemporaneously or subsequent to such Event of Default; or

(2) in the case of any other Event of Default, the Holders of each Class of Rated Notes voting separately by Class by way of Ordinary Resolution direct the Trustee to take Enforcement Action.

(ii) the Trustee shall not be bound to institute any Enforcement Action or take any other action unless it is directed to do so by the Controlling Class or, in the case of Condition 11(b)(i)(B)(2) (*Enforcement*), each Class of Rated Notes as applicable, acting by Ordinary Resolution and, in each case, the Trustee is indemnified and/or secured and/or prefunded to its satisfaction against all liabilities, proceedings, claims and demands to which it may thereby become liable and all costs, charges and expenses which may be incurred by it in connection therewith. Following redemption and payment in full of the Class 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, proceedings, claims and demands to which it may thereby become liable and all costs, charges and expenses which may be incurred by it in connection therewith) act upon the directions of the Subordinated Noteholders acting by Extraordinary Resolution; and

(iii) the Trustee shall determine or shall procure that an Enforcement Agent determines the aggregate proceeds that can be realised pursuant to any Enforcement Action by using reasonable efforts to obtain, with the cooperation of the Investment Manager (to the extent the Enforcement Agent is not the Investment Manager), bid prices with respect to each asset comprising the Portfolio from two recognised dealers (as specified by the Investment 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 or the Enforcement Agent, as applicable and with the cooperation of the Investment Manager (to the extent the Enforcement Agent is not the Investment 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 or the Enforcement Agent 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 the execution of a sale or other liquidation thereof in connection with an Enforcement Threshold Determination will be met, the Trustee or the Enforcement Agent may obtain and rely on an opinion of an independent investment banking firm, or other appropriate advisor (the cost of which shall be payable as a Trustee Fee and Expense).

(iv) The Trustee shall notify the Noteholders (in accordance with Condition 16 (*Notices*)), the Issuer, the Agents, each Hedge Counterparty, the Investment Manager and the

Rating Agencies in the event that it or any Appointee on its behalf makes an Enforcement Threshold Determination at any time or the Trustee takes any Enforcement Action at any time (such notice an "**Enforcement Notice**"). Following the delivery of an Acceleration Notice (deemed or otherwise) which has not been rescinded and annulled in accordance with Condition 10(c) (*Curing of Default*) or, as the case may be following automatic acceleration of the Notes or pursuant to an Optional Redemption in whole in accordance with Condition 7(b) (*Optional Redemption*) or 7(g) (*Redemption following a 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 and/or Hedge Issuer Tax Credit Payment which are required to be paid or returned to a Hedge Counterparty outside the Priorities of Payments in accordance with the Hedge Agreement and/or Condition 3(j)(v) (*Counterparty Downgrade Collateral Accounts*) or any Collateral Enhancement Obligation Proceeds (which are required to be applied in accordance with the Collateral Enhancement Obligation Proceeds Priority of Payments) and other than Sale Proceeds in respect of Non-Euro Obligations sold subject to and in accordance with a Currency Hedge Transaction which shall be paid to the relevant Hedge Counterparty in accordance with the terms thereof outside the Priorities of Payments), shall be credited to the Payment Account and shall be distributed in accordance with the following order of priority but in each case only to the extent that all payments of a higher priority have been made in full (the "**Post-Acceleration Priority of Payments**"):

(A) to the payment of (i) other than following an enforcement of the Notes in accordance with this Condition 11(b) (*Enforcement*), taxes owing by the Issuer accrued in respect of the related Due Period (other than Dutch corporate income tax in relation to the amounts equal to the minimum profit referred to in (ii) below), as certified by an Authorised Officer of the Issuer to the Trustee, if any, (save for any VAT payable in respect of any Investment Management Fee); and (ii) to the payment of amounts equal to the minimum profit to be retained by the Issuer for Dutch tax purposes, for deposit into the Issuer Dutch Account from time to time;

(B) to the payment of accrued and unpaid Trustee Fees and Expenses, up to an amount equal to the Senior Expenses Cap in respect of the related Due Period, provided that following the occurrence of an Event of Default, the Senior Expenses Cap shall not apply in respect of such Trustee Fees and Expenses;

(C) to the payment of accrued and unpaid Administrative Expenses in relation to each item thereof, on a *pari passu* basis up to an amount equal to the Senior Expenses Cap in respect of the related Due Period less any amounts paid pursuant to paragraph (B) above, provided that upon an acceleration of the Notes (which has not been rescinded or annulled) in accordance with Condition 10(b) (*Acceleration*) the Senior Expenses Cap shall not apply;

(D) to the payment:

(1) *firstly*, on a *pro rata* basis to the Investment Manager of the Senior Investment Management Fee due and payable on such Payment Date and any VAT in respect thereof (whether payable to the Investment Manager or directly to the relevant taxing authority) save for any Deferred Senior Investment Management Amounts which shall not be paid pursuant to this paragraph; and

(2) *secondly*, to the Investment Manager, any previously due and unpaid Senior Investment Management Fees (other than Deferred Senior Investment Management Amounts) and any VAT in respect thereof (whether payable to the Investment Manager or directly to the relevant taxing authority),

(E) to the payment, on a *pro rata* basis, of (i) any Scheduled Periodic Hedge Issuer Payments, (ii) any Currency Hedge Issuer Termination Payments (to the extent not paid out of the Currency Account or the relevant Hedge Termination Account or the relevant Counterparty Downgrade Collateral Account and other than Defaulted Currency Hedge Termination Payments), and (iii) any Interest Rate Hedge Issuer Termination Payments (to the extent not paid out of the Interest Account or the relevant Hedge Termination Account or the relevant Counterparty Downgrade Collateral Account and other than Defaulted Interest Rate Hedge Termination Payments);

(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 the Interest Amounts due and payable on the Class B Notes;

(I) to the redemption on a *pro rata* basis of the Class B Notes, until the Class B Notes have been redeemed in full;

(J) to the payment on a *pro rata* basis of the Interest Amounts (excluding any Deferred Interest, but including interest on Deferred Interest) due and payable on the Class C Notes;

(K) to the payment on a *pro rata* basis of any Deferred Interest on the Class C Notes;

(L) to the redemption on a *pro rata* basis of the Class C Notes, until the Class C Notes have been redeemed in full;

(M) to the payment on a *pro rata* basis of the Interest Amounts (excluding any Deferred Interest, but including interest on Deferred Interest) due and payable on the Class D Notes;

(N) to the payment on a *pro rata* basis of any Deferred Interest on the Class D Notes;

(O) to the redemption on a *pro rata* basis of the Class D Notes, until the Class D Notes have been redeemed in full;

(P) to the payment on a *pro rata* basis of the Interest Amounts (excluding any Deferred Interest but including interest on Deferred Interest) due and payable on the Class E Notes;

(Q) to the payment on a *pro rata* basis of any Deferred Interest on the Class E Notes;

(R) to the redemption on a *pro rata* basis of the Class E Notes, until the Class E Notes have been redeemed in full;

(S) to the payment on a *pro rata* basis of the Interest Amounts (excluding any Deferred Interest but including interest on Deferred Interest) due and payable on the Class F Notes;

(T) to the payment on a *pro rata* basis of any Deferred Interest on the Class F Notes;

(U) to the redemption on a *pro rata* basis of the Class F Notes, until the Class F Notes have been redeemed in full;

(V) to the payment:

(1) *firstly*, to the Investment Manager of the Subordinated Investment Management Fee due and payable on such Payment Date and any VAT in respect thereof (whether payable to the Investment Manager or directly on the relevant taxing authority) save for any Deferred Senior Investment Management Amounts which shall not be paid pursuant to this paragraph;

(2) *secondly*, to the Investment Manager of any previously due and unpaid Subordinated Investment Management Fee (other than Deferred Senior Investment Management Amounts and Deferred Subordinated Investment Management Amounts) and any VAT in respect thereof (whether payable to the Investment Manager or directly to the relevant taxing authority);

(3) *thirdly*, to the Investment Manager in payment of any Deferred Senior Investment Management Amounts and Deferred Subordinated Investment Management Amounts and to the relevant tax authority any VAT in respect thereof payable directly thereto; and

(4) *fourthly*, to the repayment of any Investment Manager Advances and any interest thereon;

(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 stated in the definition thereof, provided that, following an enforcement of the Notes in accordance with this Condition 11 (*Enforcement*), such payment shall only be made to any recipients thereof that are Secured Parties;

(Y) to the payment on a *pari passu* and *pro rata* basis of any Defaulted Currency Hedge Termination Payments due to any Currency Hedge Counterparty or Defaulted Interest Rate Hedge Termination Payments due to any Interest Rate Hedge Counterparty (in each case to the extent not paid out of the relevant Hedge Termination Account or any relevant Counterparty Downgrade Collateral Account);

(Z) (1) if the Incentive Investment Management Fee IRR Threshold has not been reached, any remaining Interest Proceeds and Principal Proceeds to the payment of principal on the Subordinated Notes on a *pro rata* basis by reference to the Allocation Proportions and thereafter to the payment of interest thereon on a *pro rata* basis by reference to the Allocation Proportions, until the Incentive Investment 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, the Interest Proceeds Priority of Payments, the Principal Proceeds Priority of Payments and the Collateral Enhancement Obligation Proceeds Priority of Payments the Incentive Investment Management Fee IRR Threshold has been reached (on or prior to such Payment Date):

(a) *firstly*, 20 per cent. of any remaining Interest Proceeds and Principal Proceeds, to the payment to the Investment Manager as the Incentive Investment Management Fee;

(b) *secondly*, to the payment of any VAT in respect of the Incentive Investment Management Fee referred to in (a) above (whether payable to the Investment Manager or directly to the relevant taxing authority); and

(c) *thirdly*, any remaining Interest Proceeds and Principal Proceeds, to the payment of principal on the Subordinated Notes on a *pro rata* basis by reference to the Allocation Proportions and thereafter to the payment of interest thereon on a *pro rata* basis by reference to the Allocation Proportions.

For the avoidance of doubt, at such time that the Post-Acceleration Priority of Payments becomes applicable, (i) any amounts standing to the credit of the Collateral Enhancement Account, and (ii) any Collateral Enhancement Obligation Proceeds shall not be subject to the Post-Acceleration Priority of Payments but shall be distributed in accordance with and subject to the Collateral Enhancement Obligation Proceeds Priority of Payments.

If the Issuer must account to the recipient of any payment for any amounts in respect of VAT or in respect of any other taxes attributable to any of the items referred to in paragraphs (B) to (Z)(1) above, then such amounts in respect of such taxes shall be paid *pro rata* and *pari passu* with such items. If such amounts are paid pursuant to the Post-Acceleration Priority of Payments above as a result of the enforcement of the security pursuant to this Condition 11(b) (*Enforcement*), the Issuer shall only account for the tax liabilities of a Secured Party.

(c) Only Trustee to Act

Only the Trustee may pursue the remedies available under the Trust Deed to enforce the rights of the Noteholders or, in respect of the Collateral, of any of the other Secured Parties under the Trust Deed and the Notes and no Noteholder or other Secured Party may proceed directly against the Issuer or any of its assets unless the Trustee, having become bound to proceed in accordance with the terms of the Trust Deed, fails or neglects to do so within a reasonable period after having received notice of such failure and such failure or neglect continues for at least 30 days following receipt of such notice by the Trustee. Any proceeds received by a Noteholder or other Secured Party pursuant to any such proceedings brought by a Noteholder or other Secured Party shall be paid promptly following receipt thereof to the Trustee for application pursuant to the terms hereof. After realisation of the security which has become enforceable and distribution of the net proceeds in accordance with the Priorities of Payments, no Noteholder or other Secured Party may take any further steps against the Issuer to recover any sum still unpaid in respect of the Notes or the Issuer's obligations to such Secured Party and all claims against the Issuer to recover any sum still unpaid in respect of the Notes or the Issuer's obligations to such Secured Party and all claims against the Issuer in respect of such sums unpaid shall be extinguished. In particular, none of the Trustee, any Noteholder or any other Secured Party shall be entitled in respect thereof to petition or take any other step for the winding up of the Issuer except to the extent permitted under the Trust Deed.

(d) Purchase of Collateral by Noteholders or Investment Manager

Upon any sale of any part of the Collateral following the acceleration of the Notes under Condition 10(b) (*Acceleration*), or the security over the Collateral becoming enforceable whether made under the power of sale under the Trust Deed or by virtue of judicial proceedings, any Noteholder, the Investment Manager or any Investment Manager Related Person, may (but shall not be obliged to) bid for and purchase the Collateral or any part thereof and, upon compliance with the terms of sale, may hold, retain, possess or dispose of

such property in its or their own absolute right without accountability. In addition, any purchaser in any such sale which is a Noteholder may deliver Notes held by it in place of payment of the purchase price for such Collateral where the amount payable to such Noteholder in respect of such Notes pursuant to the Priorities of Payments out of the net proceeds of such sale is equal to or exceeds the purchase moneys so payable.

12. **Prescription**

Claims in respect of principal and interest payable on redemption in full of the relevant Notes 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 any Transfer Agent, subject in each case to all applicable laws and Irish Stock Exchange requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may require (provided that the requirement is reasonable in the light of prevailing market practice). Mutilated or defaced Notes must be surrendered before replacements will be issued.

14. **Meetings of Noteholders, Modification, Waiver and Substitution**

(a) Provisions in Trust Deed

The Trust Deed contains provisions for convening meetings of the Noteholders or any Class thereof (and of passing Written Resolutions) to consider matters affecting the interests of the Noteholders including, without limitation, modifying or waiving certain of the provisions of these Conditions and the substitution of the Issuer in certain circumstances. The provisions in this Condition 14 (*Meetings of Noteholders, Modification, Waiver and Substitution*) are descriptive of the detailed provisions of the Trust Deed.

(b) Decisions and Meetings of Noteholders

(i) *General*

Decisions may be taken by Noteholders by way of Ordinary Resolution or Extraordinary Resolution, in each case, either acting together or, to the extent specified in any applicable Transaction Document, as a Class of Noteholders acting independently. Such Resolutions can be effected either at a duly convened meeting of the applicable Noteholders or by the applicable Noteholders resolving in writing, in each case, in at least the minimum percentages specified in the table "Minimum Percentage Voting Requirements" in paragraph (iii) 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.

The Trustee may, in its discretion, determine that any proposed Ordinary Resolution or Extraordinary Resolution affects the holders of only one or more Classes of Notes, in which event the required quorum and minimum percentage voting requirements of such Ordinary Resolution or Extraordinary Resolution may be determined by reference only to the holders of that Class or Classes of Notes and not the holders of any other Notes as set forth in the tables below.

Notice of any Resolution passed by the Noteholders will be given by the Issuer to Fitch and Moody's in writing.

For the purposes of determining voting rights attributable to the Subordinated Notes and the applicable quorum at any meeting of the Noteholders pursuant to this Condition 14 (*Meetings of Noteholders, Modification, Waiver and Substitution*) and

Schedule 5 (*Provisions for Meetings of the Noteholders of Each Class*) of the Trust Deed, each of the Class M-1 Notes and the Class M-2 Notes together, shall be deemed to constitute a single Class (being the Subordinated Notes) in respect of any voting rights specifically granted to them.

Notwithstanding anything to the contrary in this Condition 14(b) (*Decisions and Meetings of Noteholders*), for the purposes of determining: (i) the proportion of Subordinated Noteholders present at a meeting of Subordinated Noteholders for quorum purposes; (ii) the proportion of Subordinated Noteholders voting in favour of a Resolution at a meeting of Subordinated Noteholders to determine whether a voting threshold has been met; and (iii) the proportion of Subordinated Noteholders voting in favour of a Resolution of Subordinated Noteholders for the purposes of a Written Resolution to determine whether a voting threshold has been met, such proportion shall in each case be the sum of the Adjusted Class M-1 Proportion and the Adjusted Class M-2 Proportion.

(ii) *Quorum*

The quorum required for any meeting convened to consider an Ordinary Resolution or Extraordinary Resolution, in each case, of all the Noteholders or of any Class of Noteholders, or at any adjourned meeting to consider such a Resolution, shall be as set out in the relevant column and row corresponding to the type of resolution in the table "Quorum Requirements" below.

Quorum Requirements

Type of Resolution	**Any meeting other than a meeting adjourned for want of quorum**	**Meeting previously adjourned for want of quorum**
Extraordinary Resolution of all Noteholders (or a certain Class or Classes only)	One or more persons holding or representing not less than 66⅔ per cent. of the aggregate Principal Amount Outstanding of the Notes (or the relevant Class or Classes only, if applicable)	One or more persons holding or representing not less than 25 per cent. of the aggregate Principal Amount Outstanding of Notes (or the relevant Class or Classes only if applicable)
Ordinary Resolution of all Noteholders (or a certain Class or Classes only)	One or more persons holding or representing not less than 50 per cent. of the aggregate Principal Amount Outstanding of the Notes (or the relevant Class or Classes only, if applicable)	One or more persons holding or representing not less than 25 per cent. of the aggregate Principal Amount Outstanding of Notes (or the relevant Class or Classes only if applicable)

The Trust Deed does not contain any provision for higher quorums in any circumstances.

(iii) *Minimum Voting Rights*

Set out in the table "Minimum Percentage Voting Requirements" below are the minimum percentages required to pass the Resolutions specified in such table which, (A) in the event that such Resolution is being considered at a duly convened meeting of Noteholders, shall be determined by reference to the percentage which the aggregate Principal Amount Outstanding of Notes held or represented by any person or persons who vote in favour of such Resolution represents of the aggregate Principal Amount Outstanding of all applicable Notes which are represented at such meeting and are voted or, (B) in the case of any Written Resolution, shall be determined by reference to the percentage which the aggregate Principal Amount Outstanding of Notes entitled to be voted in respect of such Resolution and which are

voted in favour thereof represent of the aggregate Principal Amount Outstanding of all the Notes entitled to vote in respect of such Written Resolution.

Minimum Percentage Voting Requirements

Type of Resolution	**Per cent.**
Extraordinary Resolution of all Noteholders (or of a certain Class or Classes only)	At least 66⅔ per cent.
Ordinary Resolution of all Noteholders (or of a certain Class or Classes only)	More than 50 per cent.

(iv) *Written Resolutions*

Any Written Resolution may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the relevant Noteholders and the date of such Written Resolution shall be the date on which the latest such document is signed. Any Extraordinary Resolution or Ordinary Resolution may be passed by way of a Written Resolution.

(v) *All Resolutions Binding*

Subject to Condition 14(e) (*Entitlement of the Trustee and Conflicts of Interest*) and in accordance with the Trust Deed, any Resolution of the Noteholders (including any resolution of a specified Class or Classes of Noteholders, where the resolution of one or more other Classes is not required) duly passed shall be binding on all Noteholders (regardless of Class and regardless of whether or not a Noteholder was present at the meeting at which such Resolution was passed).

(vi) *Extraordinary Resolution*

Subject to the right of veto of the Retention Holder referred to in paragraph (ix) (*Retention Holder Veto*) below, any Resolution to sanction any of the following items will be required to be passed by an Extraordinary Resolution (in each case, subject to anything else contemplated in the Trust Deed, the Investment Management Agreement or the relevant Transaction Document, as applicable):

(A) the exchange or substitution for the Notes of a Class, or the conversion of the Notes of a Class into, shares, bonds or other obligations or securities of the Issuer or any other entity;

(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 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*).

(vii) *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 (vi) (*Extraordinary Resolution*) above.

(viii) *Matters affecting a certain Class of Notes*

Matters affecting the interests of only one Class (in the opinion of the Trustee) shall only be considered by and voted upon at a meeting of Noteholders of that relevant Class or by written resolution of the holders of that relevant Class.

(ix) *Retention Holder Veto*

Provided that no Retention Deficiency has occurred and is continuing, no modification or any Resolution to approve the modification of the Eligibility Criteria, the Portfolio Profile Tests, the Collateral Quality Tests, the Reinvestment Criteria, or any material changes to them (save for those that are made to ensure compliance with the Retention Requirements) will be effective without the consent in writing of the Retention Holder. If a Retention Deficiency has occurred and is continuing, the Retention Holder shall have no veto rights in accordance with this Condition, however, this shall not affect the rights of the Retention Holder to exercise its rights as a Noteholder.

(c) Modification and Waiver

The Trust Deed and the Investment Management Agreement both provide that, without the consent of the Noteholders (other than as set out below), the Issuer may amend, modify, supplement and/or waive the relevant provisions of the Trust Deed and/or the Investment Management Agreement and/or any other Transaction Document (subject to the consent of the other parties thereto) (as applicable) and the Trustee shall consent to such amendment, modification, supplement or waiver subject as provided below (other than in the case of an amendment, modification, supplement or waiver, pursuant to paragraphs (xi), (xiii) and (xv) below, which shall be subject to the prior written consent of the Trustee in accordance with the relevant paragraph), for any of the following purposes:

(i) to add to the covenants of the Issuer for the benefit of the Noteholders or to surrender any right or power in the Trust Deed or the Investment Management Agreement (as applicable) conferred upon the Issuer;

(ii) to charge, convey, transfer, assign, mortgage or pledge any property to or with the Trustee or add to the conditions, limitations or restrictions on the authorised amount, terms and purposes of the issue, authentication and delivery of the Notes;

(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 modify the provisions of the Trust Deed relating to the creation, perfection and preservation of the security interests of the Trustee in the Collateral to conform with applicable law;

(v) 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;

(vi) to make such changes (including the removal and appointment of any listing agent, transfer agent, paying agent or additional registrar in Ireland or the country of any other listing) as shall be necessary or advisable in order for the Notes of each Class to be (or to remain) listed and admitted to trading on the Global Exchange Market of the Irish Stock Exchange or any other exchange, including such changes required or requested by any governmental authority, stock exchange authority, listing agent, transfer agent, paying agent or additional registrar for any Class of Notes;

(vii) to amend, modify, enter into, accommodate the execution or facilitate the transfer by the relevant Hedge Counterparty of any Hedge Agreement upon terms satisfactory to the Investment Manager and subject to receipt of Rating Agency Confirmation (unless any such amended or modified Hedge Agreement constitutes a Form Approved Hedge);

(viii) save as contemplated in paragraph (d) (*Substitution*) below, to take any action advisable to prevent the Issuer from becoming subject to (or to otherwise reduce) withholding or other taxes, fees or assessments;

(ix) to take any action advisable to reduce the risk that the Issuer will be treated as resident in the UK for UK tax purposes, as trading in the UK for UK tax purposes or be subject to UK VAT in respect of any Investment Management Fees;

(x) to take any action advisable to reduce the risk that the Issuer will be treated as engaged in a United States trade or business or otherwise being subject to United States federal, state or local income tax on a net income basis;

(xi) to enter into any additional agreements not expressly prohibited by the Trust Deed or the Investment Management Agreement (as applicable) as well as any amendment, modification or waiver of such additional agreements if the Trustee determines that such entry, amendment, modification or waiver would not, upon or after becoming effective, be materially prejudicial to the interests of the holders of any Class of Notes; in each case provided that any such additional agreements include customary limited recourse and non-petition provisions;

(xii) 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 upon any exemption from, registration as, or exclusion or exception from the definition of, an "investment company" under or the Investment Company Act or to remove restrictions on resale and transfer to the extent not required thereunder;

(xiii) to make any other modification of any of the provisions of the Trust Deed, the Investment Management Agreement or any other Transaction Document which, in the opinion of the Trustee, is of a formal, minor or technical nature or is made to correct a manifest error;

(xiv) subject to (A) Condition 14(c)(xviii) below, (B) Rating Agency Confirmation and (C) the consent of the Controlling Class, acting by way of Ordinary Resolution, to make any modifications to the Collateral Quality Tests, Portfolio Profile Tests, Reinvestment Overcollateralisation Test, Reinvestment Criteria or Eligibility Criteria and all related definitions (including in order to reflect changes in the methodology applied by the Rating Agencies);

(xv) to make any other modification (save as otherwise provided in the Trust Deed, the Investment Management Agreement or the relevant Transaction Document), and/or give any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed or any other Transaction Document which in the opinion of the Trustee is not materially prejudicial to the interests of the Noteholders of any Class;

(xvi) to amend the name of the Issuer;

(xvii) to make any amendments to the Trust Deed or any other Transaction Document to enable the Issuer to comply with FATCA and/or the CRS (or any other similar regime for the reporting and automatic exchange of information);

(xviii) notwithstanding Condition 14(c)(xiv) above, to modify or amend any components of the Fitch Tests Matrices or the Moody's Test Matrix, subject to receipt of Rating Agency Confirmation from Fitch or Moody's, as applicable (which may be provided by way of email from the relevant Rating Agency);

(xix) to make any changes necessary to permit or facilitate any additional issuances of Notes pursuant to Condition 17 (*Additional Issuances*) or the issue of replacement notes in accordance with Condition 7(b)(v) (*Optional Redemption effected in whole or in part through Refinancing*);

(xx) to (A) notwithstanding Conditions 14(c)(xiv) and 14(c)(xviii) above, evidence any waiver or modification by any Rating Agency in its rating methodology or as to any requirement or condition, as applicable, of such Rating Agency set forth in the Transaction Documents or (B) to conform the Transaction Documents to the Offering Circular;

(xxi) to modify the Transaction Documents in order to comply with Rule 17g-5 of the Exchange Act;

(xxii) to change the date within the month on which reports are required to be delivered;

(xxiii) to modify the terms of the Transaction Documents and/or the Conditions in order to enable the Issuer to comply with any requirements which apply to it under EMIR, AIFMD, the Dodd-Frank Act, STS Regulation or CRA3 (including any implementing regulations, technical standards and guidance respectively related thereto);

(xxiv) to make any other modification of any of the provisions of the Trust Deed, the Investment Management Agreement or any other Transaction Document to comply with changes in the Retention Requirements or corresponding retention requirements under Solvency II or the UCITS Directive;

(xxv) to make any other modifications of the Trust Deed, the Investment Management Agreement or the Transaction Documents to enable to the Issuer to comply with any FTT that it is or becomes subject to provided that any such modification would not, in the opinion of the Issuer (acting reasonably), be materially prejudicial to the interests of the Noteholders of any Class;

(xxvi) 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*);

(xxvii) to make such changes as are necessary to facilitate the transfer of any Hedge Agreement to a replacement counterparty or the roles of any Agent to a replacement agent, in each case in circumstances where such Hedge Counterparty or Agent does not satisfy the applicable Rating Requirement and subject to such replacement counterparty or agent (as applicable) satisfying the applicable requirements in the Transaction Documents including, without limitation, the applicable Rating Requirement;

(xxviii) subject to Rating Agency Confirmation (other than to the extent otherwise permitted pursuant to Condition 14(c)(xxiii) (*Modification and Waiver*) above), to amend, modify or supplement any Hedge Agreement to the extent necessary to allow the Issuer or the relevant Hedge Counterparty to comply with any enactment, promulgation, execution or ratification of, or any change in or amendment to, any law or regulation (or in the application or official interpretation of any law or regulation) that occurs after the parties enter into the Hedge Agreement; and

(xxix) to make such modifications to the provisions of the Investment Management Agreement and the Conditions as the Investment Manager and/or the Collateral Administrator have advised the Trustee (upon which advice the Trustee shall be entitled to rely absolutely and without further enquiry or liability) are necessary in order to calculate the amounts due on any Unscheduled Payment Date directed under Condition (3)(l)(*Unscheduled Payment Dates*).

Any such modification, authorisation or waiver shall be binding on the Noteholders and shall be notified by the Issuer as soon as reasonably practicable following the execution of any trust deed supplemental to the Trust Deed or any other modification, authorisation or waiver pursuant to this Condition 14(c) (*Modification and Waiver*) to:

(A) so long as any of the Notes rated by the Rating Agencies remains Outstanding, each 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 would have a material adverse effect on the rights or obligations of such Hedge Counterparty in its capacity as such without the Hedge Counterparty's prior written consent.

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 until such notice has expired.

For the avoidance of doubt, the Trustee shall, without the consent or sanction of any of the Noteholders or any other Secured Party (unless otherwise specified above), concur with the Issuer, in making any modification, amendment, waiver or supplement pursuant to the paragraphs above (other than a modification, waiver or supplement pursuant to paragraphs (xi), (xiii) or (xv) above) to the Transaction Documents which the Issuer certifies to the Trustee as being made subject to and in accordance with such paragraphs (upon which certification the Trustee will be entitled to conclusively rely without further enquiry and without liability), provided that the Trustee shall not be obliged to agree to any modification which, in the

opinion of the Trustee, would have the effect of (i) exposing the Trustee to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or (ii) adding to or increasing the obligations, liabilities or duties, or decreasing the rights, powers, authorisations, indemnities or protections, of the Trustee in respect of the Transaction Documents.

In the case of a modification, amendment, waiver or supplement pursuant to paragraphs (xi), (xiii) and (xv) above, 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 legal, financial or other expert advice, at the expense of the Issuer, and rely on such advice in connection with determining whether to give such consent as it sees fit.

(xxx) The Issuer may, without the consent of any other Person, make such amendments to the Letter of Undertaking or the Issuer Management Agreement as shall be necessary to document the resignation, replacement and/or appointment of one or more Managing Directors, provided that following such amendments, such documents shall be in the same form as those entered into on the Issue Date. Upon the effectiveness of such amendments, the Issuer shall provide notice thereof to the Trustee and each of the other parties to the Letter of Undertaking and the Issuer Management Agreement.

(d) Substitution

The Trust Deed contains provisions permitting the Trustee to agree, subject to such amendment of the Trust Deed and such other conditions as the Trustee may require (without the consent of the Noteholders of any Class), to the substitution of any other company in place of the Issuer, or of any previous substituted company, as principal debtor under the Trust Deed and the Notes of each Class, if required for taxation purposes, provided that such substitution would not be materially prejudicial to the interests of the Noteholders of any Class. In the case of such a substitution the Trustee may agree, without the consent of the Noteholders, but subject to receipt of Rating Agency Confirmation (subject to receipt of such information and/or opinions as any Rating Agency may require), to a change of the law governing the Notes and/or the Trust Deed, provided that such change would not in the opinion of the Trustee be materially prejudicial to the interests of the Noteholders of any Class. Any substitution agreed by the Trustee pursuant to this Condition 14(d) (*Substitution*) shall be binding on the Noteholders, and shall be notified by the Issuer to the Noteholders as soon as practicable in accordance with Condition 16 (*Notices*).

The Trustee may, subject to the satisfaction of certain conditions specified in the Trust Deed, including receipt of Rating Agency Confirmation, agree to a change in the place of residence of the Issuer for taxation purposes without the consent of the Noteholders of any Class, provided the Issuer does all such things as the Trustee may reasonably require in order that such change in the place of residence of the Issuer for taxation purposes is fully effective and complies with such other requirements which are in the interests of the Noteholders as it may reasonably direct.

The Issuer shall procure that, so long as the Notes are listed on the Global Exchange Market of the Irish Stock Exchange any material amendments or modifications to the Conditions of the Notes, the Trust Deed or such other conditions made pursuant to this Condition 14 (*Meetings of Noteholders, Modification, Waiver and Substitution*) shall be notified to 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 interests of the holders of the Controlling Class will prevail. If the holders of the Controlling Class do not have an interest in the outcome of the conflict, the Trustee shall give priority to the interests of (i) the Class A Noteholders over the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders, the Class F Noteholders and the Subordinated Noteholders, (ii) 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. If the Trustee receives conflicting or inconsistent requests from two or more groups of holders of a Class, given priority as described in this paragraph, each representing less than the majority by principal amount of such Class, the Trustee shall give priority to the group which holds the greater aggregate principal amount of Notes Outstanding of such Class. The Trust Deed provides further that, except as expressly provided otherwise in any applicable Transaction Document or these Conditions, the Trustee will act upon the directions of the holders of the Controlling Class (or other Class where the holders of the Class or Classes having priority over such other Class do not have an interest in the subject matter of such directions) (in each case acting by Extraordinary Resolution) subject to being indemnified and/or secured and/or prefunded to its satisfaction, 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 Investment Manager of any of its duties under the Investment Management Agreement, for the performance by the Collateral Administrator of its duties under the Investment Management Agreement or for the performance by any other person appointed by the Issuer in relation to the Notes or by any other party to any Transaction Document. The Trustee shall not have any responsibility for the administration, management or operation of the Collateral including the request by the Investment Manager to release any of the Collateral from time to time.

The Trust Deed contains provisions for the retirement of the Trustee and the removal of the Trustee by Extraordinary Resolution of the Controlling Class, but no such retirement or removal shall become effective until a successor trustee is appointed.

16. **Notices**

Notices to Noteholders will be valid if posted to the address of such Noteholder appearing in the Register at the time of publication of such notice by pre paid, first class mail (or any other manner approved by the Trustee which may be by electronic transmission) and (for so long as the Notes are listed on the Global Exchange Market of the Irish Stock Exchange and the rules of the Irish Stock Exchange so require) shall be sent to the Company Announcements Office of the Irish Stock Exchange or such other process as the Irish Stock Exchange may require. Any such notice shall be deemed to have been given to the Noteholders (a) in the case of inland mail three days after the date of dispatch thereof, (b) in the case of overseas mail, seven days after the dispatch thereof or, (c) in the case of electronic transmission, on the date of dispatch.

Notices will be valid and will be deemed to have been given, for so long as the Notes are admitted to trading on the Irish Stock Exchange, when such notice is filed in the Company Announcements Office of the Irish Stock Exchange or such other process as the Irish Stock Exchange may require.

The Trustee shall be at liberty to sanction some other method of giving notice to the Noteholders (or a category of them) if, in its opinion, such other method is reasonable having regard to market practice then prevailing and to the rules of the stock exchange on which the Notes are then listed and provided that notice of such other method is given to the Noteholders in such manner as the Trustee shall require.

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 Debt Obligations and, if applicable, enter into additional Hedge Transactions in connection with the Issuer's issuance of, and making payments on, the Notes and ownership of and disposition of the Collateral Debt Obligations, provided that the following conditions are met:

(i) such additional issuances in relation to the applicable Class of Notes may not exceed 100.0 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 Debt Obligations or, pending such investment, during the Initial Investment Period deposited in the Unused Proceeds Account or, thereafter, deposited in the Principal Account and, in each case, invested in Eligible Investments;

(iii) such additional Notes must be of each Class of Notes 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 additional 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;

(vi) in respect of any additional issuance occurring on or after the Effective Date, the Par Value Tests will be maintained or improved after giving effect to such additional issuance of Notes when compared with the results of such tests immediately prior to such additional issuance of Notes;

(vii) the holders of the relevant Class of Notes in respect of which further Notes are issued shall have been notified in writing by the Issuer 30 days prior to such issuance and shall have been afforded the opportunity to purchase additional Notes of the relevant Class in an amount not to exceed the percentage of the relevant Class of Notes each holder held immediately prior to the issuance (the "**Anti Dilution Percentage**") of such additional Notes and on the same terms offered to investors generally provided that this paragraph (vii) shall not apply in respect of the additional issuance of Subordinated Notes if such additional issuance is required in order to prevent or cure a Retention Deficiency for any reason including but not limited to where such Retention Deficiency will occur due to an additional issuance of any Class of Notes pursuant to this Condition 17 (*Additional Issuances*);

(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 The Netherlands and do not adversely affect the Dutch tax position of the Issuer;

(x) any issuance of additional Notes would not result in non-compliance by the Retention Holder with the Retention Requirements; and

(xi) such additional issuance will be accomplished in a manner that will allow the Issuer to accurately provide the information required to be provided to the Noteholders, including Noteholders of additional Rated Notes, under U.S. Treasury regulations section 1.1275-3(b)(1).

(b) In addition to the ability to issue additional Notes of each Class simultaneously set out in (a) above, the Issuer may (and shall, at the direction of the Retention Holder, where such additional issuance is required in order to prevent, cure or lessen the amount of a Retention Deficiency), issue and sell additional Subordinated Notes (without issuing Notes of any other Class) having the same terms and conditions as existing Subordinated Notes (subject as provided below) and subject to the prior written approval of the Retention Holder 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 Debt 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 Investment Manager (acting on behalf of the Issuer) shall not enter into any binding commitments to purchase Collateral Debt 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 holders of the Subordinated Notes shall have been notified in writing by the Issuer 30 days prior to such issuance and shall have been afforded the opportunity to purchase additional Subordinated Notes in an amount not to exceed the Anti Dilution Percentage of such additional Subordinated Notes and on the same terms offered to investors generally provided that this paragraph (v) shall not apply in respect of the additional issuance of Subordinated Notes if such additional issuance is required in order to prevent or cure a Retention Deficiency for any reason including but not limited to where such Retention Deficiency will occur due to an additional issuance of any Class of Notes pursuant to this Condition 17 (*Additional Issuances*);

(vi) such additional issuance is in accordance with all applicable laws including, without limitation, the securities and banking laws and regulations of The Netherlands and do not adversely affect the Dutch tax position of the Issuer; and

(vii) the Subordinated Noteholders shall not be required to approve any additional issuance of Subordinated Notes pursuant to this Condition 17(b) (*Additional Issuances*) if such issuance is requested by the Retention Holder in order to prevent or cure a Retention Deficiency.

References in these Conditions to the "Notes" include (unless the context requires otherwise) any other notes issued pursuant to this Condition 17 (*Additional Issuances*) and forming a single series with the Notes. Any further securities forming a single series with Notes constituted by the Trust Deed or any deed supplemental to it shall be constituted by a deed supplemental to the Trust Deed.

18. Third Party Rights

No person shall have any right to enforce any term or Condition of the Note under the Contracts (Rights of Third Parties) Act 1999.

19. Governing Law

(a) Governing Law

The Trust Deed and each Class of Notes and any dispute, controversy, proceedings or claim of whatever nature (whether contractual or non-contractual) arising out of or in any way relating to the Trust Deed or any Class of Notes are governed by and shall be construed in accordance with English law. The Issuer Management Agreement and the Letter of Undertaking are governed by and shall be construed in accordance with Dutch law.

(b) Jurisdiction

The courts of England are to have jurisdiction to settle any disputes (whether contractual or non-contractual) which may arise out of or in connection with the Notes, and accordingly any legal action or proceedings arising out of or in connection with the Notes ("**Proceedings**") may be brought in such courts. The Issuer has in the Trust Deed irrevocably submitted to the jurisdiction of such courts and waives any objection to Proceedings in any such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is made for the benefit of each of the Noteholders, the Trustee and the other Secured Parties and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

(c) Agent for Service of Process

The Issuer appoints TMF Corporate Services Limited (having an office, at the date hereof, at 6 Andrew Street, London EC4A 3AE) 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 in England and notify the Trustee and the Noteholders of such appointment. Nothing herein shall affect the right to service of process in any other manner permitted by law.

USE OF PROCEEDS

The estimated net proceeds of the issue of the Notes after payment of fees, expenses and other amounts payable on or about the Issue Date (including, without duplication, amounts deposited into the Expense Reserve Account) are expected to be approximately €351,650,739. Such proceeds will be used by the Issuer in payment of all net amounts due and payable in connection with the acquisition of Issue Date Collateral Debt Obligations on or prior to the Issue Date and net amounts due and payable in connection with the Warehouse Arrangements (as further described in "*The Portfolio - Acquisition of Collateral Debt Obligations*") and to fund the First Period Reserve Account on the Issue Date. The remaining proceeds shall be retained in the Unused Proceeds Account.

FORM OF THE NOTES

References below to Notes and to the Global Certificates and the Definitive Certificates representing such Notes are to each respective Class of Notes, except as otherwise indicated.

Initial Issue of Notes

The Regulation S Notes of each Class (other than in certain circumstances described below, the Class E Notes, the Class F Notes and the Subordinated Notes) will be represented on issue by a Regulation S Global Certificate deposited with, and registered in the name of, a nominee of a common depositary for Euroclear and Clearstream, Luxembourg. Beneficial interests in a Regulation S Global Certificate may be held at any time only through Euroclear or Clearstream, Luxembourg. See "*Book Entry Clearance Procedures*". Beneficial interests in a Regulation S Global Certificate may not be held by a U.S. Person or U.S. Resident at any time. By acquisition of a beneficial interest in a Regulation S Global Certificate, the purchaser thereof will be deemed to represent, among other things, that it is not a U.S. Person, and that, if in the future it determines to transfer such beneficial interest, it will transfer such interest only to a person whom the seller reasonably believes (a) to be a non-U.S. Person in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, or (b) to be a person who takes delivery in the form of an interest in a Rule 144A Global Certificate. See "*Transfer Restrictions*".

The Rule 144A Notes of each Class (other than in certain circumstances described below, the Class E Notes, the Class F Notes and the Subordinated Notes) will be represented on issue by a Rule 144A Global Certificate deposited with, and registered in the name of, a nominee of a common depositary for Euroclear and Clearstream, Luxembourg. Beneficial interests in a Rule 144A Global Certificate may only be held at any time only through Euroclear or Clearstream, Luxembourg. See "*Book Entry Clearance Procedures*". By acquisition of a beneficial interest in a Rule 144A Global Certificate, the purchaser thereof will be deemed to represent, amongst other things, that it is a QIB/QP and that, if in the future it determines to transfer such beneficial interest, it will transfer such interest in accordance with the procedures and restrictions contained in the Trust Deed. See "*Transfer Restrictions*".

Beneficial interests in Global Certificates will be subject to certain restrictions on transfer set forth therein and in the Trust Deed and as set forth in Rule 144A, and the Notes will bear the applicable legends regarding the restrictions set forth under "*Transfer Restrictions*". In the case of each Class of Notes, a beneficial interest in a Regulation S Global Certificate may be transferred to a person who takes delivery in the form of an interest in a Rule 144A Global Certificate in denominations greater than or equal to the minimum denominations applicable to interests in such Rule 144A Global Certificate only upon receipt by the Transfer Agent of a written certification (in the form provided in the Trust Deed) to the effect that the transferor reasonably believes that the transferee is a QIB/QP and that such transaction is in accordance with any applicable securities laws of any state of the United States or any other jurisdiction. Beneficial interests in the Rule 144A Global Certificates may be transferred to a person who takes delivery in the form of an interest in a Regulation S Global Certificate only upon receipt by the Transfer Agent of a written certification (in the form provided in the Trust Deed) from the transferor to the effect that the transfer is being made to a non-U.S. Person in an offshore transaction and in accordance with Regulation S.

Any beneficial interest in a Regulation S Global Certificate that is transferred to a person who takes delivery in the form of an interest in a Rule 144A Global Certificate will, upon transfer, cease to be an interest in such Regulation S Global Certificate and become an interest in the Rule 144A Global Certificate, and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in a Rule 144A Global Certificate for as long as it remains such an interest. Any beneficial interest in a Rule 144A Global Certificate that is transferred to a person who takes delivery in the form of an interest in a Regulation S Global Certificate will, upon transfer, cease to be an interest in a Rule 144A Global Certificate and become an interest in the Regulation S Global Certificate and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in a Regulation S Global Certificate for so long as it remains such an interest. No service charge will be made for any registration of transfer or exchange of Notes, but the Transfer Agent may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

IM Removal and Replacement Voting and Non-Voting Notes

A beneficial interest in a Rule 144A Global Certificate in the form of IM Removal and Replacement Exchangeable Non-Voting Notes may be transferred to a person who takes delivery in the form of an interest in a Rule 144A Global Certificate in the form of IM Removal and Replacement Non-Voting Notes or an entity that is not an Affiliate of the transferor who takes delivery in the form of an interest in a Rule 144A Global Certificate in the form of IM Removal and Replacement Voting Notes, in each case in denominations greater than or equal to the minimum denominations applicable to interests in such Rule 144A Global Certificate only upon receipt by a Transfer Agent of a written transfer request (in the form provided in the Trust Deed) from the transferor.

A beneficial interest in a Rule 144A Global Certificate in the form of IM Removal and Replacement Voting Notes may be transferred to a person who takes delivery in the form of an interest in a Rule 144A Global Certificate in the form of IM Removal and Replacement Non-Voting Notes or IM Removal and Replacement Exchangeable Non-Voting Notes in denominations greater than or equal to the minimum denominations applicable to interests in such Rule 144A Global Certificate only upon receipt by a Transfer Agent of a written transfer request (in the form provided in the Trust Deed) from the transferor.

A beneficial interest in a Regulation S Global Certificate in the form of IM Removal and Replacement Exchangeable Non-Voting Notes may be transferred to a person who takes delivery in the form of an interest in a Regulation S Global Certificate in the form of IM Removal and Replacement Non-Voting Notes or an entity that is not an Affiliate of the transferor who takes delivery in the form of an interest in a Regulation S Global Certificate in the form of IM Removal and Replacement Voting Notes in denominations greater than or equal to the minimum denominations applicable to interests in such Regulation S Global Certificate, in each case only upon receipt by a Transfer Agent of a written transfer request (in the form provided in the Trust Deed) from the transferor.

A beneficial interest in a Regulation S Global Certificate in the form of IM Removal and Replacement Voting Notes may be transferred to a person who takes delivery in the form of an interest in a Regulation S Global Certificate in the form of IM Removal and Replacement Non-Voting Notes or IM Removal and Replacement Exchangeable Non-Voting Notes in denominations greater than or equal to the minimum denominations applicable to interests in such Regulation S Global Certificate only upon receipt by a Transfer Agent of a written transfer request (in the form provided in the Trust Deed) from the transferor.

A Noteholder holding a beneficial interest in a Global Certificate representing Notes in the form of IM Removal and Replacement Exchangeable Non-Voting Notes may request by the delivery to a Transfer Agent of a written request that such beneficial interest be exchanged for a beneficial interest in a Global Certificate representing Notes in the form of IM Removal and Replacement Voting Notes only in connection with the transfer of such Notes to an entity that is not an Affiliate of such Noteholder, as provided above.

Beneficial interests in a Global Certificate representing Notes in the form of IM Removal and Replacement Exchangeable Non-Voting Notes shall not be exchanged for a beneficial interest in a Global Certificate representing Notes in the form of IM Removal and Replacement Voting Notes in any other circumstances.

Beneficial interests in a Global Certificate representing Notes in the form of IM Removal and Replacement Non-Voting Notes shall not be exchangeable at any time for a beneficial interest in a Global Certificate representing Notes in the form of IM Removal and Replacement Voting Notes or IM Removal and Replacement Exchangeable Non-Voting Notes.

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, a Class F Note or a Subordinated Note in the form of a Rule 144A Global Certificate or a Regulation S Global Certificate will be deemed to represent (among other things) that it is not a Benefit Plan Investor or a Controlling Person. If a transferee is unable to make such deemed representation, such transferee may not acquire such Class E Note, Class F Note or Subordinated Note, as applicable, in the form of a Rule 144A Global Certificate or a Regulation S Global Certificate unless such transferee (i) obtains the written consent of the Issuer, (ii) provides an ERISA certificate to a Transfer Agent and the Issuer as to its status as a Benefit Plan Investor or Controlling Person (substantially in the form in the Annex (*Form of ERISA Certificate*) to this Offering Circular), and (iii) holds such Class E Note, Class F Note or Subordinated Note, as applicable, in the form of a Definitive Certificate, other than in the case where the transferee is acquiring Class E Notes,

Class F Notes or Subordinated Notes on the Issue Date, in which case they may acquire such Class E Notes, Class F Notes or Subordinated Notes in the form of a Rule 144A Global Certificate or a Regulation S Global Certificate. Any Class E Note, Class F Note or Subordinated Note in the form of a Definitive Certificate shall be registered in the name of the holder thereof.

The Notes are not issuable in bearer form.

Amendments to Terms and Conditions

Each Global Certificate contains provisions that apply to the Notes that they represent, some of which modify the effect of the Terms and Conditions of the Notes in definitive form (See "*Terms and Conditions of the Notes*"). The following is a summary of those provisions:

- ***Payments*** Payments of principal and interest in respect of Notes represented by a Global Certificate will be made against presentation and, if no further payment falls to be made in respect of the relevant Notes, surrender of such Global Certificate to or to the order of the Principal Paying Agent or such other Transfer Agent as shall have been notified to the relevant Noteholders for such purpose. On each occasion on which a payment of interest (unless the Notes represented thereby do not bear interest) or principal is made in respect of the relevant Global Certificate, the Registrar shall note the same in the Register and cause the aggregate principal amount of the Notes represented by a Global Certificate to be decreased accordingly.

- ***Notices*** So long as any Notes are represented by a Global Certificate and such Global Certificate is held on behalf of a clearing system, notices to Noteholders may be given by delivery of the relevant notice to that clearing system for communication by it to entitled account holders in substitution for delivery thereof as required by the Conditions of such Notes provided that such notice is also made to the 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 Terms and Conditions of the Notes to be cancelled will be effected by reduction in the principal amount of the Notes on the Register, with a corresponding notation made on the applicable Global Certificate.

- ***Optional Redemption*** The Subordinated Noteholders' and the Controlling Class' 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 the relevant Definitive Certificate and/or Global Certificate for endorsement of exercise within the time limit specified in Condition 7(b) (*Optional Redemption*).

- ***Record Date*** So long as any Notes are represented by Global Certificates, the Record Date in respect thereof shall be the close of business on the Clearing System Business Day before the relevant due date for payment of principal or interest in respect of such Notes.

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

Exchange for Definitive Certificates

Exchange

Each Global Certificate will be exchangeable, free of charge to the holder, on or after its Definitive Exchange Date (as defined below), in whole but not in part, for Definitive Certificates if a Global Certificate is held (directly or indirectly) on behalf of Euroclear, Clearstream, Luxembourg or an alternative clearing system and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces its intention to permanently cease business or does in fact do so.

In addition, interests in Global Certificates representing Class E Notes, Class F Notes or Subordinated Notes may be exchangeable for interests in a Definitive Certificate representing the Class E Notes, Class F Notes or Subordinated Notes if a transferee is acting on behalf of a Benefit Plan Investor or is a Controlling Person provided: (i) such transferee has obtained the written consent of the Issuer in respect of such transfer; and (ii) the transferee has provided the Issuer and a Transfer Agent with a certification substantially in the form set out in the Annex to this Offering Circular (*Form of ERISA Certificate*).

Interests in Global Certificates representing Class E Notes, Class F Notes or Subordinated Notes may be exchangeable for interests in Definitive Certificates representing Class E Notes, Class F Notes or Subordinated Notes in accordance with the Conditions as amended above.

The Registrar will not register the transfer of, or exchange of interests in, a Global Certificate for Definitive Certificates during the period from (but excluding) the Record Date to (and including) the date for any payment of principal or interest in respect of the Notes.

If only one of the Global Certificates (the "**Exchanged Global Certificate**") becomes exchangeable for Definitive Certificates in accordance with the above paragraphs, transfers of Notes may not take place between, on the one hand, persons holding Definitive Certificates issued in exchange for beneficial interests in the Exchanged Global Certificate and, on the other hand, persons wishing to purchase beneficial interests in the other Global Certificate.

"**Definitive Exchange Date**" means a day falling not less than 30 days after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Registrar and any Transfer Agent is located.

Delivery

In such circumstances, the relevant Global Certificate shall be exchanged in full for Definitive Certificates and the Issuer will, at the cost of the Issuer (but against such indemnity as the Registrar or any relevant Transfer Agent may require in respect of any tax or other duty of whatever nature which may be levied or imposed in connection with such exchange), cause sufficient Definitive Certificates to be executed and delivered to the Registrar for completion, authentication and dispatch to the relevant Noteholders. A person having an interest in a Global Certificate must provide the Registrar with (a) a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such Definitive Certificates and (b) 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 or Regulation S, as applicable, a certification that the transfer is being made in compliance with the provisions of Rule 144A or Regulation S, as applicable. Definitive Certificates issued in exchange for a beneficial interest in the Rule 144A Global Certificate or Regulation S Global Certificate, as applicable, shall bear the legends applicable to transfers, as set out under "*Transfer Restrictions*" below.

Legends

The holder of a Definitive Certificate in registered definitive form, as applicable, may transfer the Notes represented thereby in whole or in part in the applicable minimum denomination by surrendering it at the specified office of the Registrar or any Transfer Agent, together with the completed form of transfer and to the extent applicable, written consent of the Issuer and a duly completed ERISA Certificate in or substantially in the form in the Annex to the Offering Circular. 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 sources that the Issuer believes to be reliable, but prospective investors are advised to make their own enquiries as to such procedures. In particular, such information is subject to any change in or interpretation of the rules, regulations and procedures of Euroclear or Clearstream, Luxembourg (together, the "**Clearing Systems**") currently in effect and investors wishing to use the facilities of any of the Clearing Systems are therefore advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuer, the Trustee, the Investment 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.

Book Entry Ownership

Euroclear and Clearstream, Luxembourg

Each Regulation S Global Certificate and each Rule 144A Global Certificate will have an ISIN and a Common Code and will be registered in the name of, and deposited with, a nominee of the common depositary on behalf of, Euroclear and Clearstream, Luxembourg.

Relationship of Participants with Clearing Systems

Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a Note represented by a Global Certificate must look solely to Euroclear or Clearstream, Luxembourg (as the case may be) for his share of each payment made by the Issuer to the holder of such Global Certificate and in relation to all other rights arising under the Global Certificate, subject to and in accordance with the respective rules and procedures of Euroclear or Clearstream, Luxembourg. The Issuer expects that, upon receipt of any payment in respect of Notes represented by a Global Certificate, the common depositary by whom such Note is held, or nominee in whose name it is registered, will immediately credit the relevant Participants' or 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 are exchanged for Definitive Certificates.

No Clearing System has knowledge of the actual Beneficial Owners of the Notes held within such Clearing System and their records will reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers. Conveyance of notices and other communications by the Clearing Systems to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Trading between Euroclear and/or Clearstream, Luxembourg Participants

Secondary market sales of book entry interests in the Notes held through Euroclear or Clearstream, Luxembourg to purchasers of book entry interests in the Notes held through Euroclear or Clearstream, Luxembourg will be conducted in accordance with the normal rules and operating procedures of Euroclear and Clearstream, Luxembourg and will be settled using the procedures applicable to conventional eurobonds.

RATINGS OF THE NOTES

General

It is a condition of the issue and sale of the Notes that the Notes (except for the Subordinated Notes) be issued with at least the following ratings: the Class A Notes "Aaa(sf)" from Moody's and "AAAsf" from Fitch; the Class B Notes: "Aa2(sf)" from Moody's and "AAsf" from Fitch; the Class C Notes: "A2(sf)" from Moody's and "Asf" from Fitch; the Class D Notes: "Baa2(sf)" from Moody's and "BBBsf" from Fitch; the Class E Notes: "Ba2(sf)" from Moody's and "BBsf" from Fitch; and the Class F Notes: "B2(sf)" from Moody's and "B-sf" from Fitch. The Subordinated Notes being offered hereby will not be rated.

The ratings assigned to the Class A Notes 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, 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.

As of the date of this Offering Circular, each of the Rating Agencies is established in the European Union ("**EU**") 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.

Moody's Ratings

Moody's Ratings address the expected loss posed to investors by the legal final maturity on the Maturity Date.

Moody's analysis of the likelihood that each Collateral Debt Obligation will default is based on historical default rates for similar debt obligations, the historical volatility of such default rates (which increases as securities with lower ratings are added to the portfolio) and an additional default assumption to account for future fluctuations in defaults. Moody's then determines the level of credit protection necessary to achieve the expected loss associated with the rating of the structured securities, taking into account the expected volatility of the default rate of the portfolio based on the level of diversification by region, issuer and industry. There can be no assurance that the actual default rates on the Collateral Debt 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 Investment Manager, the legal structure and the risks associated with such structure and other factors that Moody's deems relevant.

Fitch Ratings

The ratings assigned to the Rated Notes by Fitch are based upon Fitch's statistical analysis of historical default rates on debt obligations with similar characteristics to the Collateral Debt Obligations and the various eligibility requirements that the Collateral Debt Obligations are required to satisfy.

Fitch analyses the likelihood that each Collateral Debt Obligation will default, based on historical default rates for similar debt obligations, the historical volatility of such default rates (which increases as securities with lower ratings are added to the portfolio) and an additional default assumption to account for future fluctuations in defaults. Fitch then determines the level of credit protection necessary based on a specific percentile of the portfolio default distribution determined by the Fitch "Portfolio Credit Model" which takes into account the correlation between assets in the portfolio based on the level of diversification by region, issuer and industry. The results of a statistical analysis are incorporated into a cash flow model built to mimic the structure of the transaction. In this regard, the results of several default scenarios, in conjunction with various qualitative tests (e.g. analysis of the strength of the Investment Manager), are used to determine the credit enhancement required to support a particular rating.

Fitch's ratings of the Rated Notes were established under various assumptions and scenarios.

There can be no assurance that actual defaults on the Collateral Debt Obligations will not exceed those assumed by Fitch in its analysis, or that recovery rates with respect thereto (and consequently loss rates) will not defer from those assumed by Fitch.

In addition to those quantitative tests, Fitch ratings take into account qualitative features of a transaction, including the experience of the Investment Manager, the legal structure and the risks associated with such structure and other factors that Fitch deems relevant.

THE ISSUER

General

The Issuer is a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated with the name of Cairn Loan Opportunity VI B.V. under the laws of The Netherlands on 14 August 2015 for an indefinite period having its corporate seat in Amsterdam, The Netherlands and its registered office at Herikerbergweg 238, 1101 CM, Amsterdam, The Netherlands. The Issuer changed its name to Cairn CLO VI B.V. on 17 June 2016. The Issuer is registered in the commercial register of the Chamber of Commerce under number 63921863. The telephone number of the registered office of the Issuer is +31 (0) 20 57 55 600 and the facsimile number is +31 (0) 20 67 30 016.

Corporate Purpose of the Issuer

The Issuer is organised as a special purpose company and was established to raise capital by the issue of the Notes. The Articles of Association (the "**Articles**") of the Issuer dated 17 June 2016 (as currently in effect) provide under Clause 2.1 that the objects of the Issuer are:

(a) to raise funds through, *inter alia*, borrowing under loan agreements, the issuance of bonds and other debt instruments, the use of financial derivatives or otherwise and to invest and apply funds obtained by the Issuer in, *inter alia*, (interests in) loans, bonds, debt instruments, shares, warrants and other similar securities and also in financial derivatives;

(b) to grant security for the Issuer's obligations and debts;

(c) to enter into agreements, including, but not limited to, financial derivatives such as interest and/or currency exchange agreements in connection with the objects mentioned under (a) and (b); and

(d) to enter into agreements, including, but not limited to, bank, securities and cash administration agreements, asset management agreements and agreements creating security in connection with the objects mentioned under (a), (b) and (c) above.

Business Activity

The Issuer has not previously carried on any business or activities other than those incidental to its incorporation, the acquisition of the Portfolio, the authorisation and issue of the Notes and activities incidental to the exercise of its rights and compliance with its obligations under the Collateral Acquisition Agreements, the Notes, the Subscription Agreement, the Retention Note Purchase Agreement, the Agency Agreement, the Trust Deed, the Investment Management Agreement, the Issuer Management Agreement, each Hedge Agreement, any Reporting Delegation Agreement and the other documents and agreements entered into in connection with the issue of the Notes and the purchase of the Portfolio.

Management

The current managing directors (the "**Managing Directors**") are:

Name	Occupation	Business Address
A. Weglau	Head Transaction Manager of TMF Structured Finance Services B.V.	Herikerbergweg 238, 1101 CM Amsterdam, The Netherlands
Mr. J. P. Boonman	Transaction Management Supervisor	Herikerbergweg 238, Luna ArenA, 1101 CM Amsterdam, The Netherlands
Mr. P.T.W. Rutovitz	Director, Client Services	Herikerbergweg 238, Luna ArenA, 1101 CM Amsterdam, The Netherlands

Pursuant to the Issuer Management Agreement, the Managing Directors will provide management, corporate and administrative services to the Issuer. The Issuer may terminate the Issuer Management Agreement by giving not less than 14 days' written notice. The Managing Directors may retire from their obligations pursuant to the Issuer Management Agreement by giving at least two months' notice in writing to the Issuer, or a shorter notice

period as approved at a general meeting of the Issuer. The Managing Directors have undertaken not to resign unless suitable replacement managing directors have been contracted.

Managing Directors' Experience

Mr Arthur Weglau

Arthur Weglau is Head Transaction Manager at TMF Structured Finance Services in The Netherlands. Before joining the TMF Group, Mr Weglau worked for PricewaterhouseCoopers as a Tax Advisor, providing tax advice and assistance to foreign multinational companies expanding their business into the Netherlands. Mr Weglau holds a Master's degree in Dutch Tax Law from Groningen University, and completed a post academic programme in Structured Finance at the Grotius Academy.

Mr. Jakob P. Boonman

Mr. Boonman is a Transaction Manager Supervisor at TMF Structured Finance Services B.V. in The Netherlands. Before joining the TMF Group in 2013, Mr. Boonman worked as a legal counsel at an international investment firm in Antwerp and Amsterdam. Prior to this position Mr. Boonman held several legal and commercial positions at IMFC Management B.V./ Structured Finance Management (Netherlands) B.V., and the Amicorp Group. Mr. Boonman holds a Master Degree in Dutch Civil Law from the University of Utrecht.

Mr. P.T.W. Rutovitz

Philip has been working for the TMF Group since 2012. He currently works as the Director Client Services for Structured Finance Services in the TMF Amsterdam office where he has been since 2014. Prior to his current role, he was working out of the Frankfurt office as the Global Operations Manager for Structured Finance Services. Before joining TMF, Philip ran his own software company for over a decade and before that he worked as a structurer/modeller of synthetic CMBS transactions for a German mortgage bank. Philip holds a Master's degree in Business Administration from the University of Hartford and a Bachelor's degree from Wesleyan University in Mathematical Economics and Computer Science.

Capital and Shares

The Issuer's issued share capital is €1.00 which is fully paid up and divided into 1 share with a nominal value of €1.00.

Capitalisation

The capitalisation of the Issuer as at the date of this Offering Circular, adjusted for the issue of the Notes, is as follows:

Share Capital

Issued and fully paid 1 ordinary registered share of €1.00	€1.00

Loan Capital	
Class A Notes	€212,000,000
Class B Notes	€42,100,000
Class C Notes	€19,600,000
Class D Notes	€17,150,000
Class E Notes	€24,000,000
Class F Notes	€8,700,000
Class M-1 Notes	€17,650,000
Class M-2 Notes	€20,800,000
Total Capitalisation	€362,000,000

Indebtedness

The Issuer has no indebtedness as at the date of this Offering Circular, other than that which the Issuer has incurred or shall incur in relation to the transactions contemplated herein.

Holding Structure

The entire issued share capital of the Issuer is directly owned by Stichting Cairn CLO VI, a foundation (*stichting*) established under the laws of The Netherlands having its registered office at Herikerbergweg 238, 1101 CM, Amsterdam, The Netherlands (the "**Foundation**").

None of the Investment Manager, the Retention Holder, the Collateral Administrator, the Trustee or any company Affiliated with any of them, directly or indirectly, owns any of the share capital of the Issuer. TMF Management B.V. is the sole director of the Foundation.

Pursuant to the terms of a management agreement dated on or about the Issue Date between the Foundation and TMF Management B.V. and a letter of undertaking dated on or about the Issue Date between, *inter alios*, the Foundation and TMF Management B.V., measures will be in put in place to limit and regulate the control which the Foundation has over the Issuer.

Subsidiaries

The Issuer has no subsidiaries.

Administrative Expenses of the Issuer

The Issuer is expected to incur certain Administrative Expenses (as defined in Condition 1 (*Definitions*) of the Terms and Conditions of the Notes).

Financial Statements

The auditors of the Issuer are KPMG Accountants N.V., Laan van Langerhuize 1, 1186 DS Amstelveen, The Netherlands who are chartered accountants and are members of the *Koninklijk Nederlands Instituut van Registeraccountants* and registered auditors qualified in practice in The Netherlands.

THE INVESTMENT MANAGER

The information appearing in this section has been prepared by the Investment Manager and has not been independently verified by the Issuer, the Initial Purchaser or any other party. None of the Issuer, the Initial Purchaser or any other party other than the Investment Manager assumes any responsibility for the accuracy or completeness of such information. The delivery of this Offering Circular shall not create any implication that there has been no change in the affairs of the Investment Manager 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.

The Investment Manager is a limited liability partnership registered under the Limited Liability Partnership Act 2000 with number OC 389959 on 17 December 2013. The Investment Manager is authorised and regulated in the conduct of its investment management business by the UK Financial Conduct Authority.

The personnel of the Investment Manager and, where applicable and as described further below, Cairn Capital Limited ("**Cairn Capital**") have extensive experience in all areas of credit analysis, credit derivative markets, portfolio management, execution, analytics and modelling and have been individually recruited from financial institutions such as Deutsche Bank, Bank of America, Banque AIG and JP Morgan and their Affiliates.

While the Investment Manager will be responsible for the portfolio management and credit decisions with respect to managing the Collateral on behalf of the Issuer, certain day to day functions, including credit research, IT, legal, operations, finance and risk management support have been outsourced to Cairn Capital. Both Cairn Capital and Cairn Capital Group Limited are members of the Investment Manager. Notwithstanding the foregoing, the Investment Manager may not assign its material rights or delegate its material responsibilities under the Investment Management Agreement except in the circumstances set out in "*Description of the Investment Management Agreement - Delegation and Transfers*" below.

The following is a brief summary of the background and experience of the members of the Executive Management Committee of the Investment Manager, which is the committee to which day to day management of the Investment Manager has been delegated. Members of the Executive Management Committee have either been seconded to the Investment Manager or provide such services to the Investment Manager pursuant to a services agreement with Cairn Capital. Such persons may not perform or provide services to the Issuer and may not necessarily continue to hold such positions or to be seconded to the Investment Manager, or employed by Cairn Capital, in each case as applicable, for the entire term of the Investment Management Agreement.

Andrew Burke - *Senior Portfolio Manager*

Mr. Burke has been seconded to the Investment Manager by Cairn Capital on an ongoing basis and is also a member of the Executive Management Committee. Mr. Burke joined Cairn Capital in 2006 and is a senior portfolio manager with responsibility for Cairn Capital's leveraged loans business. He has been involved in the European CLO market since 2002 and was formerly at Harbourmaster Capital Management (acquired by GSO Capital Partners in 2012). Prior to that, he was a director at JP Morgan and a member of the Banking Executive Committee at Robert Fleming prior to the acquisition by JP Morgan Chase.

John Murphy - *Portfolio Manager*

Mr. Murphy has been seconded to the Investment Manager by Cairn Capital on an ongoing basis and is also a member of the Executive Management Committee. Mr. Murphy joined Cairn Capital in 2007 and is a portfolio manager in the asset management group with a focus on leveraged loans. He is responsible for the management of the firm's CLOs and leveraged loan funds as well as structuring and development of new opportunities within the leveraged loan business. Prior to joining Cairn Capital, John was a vice president at Deutsche Bank in London in structured finance analytics with a focus on CDOs and CLOs. He has over 15 years of experience in the structured finance and leveraged finance markets.

Robert Pierce Jones – *Director (Cairn Capital)*

Mr. Pierce Jones is a member of the Executive Management Committee of the Investment Manager and also sits on the partnership board of the Investment Manager. Mr. Pierce Jones has been at Cairn Capital since its inception and is responsible for its marketing and structuring functions. He is a director of Cairn Capital and a member of Cairn Capital's Executive Management Committee. He was formerly Managing Director, Europe at

Banque AIG where he worked for over 13 years and was instrumental in building and successfully running the London structured finance team. He was previously in the capital markets group at Bankers Trust Company.

James Starky – *Chief Legal Officer (Cairn Capital)*

Mr. Starky is a member of the Executive Management Committee of the Investment Manager. Mr. Starky joined Cairn Capital in 2005 and is the Chief Legal Officer, responsible for legal oversight of all aspects of its business. He is a member of Cairn Capital's Executive Management Committee. Prior to joining Cairn Capital, he was Associate General Counsel of Banque AIG and before that he was a partner for two and a half years at Cadwalader, Wickersham & Taft, and a partner for five years at Freshfields.

Andrew Jackson – *Chief Investment Officer (Cairn Capital)*

Mr. Jackson is a member of the Executive Management Committee of the Investment Manager. Mr. Jackson joined Cairn Capital in 2004 and is the Chief Investment Officer and a member of its Executive Management Committee. His responsibilities include leading all aspects of Cairn Capital's asset management business. He has 21 years of experience in financial markets covering portfolio management, risk, structuring, analysis and technology. Prior to joining the firm he worked at Bank of America in Europe, focusing on corporate and ABS correlation products. Before that he established and led Fitch Ratings' European credit derivatives practice and rated a number of the first European ABS transactions. He started his career at PricewaterhouseCoopers in their Banking and Capital Markets and Structured Finance groups.

Graham Murphy – *Chief Risk Officer (Cairn Capital)*

Mr. Murphy is a member of the Executive Management Committee of the Investment Manager. Mr. Murphy joined Cairn Capital in 2010 as a portfolio manager responsible for a legacy structured credit asset management mandate and joined the risk management team in April 2014 where he now holds the position of Chief Risk Officer. Prior to joining Cairn Capital he was an Executive Director on the structured credit desk at JP Morgan and before that he was a credit correlation trader at Citigroup. He has 19 years of experience in the finance industry, during which he has been a quantitative analyst, structurer, trader, portfolio manager and risk manager in the credit markets.

The Investment Manager, Cairn Capital or any of its Affiliates may, in future, serve as an investment manager or adviser of corporations, partnerships and other entities, including entities organised to issue collateralised debt obligations secured by any combination of asset-backed securities or other obligations or securities.

THE RETENTION HOLDER AND RETENTION REQUIREMENTS

Description of the Retention Holder

The Investment Manager shall act as Retention Holder for the purposes of the Retention Requirements as a "sponsor" (as such term is defined in the CRR as at the Issue Date).

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 Class of Rated Notes remains Outstanding:

(a) undertake to subscribe for and retain, on an ongoing basis for as long as a Class of Notes remains Outstanding, Class M-1 Notes with a Principal Amount Outstanding equal to not less than 5 per cent. of the Aggregate Collateral Balance in accordance with paragraph 1(d) of Article 405 of the CRR, Article 51(1)(d) of the AIFMD Level 2 Regulation and paragraph 2(d) of Article 254 of the Solvency II Retention Requirements (the "**Retention**");

(b) agree not to sell, hedge or otherwise mitigate its credit risk under or associated with the Retention or the underlying portfolio of Collateral Debt Obligations, except to the extent permitted in accordance with the Retention Requirements;

(c) take such further action, provide such information including confirmation of its compliance with (a) and (b) above and enter into such other agreements as may reasonably be required to satisfy the Retention Requirements as of (a) the Issue Date and (b), solely as regards the provision of information in the possession of the Retention Holder and to the extent the same is not subject to a duty of confidentiality, at any time prior to maturity of the Notes;

(d) agree to confirm its continued compliance with the covenants set out at paragraphs (a) and (b) above on a monthly basis to the Issuer, the Trustee, the Collateral Administrator and the Initial Purchaser in writing (which may be by way of email);

(e) represent that it is a "sponsor" (as such term is defined in Article 4 of the CRR as at the Issue Date); and

(f) agree that it shall immediately notify the Issuer, the Trustee, the Collateral Administrator and the Initial Purchaser if for any reason it: (i) ceases to hold the Retention in accordance with (a) above; (ii) fails to comply with the covenants set out in (b) above in any way; and (iii) any of the representations contained in the Risk Retention Letter fail to be true on any date.

If a successor Investment Manager is appointed in accordance with the Investment Management Agreement, then notwithstanding the above, the Investment Manager may sell the Notes referred to in paragraph (a) above to such successor (at a price agreed by the parties to such sale) except to the extent such a sale:

(i) is restricted by the Retention Requirements; or

(ii) would cause the transaction described in this Offering Circular to be non-compliant with the Retention Requirements,

and such successor shall, enter into a Risk Retention Letter in respect of the Retention and provide representations, warranties and covenants substantially similar to those set out herein in relation to the Retention Requirements.

Retention Holder Veto

Provided that no Retention Deficiency has occurred and is continuing, no modification or any Resolution to approve the modification of the Eligibility Criteria, the Portfolio Profile Tests, the Collateral Quality Tests, the Reinvestment Criteria, or any material changes to them (save for those that are made to ensure compliance with

the Retention Requirements) will be effective without the consent in writing of the Retention Holder. If a Retention Deficiency has occurred and is continuing, the Retention Holder shall have no veto rights; however, this shall not affect the rights of the Retention Holder to exercise its rights as a Noteholder.

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 Terms and Conditions of the Notes.

Introduction

Pursuant to the Investment Management Agreement, the Investment Manager is required, or as the case may be, authorised 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 Investment Manager.

Acquisition of Collateral Debt Obligations

The Investment Manager will determine and will use commercially reasonable efforts to cause to be acquired by the Issuer a portfolio of Senior Secured Loans, Senior Secured Bonds, Corporate Rescue Loans, Unsecured Senior Loans, Second Lien Loans, Mezzanine Obligations and High Yield Bonds during the Initial Investment Period, the Reinvestment Period and thereafter, in each case, subject to the Eligibility Criteria, all in accordance with the Investment Management Agreement. The Issuer anticipates that, by the Issue Date, it or the Investment Manager on its behalf will have purchased or committed to purchase Collateral Debt Obligations, the Aggregate Principal Balance of which is equal to at least €210,000,000 which is approximately 60 per cent. of the Target Par Amount (as defined in the Conditions). The proceeds of issue of the Notes remaining after payment of: (a) the acquisition costs for the Collateral Debt Obligations acquired by the Issuer pursuant to 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 First Period Reserve Account, the Expense Reserve Account and the Unused Proceeds Account on the Issue Date. The Investment Manager acting on behalf of the Issuer, shall use commercially reasonable efforts to purchase Collateral Debt Obligations with an Aggregate Principal Balance (provided that, for the purposes of determining the Aggregate Principal Balance, any repayments or prepayments of any Collateral Debt Obligations subsequent to the Issue Date, not subsequently reinvested shall be disregarded and the Principal Balance of a Collateral Debt Obligation which is a Defaulted Obligation will be the lower of its Fitch Collateral Value and its Moody's Collateral Value) 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 Investment Manager may declare that the Initial Investment Period has ended and the Effective Date has occurred prior to 21 January 2017, subject to the Effective Date Determination Requirements being satisfied.

At any time on and after the Effective Date, the Balance standing to the credit of the Unused Proceeds Account will be transferred to the Principal Account and/or the Interest Account, in each case, at the discretion of the Investment 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 Debt Obligations, the Aggregate Principal Balance (provided that, for the purposes of determining the Aggregate Principal Balance, any repayments or prepayments of any Collateral Debt Obligations subsequent to the Issue Date, not subsequently reinvested shall be disregarded and the Principal Balance of a Collateral Debt Obligation which is a Defaulted Obligation will be the lower of its Fitch Collateral Value and its Moody's Collateral Value) of which equals or exceeds the Reinvestment Target Par Balance; and (ii) no more than 1 per cent. of the Reinvestment Target Par Balance may be transferred to the Interest Account (after taking into account all transfers to the Interest Account from such Account).

Within 10 Business Days following the Effective Date:

(a) the Collateral Administrator shall issue the Effective Date Report containing the information required in a Monthly Report, confirming whether the Issuer has acquired or entered into a binding commitment to acquire Collateral Debt Obligations having an Aggregate Principal Balance which equals or exceeds the Reinvestment Target Par Balance, copies of which shall be forwarded to the Issuer, the Trustee, the Investment Manager and the Rating Agencies (provided that, for the purposes of determining the Aggregate Principal Balance as provided above, any repayments or prepayments of any Collateral Debt Obligations subsequent to the Issue Date, not subsequently reinvested shall be disregarded and the

Principal Balance of a Collateral Debt Obligation which is a Defaulted Obligation will be the lower of its Fitch Collateral Value and its Moody's Collateral Value); and

(b) the Issuer will provide, or cause the Investment Manager to provide to the Trustee and the Collateral Administrator confirmation of receipt of an accountants' certificate recalculating and comparing the Aggregate Principal Balance of all Collateral Debt Obligations purchased or committed to be purchased as at such date and the computations and results of the Portfolio Profile Tests, the Collateral Quality Tests and the Coverage Tests (other than the Interest Coverage Tests) by reference to such Collateral Debt Obligations.

The Investment 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 Agency Confirmation shall be deemed to have been received from Moody's. If the Effective Date Moody's Condition is not satisfied within 20 Business Days following the Effective Date, the Investment Manager shall promptly notify Moody's. If (i)(a) the Effective Date Determination Requirements are not satisfied and Rating Agency Confirmation has not been received in respect of such failure; and (b) the Investment Manager (acting on behalf of the Issuer) does not present a Rating Confirmation Plan to the Rating Agencies or Rating Agency Confirmation is not received in respect of such Rating Confirmation Plan upon request therefor by the Investment Manager; or (ii) the Effective Date Moody's Condition is not satisfied and following a request therefor from the Investment Manager following the Effective Date, Rating Agency Confirmation from Moody's is not received, an Effective Date Rating Event shall have occurred, provided that any downgrade or withdrawal of the Initial Ratings of the Rated Notes which is not directly related to a request for confirmation thereof or which occurs after confirmation thereof by the Rating Agencies shall not constitute an Effective Date Rating Event. If an Effective Date Rating Event has occurred and is continuing on the Business Day prior to the 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 Investment 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 Investment Manager (acting on behalf of the Issuer) may prepare and present to the Rating Agencies a Rating Confirmation Plan setting forth the timing and manner of acquisition of additional Collateral Debt Obligations and/or any other intended action which will cause confirmation or reinstatement of the Initial Ratings. The Investment 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 Debt 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 Investment Manager in its reasonable discretion:

(a) it is a Senior Secured Loan, a Senior Secured Bond, an Unsecured Senior Loan, a Mezzanine Obligation, a Second Lien Loan or a High Yield Bond;

(b) it is (i) denominated in Euro or (ii) is denominated in a Qualifying Currency other than Euro and no later than the settlement date of the acquisition thereof the Issuer (or the Investment Manager on its behalf) enters into an Currency Hedge Transaction with a notional amount in the relevant currency equal to the aggregate principal amount of such obligation and otherwise complies with the requirements set out in respect of such obligation in the Investment Management Agreement and (iii) is not convertible into or payable in any other currency;

(c) it is not a Defaulted Obligation or a Credit Impaired Obligation;

(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;

(h) it is not convertible into equity and 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 will not be subject to withholding tax (other than U.S. withholding tax imposed on commitment fees, amendment fees, waiver fees, consent fees, letter of credit fees, extension fees, or other similar fees) imposed by any jurisdiction unless either: (i) such withholding tax can, upon completion of the procedural formalities, be sheltered by application being made under the applicable double tax treaty or otherwise; or (ii) the Obligor is required to make "gross-up" payments to the Issuer that cover the full amount of any such withholding on an after-tax basis;

(j) other than in the case of a Corporate Rescue Loan, it has a Fitch Rating of not lower than "CCC" and a Moody's Rating of not lower than "Caa3";

(k) it is not a debt obligation whose repayment is subject to substantial non-credit related risk;

(l) it will not result in the imposition of any present or future, actual or contingent, monetary liabilities or obligations of the Issuer other than those: (i) which may arise at its option; (ii) which are fully collateralised; (iii) which are subject to limited recourse provisions similar to those set out in the Trust Deed; (iv) which are owed to the agent bank in relation to the performance of its duties under a Collateral Debt Obligation; or (v) which may arise as a result of an undertaking to participate in a financial restructuring of a Collateral Debt Obligation where such undertaking is contingent upon the redemption in full of such Collateral Debt Obligation on or before the time by which the Issuer is obliged to enter into the restructured Collateral Debt Obligation and where the restructured Collateral Debt Obligation satisfies the Eligibility Criteria and for the avoidance of doubt, the Issuer is not liable to pay any amounts in respect of a restructuring, provided that, in respect of this paragraph (l) 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 obligation;

(m) it will not require the Issuer or the pool of collateral to be registered as an investment company under the Investment Company Act;

(n) it is not a debt obligation that pays scheduled interest less frequently than semi-annually (other than, for the avoidance of doubt, PIK Securities);

(o) it is not subject to a tender offer, voluntary redemption, exchange offer, conversion or other similar action for a price less than its par amount plus all accrued and unpaid interest;

(p) the Collateral Debt Obligation Stated Maturity thereof falls prior to the Maturity Date of the Notes;

(q) its acquisition by the Issuer will not result in the imposition of stamp duty, stamp duty reserve tax or similar tax or duty payable by the Issuer or by any person entitled to recover the same from the Issuer, unless such stamp duty, stamp duty reserve tax or similar tax or duty has been included in the purchase price of such Collateral Debt Obligation;

(r) upon acquisition, both (i) the Collateral Debt Obligation is capable of being, and will be, the subject of a first fixed charge, a first priority security interest or other similar security interest having first ranking priority and having a similar commercial effect in favour of the Trustee for the benefit of the Secured Parties and (ii) (subject to (i) above) the Issuer (or the Investment Manager on behalf of the Issuer) has notified the Trustee in the event that any Collateral Debt 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;

(s) is not an obligation of a borrower who or which is resident in or incorporated under the laws of The Netherlands and who or which is not acting in the conduct of a business or profession;

(t) is not a Dutch Ineligible Security;

(u) it is an obligation in respect of which the Obligor (or the guarantor of such obligation) is Domiciled in a Qualifying Country, as determined by the Investment Manager;

(v) it has not been called for, and is not subject to a pending, redemption;

(w) it is capable of being sold, assigned or participated to the Issuer, together with any associated security, without any breach of applicable selling restrictions or of any contractual provisions;

(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 must require the consent of at least 66⅔ per cent. of the lenders to the Obligor thereunder for any change that is adverse to the interests of 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 Debt Obligation that is a bond, such percentage requirement shall refer to the percentage of holders required to approve a resolution on any such matter, either as a percentage of those attending a quorate bondholder meeting or as a percentage of all bondholders acting by way of a written resolution;

(z) it is not a Project Finance Loan;

(aa) if it pays U.S.-source interest or is "registration required", it is in registered form for U.S. federal income tax purposes;

(bb) it is not a Deferring Security;

(cc) if it is a Revolving Obligation or Delayed Drawdown Collateral Debt Obligation, it can only be drawn in Euro;

(dd) it is not a Step-Down Coupon Security;

(ee) is not an obligation in respect of which the Obligor is Domiciled in a country or jurisdiction that has a Moody's local currency country risk ceiling rating of less than "A3";

(ff) it is not an obligation of an Obligor that has total current indebtedness (comprised of all drawn and undrawn financial debt owing by the Obligor including the maximum available amount or total commitment under any revolving or delayed draw loans) of less than EUR 100,000,000; and

(gg) the purchase price of such obligation is not less than 60% of the outstanding principal balance thereof.

A Step-Up Coupon Security that otherwise satisfies the Eligibility Criteria on the date the Issuer (or the Investment Manager on its behalf) enters into a binding commitment to purchase such obligation shall constitute a Collateral Debt Obligation.

Other than (i) Issue Date Collateral Debt Obligations which must satisfy the Eligibility Criteria on the Issue Date and (ii) Collateral Debt Obligations which are the subject of a restructuring (whether effected by way of an amendment to the terms of such Collateral Debt 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 Debt Obligation to satisfy any of the Eligibility Criteria shall not prevent any obligation which would otherwise be a Collateral Debt Obligation from being a Collateral Debt Obligation so long as such obligation satisfied the Eligibility Criteria, when the Issuer or the Investment Manager on behalf of the Issuer entered into a binding agreement to purchase such obligation.

"**Project Finance Loan**" means a loan obligation under which the obligor is obliged to make payments that depend (except for rights or other assets designed to assure the servicing or timely distribution of payments) on revenues arising from infrastructure assets, including, without limitation:

(a) the sale of products, such as electricity, water, gas or oil, generated by one or more infrastructure assets in the utility industry by a special purpose entity; and

(b) fees charged in respect of one or more highways, bridges, tunnels, pipelines or other infrastructure assets by a special purpose entity, and

in each case, the sole activity of such special purpose entity is the ownership and/or management of such asset or assets and the acquisition and/or development of such asset by the special purpose entity was effected primarily with the proceeds of debt financing made available to it on a limited recourse basis.

"**Synthetic Security**" means a security or swap transaction (other than a letter of credit or a Participation) that has payments of interest or principal on a reference obligation or the credit performance of a reference obligation.

"**Step-Down Coupon Security**" means a security the interest rate of which decreases over a specified period of time other than due to the decrease of the floating rate index applicable to such security.

"**Step-Up Coupon Security**" means a security the interest rate of which increases over a specified period of time other than due to the increase of the floating rate index applicable to such security.

"**Zero Coupon Security**" means a security (other than a Step Up Coupon Security) that, at the time of determination, does not provide for periodic payments of interest.

Restructured Obligations

If a Collateral Debt Obligation becomes the subject of a restructuring whether effected by way of an amendment to the terms of such Collateral Debt Obligation (including but not limited to an amendment of its maturity date) or by way of substitution of new obligations and/or change of Obligor, such obligation shall only constitute a Restructured Obligation if such obligation satisfies each of the criteria comprising the Eligibility Criteria other than the criteria set out at paragraphs (c), (i), (j), (p), (v) (but only if notwithstanding the fact that a Collateral Debt Obligation is subject to a pending redemption, the redemption price of such Collateral Debt Obligation is expected to be 100 per cent. of the Principal Balance of such Collateral Debt Obligation) and (dd) thereof, as determined by the Investment Manager in its reasonable discretion, (such applicable criteria, the "**Restructured Obligation Criteria**").

The repayment of a Collateral Debt Obligation, in circumstances whereby the redemption proceeds are rolled as consideration for a new obligation (including by way of a "cashless roll"), shall be treated as an acquisition by the Issuer of a new Collateral Debt Obligation and not as the acquisition of a Restructured Obligation.

Management of the Portfolio

Overview

The Investment Manager (acting on behalf of the Issuer) is permitted, in certain circumstances and, subject to certain requirements, to sell Collateral Debt Obligations and Exchanged Securities and to reinvest the Sale Proceeds thereof in Substitute Collateral Debt Obligations. The Investment Manager shall notify the Collateral Administrator of all necessary details of the Collateral Debt Obligation or Exchanged Security to be sold and the proposed Substitute Collateral Debt Obligation to be purchased and the Collateral Administrator (on behalf of the Issuer) shall calculate and shall provide confirmation to the Issuer and Investment Manager of whether the Portfolio Profile Tests and the other applicable Reinvestment Criteria and/or sale conditions 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 Investment Manager of the reasons and the extent to which such criteria are not so satisfied, maintained or improved.

The Investment Manager will subject to the Standard of Care (as such term is defined in the Investment Management Agreement) to which it is subject under the Investment Management Agreement, determine and use reasonable endeavours to cause to be purchased by the Issuer, Collateral Debt Obligations (including all Substitute Collateral Debt Obligations) taking into account the Eligibility Criteria and, where applicable, the Reinvestment Criteria and the guidelines in the Investment Management Agreement and will monitor the performance of the Collateral Debt Obligations on an ongoing basis to the extent practicable using sources of information reasonably available to it and provided that the Investment Manager shall not be responsible for determining whether or not the terms of any individual Collateral Debt Obligation have been observed.

The activities referred to below that the Investment Manager may undertake on behalf of the Issuer are subject to the Issuer's, monitoring of the performance of the Investment Manager under the Investment Management Agreement.

Sale of Collateral Debt Obligations

Sale of Issue Date Collateral Debt Obligations

The Investment Manager, acting on behalf of the Issuer shall sell any Issue Date Collateral Debt Obligations which do not comply with the Eligibility Criteria on the Issue Date (each a "**Non-Eligible Issue Date Collateral Debt Obligation**"). Any Sale Proceeds received in connection therewith may be reinvested in Substitute Collateral Debt Obligations or credited to the Principal Account pending such reinvestment.

Terms and Conditions applicable to the Sale of Credit Impaired Obligations, Credit Improved Obligations and Defaulted Obligations

Credit Impaired Obligations, Credit Improved Obligations and Defaulted Obligations may be sold at any time by the Investment Manager (acting on behalf of the Issuer) subject to:

(a) the Investment Manager's knowledge, no Event of Default having occurred which is continuing; and

(b) the Investment Manager certifying to the Trustee and the Collateral Administrator that it believes, in its reasonable commercial judgment, that such security constitutes a Credit Impaired Obligation, a Credit Improved Obligation or a Defaulted Obligation as the case may be.

Terms and Conditions applicable to the Sale of Exchanged Securities

Any Exchanged Security may be sold at any time by the Investment Manager in its discretion (acting on behalf of the Issuer) subject to, to the Investment Manager's knowledge, no Event of Default having occurred which is continuing.

In addition to any discretionary sale of Exchanged Securities as provided above, the Investment Manager shall be required by the Issuer to use its commercially reasonable efforts to sell (on behalf of the Issuer) any Exchanged Security which constitutes (a) Margin Stock, as soon as practicable upon its receipt or upon its becoming Margin Stock (as applicable); or (b) a Dutch Ineligible Security, as soon as practicable upon its receipt.

Discretionary Sales

The Issuer or the Investment Manager (acting on behalf of the Issuer) may dispose of any Collateral Debt Obligation (other than a Non Eligible Issue Date Collateral Debt Obligation, a Credit Improved Obligation, a Credit Impaired Obligation, a Defaulted Obligation or an Exchanged Security, each of which may only be sold in the circumstances provided above) at any time (other than during a Restricted Trading Period) provided:

(a) to the Investment Manager's knowledge, no Event of Default having occurred which is continuing;

(b) after giving effect to such sale, the Aggregate Principal Balance outstanding of all Collateral Debt Obligations sold as described in this paragraph during the preceding 12 calendar months (or, for the first 12 calendar months after the Issue Date, during the period commencing on the Effective Date) is not greater than 25 per cent. of the Aggregate Collateral Balance as of the first day of such 12 calendar month period (or as of the Effective Date, as the case may be); and

(c) either:

    (i) during the Reinvestment Period, the Investment Manager reasonably believes prior to such sale that it will be able to enter one or more binding commitments to reinvest all or a portion of the Sale Proceeds in one or more additional Collateral Debt Obligations with an Aggregate Principal Balance outstanding at least equal to the Investment Criteria Adjusted Balance of such sold Collateral Debt Obligation within 45 days after the settlement of such sale in accordance with the Reinvestment Criteria; or

(ii) at any time, either: (1) the Sale Proceeds from such sale are at least equal to the Investment Criteria Adjusted Balance of such Collateral Debt Obligation; or (2) after giving effect to such sale, the Aggregate Principal Balance outstanding of all Collateral Debt Obligations (excluding the Collateral Debt 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 Fitch Collateral Value and its Moody's Collateral Value) *plus*, without duplication, the amounts on deposit in the Principal Account and the Unused Proceeds Account (including Eligible Investments therein save for interest accrued on Eligible Investments) will be greater than (or equal to) the Reinvestment Target Par Balance.

"**Investment Criteria Adjusted Balance**" means with respect to a Collateral Debt Obligation, the Principal Balance of such Collateral Debt Obligation, provided that the Investment Criteria Adjusted Balance of:

(a) a Deferring Security shall be the lesser of:

(i) its Fitch Collateral Value; and

(ii) its Moody's Collateral Value,

(b) a Discount Obligation shall be the product of such obligation's:

(i) purchase price (expressed as a percentage of par); and

(ii) Principal Balance,

(c) a Collateral Debt Obligation which has been included in the calculation of the CCC/Caa Excess shall be its Market Value, multiplied by the Principal Balance of such Collateral Debt Obligation,

provided that if a Collateral Debt Obligation satisfies two or more of (a) through (c) above, the Investment Criteria Adjusted Balance of such Collateral Debt Obligation shall be calculated using the category which results in the lowest value.

Sale of Collateral Prior to Maturity Date

In the event of: (i) any redemption of the Rated Notes in whole prior to the Maturity Date; or (ii) receipt of notification from the Trustee of enforcement of the security over the Collateral; the Investment Manager (acting on behalf of the Issuer) will (at the direction of the Trustee following the enforcement of such security), as far as practicable, arrange for liquidation of the Collateral in order to procure that the proceeds thereof are in immediately available funds by the Business Day prior to the applicable Redemption Date or 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 Investment Management Agreement but without regard to the limitations set out in clause 4 (*Sale and Reinvestment of Portfolio Assets*) and Schedule 5 (*Reinvestment Criteria*) of the Investment Management Agreement (which will include any limitations or restrictions set out in the Conditions of the Notes and the Trust Deed).
Sale of Assets which do not Constitute Collateral Debt Obligations

In the event that an asset did not satisfy the Eligibility Criteria on the date it was required to do so in accordance with the Investment Management Agreement, the Investment 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 Debt Obligations

"**Reinvestment Criteria**" means, during the Reinvestment Period, the criteria set out under "*During the Reinvestment Period*" below and following the expiry of the Reinvestment Period, the criteria set out below under "*Following the Expiry of the Reinvestment Period*". The Reinvestment Criteria shall not apply prior to the Effective Date or in the case of a Collateral Debt Obligation which has been restructured where such restructuring has become binding on the holders thereof regardless of whether such obligation satisfies the Restructured Obligation Criteria other than in respect of Principal Proceeds required for such restructuring.

During the Reinvestment Period

During the Reinvestment Period, the Investment Manager (acting on behalf of the Issuer) may, at its discretion, reinvest any Principal Proceeds in the purchase of Substitute Collateral Debt Obligations satisfying the Eligibility Criteria provided that immediately after entering into a binding commitment to acquire such Collateral Debt Obligation and taking into account existing commitments, the criteria set out below must be satisfied:

(a) to the Investment Manager's knowledge, no Event of Default has occurred that is continuing at the time of such purchase;

(b) the Coverage Tests (other than prior to the Determination Date immediately preceding the second Payment Date, the Interest Coverage Tests) are satisfied or if (other than with respect to the reinvestment of any proceeds received upon the sale of, or as a recovery on, any Defaulted Obligation, in respect of which such proceeds may only be reinvested if the Coverage Tests will be satisfied immediately following such reinvestment) as calculated immediately prior to sale or prepayment (in whole or in part) of the relevant Collateral Debt Obligation the Principal Proceeds of which are being reinvested, any Coverage Test was not satisfied, the coverage ratio relating to such test will be maintained or improved after giving effect to such reinvestment when compared with the result of such test immediately prior to sale or prepayment (in whole or in part) of the relevant Collateral Debt Obligation;

(c) in the case of a Substitute Collateral Debt Obligation purchased with Sale Proceeds of a Credit Impaired Obligation or a Defaulted Obligation either:

    (i) the Aggregate Principal Balance of all Substitute Collateral Debt 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 Fitch Collateral Value and its Moody's Collateral Value) of all Collateral Debt Obligations (excluding all of the Collateral Debt Obligations being sold but including, without duplication, the Collateral Debt Obligations being purchased and the anticipated cash proceeds, if any, of such sale that are not applied to the purchase of such Substitute Collateral Debt Obligation); and (B) amounts standing to the credit of the Principal Account and Unused Proceeds Account (including any Eligible Investments (save for interest accrued on Eligible Investments)) is greater than the Reinvestment Target Par Balance;

(d) in the case of a Substitute Collateral Debt Obligation purchased with Sale Proceeds of a Credit Improved Obligation either:

    (i) the Aggregate Principal Balance shall be maintained or improved after giving effect to such reinvestment when compared with the Aggregate Principal Balance immediately prior to the sale of the relevant Credit Improved Obligation; or

    (ii) the sum of: (A) the Aggregate Principal Balance of all Collateral Debt Obligations (excluding all of the Collateral Debt Obligations being sold but including, without duplication, the Collateral Debt Obligations being purchased and the anticipated cash proceeds, if any, of such sale that are not applied to the purchase of such Substitute Collateral Debt Obligation and where for such purpose the Principal Balance of each Defaulted Obligation shall be multiplied by its Market Value); and (B) amounts standing to the credit of the Principal Account and Unused Proceeds Account (including any Eligible Investments (save for interest accrued on Eligible Investments)) is equal to or greater than the Reinvestment Target Par Balance;

(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 the Collateral Quality Tests are not satisfied such test will be maintained or improved after giving effect to such reinvestment when compared with the results of such tests immediately prior to the sale or prepayment (in whole or in part) of the relevant Collateral Debt Obligation;

(f) the date on which the Issuer (or the Investment Manager acting on behalf of the Issuer) enters into a binding commitment to purchase such Substitute Collateral Debt Obligation occurs during the Reinvestment Period;

(g) with respect to the reinvestment of Sale Proceeds (other than Sale Proceeds from Credit Improved Obligations, Credit Impaired Obligations, Defaulted Obligations and Exchanged Securities) either:

(i) the Aggregate Principal Balance of all Collateral Debt Obligations shall be maintained or improved after giving effect to such reinvestment when compared with the Aggregate Principal Balance immediately prior to the sale that generates such Sale Proceeds; or

(ii) after giving effect to such sale, the sum of: (A) the Aggregate Principal Balance of all Collateral Debt Obligations (excluding all of the Collateral Debt Obligations being sold but including, without duplication, the Substitute Collateral Debt Obligations being purchased and the anticipated cash proceeds, if any, of such sale that are not applied to the purchase of such Substitute Collateral Debt Obligations and where for such purpose the Principal Balance of each Defaulted Obligation shall be multiplied by its Market Value); and (B) amounts standing to the credit of the Principal Account and Unused Proceeds Account (including any Eligible Investments (save for interest accrued on Eligible Investments)) is equal to or greater than the Reinvestment Target Par Balance; and

(h) such reinvestment will not cause a Retention Deficiency.

Following the Expiry of the Reinvestment Period

Following the expiry of the Reinvestment Period, Unscheduled Principal Proceeds and Sale Proceeds from the sale of Credit Impaired Obligations and Credit Improved Obligations, only, may be reinvested by the Investment Manager (acting on behalf of the Issuer) in one or more Substitute Collateral Debt Obligations satisfying the Eligibility Criteria, in each case provided that:

(a) the Aggregate Principal Balance of such Substitute Collateral Debt Obligations equals or exceeds (i) the Aggregate Principal Balance of the related Collateral Debt Obligations that produced such Unscheduled Principal Proceeds or Sale Proceeds or (ii) the amount of Sale Proceeds of such Credit Impaired Obligations, as the case may be;

(b) the Moody's Maximum Weighted Average Rating Factor Test is satisfied after giving effect to such reinvestment;

(c) immediately after giving effect to such reinvestment, not more than 7.5% of the Aggregate Collateral Balance consists of obligations which are CCC Obligations and not more than 7.5% of the Aggregate Collateral Balance consists of obligations which are Caa Obligations;

(d) each Coverage Test is satisfied immediately before and after giving effect to such reinvestment;

(e) the Weighted Average Life Test is satisfied immediately after giving effect to such reinvestment;

(f) either: (i) the Portfolio Profile Tests and the Collateral Quality Tests (except the Moody's Maximum Weighted Average Rating Factor Test, the Weighted Average Life Test and the Moody's Minimum Diversity 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 Investment Manager's knowledge, no Event of Default has occurred that is continuing at the time of such reinvestment;

(h) the Collateral Debt Obligation Stated Maturity of each Substitute Collateral Debt Obligation is the same as or earlier than the Collateral Debt Obligation Stated Maturity of the Collateral Debt Obligation that produced such Unscheduled Principal Proceeds or Sale Proceeds;

(i) such reinvestment will not cause a Retention Deficiency; and

(j) a Restricted Trading Period is not currently in effect.

Following the expiry of the Reinvestment Period, any Unscheduled Principal Proceeds and any Sale Proceeds from the sale of Credit Impaired Obligations and Credit Improved Obligations that have not been reinvested as provided above prior to the end of the Due Period in which such proceeds were received shall be paid into the Principal Account and disbursed in accordance with the Principal Proceeds Priority of Payments on the following Payment Date (subject as provided at the end of this paragraph), save that the Investment 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 Impaired Obligations and Credit Improved Obligations are paid into the Principal Account and designated for reinvestment in Substitute Collateral Debt Obligations, in which case such Principal Proceeds shall not be so disbursed in accordance with the Principal Proceeds Priority of Payments for so long as they remain so designated for reinvestment but in any event that no longer than the later of (a) 60 Business Days following receipt thereof by the Issuer; and (b) (i) prior to the occurrence of a Frequency Switch Event, the immediately following Payment Date; or (ii) following the occurrence of a Frequency Switch Event, the earlier of (x) the immediately following Payment Date and (y) 90 Business Days following receipt by the Issuer; provided that, in each case where any of the applicable Reinvestment Criteria are not satisfied as of the Payment Date next following receipt of such Sale Proceeds or Unscheduled Principal Proceeds, all such funds shall be paid into the Principal Account and disbursed in accordance with the Principal Proceeds Priority of Payments set out in Condition 3(c)(ii) (*Application of Principal Proceeds*) and such funds shall be applied only in redemption of the Notes in accordance with the Priorities of Payments.

Amendments to Collateral Debt Obligation Stated Maturities of Collateral Debt Obligations

The Issuer (or the Investment Manager on the Issuer's behalf) may vote in favour of a Maturity Amendment only if, after giving effect to such Maturity Amendment: (i) during the Reinvestment Period: (a) the Collateral Debt Obligation Stated Maturity of the Collateral Debt Obligation that is the subject of such Maturity Amendment immediately following such amendment is not later than 18 months prior to the Maturity Date of the Rated Notes; and (b) the Weighted Average Life Test is satisfied; and (ii) following the expiry of the Reinvestment Period: (a) the Collateral Debt Obligation Stated Maturity of the Collateral Debt Obligation that is the subject of such Maturity Amendment immediately following such amendment is not later than 18 months prior to the Maturity Date of the Rated Notes; (b) in the reasonable judgment of the Investment Manager, not voting in favour of such Maturity Amendment would be likely to have an adverse effect on the Issuer or the Noteholders; and (c) the Weighted Average Life Test is satisfied. If the Issuer (or the Investment Manager on its behalf) has not voted in favour of a Maturity Amendment which would contravene the requirements of this paragraph but the Collateral Debt Obligation Stated Maturity has been extended, by way of scheme or arrangement or otherwise, the Issuer or the Investment Manager acting on its behalf may but shall not be required to sell such Collateral Debt Obligation provided that in any event the Investment Manager shall dispose of such Collateral Debt Obligation prior to the Maturity Date. Such proceeds shall constitute Sale Proceeds and may be reinvested in accordance with and subject to the Reinvestment Criteria.

"**Maturity Amendment**" means with respect to any Collateral Debt Obligation, any waiver, refinancing, modification, amendment or variance that would extend the Collateral Debt Obligation Stated Maturity of such Collateral Debt Obligation. For the avoidance of doubt, a waiver, refinancing, modification, amendment or variance that would extend the Collateral Debt Obligation Stated Maturity of the credit facility of which a Collateral Debt Obligation is part, but would not extend the Collateral Debt Obligation Stated Maturity of the Collateral Debt Obligation held by the Issuer, does not constitute a Maturity Amendment.

Expiry of the Reinvestment Criteria Certification

Immediately preceding the end of the Reinvestment Period, the Investment Manager will deliver to the Trustee and the Collateral Administrator a schedule of Collateral Debt Obligations purchased by the Issuer with respect to which purchases the trade date has occurred but the settlement date has not yet occurred and will certify to the Trustee that sufficient Principal Proceeds are available (including for this purpose, cash on deposit in the Principal Account, any scheduled distributions of Principal Proceeds, as well as any Principal Proceeds that will be received by the Issuer from the sale of Collateral Debt Obligations for which the trade date has already occurred but the settlement date has not yet occurred) to effect the settlement of such Collateral Debt Obligations.

Reinvestment Overcollateralisation Test

During the Reinvestment Period only, if, on any Payment Date during such period after giving effect to the payment of all amounts payable in respect of paragraphs (A) through (V) (inclusive) of the Interest Proceeds Priority of Payments, the Reinvestment Overcollateralisation Test has not been satisfied, then on the related

Payment Date, Interest Proceeds shall be paid to the Principal Account for the acquisition of additional Collateral Debt Obligations in an amount (such amount, the "**Required Diversion Amount**") equal to the lesser of (1) 50 per cent. of all remaining Interest Proceeds available for payment and (2) the amount which, after giving effect to the payment of all amounts payable in respect of paragraphs (A) through (V) (inclusive) of the Interest Proceeds Priority of Payments, would be sufficient to cause the Reinvestment Overcollateralisation Test to be satisfied, provided that such payment would not, in the determination of the Collateral Administrator (with such consultation with the Investment Manager and the Retention Holder as the Collateral Administrator deems necessary), cause (or would not be likely to cause) a Retention Deficiency.

Designation for Reinvestment

After the expiry of the Reinvestment Period, the Investment Manager shall, one Business Day following each Determination Date, notify the Issuer and the Collateral Administrator in writing of all Principal Proceeds which the Investment Manager determines in its discretion (acting on behalf of the Issuer, and subject to the terms of Investment Management Agreement as described above) shall remain designated for reinvestment in accordance with the Reinvestment Criteria, on or after the following Payment Date in which event such Principal Proceeds shall not constitute Principal Proceeds which are to be paid into the Payment Account and disbursed on such Payment Date in accordance with the Priorities of Payments.

The Investment Manager (acting on behalf of the Issuer) may direct that the proceeds of sale of any Collateral Debt Obligation which represents accrued interest be designated as Interest Proceeds and paid into the Interest Account save for: (i) Purchased Accrued Interest; (ii) Ramp Accrued Interest (iii) 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; (iv) any interest received in respect of a Defaulted Obligation for so long as it is a Defaulted Obligation other than Defaulted Obligation Excess Amounts; and (v) proceeds representing deferred interest accrued in respect of any PIK Security.

Accrued Interest

Amounts included in the purchase price of any Collateral Debt Obligation comprising accrued interest thereon may be paid from the Interest Account, the Principal Account or the Unused Proceeds Account at the discretion of the Investment Manager (acting on behalf of the Issuer) but subject to the terms of the Investment Management Agreement and Condition 3(j) (*Payments to and from the Accounts*). Notwithstanding the foregoing, in any Due Period, all payments of interest and proceeds of sale received during such Due Period in relation to any Collateral Debt Obligation, in each case, to the extent that such amounts represent accrued and/or capitalised interest in respect of such Collateral Debt Obligation (including, in respect of a Mezzanine Obligation, any accrued interest which, as at the time of purchase, had been capitalised and added to the principal amount of such Mezzanine Obligation in accordance with its terms), which was purchased at the time of acquisition thereof with Principal Proceeds (other than Ramp Accrued Interest) shall constitute Purchased Accrued Interest and shall be deposited into the Principal Account as Principal Proceeds. Ramp Accrued Interest shall be deposited into the Unused Proceeds Account.

Unsaleable Assets

Notwithstanding the other requirements set forth herein and in the Trust Deed, on any Business Day after the Reinvestment Period, the Investment Manager, acting in a commercially reasonable manner, may conduct an auction on behalf of the Issuer of Unsaleable Assets (as defined below) in accordance with the procedures described in this paragraph provided that no such auction shall take place unless a redemption of the Notes in full in accordance with the Conditions is contemplated or scheduled to occur within three months of such auction. Promptly after receipt of written notice from the Investment Manager of such auction, the Principal Paying Agent will provide notice (in such form as is prepared by the Investment Manager (including the contact details of the Investment Manager)) to the Noteholders (in accordance with the Conditions) 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 and delivery instructions to the Principal Paying Agent to be passed on to the Collateral Administrator including the account to which the Unsaleable Asset is to be delivered if the bid is accepted; (iii) if no Noteholder submits such a bid within the time period specified under clause (i) above, unless the Investment 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 (in accordance with Condition 16 (*Notices*) and the Investment Manager shall offer to deliver (at such Noteholder's expense) a *pro rata* portion (as determined by the Investment Manager) of each unsold Unsaleable Asset to the Noteholders or beneficial owners of the most senior Class that provide delivery instructions to the Principal Paying Agent 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 upon the instruction of the Investment Manager will distribute the Unsaleable Assets on a *pro rata* basis to the extent possible and the Investment 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 to the account specified in the delivery instructions; and (iv) if no such Noteholder or beneficial owner provides delivery instructions to the Principal Paying Agent to be passed on to the Collateral Administrator, the Collateral Administrator will promptly notify the Investment Manager and offer to deliver (at the cost of the Investment Manager) the Unsaleable Asset to the Investment Manager. If the Investment Manager declines such offer, the Collateral Administrator will take such action as directed by the Investment Manager (on behalf of the Issuer) in writing to dispose of the Unsaleable Asset, which may be by donation to a charity, abandonment or other means. For the avoidance of doubt, any sale or delivery or other transfer or disposal of an Unsaleable Asset in the circumstances contemplated in this paragraph shall not affect the Principal Amount Outstanding of any Notes.

"**Unsaleable Assets**" means (a)(i) a Defaulted Obligation or (ii) an obligation received in connection with an Offer, in a restructuring or plan of reorganisation with respect to the obligor, in each case, in respect of which the Issuer has not received a payment in cash during the preceding 12 months or (b) any Collateral Debt Obligation or Eligible Investment identified in an officer's certificate of the Investment Manager as having a Market Value multiplied by its Principal Balance of less than Euro 1,000, in the case of each of (a) and (b) with respect to which the Investment Manager confirms to the Trustee that (x) it has made commercially reasonable endeavours to dispose of such obligation for at least 90 days and (y) in its commercially reasonable judgment such obligation is not expected to be saleable in the foreseeable future.

Block Trades

The requirements described herein with respect to the Portfolio shall be deemed to be satisfied upon any sale and/or purchase of Collateral Debt Obligations on any day in the event that such Collateral Debt Obligations satisfy such requirements in aggregate rather than on an individual basis.

For the purpose of calculating compliance with the Reinvestment Criteria, at the election of the Investment Manager in its sole discretion, any proposed investment (whether a single Collateral Debt Obligation or a group of Collateral Debt Obligations) identified by the Investment Manager as such at the time (the "**Initial Trading Plan Calculation Date**") when compliance with the Reinvestment Criteria is required to be calculated (a "**Trading Plan**") may be evaluated after giving effect to all sales and reinvestments proposed to be entered into within the 20 Business Days following the date of determination of such compliance (such period, the "**Trading Plan Period**"); provided that: (i) no Trading Plan may result in the purchase of Collateral Debt Obligations having an Aggregate Principal Balance that exceeds 5 per cent. of the Aggregate Collateral Balance (excluding Defaulted Obligations) as of the first day of the Trading Plan Period; (ii) no Trading Plan Period may include a Payment Date; and (iii) no more than one Trading Plan may be in effect at any time during a Trading Plan Period; provided that no Trading Plan may result in the averaging of the purchase price of a Collateral Debt Obligation or Collateral Debt Obligations purchased at separate times for purposes of determining whether any particular Collateral Debt Obligation is a Discount Obligation.

Eligible Investments

The Issuer or the Investment 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 any Counterparty Downgrade Collateral Account, the Collection Account, the Unfunded Revolver Reserve Account and the Payment Account). For the avoidance of doubt, Eligible Investments may be sold by the Issuer or the Investment Manager (acting on behalf of the Issuer) at any time.

Collateral Enhancement Obligations

The Investment 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 Debt 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 Collateral Enhancement Account at the relevant time. Pursuant to Condition 3(j)(vi) (*Collateral Enhancement Account*), such Balance shall be comprised of all sums deposited therein from time to time which will comprise interest and/or principal payable in respect of the Subordinated Notes which the Investment Manager acting on behalf of the Issuer, determines shall be paid into the Collateral Enhancement Account pursuant to the Priorities of Payments rather than being paid to the Subordinated Noteholders.

Collateral Enhancement Obligations may be sold at any time and all Collateral Enhancement Obligation Proceeds received by the Issuer shall be deposited into the Collateral Enhancement Account.

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

Exercise of Warrants and Options

The Investment Manager acting on behalf of the Issuer, may, at any time exercise a warrant or option attached to a Collateral Debt Obligation or comprised in a Collateral Enhancement Obligation and shall on behalf of the Issuer instruct the Account Bank to make any necessary payment pursuant to a duly completed form of instruction.

Margin Stock

The Investment Management Agreement requires that the Investment Manager, on behalf of the Issuer, shall use reasonable endeavours to sell any Collateral Debt Obligation, Exchanged Security or Collateral Enhancement Obligation which is or at any time becomes Margin Stock as soon as practicable following such event.

"**Margin Stock**" means margin stock as defined under Regulation U issued by the Federal Reserve Board, including any debt security which is by its terms convertible into Margin Stock.

Non-Euro Obligations

The Investment Manager shall be authorised to purchase, on behalf of the Issuer, Non-Euro Obligations from time to time provided that any such Non-Euro Obligation shall only constitute a Collateral Debt Obligation that satisfies paragraph (b) of the Eligibility Criteria if not later than the settlement date of acquisition thereof, the Investment Manager procures entry by the Issuer into a Currency Hedge Transaction pursuant to which the currency risk arising from receipt of cash flows from such Non-Euro Obligation, including interest and principal payments, is hedged through the swapping of such cash flows for Euro payments to be made by an Currency Hedge Counterparty. The Investment Manager (on behalf of the Issuer) shall be authorised to enter into spot exchange transactions, as necessary, to fund the Issuer's payment obligations under any Currency Hedge Transaction. Rating Agency Confirmation shall be required in relation to entry into each Currency Hedge Transaction unless such Currency Hedge Transaction is a Form Approved Hedge. See "*Hedging Arrangements*".

In the event that a Non-Euro Obligation is subject to any readjustment, restructuring, refinancing or rescheduling (howsoever described) (a "**Debt Restructuring**"), then the Investment Manager shall, in any negotiations in respect thereof, take into account the effect of such Debt Restructuring on the terms of any Currency Hedge Transaction in respect of the Non-Euro Obligation.

Revolving Obligations and Delayed Drawdown Collateral Debt Obligations

The Investment Manager acting on behalf of the Issuer, may acquire Collateral Debt Obligations which are Revolving Obligations or Delayed Drawdown Collateral Debt Obligations from time to time.

Such Revolving Obligations and Delayed Drawdown Collateral Debt 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 Debt Obligation will, pursuant to its terms, require the Issuer to make one or more future advances or other extensions of credit (including extensions of credit made on an unfunded basis pursuant to which the Issuer may be required to reimburse the provider of a guarantee or other ancillary facilities made available to the obligor thereof in the event of any default by the obligor thereof in respect of its reimbursement obligations in connection therewith). Such Revolving Obligations and Delayed Drawdown Collateral Debt Obligations may or may not provide that they may be repaid and reborrowed from time to time by the Obligor thereunder. Upon acquisition of any Revolving Obligations and Delayed Drawdown Collateral Debt Obligations, the Issuer shall deposit into the Unfunded Revolver Reserve Account amounts equal to the combined aggregate principal amounts of the Unfunded Amounts under each of the Revolving Obligations and Delayed Drawdown Collateral Debt Obligations. To the extent required, the Issuer, or the Investment 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 Debt Obligation, as applicable and upon receipt of an Issuer Order (as defined in the Investment Management Agreement) the Trustee shall be deemed to have released such amounts from the security granted thereover pursuant to the Trust Deed.

Participations

The Investment Manager acting on behalf of the Issuer, may from time to time acquire Collateral Debt Obligations from Selling Institutions by way of Participation provided that at the time such Participation is taken:

(a) the percentage of the Aggregate Collateral Balance that represents Participations (including sub-participations) entered into by the Issuer with a single Selling Institution will not exceed the individual and aggregate percentages set forth in the Bivariate Risk Table determined by reference to the credit rating of such third party (or any guarantor thereof); and

(b) the percentage of the Aggregate Collateral Balance that represents Participations (including sub-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 Debt Obligation.

Each Participation entered into pursuant to a sub-participation agreement shall be substantially in the form of:

(a) the LSTA Model Participation Agreement for par/near par trades (as published by the Loan Syndications and Trading Association Inc. from time to time);

(b) the LMA Funded Participation (Par) (as published by the Loan Market Association from time to time); or

(c) such other documentation provided such agreement contains limited recourse and non-petition language substantially the same as the Trust Deed.

Assignments

The Investment Manager acting on behalf of the Issuer, may from time to time acquire Collateral Debt Obligations from Selling Institutions by way of Assignment provided that at the time such Assignment is acquired the Investment 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 Debt Obligation (including, without limitation, with respect to the form of such Assignment and obtaining the consent of any person specified in the relevant loan documentation).

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

Bivariate Risk Table

The following is the bivariate risk table (the "**Bivariate Risk Table**") and as referred to in "*Portfolio Profile Tests*" below and "*Participations*" above. For the purposes of the limits specified in the Bivariate Risk Table, the individual third party credit exposure limit shall be determined by reference to 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 Fitch ratings applicable to such counterparty and the aggregate third party credit exposure limit shall be determined by reference to the aggregate of Third Party Exposure of all such counterparties which share the same rating level or have a lower rating level, as indicated in the Bivariate Risk Table.

Bivariate Risk Table

Long-Term Issuer Credit Rating of Selling Institution	Individual Third Party Credit Exposure Limit*	Aggregate Third Party Credit Exposure Limit*
Fitch		
AAA	5%	5%
AA+	5%	5%
AA	5%	5%
AA	5%	5%
A+	5%	5%
A	5%	5%
A- or below	0%	0%

Long-Term /Short Term Senior Unsecured Debt Rating of Selling Institution	Individual Third Party Credit Exposure Limit*	Aggregate Third Party Credit Exposure Limit*
Moody's		
Aaa	5%	5%
Aa1	5%	5%
Aa2	5%	5%
Aa3	5%	5%
Al	5%	5%
A2 and P-1	5%	5%
A2 (without a Moody's short-term rating of at least P-1) or below	0%	0%

* As a percentage of the Aggregate Collateral Balance (excluding any Defaulted Obligations) the aggregate third party credit exposure limit shall be determined by reference to the aggregate of the third party credit exposure of all such Counterparties which share the same rating level or have a lower rating level, as indicated in the Bivariate Risk Table.

Portfolio Profile Tests and Collateral Quality Tests

Measurement of Tests

The Portfolio Profile Tests and the Collateral Quality Tests will be used as criteria for purchasing Collateral Debt Obligations. The Collateral Administrator will measure the Portfolio Profile Tests and the Collateral Quality Tests on each Measurement Date (save as otherwise provided herein).

Substitute Collateral Debt Obligations in respect of which a binding commitment has been made to purchase such Substitute Collateral Debt Obligations but such purchase has not been settled shall nonetheless be deemed

to have been purchased for the purposes of the Portfolio Profile Tests and the Collateral Quality Tests and all other tests and criteria applicable to the Portfolio. Collateral Debt Obligations in respect of which a binding commitment has been made to sell such Collateral Debt Obligations, but such sale has not been settled, shall be deemed to have been sold for the purposes of the Portfolio Profile Tests and the Collateral Quality Tests and all other tests and criteria applicable to the Portfolio. See "*Reinvestment of Collateral Debt Obligations*" above.

Notwithstanding the foregoing, the failure of the Portfolio to meet the requirements of the Portfolio Profile Tests at any time shall not prevent any obligation which would otherwise be a Collateral Debt Obligation from being a Collateral Debt Obligation.

Portfolio Profile Tests

The Portfolio Profile Tests will consist of each of the following:

(a) not less than 90.0 per cent. of the Aggregate Collateral Balance shall consist of obligations which are Senior Secured Loans or Senior Secured Bonds (which term, for the purposes of this paragraph (a), shall comprise the aggregate of the Aggregate Principal Balance of the Senior Secured Loans, Senior Secured Bonds and the Balances standing to the credit of the Principal Account and the Unused Proceeds Account (and Eligible Investments representing Principal Proceeds in the Principal Account and the Unused Proceeds Account), in each case as at the relevant Measurement Date);

(b) not less than 70.0 per cent. of the Aggregate Collateral Balance shall consist of obligations which are Senior Secured Loans (which term, for the purposes of this paragraph (b), shall comprise the aggregate of the Aggregate Principal Balance of the Senior Secured Loans and the Balances standing to the credit of the Principal Account and the Unused Proceeds Account (and Eligible Investments representing Principal Proceeds in the Principal Account and the Unused Proceeds Account), in each case as at the relevant Measurement Date);

(c) not more than 10.0 per cent. of the Aggregate Collateral Balance shall consist of Unsecured Senior Loans, Second Lien Loans, Mezzanine Obligations and High Yield Bonds;

(d) with respect to Senior Secured Loans and Senior Secured Bonds, not more than 2.5 per cent. of the Aggregate Collateral Balance shall be the obligations of any single Obligor provided that the Aggregate Principal Balance of obligations of five Obligors may each represent up to 3.0 per cent. of the Aggregate Collateral Balance;

(e) with respect to Unsecured Senior Loans, Second Lien Loans, Mezzanine Obligations and High Yield Bonds not more than 1.5 per cent. of the Aggregate Collateral Balance shall be the obligations of any single Obligor;

(f) with respect to all Collateral Debt Obligations, not more than 3.0 per cent. of the Aggregate Collateral Balance shall be the obligations of any single Obligor;

(g) not more than 5.0 per cent. of the Aggregate Collateral Balance shall consist of Participations;

(h) not more than 5.0 per cent. of the Aggregate Collateral Balance shall consist of Current Pay Obligations;

(i) not more than 5.0 per cent. of the Aggregate Collateral Balance shall consist of obligations which are Revolving Obligations or Delayed Drawdown Collateral Debt Obligations;

(j) not more than 7.5 per cent. of the Aggregate Collateral Balance shall consist of obligations which are Caa Obligations;

(k) not more than 7.5 per cent. of the Aggregate Collateral Balance shall consist of obligations which are CCC Obligations;

(l) not more than 2.5 per cent. of the Aggregate Collateral Balance shall consist of Bridge Loans;

(m) not more than 5.0 per cent. of the Aggregate Collateral Balance shall consist of Corporate Rescue Loans and not more than 2.0 per cent. of the Aggregate Collateral Balance shall consist of Corporate Rescue Loans issued by a single Obligor;

(n) not more than 5.0 per cent. of the Aggregate Collateral Balance shall consist of obligations which are PIK Securities;

(o) not more than 20.0 per cent. of the Aggregate Collateral Balance shall consist of Cov-Lite Loans;

(p) not more than 5.0 per cent. of the Aggregate Collateral Balance shall consist of obligations which are Unhedged Fixed Rate Collateral Debt Obligations;

(q) not more than 30.0 per cent. of the Aggregate Collateral Balance shall consist of Non-Euro Obligations;

(r) any three Fitch industry classifications may, in aggregate, comprise up to 40.0 per cent. of the Aggregate Collateral Balance and any one Fitch industry classification may comprise up to 17.5 per cent. of the Aggregate Collateral Balance;

(s) not more than 10.0 per cent. of the Aggregate Collateral Balance shall consist of obligations whose Moody's Rating is derived from an S&P Rating;

(t) not more than 10.0 per cent. of the Aggregate Collateral Balance shall consist of Obligors who are Domiciled in countries or jurisdictions with a Fitch country ceiling rated below "AAA" by Fitch unless Rating Agency Confirmation from Fitch is obtained;

(u) not more than 10.0 per cent. of the Aggregate Collateral Balance shall consist of Obligors who are Domiciled in countries or jurisdictions with a Moody's local-currency country risk ceiling rating between "A1" and "A3" unless Rating Agency Confirmation from Moody's is obtained;

(v) the limits specified in the Bivariate Risk Table determined by reference to the Fitch ratings and Moody's ratings of Selling Institutions shall be satisfied; and

(w) not more than 5 per cent. of the Aggregate Collateral Balance shall consist of Collateral Debt Obligations issued by Obligors each of which has total current indebtedness (comprised of all drawn and undrawn 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 100,000,000 and less than EUR 150,000,000 (or its equivalent in any currency).

"**Annual Obligations**" means Collateral Debt Obligations which, at the relevant date of measurement, pay interest less frequently than semi-annually.

"**Bridge Loan**" shall mean any Collateral Debt Obligation that: (i) is incurred in connection with a merger, acquisition, consolidation, sale of all or substantially all of the assets of a person, restructuring or similar transaction; (ii) by its terms, is required to be repaid within one year of the incurrence thereof with proceeds from additional borrowings or other refinancings (provided, however, that any additional borrowing or refinancing having a term of more than one year may be included as a Bridge Loan if one or more financial institutions shall have provided the Obligor with a binding written commitment to provide the same); and (iii) prior to its purchase by the Issuer, has a Fitch Rating and a Moody's Rating or, if the Bridge Loan is not rated by Fitch and Moody's, Rating Agency Confirmation has been obtained.

"**Unhedged Fixed Rate Collateral Debt Obligation**" means a Collateral Debt Obligation that bears interest at a fixed rate, the Aggregate Principal Balance of which exceeds the notional amount of any Interest Rate Hedge Transactions that are interest rate swaps whereby the Issuer pays a series of fixed amounts in exchange for a series of payments determined on the basis of EURIBOR plus an applicable spread.

The percentage requirements applicable to different types of Collateral Debt Obligations specified in the Portfolio Profile Tests shall be determined by reference to the Aggregate Principal Balance of such type of Collateral Debt Obligations. Obligations for which the Issuer (or the Investment Manager acting on behalf of the Issuer) has entered into binding commitments to purchase but have not yet settled shall be included for the purposes of calculating the Portfolio Profile Tests and obligations for which the Issuer (or the Investment Manager acting on behalf of the Issuer) has entered into binding commitments to sell but have not yet settled shall be excluded for the purposes of calculating the Portfolio Profile Tests.

Collateral Quality Tests

The Collateral Quality Tests will consist of each of the following:

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

(i) the Moody's Minimum Diversity Test;

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

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

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

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

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

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

(i) the Minimum Weighted Average Spread Test;

(ii) the Weighted Average Life Test; and

(iii) the Maximum Obligor Concentration Test,

each as defined in the Investment Management Agreement.

Moody's Test Matrix

Subject to the provisions provided below, on or after the Effective Date, the Investment Manager will have the option to elect which of the cases set forth in the matrix to be set out in the Investment Management Agreement (the "**Moody's Test Matrix**") shall be applicable for purposes of the Moody's Maximum Weighted Average Rating Factor Test, the Moody's Minimum Diversity Test and the Minimum Weighted Average Spread Test. For any given case:

1. the applicable column for performing the Moody's Minimum Diversity Test will be the column (or linear interpolation between two adjacent columns, as applicable) in which the elected case is set out;

2. the applicable row and column for performing the Moody's Maximum Weighted Average Rating Factor Test will be the row and column (or linear interpolation between two adjacent rows and/or two adjacent columns (as applicable) in which the elected case is set out; and

3. the applicable row for performing the Minimum Weighted Average 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 Investment Manager will be required to elect which case shall apply initially. Thereafter, on two Business Days' notice to the Issuer, the Trustee, the Collateral Administrator and Moody's, the Investment 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 Spread Test applicable to the case to which the Investment Manager desires to change are satisfied or, in the case of any tests that are not satisfied, are closer to being satisfied. In no event will the Investment Manager be obliged to elect to have a different case apply. The Moody's Test Matrix may be amended and/or supplemented and/or replaced by the Investment Manager subject to Rating Agency Confirmation from Moody's.

Moody's Test Matrix

Minimum Weighted Average Spread	Minimum Diversity Score													
	20	24	28	30	32	34	36	38	40	44	48	52	56	60
2.50%	1,440	1,483	1,525	1,550	1,570	1,573	1,595	1,603	1,613	1,635	1,655	1,670	1,685	1,700
2.60%	1,525	1,590	1,640	1,655	1,680	1,690	1,710	1,720	1,730	1,755	1,775	1,795	1,805	1,825
2.70%	1,659	1,685	1,735	1,745	1,770	1,785	1,805	1,839	1,849	1,855	1,875	1,895	1,905	1,925
2.80%	1,769	1,809	1,859	1,879	1,882	1,885	1,900	1,910	1,925	1,970	1,975	1,995	2,005	2,025
2.90%	1,871	1,914	1,919	1,925	1,955	1,985	1,995	2,005	2,025	2,045	2,075	2,095	2,113	2,125
3.00%	1,928	2,001	2,030	2,076	2,090	2,111	2,120	2,146	2,150	2,169	2,199	2,214	2,234	2,249
3.10%	2,005	2,104	2,151	2,161	2,191	2,200	2,226	2,246	2,256	2,271	2,301	2,311	2,323	2,351
3.20%	2,055	2,170	2,239	2,269	2,280	2,306	2,310	2,336	2,351	2,360	2,400	2,416	2,442	2,457
3.30%	2,094	2,215	2,305	2,335	2,374	2,383	2,412	2,421	2,442	2,461	2,487	2,517	2,522	2,542
3.40%	2,105	2,252	2,350	2,393	2,419	2,449	2,479	2,507	2,512	2,531	2,561	2,587	2,602	2,606
3.50%	2,125	2,292	2,402	2,425	2,464	2,494	2,524	2,547	2,574	2,617	2,626	2,657	2,682	2,687
3.60%	2,165	2,329	2,447	2,487	2,509	2,550	2,559	2,584	2,619	2,662	2,697	2,727	2,736	2,757
3.70%	2,215	2,370	2,489	2,525	2,560	2,594	2,615	2,645	2,664	2,707	2,747	2,777	2,807	2,826
3.80%	2,240	2,405	2,520	2,560	2,608	2,637	2,654	2,684	2,704	2,749	2,792	2,822	2,847	2,871
3.90%	2,265	2,419	2,557	2,602	2,654	2,682	2,710	2,740	2,765	2,794	2,834	2,867	2,893	2,937
4.00%	2,317	2,465	2,585	2,632	2,689	2,712	2,750	2,774	2,799	2,839	2,895	2,912	2,938	2,979
4.10%	2,339	2,499	2,620	2,660	2,718	2,752	2,792	2,822	2,847	2,889	2,935	2,954	2,983	3,024
4.20%	2,359	2,510	2,640	2,702	2,739	2,790	2,827	2,845	2,877	2,934	2,964	2,999	3,045	3,069
4.30%	2,395	2,530	2,677	2,735	2,775	2,810	2,869	2,900	2,917	2,977	3,019	3,044	3,090	3,119
4.40%	2,409	2,585	2,709	2,765	2,809	2,855	2,879	2,922	2,962	2,997	3,069	3,089	3,137	3,162
4.50%	2,444	2,615	2,734	2,774	2,842	2,889	2,915	2,955	2,994	3,045	3,095	3,145	3,170	3,200
4.60%	2,485	2,640	2,765	2,820	2,864	2,899	2,939	2,979	3,014	3,092	3,125	3,180	3,200	3,230
4.70%	2,514	2,665	2,789	2,845	2,900	2,940	2,980	3,020	3,039	3,118	3,155	3,205	3,230	3,260
4.80%	2,530	2,695	2,827	2,882	2,930	2,970	3,019	3,050	3,090	3,134	3,180	3,230	3,275	3,302
4.90%	2,555	2,725	2,855	2,905	2,960	3,007	3,040	3,080	3,120	3,180	3,230	3,255	3,305	3,335
5.00%	2,580	2,750	2,880	2,942	2,975	3,039	3,064	3,112	3,142	3,204	3,255	3,295	3,340	3,370
5.10%	2,605	2,775	2,910	2,965	3,015	3,065	3,084	3,142	3,175	3,242	3,285	3,335	3,360	3,405
5.20%	2,625	2,795	2,942	2,995	3,035	3,094	3,132	3,169	3,195	3,262	3,310	3,368	3,400	3,435
5.30%	2,670	2,815	2,960	3,009	3,055	3,105	3,154	3,200	3,215	3,275	3,344	3,379	3,425	3,465
5.40%	2,675	2,845	2,980	3,045	3,085	3,130	3,194	3,209	3,245	3,327	3,360	3,425	3,455	3,489
5.50%	2,705	2,875	3,022	3,074	3,115	3,155	3,210	3,257	3,275	3,335	3,410	3,450	3,498	3,537
5.60%	2,735	2,900	3,055	3,114	3,155	3,195	3,230	3,279	3,315	3,382	3,430	3,482	3,509	3,569
5.70%	2,765	2,950	3,080	3,120	3,170	3,210	3,250	3,290	3,330	3,390	3,450	3,500	3,560	3,597
5.80%	2,790	2,965	3,085	3,155	3,195	3,240	3,280	3,320	3,372	3,425	3,485	3,535	3,589	3,627
5.90%	2,815	2,980	3,115	3,180	3,220	3,270	3,310	3,350	3,390	3,460	3,520	3,570	3,617	3,652
6.00%	2,820	3,005	3,135	3,185	3,250	3,300	3,340	3,380	3,420	3,490	3,550	3,600	3,647	3,690

The Fitch Tests Matrices

Subject to the provisions provided below, on or after the Effective Date, the Investment Manager will have the option to elect which of the cases set forth in the matrices to be set out in Investment Management Agreement (substantially in the form set out below) (each such matrix a "**Fitch Tests Matrix**" and together the "**Fitch Tests Matrices**") shall be applicable for purposes of the Fitch Maximum Weighted Average Rating Factor Test, the Fitch Minimum Weighted Average Recovery Rate Test and the Minimum Weighted Average Spread Test. For any given case within a Fitch Tests Matrix:

1. the applicable column for performing the Fitch Maximum Weighted Average Rating Factor Test will be the column (or linear interpolation between two adjacent columns, as applicable) in the Fitch Tests Matrix selected by the Investment Manager;

2. the applicable row for performing the Minimum Weighted Average Spread Test will be the row (or linear interpolation between two adjacent rows, as applicable) in the Fitch Tests Matrix selected by the Investment Manager; and

3. the applicable column and row for performing the Fitch Minimum Weighted Average Recovery Rate Test will be the column and row (or linear interpolation between two adjacent rows and/or two adjacent columns, as applicable) in the Fitch Tests Matrix selected by the Investment Manager in relation to (1) and (2) above.

On the Effective Date, the Investment Manager will be required to elect which case and which Fitch Tests Matrix shall apply initially. Thereafter, on two Business Days' notice to the Issuer, the Collateral Administrator and Fitch, the Investment Manager may elect to have a different case within such Fitch Tests Matrix or within a different Fitch Tests Matrix apply, provided that the Fitch Maximum Weighted Average Rating Factor Test, the Fitch Minimum Weighted Average Recovery Rate Test, the Minimum Weighted Average Spread Test and the Maximum Obligor Concentration Test applicable to the case to which the Investment Manager desires to change are satisfied or, in the case of any tests that are not satisfied, are closer to being satisfied if the different case applies. The Fitch Tests Matrices may be amended and/or supplemented and/or replaced by the Investment Manager subject to Rating Agency Confirmation from Fitch.

Fitch Tests Matrices

Fitch Tests Matrix 1: *20% concentration limit for any 10 obligors*

Minimum Weighted Average Spread	Maximum Weighted Average Rating Factor																
	26.0	27.0	28.0	29.0	30.0	31.0	32.0	33.0	33.5	34.0	35.0	36.0	37.0	38.0	39.0	40.0	41.0
2.50%	81.86	82.80	83.74	84.68	85.38	86.02	86.77	87.66	88.04	88.41	89.35	89.99	90.26	90.81	91.73	92.65	95.84
2.60%	80.24	81.23	82.21	83.14	83.74	84.42	85.34	86.18	86.63	87.02	87.87	88.53	89.01	90.36	91.44	92.53	94.24
2.70%	78.62	79.65	80.68	81.60	82.10	82.81	83.91	84.70	85.22	85.63	86.39	87.07	87.75	89.92	91.16	92.40	92.63
2.80%	77.57	78.63	79.70	80.71	81.50	82.20	83.14	83.85	84.31	84.74	85.45	86.19	87.26	89.06	90.46	91.86	92.47
2.90%	76.51	77.61	78.71	79.81	80.90	81.58	82.37	83.01	83.40	83.84	84.52	85.31	86.76	88.21	89.76	91.31	92.30
3.00%	74.80	75.95	77.11	78.23	79.30	80.19	81.24	81.98	82.41	82.89	83.46	84.77	86.24	87.71	89.21	90.72	91.86
3.10%	73.09	74.30	75.50	76.65	77.70	78.80	80.12	80.96	81.43	81.95	82.40	84.23	85.71	87.21	88.67	90.13	91.42
3.20%	71.83	73.09	74.36	75.57	76.68	77.74	79.06	79.99	80.48	81.05	81.82	83.65	85.21	86.71	88.19	89.66	90.99
3.30%	70.56	71.89	73.21	74.48	75.65	76.67	78.01	79.02	79.54	80.16	81.24	83.06	84.71	86.21	87.71	89.20	90.57
3.40%	69.31	70.66	72.01	73.31	74.55	75.67	77.00	78.09	78.63	79.23	80.66	82.64	84.05	85.61	87.00	88.40	90.03
3.50%	68.05	69.43	70.80	72.13	73.44	74.67	75.98	77.16	77.73	78.29	80.07	82.22	83.39	85.00	86.30	87.59	89.49
3.60%	67.06	68.49	69.92	71.31	72.69	73.69	75.07	76.58	76.91	77.78	79.02	81.43	82.70	84.36	85.68	87.00	88.95
3.70%	66.06	67.55	69.03	70.49	71.94	72.70	74.16	75.99	76.09	77.27	77.96	80.64	82.00	83.72	85.07	86.41	88.41
3.80%	65.37	66.75	68.12	69.18	70.59	71.55	72.90	74.37	74.71	75.61	76.60	79.50	81.53	83.04	84.43	85.83	87.63
3.90%	64.68	65.95	67.21	67.87	69.23	70.40	71.63	72.74	73.34	73.94	75.24	78.35	81.06	82.36	83.80	85.24	86.84
4.00%	63.70	64.66	65.62	66.58	67.73	68.72	69.85	70.97	71.52	72.14	73.92	77.24	80.00	82.01	83.41	84.81	86.45
4.10%	62.72	63.37	64.02	65.29	66.23	67.03	68.06	69.19	69.71	70.33	72.60	76.13	78.94	81.65	83.01	84.37	86.05
4.20%	60.93	61.64	62.35	63.47	64.47	65.21	66.50	67.63	68.26	68.67	71.54	75.17	78.08	81.09	82.51	83.92	85.66
4.30%	58.57	59.58	60.58	61.75	62.71	63.51	65.04	66.30	66.59	67.74	70.49	74.21	77.22	80.32	81.88	83.44	85.11
4.40%	56.96	57.88	58.80	59.98	61.11	62.06	63.70	65.20	65.90	67.08	69.59	73.31	76.35	79.69	81.25	82.82	84.51
4.50%	55.35	56.19	57.02	58.21	59.51	60.61	62.35	64.10	65.21	66.42	68.69	72.40	75.48	79.06	80.63	82.19	83.90
4.60%	53.70	54.69	55.68	56.92	58.36	59.57	61.64	63.50	64.63	65.86	68.03	71.53	74.52	77.81	79.82	81.83	83.33
4.70%	52.04	53.19	54.33	55.63	57.21	58.52	60.92	62.90	64.06	65.30	67.36	70.65	73.55	76.56	79.02	81.47	82.75
4.80%	50.63	51.84	53.05	54.39	56.11	57.71	60.26	62.24	63.42	64.75	66.74	69.38	72.54	75.61	78.18	80.74	82.25
4.90%	49.22	50.49	51.76	53.15	55.01	56.90	59.60	61.58	62.79	64.19	66.12	68.10	71.52	74.66	77.34	80.01	81.75
5.00%	47.83	49.15	50.48	51.99	54.06	56.12	58.88	60.87	62.07	63.47	65.46	67.50	70.36	73.88	76.55	79.23	81.50
5.10%	46.43	47.81	49.19	50.83	53.10	55.34	58.16	60.15	61.35	62.74	64.79	66.90	69.20	73.10	75.77	78.44	81.24
5.20%	45.04	46.50	47.96	50.04	52.49	54.68	57.36	59.38	60.62	62.02	64.17	66.40	68.52	72.28	74.96	77.65	80.52
5.30%	43.64	45.18	46.72	49.24	51.88	54.01	56.56	58.60	59.90	61.30	63.54	65.89	67.84	71.45	74.16	76.86	79.79
5.40%	42.27	44.01	45.76	48.55	51.20	53.31	55.81	57.87	59.20	60.63	62.96	65.29	67.31	70.27	73.09	75.92	78.84
5.50%	40.89	42.85	44.80	47.85	50.52	52.60	55.05	57.14	58.51	59.96	62.38	64.69	66.77	69.08	72.03	74.97	77.88
5.60%	39.25	41.53	43.82	46.82	49.59	51.71	54.25	56.38	57.74	59.24	61.68	64.03	66.15	68.33	71.20	74.07	77.02
5.70%	37.60	40.22	42.83	45.79	48.66	50.81	53.45	55.61	56.97	58.52	60.97	63.36	65.52	67.57	70.37	73.17	76.16
5.80%	36.51	39.17	41.84	44.86	47.73	49.97	52.70	54.85	56.18	57.80	60.30	62.70	64.84	66.99	69.63	72.28	75.25
5.90%	35.41	38.13	40.84	43.92	46.79	49.12	51.94	54.08	55.39	57.08	59.63	62.03	64.16	66.40	68.90	71.39	74.34
6.00%	34.52	37.19	39.86	42.94	45.91	48.17	51.13	53.31	54.56	56.30	58.88	61.31	63.48	65.76	67.83	69.89	73.43

Fitch Tests Matrix 2: *23 % concentration limit for any 10 obligors*

Minimum Weighted Average Spread	Maximum Weighted Average Rating Factor																
	26.0	27.0	28.0	29.0	30.0	31.0	32.0	33.0	33.5	34.0	35.0	36.0	37.0	38.0	39.0	40.0	41.0
2.50%	81.96	82.90	83.84	84.78	85.48	86.16	86.97	87.76	88.14	88.51	89.45	90.09	91.17	92.21	94.12	96.02	97.51
2.60%	80.34	81.36	82.39	83.26	84.16	84.94	85.76	86.58	87.16	87.41	88.01	88.93	90.25	91.82	93.11	94.40	95.72
2.70%	78.72	79.83	80.93	81.74	82.84	83.72	84.55	85.39	86.19	86.30	86.57	87.76	89.32	91.43	92.11	92.78	93.93
2.80%	77.67	78.81	79.95	80.96	82.00	82.80	83.67	84.65	85.12	85.28	86.05	87.27	88.87	91.02	91.85	92.69	93.87
2.90%	76.61	77.79	78.96	80.17	81.15	81.89	82.79	83.92	84.05	84.26	85.52	86.77	88.42	90.61	91.60	92.60	93.80
3.00%	74.90	76.13	77.36	78.98	80.05	80.96	81.99	82.58	83.25	83.72	85.01	86.23	87.95	89.57	90.86	92.15	93.29
3.10%	73.19	74.47	75.75	77.78	78.94	80.04	81.19	81.25	82.45	83.17	84.50	85.69	87.48	88.54	90.12	91.70	92.77
3.20%	72.17	73.42	74.68	76.26	77.92	78.95	79.68	80.56	81.84	82.56	83.93	85.16	86.98	88.04	89.65	91.26	92.34
3.30%	71.14	72.38	73.61	74.73	76.89	77.86	78.16	79.86	81.24	81.95	83.36	84.63	86.48	87.54	89.18	90.83	91.92
3.40%	69.75	71.08	72.41	73.62	75.35	76.44	77.12	78.65	80.62	81.48	82.94	83.97	85.88	87.00	88.63	90.27	91.43
3.50%	68.36	69.78	71.20	72.51	73.80	75.03	76.08	77.43	80.00	81.00	82.52	83.30	85.27	86.46	88.09	89.71	90.95
3.60%	67.29	68.73	70.17	71.55	72.92	74.05	75.17	76.76	78.79	79.86	81.70	82.88	84.89	85.83	87.34	88.85	90.46
3.70%	66.22	67.68	69.13	70.59	72.04	73.06	74.26	76.09	77.59	78.71	80.88	82.45	84.50	85.20	86.59	87.98	89.98
3.80%	65.50	66.86	68.22	69.41	70.82	71.86	73.00	74.47	76.38	77.51	79.80	81.74	83.85	84.57	86.04	87.51	89.09
3.90%	64.78	66.05	67.31	68.23	69.59	70.65	71.73	72.84	75.17	76.31	78.71	81.02	83.19	83.93	85.48	87.03	88.19
4.00%	63.80	64.85	65.90	66.81	67.96	68.89	69.99	71.59	74.07	75.22	77.67	79.96	82.57	83.69	85.17	86.64	87.80
4.10%	62.82	63.66	64.49	65.39	66.33	67.13	68.24	70.34	72.97	74.13	76.62	78.90	81.95	83.45	84.85	86.25	87.40
4.20%	61.03	61.87	62.71	63.57	64.72	65.48	67.25	69.09	71.86	72.99	75.67	78.05	81.39	83.02	84.42	85.82	86.99
4.30%	58.67	59.75	60.83	62.17	62.85	64.26	66.54	68.34	70.81	71.95	74.73	77.79	80.64	82.46	83.90	85.34	86.46
4.40%	57.06	58.14	59.22	60.48	61.85	63.48	65.86	67.65	69.70	71.13	73.83	76.94	80.07	81.79	83.25	84.72	85.91
4.50%	55.45	56.53	57.60	58.79	60.85	62.70	65.18	66.95	68.59	70.31	72.93	76.09	79.50	81.12	82.61	84.09	85.36
4.60%	54.15	55.26	56.38	57.64	60.02	61.94	64.58	66.34	68.26	69.54	72.05	74.86	78.24	80.47	82.13	83.79	84.79
4.70%	52.84	54.00	55.15	56.49	59.19	61.17	63.97	65.73	67.93	68.77	71.17	73.63	76.97	79.82	81.65	83.48	84.21
4.80%	51.49	52.68	53.88	55.44	58.42	60.51	63.36	65.13	67.30	68.12	70.12	72.60	76.06	78.68	80.83	82.98	83.77
4.90%	50.13	51.37	52.60	54.38	57.64	59.84	62.74	64.52	66.68	67.46	69.06	71.57	75.15	77.54	80.01	82.48	83.32
5.00%	48.74	50.09	51.44	53.57	56.85	59.11	61.97	63.81	65.71	66.79	68.14	70.75	74.30	76.76	79.36	81.96	82.88
5.10%	47.34	48.81	50.27	52.75	56.06	58.37	61.19	63.09	64.75	66.12	67.22	69.93	73.44	75.97	78.71	81.44	82.44
5.20%	45.76	47.61	49.46	51.90	55.18	57.51	60.45	62.37	64.38	65.50	66.71	68.92	72.70	75.20	77.98	80.76	82.19
5.30%	44.17	46.41	48.64	51.05	54.29	56.64	59.70	61.65	64.01	64.88	66.19	67.90	71.95	74.43	77.25	80.07	81.93
5.40%	42.80	45.31	47.83	50.35	53.31	55.78	58.96	60.99	63.37	64.32	65.92	67.36	71.00	73.55	76.39	79.23	81.24
5.50%	41.42	44.22	47.01	49.64	52.33	54.92	58.21	60.32	62.73	63.76	65.65	66.81	70.04	72.67	75.53	78.39	80.54
5.60%	40.26	43.17	46.07	48.61	51.50	54.07	57.41	59.86	62.01	63.04	64.95	66.20	68.95	71.76	74.62	77.49	79.68
5.70%	39.10	42.12	45.13	47.58	50.67	53.22	56.61	59.39	61.30	62.32	64.24	65.59	67.86	70.84	73.72	76.59	78.82
5.80%	38.15	41.15	44.15	46.60	49.74	52.28	55.80	58.32	60.54	61.59	63.32	65.17	67.29	69.63	72.66	75.70	77.97

5.90%	37.20	40.18	43.16	45.62	48.80	51.33	54.99	57.24	59.79	60.86	62.39	64.75	66.72	68.41	71.61	74.81	77.11
6.00%	36.31	39.24	42.16	44.73	47.81	50.40	54.18	56.36	59.07	60.19	62.24	63.54	66.15	67.77	70.90	74.02	76.31

Fitch Tests Matrix 3: *No obligor concentration limit*

Minimum Weighted Average Spread	Maximum Weighted Average Rating Factor																
	26.0	27.0	28.0	29.0	30.0	31.0	32.0	33.0	33.5	34.0	35.0	36.0	37.0	38.0	39.0	40.0	41.0
2.50%	82.11	83.03	83.94	84.88	85.63	86.49	87.30	87.97	88.29	88.61	89.71	90.63	91.89	93.09	95.55	98.00	99.80
2.60%	80.47	81.52	82.57	83.50	84.40	85.24	86.28	87.12	87.29	87.71	88.46	89.47	91.43	92.76	94.29	95.83	97.55
2.70%	78.82	80.01	81.21	82.13	83.17	84.00	85.26	86.27	86.30	86.80	87.21	88.31	90.97	92.42	93.04	93.65	95.30
2.80%	77.77	79.08	80.39	81.31	82.24	83.16	84.07	85.14	85.23	85.59	86.69	87.82	90.55	92.01	92.79	93.58	94.60
2.90%	76.71	78.14	79.57	80.50	81.32	82.33	82.89	84.02	84.15	84.37	86.16	87.32	90.13	91.60	92.55	93.50	93.90
3.00%	75.00	76.35	77.71	79.42	80.40	81.57	82.09	82.94	83.37	83.82	85.62	86.84	89.07	91.06	92.06	93.07	93.75
3.10%	73.29	74.57	75.85	78.33	79.49	80.81	81.29	81.86	82.58	83.27	85.07	86.35	88.01	90.52	91.58	92.63	93.60
3.20%	72.27	73.52	74.78	76.58	78.24	79.38	80.21	81.26	81.97	82.69	84.56	85.82	87.52	89.94	91.07	92.20	93.23
3.30%	71.24	72.48	73.71	74.83	76.99	77.96	79.13	80.65	81.37	82.10	84.04	85.29	87.03	89.36	90.56	91.76	92.85
3.40%	69.88	71.19	72.51	73.72	75.45	76.77	77.82	79.65	80.73	81.60	83.61	84.63	86.44	88.45	89.84	91.23	92.37
3.50%	68.51	69.91	71.31	72.61	73.90	75.58	76.51	78.64	80.10	81.10	83.18	83.96	85.84	87.54	89.12	90.70	91.88
3.60%	67.42	68.84	70.27	71.65	73.02	74.37	75.44	77.42	78.89	79.97	82.48	83.29	85.22	86.97	88.57	90.17	91.45
3.70%	66.32	67.78	69.23	70.69	72.14	73.16	74.36	76.19	77.69	78.84	81.77	82.62	84.60	86.39	88.01	89.63	91.03
3.80%	65.60	66.96	68.32	69.51	70.92	71.96	73.10	74.98	76.49	77.64	80.85	82.22	84.23	85.77	87.35	88.93	90.16
3.90%	64.88	66.15	67.41	68.33	69.69	70.75	71.83	73.76	75.29	76.44	79.92	81.81	83.85	85.14	86.68	88.22	89.29
4.00%	63.90	64.95	66.00	66.91	68.09	68.99	70.54	72.60	74.18	75.34	78.82	80.96	83.29	84.96	86.40	87.84	88.94
4.10%	62.92	63.76	64.59	65.49	66.48	67.23	69.25	71.44	73.07	74.23	77.72	80.11	82.73	84.77	86.12	87.46	88.59
4.20%	61.13	61.97	62.81	64.00	64.82	65.67	68.17	70.10	71.96	73.11	76.77	79.25	82.19	84.35	85.69	87.03	88.09
4.30%	58.77	59.85	60.93	62.27	63.28	64.94	67.26	69.44	70.91	72.05	75.83	78.40	81.64	83.90	85.17	86.44	87.54
4.40%	57.16	58.24	59.32	61.02	62.51	64.22	66.62	68.60	69.93	71.23	74.98	77.55	81.12	83.30	84.58	85.87	87.00
4.50%	55.55	56.63	57.70	59.77	61.73	63.49	65.97	67.76	68.96	70.41	74.13	76.70	80.60	82.69	84.00	85.30	86.46
4.60%	54.25	55.36	56.48	58.90	60.91	62.83	65.41	67.14	68.49	69.64	73.15	75.72	79.34	82.00	83.37	84.75	85.94
4.70%	52.94	54.10	55.25	58.03	60.09	62.16	64.85	66.52	68.03	68.87	72.16	74.73	78.07	81.30	82.75	84.20	85.42
4.80%	51.59	52.86	54.14	57.17	59.42	61.50	64.25	65.92	67.40	68.22	71.16	73.70	77.16	80.71	82.35	84.00	84.98
4.90%	50.23	51.63	53.03	56.30	58.74	60.83	63.64	65.31	66.78	67.56	70.16	72.67	76.25	80.11	81.96	83.80	84.53
5.00%	48.84	50.47	52.11	55.49	57.95	60.10	62.87	64.60	65.81	66.89	69.08	71.85	75.45	79.33	81.34	83.34	84.39
5.10%	47.44	49.32	51.19	54.67	57.16	59.36	62.09	63.88	64.85	66.22	67.99	71.03	74.65	78.55	80.72	82.88	84.25
5.20%	45.87	48.07	50.27	53.78	56.28	58.50	61.39	63.21	64.48	65.60	67.42	69.96	73.85	77.78	80.07	82.36	83.76
5.30%	44.30	46.82	49.34	52.88	55.39	57.63	60.69	62.53	64.11	64.98	66.85	68.89	73.05	77.01	79.43	81.84	83.26
5.40%	42.94	45.65	48.36	51.92	54.51	56.83	59.95	61.87	63.47	64.42	66.34	68.18	72.10	75.83	78.46	81.10	82.68
5.50%	41.57	44.48	47.38	50.96	53.63	56.02	59.20	61.20	62.83	63.86	65.82	67.47	71.14	74.64	77.50	80.36	82.10
5.60%	40.53	43.46	46.40	49.98	52.75	55.23	58.40	60.49	62.11	63.14	65.17	66.86	69.94	73.78	76.74	79.71	81.50
5.70%	39.49	42.45	45.41	48.99	51.86	54.43	57.60	59.78	61.40	62.42	64.52	66.25	68.74	72.91	75.99	79.06	80.90
5.80%	38.53	41.50	44.47	48.01	50.98	53.49	56.85	59.01	60.64	61.69	63.90	65.59	68.06	72.00	75.11	78.22	80.29
5.90%	37.57	40.55	43.53	47.03	50.10	52.54	56.09	58.23	59.89	60.96	63.27	64.92	67.38	71.09	74.24	77.38	79.68
6.00%	36.70	39.63	42.55	45.94	49.02	51.70	55.28	57.46	59.17	60.29	62.52	64.31	66.81	70.12	73.06	75.99	78.38

The Fitch Maximum Weighted Average Rating Factor Test

"**Fitch Maximum Weighted Average Rating Factor Test**" means that test that will be satisfied, on any Measurement Date from (and including) the Effective Date, if the Fitch Weighted Average Rating Factor as at such date is less than or equal to the applicable level in the applicable Fitch Tests Matrix.

"**Fitch Weighted Average Rating Factor**" is the number determined by summing the products obtained by multiplying the Principal Balance of each Collateral Debt Obligation by its Fitch Rating Factor, dividing such sum by the Aggregate Principal Balance of all such Collateral Debt Obligations and rounding the result down to the nearest two decimal places. For the purposes of determining the Principal Balance and Aggregate Principal Balance of Collateral Debt Obligations in this definition, the Principal Balance of each Defaulted Obligation shall be excluded.

"**Fitch Rating Factor**" means, in respect of any Collateral Debt Obligation, the number set forth in the table below opposite the Fitch Rating in respect of such Collateral Debt Obligation. The following table provides certain probabilities of default relating to Fitch Rating Factors. The information is subject to change and any probabilities of default in respect of Fitch Rating Factors may not at any time necessarily reflect the below table.

Fitch Rating	Fitch Rating Factor
AAA	0.19
AA+	0.35
AA	0.64
AA-	0.86
A+	1.17
A	1.58
A-	2.25
BBB+	3.19
BBB	4.54
BBB-	7.13
BB+	12.19
BB	17.43
BB-	22.80
B+	27.80
B	32.18
B-	40.60
CCC+	62.80
CCC	62.80
CCC-	62.80
CC	100.00
C	100.00
D	100.00

The Fitch Minimum Weighted Average Recovery Rate Test

"**Fitch Minimum Weighted Average Recovery Rate Test**" means the test that will be satisfied in respect of the Notes on any Measurement Date from (and including) the Effective Date, if the Fitch Weighted Average Recovery Rate is greater than or equal to the applicable level in the applicable Fitch Tests Matrix.

"**Fitch Weighted Average Recovery Rate**" means, as of any Measurement Date, the rate (expressed as a percentage) determined by summing the products obtained by multiplying the Principal Balance of each Collateral Debt Obligation by the Fitch Recovery Rate in relation thereto and dividing such sum by the Aggregate Principal Balance of all Collateral Debt Obligations and rounding up to the nearest 0.1 per cent. For the purposes of determining the Principal Balance and Aggregate Principal Balance of Collateral Debt Obligations in this definition, the Principal Balance of each Defaulted Obligation shall be excluded.

"**Fitch Recovery Rate**" means, with respect to a Collateral Debt Obligation, the recovery rate determined in accordance with paragraphs (a) to (d) below or (in any case) such other recovery rate as Fitch may notify the Investment Manager (or such other recovery rate as may be published by Fitch in connection with any revision of its recovery rate methodology) from time to time:

(a) if such Collateral Debt Obligation has a public Fitch recovery rating, or a recovery rating is assigned by Fitch in the context of provision by Fitch of a credit opinion to the Investment Manager, the recovery rate corresponding to such recovery rating in the table below (unless a specific recovery rate (expressed as a percentage) is provided by Fitch, in which case such recovery rate shall be used):

Fitch recovery rating	Fitch recovery rate %
RR1	95
RR2	80
RR3	60
RR4	40
RR5	20
RR6	5

(b) if such Collateral Debt Obligation is a Corporate Rescue Loan and has neither a public Fitch recovery rating, nor a recovery rating assigned to it by Fitch in the context of provision by Fitch of a credit opinion, the Issuer or the Investment Manager on behalf of the Issuer shall apply to Fitch for a Fitch recovery rating, provided that the Fitch recovery rating in respect of such Corporate Rescue Loan shall be considered to be "RR3" pending provision by Fitch of such Fitch recovery rating, and the recovery rate applicable to such Corporate Rescue Loan shall be the recovery rate corresponding to such Fitch recovery rating in the table above;

(c) if such Collateral Debt Obligation has no public Fitch recovery rating, no recovery rating is assigned by Fitch in the context of provision by Fitch of a credit opinion to the Investment Manager and has a public S&P recovery rating, the recovery rate corresponding to such recovery rating in the table below:

S&P recovery rating	Fitch recovery rate (%)
1+	95
1	95
2	80
3	60
4	40
5	20
6	5

and

(d) if such Collateral Debt Obligation has no public Fitch recovery rating, no recovery rating is assigned by Fitch in the context of provision by Fitch of a credit opinion to the Investment Manager and has no public S&P recovery rating, the recovery rate applicable will be the rate determined in accordance with the table below, where the Collateral Debt Obligation shall be categorised as "Strong Recovery" if it is a Senior Secured Loan, "Moderate Recovery" if it is an Unsecured Senior Loan and otherwise "Weak Recovery", and shall fall into the country group corresponding to the country in which the Obligor thereof is Domiciled:

	United States	Group A	Group B	Group C	Group D
Strong Recovery	80	75	55	45	35
Moderate Recovery	45	45	40	30	25
Weak Recovery	20	20	5	5	5

The country group of a Collateral Debt Obligation shall be determined, by reference to the country where the Obligor thereof is Domiciled, in accordance with the below:

Group A: Australia, Austria, Bahamas, Bermuda, Canada, Cayman Islands, Denmark, Finland, Germany, Gibraltar, Hong Kong, Iceland, Ireland, Japan, Jersey, Liechtenstein, Netherlands, New Zealand, Norway, Singapore, South Korea, Sweden, Switzerland, Taiwan, the UK.

Group B: Belgium, France, Italy, Luxembourg, Portugal, Spain.

Group C: Bulgaria, Costa Rica, Chile, Croatia, Czech Republic, Estonia, Hungary, Israel, Latvia, Lithuania, Malaysia, Malta, Mauritius, Mexico, Poland, Slovakia, Slovenia, South Africa, Thailand, Tunisia, Uruguay.

Group D: Albania, Argentina, Asia Others, Barbados, Bosnia and Herzegovina, Brazil, China, Colombia, Cyprus, Dominican Republic, Eastern Europe Others, Ecuador, Egypt, El Salvador, Greece, Guatemala, India, Indonesia, Iran, Jamaica, Kazakhstan, Liberia, Macedonia, Marshall Islands, Middle East and North Africa Others, Moldova, Morocco, Other Central America, Other South America, Other Sub-Saharan Africa, Pakistan, Panama, Peru, Philippines, Puerto Rico, Qatar, Romania, Russia, Saudi Arabia, Serbia and Montenegro, Turkey, Ukraine, Venezuela, Vietnam.

The 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 Investment 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 Debt Obligations is calculated by summing each of the Industry Diversity Scores which are calculated as follows and rounding the result up to the nearest whole number (provided that no Defaulted Obligations shall be included in the calculation of the Diversity Score or any component thereof):

(a) an "**Average Principal Balance**" is calculated by summing the Obligor Principal Balances and dividing by the sum of the aggregate number of issuers and/or borrowers represented;

(b) an "**Obligor Principal Balance**" is calculated for each Obligor represented in the Collateral Debt Obligations by summing the Principal Balances of all Collateral Debt Obligations (excluding Defaulted Obligations) issued by such Obligor, provided that if a Collateral Debt Obligation has been sold or is the subject of an optional redemption or Offer, and the Sale Proceeds or Unscheduled Principal Proceeds from such event have not yet been reinvested in Substitute Collateral Debt Obligations or distributed to the Noteholders or the other creditors of the Issuer in accordance with the Priorities of Payments, the Obligor Principal Balance shall be calculated as if such Collateral Debt Obligation had not been sold or was not subject to such an optional redemption or Offer;

(c) an "**Equivalent Unit Score**" is calculated for each Obligor by taking the lesser of (i) one and (ii) the Obligor Principal Balance for such Obligor divided by the Average Principal Balance;

(d) an "**Aggregate Industry Equivalent Unit Score**" is then calculated for each of the 32 Moody's industrial classification groups by summing the Equivalent Unit Scores for each Obligor in the industry (or such other industrial classification groups and Equivalent Unit Scores as are published by Moody's from time to time); and

(e) an "**Industry Diversity Score**" is then established by reference to the Diversity Score Table shown below (or such other Diversity Score Table as is published by Moody's from time to time) (the "**Diversity Score Table**") for the related Aggregate Industry Equivalent Unit Score. If the Aggregate Industry Equivalent Unit Score falls between any two such scores shown in the Diversity Score Table, then the Industry Diversity Score is the lower of the two Diversity Scores in the Diversity Score Table.

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 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 Investment 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 3900.

The "**Moody's Weighted Average Rating Factor**" is determined by summing the products obtained by multiplying the Principal Balance of each Collateral Debt Obligation, excluding Defaulted Obligations, by its Moody's Rating Factor, dividing such sum by the Aggregate Principal Balances of all such Collateral Debt Obligations, excluding Defaulted Obligations, and rounding the result down to the nearest whole number.

The "**Moody's Rating Factor**" relating to any Collateral Debt Obligation is the number set forth in the table below opposite the Moody's Default Probability Rating of such Collateral Debt Obligation.

Moody's Default Probability Rating	Moody's Rating Factor	Moody's Default Probability Rating	Moody's Rating Factor
Aaa	1	Ba1	940
Aa1	10	Ba2	1,350
Aa2	20	Ba3	1,766
Aa3	40	B1	2,220
A1	70	B2	2,720
A2	120	B3	3,490
A3	180	Caa1	4,770
Baa1	260	Caa2	6,500
Baa2	360	Caa3	8,070
Baa3	610	Ca or lower	10,000

The "**Moody's Weighted Average 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) 43.00; and

(ii) (A) with respect to the adjustment of the Moody's Maximum Weighted Average Rating Factor Test:

(1) 40, if the weighted average spread (expressed as a percentage) applicable to the current Moody's Test Matrix based upon the option chosen by the Investment Manager (or interpolating between two adjacent rows, (as applicable)) is equal to 2.50 per cent.;

(2) 50, if the weighted average spread (expressed as a percentage) applicable to the current Moody's Test Matrix based upon the option chosen by the Investment Manager (or interpolating between two adjacent rows, (as applicable)) is greater than 2.50 per cent. but less than or equal to 3.10 per cent.;

(3) if the weighted average spread (expressed as a percentage) applicable to the current Moody's Test Matrix based upon the option chosen by the Investment Manager (or interpolating between two adjacent rows, (as applicable)) is greater than 3.10 per cent. and the Diversity Score as of such Measurement Date is less than or equal to 24, then 50; and

(4) if the weighted average spread (expressed as a percentage) applicable to the current Moody's Test Matrix based upon the option chosen by the Investment Manager (or interpolating between two adjacent rows, (as applicable)) is greater than 3.10 per cent. and the Diversity Score as of such Measurement Date is greater than 24, then 70; and

(B) with respect to the adjustment of the Minimum Weighted Average Spread Test:

(1) 0.04 per cent. if the weighted average spread (expressed as a percentage) applicable to the current Moody's Test Matrix based upon the option chosen

by the Investment Manager (or interpolating between two adjacent rows, (as applicable)) is less than or equal to 2.70 per cent.;

(2) 0.05 per cent. if the weighted average spread (expressed as a percentage) applicable to the current Moody's Test Matrix based upon the option chosen by the Investment Manager (or interpolating between two adjacent rows, (as applicable)) is greater than 2.70 per cent. but less than or equal to 3.50 per cent.;

(3) 0.07 per cent. if the weighted average spread (expressed as a percentage) applicable to the current Moody's Test Matrix based upon the option chosen by the Investment Manager (or interpolating between two adjacent rows, (as applicable)) is greater than 3.50 per cent. but less than or equal to 5.20 per cent.; and

(4) 0.20 per cent. if the weighted average spread (expressed as a percentage) applicable to the current Moody's Test Matrix based upon the option chosen by the Investment Manager (or interpolating between two adjacent rows, (as applicable)) is greater than 5.20 per cent.,

provided that if the Weighted Average Moody's Recovery Rate for purposes of determining the Moody's Weighted Average Recovery Adjustment is greater than 60 per cent., then such Weighted Average Moody's Recovery Rate shall equal 60 per cent. unless Rating Agency Confirmation is obtained, and provided further that the amount specified in clause (b)(i) above may only be allocated once on any Measurement Date and the Investment 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 Investment Manager, all such amounts shall be allocated to clause (b)(ii)(A)).

"**Adjusted Weighted Average Moody's Rating Factor**" means, as of any Measurement Date, a number equal to the Moody's Weighted Average Rating Factor determined in the following manner: for purposes of determining a Moody's Default Probability Rating, Moody's Rating or Moody's Derived Rating in connection with determining the Moody's Weighted Average Rating Factor for purposes of this definition, the last paragraph of the definition of each of "Moody's Default Probability Rating", "Moody's Rating" and "Moody's Derived Rating" shall be disregarded, and instead each applicable rating on credit watch by Moody's that is on (a) positive watch will be treated as having been upgraded by one rating subcategory, (b) negative watch will be treated as having been downgraded by two rating subcategories and (c) negative outlook will be treated as having been downgraded by one rating subcategory and rounding the result down to the nearest whole number.

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 35 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 Debt Obligation (excluding Defaulted Obligations) by its corresponding Moody's Recovery Rate and dividing such sum by the Aggregate Principal Balance (excluding Defaulted Obligations) and rounding the result up to the nearest 0.1 per cent.

The "**Moody's Recovery Rate**" means, in respect of each Collateral Debt Obligation, the Moody's recovery rate determined in accordance with the Investment Management Agreement or as so advised by Moody's (or such other recovery rate as may be published by Moody's in connection with any revision of its recovery rate methodology). Extracts of the Moody's Recovery Rate applicable under the Investment Management Agreement are set out as follows:

The Moody's Recovery Rate is, with respect to any Collateral Debt Obligation, as of any date of determination, the recovery rate determined in accordance with the following, in the following order of priority:

(a) if the Collateral Debt 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; or

(b) if the preceding clause does not apply to the Collateral Debt 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 Debt 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 Senior Secured Loans**	**Second Lien Loans and Senior Secured Bonds***	**All other Collateral Debt Obligations (other than Corporate Rescue Loans)**
+2 or more	60.0%	55.0%	45.0%
+1	50.0%	45.0%	35.0%
0	45.0%	35.0%	30.0%
-1	40.0%	25.0%	25.0%
-2	30.0%	15.0%	15.0%
-3 or less	20.0%	5.0%	5.0%

or,

(c) if the Collateral Debt Obligation is a Corporate Rescue Loan (other than a Corporate Rescue Loan which has been specifically assigned a recovery rate by Moody's), and (i) such Collateral Debt Obligation has an Assigned Moody's Rating, 50 per cent., (ii) otherwise, 20 per cent.

* If such Collateral Debt Obligation does not have both a CFR and an Assigned Moody's Rating, the Moody's Recovery Rate in respect of such Collateral Debt Obligation will be in accordance with the final column of this table.

"**Moody's Senior Secured 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; other than borrowed money, trade claims, capitalised leases or other similar obligations, or no other obligation of the Obligor has any higher priority security interest in such assets or stock, provided that a revolving loan of the Obligor that, pursuant to its terms, may require one or more advances to be made to the borrower may have a higher priority security interest in such assets or stock in the event of an enforcement in respect of such loan representing up to the Secured Senior RCF Percentage 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 Senior Secured Loan but for clause (y) above shall be considered a Moody's Senior Secured Loan if it is a loan made to a parent entity and as to which the Investment 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 Investment Manager) to repay the loan in accordance with its terms and to repay all other loans of equal seniority secured by a first lien or security interest in the same collateral); and

(b) the loan is not:

(i) a Corporate Rescue Loan; or

(ii) a loan for which the security interest or lien (or the validity or effectiveness thereof) in substantially all of its collateral attaches, becomes effective, or otherwise "springs" into existence after the origination thereof.

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 number 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 Investment Manager (acting on behalf of the Issuer) (or interpolating between two adjacent rows and/or two adjacent columns (as applicable)), as at such Measurement Date minus (B) the Adjusted Weighted Average Moody's Rating Factor; by

(ii) 75;

and dividing the result by 100.

Weighted Average Life Test

The "**Weighted Average Life Test**" will be satisfied on any Measurement Date if the Weighted Average Life as of such date is less than or equal to the number of years (rounded up to the nearest one hundredth thereof) during the period from the earlier of such Measurement Date or the end of the Reinvestment Period to 21 July 2024.

"**Weighted Average Life**" is, as of any Measurement Date with respect to all Collateral Debt Obligations other than Defaulted Obligations, the number of years (rounded down to the nearest one hundredth thereof) following such date obtained by summing the products obtained by multiplying (a) the Average Life at such time of each such Collateral Debt Obligation by (b) the Principal Balance of such Collateral Debt Obligation and dividing such sum by the Aggregate Principal Balance at such time of all Collateral Debt Obligations other than Defaulted Obligations.

"**Average Life**" is, on any Measurement Date with respect to any Collateral Debt 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 Debt 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 Debt Obligation.

The Minimum Weighted Average Spread Test

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

The "**Minimum Weighted Average Spread**", as of any Measurement Date, means the greater of:

(a) the weighted average spread (expressed as a percentage) applicable to the Fitch Tests Matrix selected by the Investment Manager; and

(b) the weighted average spread (expressed as a percentage) applicable to the current Moody's Test Matrix based upon the option chosen by the Investment Manager (or interpolating between two adjacent rows and/or two adjacent columns (as applicable)) reduced by the Moody's Weighted Average Recovery Adjustment, provided such reduction may not reduce the Minimum Weighted Average Spread below 2.5 per cent.

The "**Weighted Average 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 Debt Obligations as of such Measurement Date (including, for any Mezzanine Obligation, only the required current cash pay interest required by the Underlying Instruments thereon, and excluding Defaulted Obligations and Deferring Securities),

in each case adjusted for any withholding tax deducted in respect of the relevant obligation which is neither grossed up nor recoverable under any applicable double tax treaty or otherwise. The Weighted Average Spread shall be expressed as a percentage and shall be rounded up to the next 0.01 per cent. For the purposes of calculating the Weighted Average Spread, the amount of spread relating to any Collateral Debt Obligation shall exclude any amount in respect of which the Issuer or the Investment Manager has actual knowledge that payment will not be made when due by the Obligor thereunder (including, for the avoidance of doubt, any amount of spread that is payable at such Obligor's discretion or that is subject to deferral in accordance with the terms of the applicable Underlying Instruments).

The "**Aggregate Funded Spread**" is, as of any Measurement Date, the sum of:

(a) in the case of each Floating Rate Collateral Debt Obligation (including, for any Mezzanine Obligation, only the required current cash pay interest required by the Underlying Instruments thereon, and excluding Non-Euro Obligations, Defaulted Obligations, Deferring Securities and the unfunded portion of any Delayed Drawdown Collateral Debt Obligation and Revolving Obligation) that bears interest at a spread over EURIBOR, (i) the stated interest rate spread on such Collateral Debt Obligation above EURIBOR multiplied by (ii) the outstanding principal balance of such Collateral Debt Obligation (excluding the unfunded portion of any Delayed Drawdown Collateral Debt Obligation or Revolving Obligation);

(b) in the case of each Floating Rate Collateral Debt Obligation (including, for any Mezzanine Obligation, only the required current cash pay interest required by the Underlying Instruments thereon, and excluding Non-Euro Obligations, Defaulted Obligations and Deferring Securities and the unfunded portion of any Delayed Drawdown Collateral Debt Obligation and Revolving Obligation) that bears interest at a spread over an index other than EURIBOR-based index, (i) the excess of the sum of such spread and such index over EURIBOR with respect to the Rated Notes as of the immediately preceding Interest Determination Date (which spread or excess may be expressed as a negative percentage) multiplied by (ii) the outstanding principal balance of each such Collateral Debt Obligation (excluding the unfunded portion of any Delayed Drawdown Debt Collateral Debt Obligation or Revolving Obligation);

(c) in the case of each Floating Rate Collateral Debt Obligation which is a Non-Euro Obligation (including, for any Mezzanine Obligation, only the required current cash pay interest required by the Underlying Instruments thereon, and excluding Defaulted Obligations and Deferring Securities and the unfunded portion of any Delayed Drawdown Collateral Debt Obligation and Revolving Obligation) and subject to a Currency Hedge Transaction, (i) the stated interest rate spread over EURIBOR payable by the applicable Currency Hedge Counterparty to the Issuer under the related Currency Hedge Transaction multiplied by (ii) the outstanding Principal Balance of such Non-Euro Obligation; and

(d) in the case of each Floating Rate Collateral Debt Obligation which is a Non-Euro Obligation (including, for any Mezzanine Obligation, only the required current cash pay interest required by the Underlying Instruments thereon, and excluding Defaulted Obligations and Deferring Securities and the unfunded portion of any Delayed Drawdown Collateral Debt Obligation and Revolving Obligation) and which is not subject to a Currency Hedge Transaction, the difference between (i) the interest amount payable by the relevant obligor converted into Euro at the applicable Spot Rate multiplied by

(x) in the case of Non-Euro Obligations denominated in U.S. Dollars, Sterling, Danish Krone, Swiss Francs, Swedish Krona or Norwegian Krone, 0.85; and (y) in the case of Non-Euro Obligations denominated in any other Qualifying Currency, 0.50, and (ii) the product of (x) EURIBOR with respect to the Rated Notes as of the immediately preceding Interest Determination Date multiplied by (y) the outstanding Principal Balance of such Non-Euro Obligation.

If a Floating Rate Collateral Debt Obligation is subject to a floor, the spread shall include, if positive: (x) the EURIBOR (or such other floating rate of interest) floor value minus (y) the greater of (a) zero and (b) EURIBOR (or such other floating rate of interest) applicable in respect of such Floating Rate Collateral Debt Obligation on such Measurement Date (provided that to the extent the floor is in respect of a Non-Euro Obligation and the floor is not included in the payments made by the Hedge Counterparty to the Issuer, for the purposes of paragraph (c) above, the additional interest amount in respect of such additional margin shall be determined by applying the Spot Rate (multiplied by (x) in the case of Non-Euro Obligations denominated in U.S. Dollars, Sterling, Danish Krone, Swiss Francs, Swedish Krona or Norwegian Krone, 0.85; and (y) in the case of Non-Euro Obligations denominated in any other Qualifying Currency, 0.50) under paragraph (c)(ii) and not the applicable Currency Hedge Transaction Exchange Rate) (such adjustment pursuant to this paragraph, the "**EURIBOR Floor Adjustment**").

Further, the margin shall be deemed to be (x) in respect of a Step-Down Coupon Security, the lowest margin that is permissible pursuant to and in accordance with the Underlying Instruments relating thereto; and (y) in respect of a Step-Up Coupon Security, the margin applicable as at the relevant Measurement Date.

The "**Aggregate Unfunded Spread**" is, as of any Measurement Date, the sum of the products obtained by multiplying (i) for each Delayed Drawdown Collateral Debt Obligation and Revolving Obligation (other than Defaulted Obligations), the current per annum rate payable by way of such commitment fee then in effect as of such date and (ii) the undrawn commitments of each such Delayed Drawdown Collateral Debt Obligation and Revolving Obligation as of such date.

The "**Aggregate Excess Funded Spread**" is, as of any Measurement Date, the amount obtained by multiplying:

(a) 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 Debt Obligations (excluding for the avoidance of doubt, the principal balance of any Defaulted Obligation) as of such Measurement Date minus (ii) the Target Par Amount minus (iii) the aggregate amount of Principal Proceeds received from the issuance of additional Notes pursuant to the Trust Deed.

The "**Weighted Average Coupon Adjustment Percentage**" means a percentage, equal as of any Measurement Date, to a number obtained by multiplying (a) the result of the Weighted Average Fixed Coupon minus the Reference Weighted Average Fixed Coupon, by (b) the number obtained by dividing the Aggregate Principal Balance of all Fixed Rate Collateral Debt Obligations by the Aggregate Principal Balance of all Floating Rate Collateral Debt Obligations (in each case excluding Defaulted Obligations, Deferring Securities and the unfunded portion of any Delayed Drawdown Collateral Debt Obligations and Revolving Obligations), and which product may, for the avoidance of doubt, be negative.

The "**Reference Weighted Average Fixed Coupon**" means, if any of the Collateral Debt Obligations are Fixed Rate Collateral Debt Obligations 5.25 per cent. and otherwise zero per cent.

The "**Weighted Average Fixed Coupon**", as of any Measurement Date, is the number expressed as a percentage obtained by dividing:

(a) the amount equal to the Aggregate Coupon; by

(b) an amount equal to the Aggregate Principal Balance of all Fixed Rate Collateral Debt Obligations as of such Measurement Date,

in each case excluding, for any Mezzanine Obligation, any interest that has been deferred and capitalised thereon (other than any such interest capitalised pursuant to the terms thereof which is paid for on the date of acquisition of such Mezzanine Obligation) and excluding Defaulted Obligations and the unfunded portion of any Delayed Drawdown Collateral Debt Obligations and Revolving Obligations and in each case adjusted for any withholding tax deducted in respect of the relevant obligation which is neither grossed up nor recoverable

under any applicable double tax treaty or otherwise and rounding the result up to the nearest 0.01 per cent. For the purposes of calculating the Weighted Average Fixed Coupon, the amount of coupon relating to any Collateral Debt Obligation shall exclude any amount in respect of which the Issuer or the Investment Manager has actual knowledge that payment will not be made when due by the Obligor thereunder (including, for the avoidance of doubt, any amount of coupon that is payable at such Obligor's discretion or that is subject to deferral in accordance with the terms of the applicable Underlying Instruments).

The "**Aggregate Coupon**" is, as of any Measurement Date, the sum of (i) with respect to any Fixed Rate Collateral Debt Obligation which is a Non-Euro Obligation and subject to an Currency Hedge Transaction, and excluding Defaulted Obligations, Deferring Securities and the unfunded portion of any Delayed Drawdown Collateral Debt 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, converted into Euro at the applicable Currency Hedge Transaction Exchange Rate, (ii) with respect to any Fixed Rate Collateral Debt Obligation which is a Non-Euro Obligation which is not subject to an Currency Hedge Transaction and excluding Defaulted Obligations and the unfunded portion of any Delayed Drawdown Collateral Debt Obligations and Revolving Obligations, an amount equal to the Euro equivalent of the product of (x) stated coupon on such Collateral Debt Obligation expressed as a percentage and (y) the Principal Balance of such Non-Euro Obligation; and (iii) with respect to all other Fixed Rate Collateral Debt Obligations and excluding Defaulted Obligations and the unfunded portion of any Delayed Drawdown Collateral Debt Obligations and Revolving Obligations, the sum of the products obtained by multiplying, in the case of each Fixed Rate Collateral Debt Obligation, (x) the stated coupon on such Collateral Debt Obligation expressed as a percentage and (y) the Principal Balance of such Collateral Debt Obligation.

Further, the coupon shall be deemed to be (x) in respect of a Step-Down Coupon Security, the lowest coupon that is permissible pursuant to and in accordance with the Underlying Instruments relating thereto; and (y) in respect of a Step-Up Coupon Security, the margin applicable as at the relevant Measurement Date.

Maximum Obligor Concentration Test

The "**Maximum Obligor Concentration Test**" will be satisfied on any Measurement Date if the Obligor Concentration as at such Measurement Date is less than or equal to the Maximum Obligor Concentration as at such Measurement Date.

The "**Maximum Obligor Concentration**" means, on any Measurement Date the obligor concentration applicable to the Fitch Tests Matrix selected by the Investment Manager on such date in accordance with the Investment Management Agreement.

"**Obligor Concentration**" means, on any Measurement Date, the percentage of the Aggregate Collateral Balance represented by the Aggregate Principal Balance of Collateral Debt Obligations relating to the ten (10) Obligors contained in the Portfolio on such date that yields the highest such percentage (where for the purposes of determining the Aggregate Collateral Balance and the Aggregate Principal Balance, the Principal Balance of each Defaulted Obligation shall be multiplied by its Market Value).

Rating Definitions

Moody's Ratings Definitions

"**Moody's Default Probability Rating**" means, with respect to any Collateral Debt Obligation, as of any date of determination, the rating determined in accordance with the following methodology:

(a) if the Obligor of such Collateral Debt Obligation has a CFR, then such CFR;

(b) if not determined pursuant to clause (a) above, if the Obligor of such Collateral Debt Obligation has one or more senior unsecured obligations with an Assigned Moody's Rating, then the Assigned Moody's Rating on such obligation as selected by the Investment Manager in its sole discretion;

(c) if not determined pursuant to clauses (a) or (b) above, if the Obligor of such Collateral Debt Obligation has one or more senior secured obligations with an Assigned Moody's Rating, then the Moody's rating that is one subcategory lower than the Assigned Moody's Rating on any such senior secured obligation as selected by the Investment 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 Debt Obligation by Moody's upon the request of the Issuer, the Investment Manager or an Affiliate of the Investment 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 Debt Obligation will be deemed to have a Moody's Default Probability Rating of "Caa3".

For purposes of calculating a Moody's Default Probability Rating, each applicable rating on credit watch by Moody's with positive or negative implication at the time of calculation will be treated, respectively, as having been upgraded or downgraded by one rating subcategory, as the case may be.

"**Assigned Moody's Rating**" means the monitored publicly available rating or the monitored estimated rating or the unpublished monitored loan rating, in each case 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 Debt Obligation, if such obligor has a corporate family rating by Moody's, then such corporate family rating; *provided*, if such obligor does not have a corporate family rating by Moody's but any entity in the obligor's corporate family does have a corporate family rating, then the CFR is such corporate family rating.

"**Moody's Derived Rating**" means, with respect to a Collateral Debt Obligation whose Moody's Rating or Moody's Default Probability Rating is determined as the Moody's Derived Rating, the rating as determined in the manner set forth below:

(a) with respect to any Corporate Rescue Loan and (solely for purposes of determining the Adjusted Weighted Average Moody's Rating Factor) any Current Pay Obligation, the Moody's Rating or Moody's Default Probability Rating of such Collateral Debt Obligation shall be the rating which is one subcategory below the facility rating (whether public or private) of such Corporate Rescue Loan or Current Pay Obligation, as applicable, rated by Moody's;

(b) if not determined pursuant to clause (a) above, then by using any one of the methods provided below:

(i) pursuant to the table below:

Type of Collateral Debt Obligation	S&P Rating (Public and Monitored)	Collateral Debt 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 Interest in Loan	-1
Not Structured Finance Obligation	≤"BB+"	Not a Loan or Participation Interest in Loan	-2
Not Structured Finance Obligation		Loan or Participation Interest in Loan	-2

(ii) if such Collateral Debt 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 Investment Manager be determined in accordance with the table set forth in sub-clause (b)(i) above, and the Moody's Derived Rating for purposes of the definitions of Moody's Rating and Moody's Default Probability Rating (as applicable) of such Collateral Debt Obligation will be determined in accordance with the

methodology set forth in the following table (for such purposes treating the parallel security as if it were rated by Moody's at the rating determined pursuant to this sub-clause (b)(ii)):

Obligation Category of parallel security	Rating of parallel security	Number of subcategories relative to rated security 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

(iii) or, if such Collateral Debt 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; provided, that the Aggregate Principal Balance of the Collateral Debt Obligations that may have a Moody's Rating derived from an S&P Rating as set forth in sub-clauses (i) or (ii) of this clause (b) may not exceed 10 per cent. of the Aggregate Collateral Balance; and

(c) if not determined pursuant to clauses (a) or (b) above and such Collateral Debt Obligation is not rated by Moody's or S&P and no other security or obligation of the issuer of such Collateral Debt Obligation is rated by Moody's or S&P, and if Moody's has been requested by the Issuer, the Investment Manager or the issuer of such Collateral Debt Obligation to assign a rating or rating estimate with respect to such Collateral Debt Obligation but such rating or rating estimate has not been received, pending receipt of such estimate, the Moody's Derived Rating of such Collateral Debt Obligation for purposes of the definitions of Moody's Rating or Moody's Default Probability Rating shall be (i) "B3" if the Investment Manager confirms to the Trustee and the Collateral Administrator that the Investment Manager believes that such estimate shall be at least "B3" and if the Aggregate Principal Balance of Collateral Debt Obligations determined pursuant to this clause (c) and clause (a) above does not exceed 5 per cent. of the Aggregate Collateral Balance or (ii) otherwise, "Caa3".

For purposes of calculating a Moody's Derived Rating, each applicable rating on credit watch by Moody's with positive or negative implication at the time of calculation will be treated as having been upgraded or downgraded by one rating subcategory, as the case may be.
"**Moody's Rating**" means:

(a) with respect to a Collateral Debt Obligation that is a Senior Secured Loan or Senior Secured Bond:

(i) if such Collateral Debt Obligation has an Assigned Moody's Rating, such Assigned Moody's Rating;

(ii) if such Collateral Debt Obligation does not have an Assigned Moody's Rating but the Obligor of such Collateral Debt Obligation has a CFR, then the Moody's rating that is one subcategory higher than such CFR;

(iii) if neither clause (i) nor (ii) above apply, if such Collateral Debt Obligation does not have an Assigned Moody's Rating but the obligor of such Collateral Debt Obligation has one or more senior unsecured obligations with an Assigned Moody's Rating, then the Moody's rating that is two subcategories higher than the Assigned Moody's Rating on any such obligation as selected by the Investment Manager in its sole discretion;

(iv) if none of clauses (i) through (iii) above apply, at the election of the Investment Manager, the Moody's Derived Rating; and

(v) if none of clauses (i) through (iv) above apply, the Collateral Debt Obligation will be deemed to have a Moody's Rating of "Caa3"; and

(b) with respect to a Collateral Debt Obligation other than a Senior Secured Loan or Senior Secured Bond:

(i) if such Collateral Debt Obligation has an Assigned Moody's Rating, such Assigned Moody's Rating;

(ii) if such Collateral Debt Obligation does not have an Assigned Moody's Rating but the obligor of such Collateral Debt Obligation has one or more senior unsecured obligations with an

Assigned Moody's Rating, then the Assigned Moody's Rating on any such obligation as selected by the Investment Manager in its sole discretion;

(iii) if neither clause (i) nor (ii) above apply, if such Collateral Debt Obligation does not have an Assigned Moody's Rating but the obligor of such Collateral Debt Obligation has a CFR, then the Moody's rating that is one subcategory lower than such CFR;

(iv) if none of clauses (i), (ii) or (iii) above apply, if such Collateral Debt Obligation does not have an Assigned Moody's Rating but the obligor of such Collateral Debt Obligation has one or more subordinated debt obligations with an Assigned Moody's Rating, then the Moody's rating that is one subcategory higher than the Assigned Moody's Rating on any such obligation as selected by the Investment Manager in its sole discretion;

(v) if none of clauses (i) through (iv) above apply, at the election of the Investment Manager, the Moody's Derived Rating; and

(vi) if none of clauses (i) through (v) above apply, the Collateral Debt Obligation will be deemed to have a Moody's Rating of "Caa3".

For purposes of calculating a Moody's Rating, each applicable rating on credit watch by Moody's with positive or negative implication at the time of calculation will be treated as having been upgraded or downgraded by one rating subcategory, as the case may be.

Fitch Ratings Definitions

The "**Fitch Rating**" of any Collateral Debt Obligation will be determined in accordance with the below (with the sub-paragraph earliest in this definition applying in the case where more than one sub-paragraph would otherwise be applicable):

(a) with respect to any Collateral Debt Obligation in respect of which there is a Fitch issuer default rating, including credit opinions, whether public or privately provided to the Investment Manager following notification by the Investment Manager that the Issuer has entered into a binding commitment to acquire such Collateral Debt Obligation (the "**Fitch Issuer Default Rating**"), the Fitch Rating shall be such Fitch Issuer Default Rating;

(b) if the Obligor thereof has an outstanding long-term financial strength rating from Fitch (the "**Fitch LTSR**"), then the Fitch Rating shall be one notch lower than such Fitch LTSR;

(c) if, in respect of any other obligation of the Obligor or its Affiliates, there is a publicly available rating by Fitch, then the Fitch Rating shall be the Fitch IDR Equivalent determined by applying the Fitch Rating Mapping Table (as defined below) to such rating;

(d) if in respect of the Collateral Debt Obligation there is a Moody's CFR, a Moody's Long Term Issuer Rating or an S&P Issuer Credit Rating, then the Fitch Rating shall be the rating that corresponds to the lowest thereof;

(e) if in respect of the Collateral Debt Obligation, there is an Insurance Financial Strength Rating, then the Fitch Rating shall be one notch lower than such Insurance Financial Strength Rating;

(f) if in respect of the Collateral Debt Obligation there is a Moody's/S&P Corporate Issue Rating, then the Fitch Rating shall be the Fitch IDR Equivalent determined by applying the Fitch Rating Mapping Table (as defined below) to such rating;

(g) if a Fitch Rating cannot otherwise be assigned, the Investment Manager, on behalf of the Issuer, shall apply to Fitch for a credit opinion which shall then be the Fitch Rating or shall agree a rating with Fitch which shall then be the Fitch Rating, provided that, pending receipt from Fitch of any credit opinion, the applicable Collateral Debt Obligation shall either be deemed to have a Fitch Rating of "B-", subject to the Investment Manager believing (in its reasonable judgement) that such credit assessment will be at least "B-" or the rating specified as applicable thereto by Fitch pending receipt of such credit assessment; or

(h) if such Collateral Debt Obligation is a Corporate Rescue Loan:

(i) if such Corporate Rescue Loan has a publicly available rating from Fitch or has been assigned an issue-level credit assessment by Fitch, the Fitch Rating shall be such rating or credit assessment; and

(ii) otherwise the Issuer or the Investment Manager on behalf of the Issuer shall apply to Fitch for an issue-level credit assessment provided that, pending receipt from Fitch of any issue-level credit assessment, the applicable Corporate Rescue Loan shall either be deemed to have a Fitch Rating of "B-", subject to the Investment Manager believing (in its reasonable judgement) that such credit assessment will be at least "B-" or the rating specified as applicable thereto by Fitch pending receipt of such credit assessment.

For the purposes of determining the Fitch Rating, the following definitions shall apply, provided always that (i) if a debt security or obligation of the Obligor has been in default for the past two years, the Fitch Rating of such Collateral Debt Obligation shall be treated as "D" (except if such Collateral Debt Obligation is a Corporate Rescue Loan, in which case the Fitch Rating shall be determined in accordance with paragraph (h) above), (ii) with respect to any Current Pay Obligation that is rated "D" or "RD", the Fitch Rating of such Current Pay Obligation will be "CCC", and provided further that (x) if the applicable Collateral Debt Obligation has been put on rating watch negative or negative credit watch for possible downgrade by Fitch, then the rating used to determine the Fitch Rating above shall be one rating subcategory below such rating by Fitch, (y) if the applicable Collateral Debt Obligation has been put on rating watch negative or negative credit watch for possible downgrade by S&P or Moody's and the Fitch Rating is derived from S&P or Moody's, then the Fitch Rating shall be one rating subcategory below what would otherwise be the Fitch Rating, and (z) notwithstanding the rating definition described above, Fitch reserves the right to use a credit opinion or a rating estimate for any Collateral Debt Obligations at any time.

"**Fitch IDR Equivalent**" means, in respect of any rating described in the Fitch Rating Mapping Table, the equivalent Fitch Issuer Default Rating determined by increasing (or reducing, in the case of a negative number) such rating (or the nearest Fitch equivalent thereof) by the number of notches specified under "Mapping Rule" in the fourth column of the Fitch Rating Mapping Table.

"**Fitch Rating Mapping Table**" means the following table:

Rating Type	Applicable Rating Agency(ies)	Issue rating	Mapping Rule
Corporate family rating or long term issuer rating	Moody's	n/a	+0
Issuer credit rating	S&P	n/a	+0
Senior unsecured	Fitch, Moody's or S&P	Any	+0
Senior, senior secured or subordinated secured	Fitch or S&P	"BBB-" or above	+0
Senior, senior secured or subordinated secured	Fitch or S&P	"BB+" or below	-1
Senior, senior secured or subordinated secured	Moody's	"Ba1" or above	-1
Senior, senior secured or subordinated secured	Moody's	"Ba2" or below, but above "Ca"	-2
Senior, senior secured or subordinated secured	Moody'	"Ca"	-1
Subordinated, junior subordinated or senior subordinated	Fitch, Moody's or S&P	"B+"/"B1" or above	+1
Subordinated, junior subordinated or senior subordinated	Fitch, Moody's or S&P	"B"/"B2" or below	+2

"**Insurance Financial Strength Rating**" means, in respect of a Collateral Debt Obligation, the lower of any applicable public insurance financial strength rating by S&P or Moody's in respect thereof.

"**Moody's CFR**" means, in respect of a Collateral Debt Obligation, a publicly available corporate family rating by Moody's in respect of the Obligor thereof.

"**Moody's Long Term Issuer Rating**" means, in respect of a Collateral Debt Obligation, a publicly available long term issuer rating by Moody's in respect of the Obligor thereof.

"**Moody's/S&P Corporate Issue Rating**" means, in respect of a Collateral Debt Obligation, the lower of the Fitch IDR Equivalent ratings, determined in accordance with the Fitch Rating Mapping Table, corresponding to any outstanding publicly available issue rating by Moody's and/or S&P in respect of any other obligation of the Obligor or any of its Affiliates.

"**S&P Issuer Credit Rating**" means, in respect of a Collateral Debt Obligation, a publicly available issuer credit rating by S&P in respect of the Obligor thereof.

The Coverage Tests

The Coverage Tests will consist of the Class A/B Par Value Test, the Class C Par Value Test, the Class D Par Value Test, the Class E Par Value Test, the Class F Par Value Test, the Class A/B Interest Coverage Test, the Class C Interest Coverage Test and the Class D Interest Coverage Test. The Coverage Tests will be used primarily to determine whether interest may be paid on the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Subordinated Notes, whether Principal Proceeds may be reinvested in Substitute Collateral Debt 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 on the Notes in accordance with the Note Payment Sequence, in each case to the extent necessary to cause the Coverage Tests relating to the relevant Class of Notes to be met.

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

Coverage Test and Ratio	Percentage at Which Test is Satisfied
Class A/B Par Value Test	127.74%
Class A/B Interest Coverage Test	120.0%
Class C Par Value Test	119.38%
Class C Interest Coverage Test	110.0%
Class D Par Value Test	113.34%
Class D Interest Coverage Test	105.0%
Class E Par Value Test	105.66%
Class F Par Value Test	103.67%

DESCRIPTION OF THE INVESTMENT MANAGEMENT AGREEMENT

Fees

As compensation for the performance of its obligations under the Investment Management Agreement, the Investment Manager (and/or, at its direction, an Affiliate of the Investment Manager) will receive from the Issuer an investment management fee equal to 0.15 per cent. per annum of the Aggregate Collateral Balance measured as of the first day of the relevant Due Period (exclusive of VAT) calculated semi-annually 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, which investment management fee will be payable senior to the Notes, but subordinated to certain fees and expenses of the Issuer (such fee, the "**Senior Investment Management Fee**").

The Investment Management Agreement also provides that the Investment Manager (and/or, at its direction, an Affiliate of the Investment Manager) will receive from the Issuer an investment management fee equal to 0.35 per cent. per annum of the Aggregate Collateral Balance measured as of the first day of the relevant Due Period (exclusive of VAT) calculated semi-annually 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, which investment management fee will be payable senior to the payments on the Subordinated Notes, but subordinated to the Rated Notes (such fee, the "**Subordinated Investment Management Fee**").

In addition to the Senior Investment Management Fee and the Subordinated Investment Management Fee, the Investment Manager (and/or, at its direction, an Affiliate of the Investment Manager) will receive an incentive investment management fee, payable on each Payment Date as provided below and subject to the Priorities of Payments, if the Incentive Investment Management Fee IRR Threshold has met or exceeded 12 per cent., in an amount equal to 20 per cent. of any Interest Proceeds, Principal Proceeds and Collateral Enhancement Obligation Proceeds (exclusive of VAT) that would otherwise be available to distribute to the Subordinated Noteholders in accordance with the Priorities of Payments (such fee, the "**Incentive Investment Management Fee**").

If amounts distributable on any Payment Date in accordance with the Priorities of Payments are insufficient to pay the Senior Investment Management Fee in full, then a portion of the Senior Investment 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 Investment Management Fee in full, then a portion of the Subordinated Investment 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 Investment Manager may elect to defer any Senior Investment Management Fees and Subordinated Investment Management Fees. Any amounts so deferred shall be applied in accordance with the Priorities of Payments. Any due and unpaid Investment Management Fees including Deferred Senior Investment Management Amounts and Deferred Subordinated Investment Management Amounts shall not accrue any interest.

The Investment Management Agreement provides that certain expenses incurred by the Investment Manager in the performance of its obligations under the Investment Management Agreement will be reimbursed by the Issuer as Administrative Expenses to the extent funds are available therefor in accordance with and subject to the limitations contained in the Investment Management Agreement and the Priorities of Payments. These expenses include (i) reasonable expenses incurred by the Investment Manager to employ outside lawyers or consultants reasonably necessary in connection with the default or restructuring of any Collateral Debt Obligation or other extraordinary expenses arising in the performance of its duties under the Investment Management Agreement and the Conditions (together with any irrevocable VAT or equivalent tax thereon) and (ii) any transfer fees, registration costs, certain brokerage fees and other similar costs and transaction-related expenses and fees (including legal fees) arising out of the transactions effected for the Issuer's account in accordance with the Investment Management Agreement (but excluding any counsel fees and expenses not otherwise ordered by any court, incurred in connection with any dispute between the Investment Manager and the Trustee or any Noteholder).

Cross Transactions

The Investment Manager, Cairn Capital and any of their respective Affiliates may at certain times seek to purchase or sell investments from or to the Issuer as principal. Under the Investment Management Agreement, the Investment Manager, at its option and sole discretion, may effect principal transactions between such entities. In addition, the Investment Manager and its Affiliates will be authorised to engage in certain cross transactions, including "agency cross" transactions (i.e., transactions in which either the Investment Manager or one of its Affiliates or another person acts as a broker for both the Issuer and another person on the other side of the same transaction, which person may be an account or client for which the Investment Manager or any Affiliate serves as investment adviser). The Issuer has agreed to permit cross transactions; provided that such consent can be revoked at any time by the Issuer and to the extent that the Issuer's consent with respect to any particular cross transaction is required by applicable law. By purchasing a Note, a holder shall be deemed to have consented to the procedures described herein relating to cross transactions and principal transactions. The Investment Manager or its Affiliates may receive commissions from, and have a potentially conflicting division of loyalties and responsibilities regarding, both parties to any such principal transaction or cross transactions. See "*Risk Factors—Certain Conflicts of Interest*".

Standard of Care of the Investment Manager

Pursuant to the Investment Management Agreement, the Investment Manager will agree with the Issuer that it will perform its obligations, duties and discretions under the Investment Management Agreement, with reasonable care, 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 Portfolio assets (the "**Standard of Care**"). The Standard of Care may change from time to time to reflect changes by the Investment Manager to its customary and usual administrative policies and procedures provided that such policies and procedures are at least as rigorous as the foregoing. To the extent not inconsistent with the foregoing, the Investment Manager will follow its customary and usual administrative policies and procedures in performing its duties under the Investment Management Agreement.

Credit Risk Mitigation

Together with its obligations under the Investment Management Agreement and subject to the Standard of Care required thereunder (as described above), the Investment Manager has in place and operates (in conjunction with, where appropriate, Cairn Capital's internal policies and procedures) policies or procedures to administer and manage the Collateral Debt Obligations and similar portfolios. Such policies and procedures include, in the case of the Collateral Debt Obligations, procedures for identifying Credit Impaired Obligations and Defaulted Obligations.

Under the Investment Management Agreement, in each case subject to the Standard of Care required thereunder (as described above), the Investment Manager will covenant that:

(a) the Investment Manager will diversify the Collateral Debt Obligations contained in the Portfolio by committing to acquire and sell the same in accordance with the Portfolio Profile Tests;

(b) the Investment Manager will measure and monitor the credit risk of the Collateral Debt Obligations by acting in accordance with its obligations under and in accordance with the terms of the Investment Management Agreement; and

(c) the Investment Manager will consult with the Collateral Administrator for the purposes of compiling each Monthly Report and Payment Date Report which will provide information intended to facilitate investors in their conducting of stress tests on the cash flows and collateral values supporting the Notes.

Responsibilities of the Investment Manager

The Investment Manager will not be liable in contract or tort to the Issuer, the Trustee or the holders of the Notes for any loss incurred as a result of the actions taken by the Investment Manager under the Investment Management Agreement, except by reason of acts or omissions constituting bad faith, wilful misconduct or negligence in the performance, or reckless disregard, of its obligations under the express terms of the Investment Management Agreement. Subject to the standard of care specified above, the Investment Manager (any Affiliates of the Investment Manager, and their shareholders, directors, officers, members, attorneys, advisors, agents and employees) will be entitled to indemnification by the Issuer in relation, *inter alia*, to the performance

of the Investment Manager's obligations under the Investment Management Agreement, which will be payable in accordance with the Priorities of Payments.

Resignation of the Investment Manager

The Investment Manager may resign, subject to the appointment of a successor Investment Manager in accordance with the terms of the Investment Management Agreement, with or without cause upon at least 90 days' prior written notice to the Issuer, the Trustee, the Noteholders, each Hedge Counterparty and each Rating Agency. The Investment Manager may resign its appointment hereunder upon shorter notice whether or not a replacement Investment Manager has been appointed where there is a change in law or the application of any applicable law which makes it illegal for the Investment Manager to carry on its duties under the Investment Management Agreement.

Investment Manager Tax Event

The Investment Manager may be removed by the Issuer (regardless of whether or not a successor Investment Manager has been appointed) if it has not changed the location from which it provides its investment management services under the terms of the Investment Management Agreement so as to remedy, or has not otherwise remedied or eliminated the occurrence of an Investment Manager Tax Event, in each case, within 90 days of the date that the Investment Manager first becomes aware of an Investment Manager Tax Event (where "**Investment Manager Tax Event**" means that the Issuer has become subject either (a) to any United Kingdom tax liability or (b) to any U.S. federal income tax on a net income basis (or there being a substantial likelihood that the Issuer will become subject such U.S. federal income tax) (in each case, as a result of the activities of the Investment Manager, and in each case, provided that such 90 day period shall be extended by a further 90 days if the Investment Manager has notified the Issuer and the Trustee before the end of the first 90 day period that it expects to have changed the place from which it provides its investment management services under the terms of the Investment Management Agreement so as to remedy or that it is otherwise able to remedy or eliminate the circumstances giving rise to such Investment Manager Tax Event).

Removal Upon Breach of Par Value Ratios

The Investment Manager may be removed, subject to the appointment of a successor Investment Manager in accordance with the terms of the Investment Management Agreement, upon at least 30 days' prior written notice by the Issuer or the Trustee in either case acting at the direction of the holders of the Controlling Class, acting by Extraordinary Resolution, in the event that the Class A/B Par Value Ratio, as of any Measurement Date on or after the Effective Date, is less than 100 per cent. or, if no Class A Notes and no Class B Notes are Outstanding, the holders of the Class C Notes, acting by Extraordinary Resolution, in the event that the Class C Par Value Ratio, as of any Measurement Date, is less than 100 per cent. or, if no Class C Notes are Outstanding, the holders of the Class D Notes, acting by Extraordinary Resolution, in the event that the Class D Par Value Ratio, as of any Measurement Date, is less than 100 per cent. or, if no Class D Notes are Outstanding, the holders of the Class E Notes, acting by Extraordinary Resolution, in the event that the Class E Par Value Ratio, as of any Measurement Date, is less than 100 per cent. or if no Class E Notes are Outstanding, the holders of the Class F Notes, acting by Extraordinary Resolution, in the event that the Class F Par Value Ratio, as of any Measurement Date, is less than 100 per cent., (in each case excluding any Notes held by the Investment Manager, any Affiliate of the Investment Manager, Cairn Capital, any Affiliate of Cairn Capital, and any director, officer or employee of such entities or any fund or account for which the Investment Manager, Cairn Capital or any of their respective Affiliates exercises discretionary voting authority on behalf of such fund or account in respect of the Notes (an "**Investment Manager Related Person**")).

Removal for Cause

The Investment Manager may be removed, subject to the appointment of a successor Investment Manager in accordance with the terms of the Investment Management Agreement, for Cause upon at least 30 days' prior written notice by (i) the Issuer at its discretion; or (ii) the Trustee at the direction of the holders of (A) the Subordinated Notes, acting by Extraordinary Resolution or (B) the Controlling Class, acting by Extraordinary Resolution, (in each case excluding any IM Removal and Replacement Non-Voting Notes or IM Removal and Replacement Exchangeable Non-Voting Notes and any Notes held by the Investment Manager or an Investment Manager Related Person), provided that notice of such removal shall have been given to the holders of each Class of the Notes and each Hedge Counterparty by the Issuer or the Trustee, as the case may be, in accordance with the Investment Management Agreement and the Trust Deed.

For the purposes of determining "**Cause**" with respect to termination of the Investment Management Agreement such term shall mean any one of the following events:

(a) that the Investment Manager wilfully took any action which it knew was in breach of any material provision (unrelated to the economic performance of the Collateral Debt Obligations) of the Investment Management Agreement or the Trust Deed as are applicable to it;

(b) that the Investment Manager breached any material provision of the Investment Management Agreement as is applicable to it (other than as specified in paragraph (a) above) which breach (i) has a material adverse effect on the Issuer or the interests of the Noteholders of any Class and (ii) if capable of being cured, is not cured within 45 days of the Investment Manager being aware thereof or the Investment Manager's receipt of written notice of such breach from the Issuer or the Trustee. Upon becoming aware of any such breach, the Investment Manager shall give written notice thereof to the Issuer and the Trustee;

(c) the failure of any representation, warranty, certification or statement made or delivered by the Investment Manager in or pursuant to the Investment Management Agreement or the Trust Deed to be correct in any material respect when made and such failure (i) has a material adverse effect on the interests of the Noteholders of any Class and (ii) if capable of being remedied, such failure is not remedied within 45 days after the Investment Manager becoming aware of, or its receipt of written notice from the Issuer or the Trustee of, such failure. Upon becoming aware of such failure, the Investment Manager shall give written notice thereof to the Issuer and the Trustee;

(d) the Investment Manager is wound up or dissolved or there is appointed over it or a substantial part of its assets a receiver, administrator, administrative receiver, trustee or similar officer; or the Investment Manager (i) ceases to be able to, or admits in writing that it is unable to pay its debts as they become due and payable, or makes a general assignment for the benefit of, or enters into any composition or arrangement with, its creditors generally; (ii) applies for or consents (by admission of material allegations of a petition or otherwise) to the appointment of a receiver, administrator, trustee, assignee, custodian, liquidator or sequestrator (or other similar official) of the Investment 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 Investment Manager without such authorisation, consent or application and either continue undismissed for 60 days or any such appointment is ordered by a court or regulatory body having jurisdiction; (iii) authorises or files a voluntary petition in bankruptcy, or applies for or consents (by admission of material allegations of a petition or otherwise) to the application of any bankruptcy, reorganisation, arrangement, readjustment of debt, insolvency, dissolution, or similar law, or authorises such application or consent, or proceedings to such end are instituted against the Investment Manager without such authorisation, application or consent and remain undismissed for 60 days or result in adjudication of bankruptcy or insolvency or the issuance of an order for relief; or (iv) permits or suffers all or any substantial part of its properties or assets to be sequestered or attached by court order and the order (if contested in good faith) remains undismissed for 60 days;

(e) the occurrence of an Event of Default specified in paragraph (a)(i) (*Non payment of Interest*) or (a)(ii) (*Non payment of Principal*) of Condition 10 (*Events of Default*) (except in those circumstances where such Event of Default is solely attributable to the actions or omissions of a third party which the Investment Manager does not control);

(f) the occurrence of an act by the Investment Manager (or any senior officer of the Investment Manager involved in its leveraged investment business) that constitutes fraud or criminal activity in the performance of the Investment Manager's obligations under the Investment Management Agreement or its other investment management activities, or the Investment Manager (or any senior officer of the Investment Manager involved in its leveraged investment business) being found guilty of having committed a criminal offence materially related to the management of investments similar in nature and character to those which comprise the Collateral; and

(g) the purchase by the Investment Manager of an obligation which did not qualify as a Collateral Debt Obligation or did not comply with the Reinvestment Criteria applicable to such purchase, in either case, at the time of purchase, and the Investment Manager fails to cure such breach through a sale of such Collateral Debt Obligation or otherwise within 45 days of the Investment Manager becoming aware of such breach or the Investment Manager's receipt of written notice of such breach from the Issuer or the

Trustee (and upon becoming aware of any such breach, the Investment Manager shall give written notice thereof to the Issuer and the Trustee), unless such event has been waived in writing by the holders of the Controlling Class acting by way of Ordinary Resolution.

If any of the events specified in paragraphs (a) to (g) (inclusive) above shall occur, the Investment Manager shall give prompt written notice thereof to the Issuer, the Trustee, the Rating Agencies and the holders of all Outstanding Notes upon the Investment Manager becoming aware of the occurrence of such event.

No Voting Rights

Notes held in the form of IM Removal and Replacement Non-Voting Notes or IM Removal and Replacement Exchangeable Non-Voting Notes shall not have any voting rights in respect of, and shall not be counted for the purposes of determining a quorum and the result of any votes in respect of IM Removal Resolutions or any IM Replacement Resolutions (but shall carry a right to vote and be so counted on all other matters in respect of which the IM Removal and Replacement Voting Notes have a right to vote and be counted).

Any Class A Notes, Class B Notes, Class C Notes or Class D Notes held by or on behalf of the Investment Manager or any Investment Manager Related Person shall only be held in the form of IM Removal and Replacement Exchangeable Non-Voting Notes and will therefore have no voting rights with respect to and shall not be counted for the purposes of determining a quorum and the results of any votes in respect of IM Removal Resolution or IM Replacement Resolution (but shall carry a right to vote and be so counted on all other matters in respect of which IM Removal and Replacement Voting Notes have a right to vote and be counted).

Any Class E Notes, Class F Notes or Subordinated Notes held by or on behalf of the Investment Manager or any Investment Manager Related Person will have no voting rights with respect to and shall not be counted for the purposes of determining a quorum and the results of any votes in respect of IM Removal Resolution or IM Replacement Resolution (but shall carry a right to vote and be so counted on all other matters in respect of which IM Removal and Replacement Voting Notes have a right to vote and be counted).

Delegation and Transfers

The Investment Manager may not assign its material rights or delegate or transfer material responsibilities under the Investment Management Agreement: (i) without the consent of (A) the Issuer; (B) the holders of the Rated Notes, acting by Ordinary Resolution, voting together as a single class, or the holders of the Controlling Class acting by Ordinary Resolution; and (C) the holders of the Subordinated Notes acting by Ordinary Resolution, in each case excluding the Notes held by the Investment Manager or any Investment Manager Related Person and any Notes held in the form of IM Removal and Replacement Non-Voting Notes or IM Removal and Replacement Exchangeable Non-Voting Notes, and subject to Rating Agency Confirmation; (ii) unless such assignment, transfer or delegation will not cause the transaction described in this Offering Circular to be non-compliant with the Retention Requirements; and (iii) unless such assignee, delegate or transferee is legally qualified and has the Dutch regulatory capacity to act as Investment Manager under the Investment Management Agreement, provided that, to the extent permitted by the Investment Management Agreement, such consent and Rating Agency Confirmation shall not be required in the case of a Permitted Assignee. A "**Permitted Assignee**", for the purposes of the Investment Management Agreement, means Cairn Capital, an Affiliate thereof or an Affiliate of the Investment Manager, in each case that (i) is legally qualified and has the Dutch regulatory capacity to act as Investment Manager under the Investment Management Agreement; (ii) employs the principal personnel performing the duties required under the Investment Management Agreement prior to such assignment; (iii) the appointment of which will not cause either of the Issuer or the Investment Manager to become required to register under the provisions of the Investment Company Act; (iv) the appointment and conduct of which will not cause the Issuer to be subject to net income taxation outside its jurisdiction of incorporation, be engaged in a trade or business in the United States for U.S. federal income tax purposes, result in the Investment Management Fees becoming subject to value added or similar tax or cause any other material adverse tax consequences to the Issuer; and (v) the appointment and conduct of which will not cause the transaction described in this Offering Circular to be non-compliant with the Retention Requirements.

Notwithstanding the foregoing, no such delegation of responsibilities by the Investment Manager shall relieve it from any liability under the Investment Management Agreement.

The Issuer may not assign its rights under the Investment Management Agreement without the prior written consent of the Investment Manager and the Trustee (acting at the direction of the holders of each Class of Notes acting by Ordinary Resolution, each voting as a separate class, and subject to Rating Agency Confirmation)

except in the case of an assignment by the Issuer (i) to an entity that is a successor to the Issuer permitted under the Trust Deed or (ii) to the Trustee, provided that, in each case, any such assignee or delegate must have the Dutch regulatory capacity to provide the relevant services.

Appointment of Successor

Except in the circumstances where it has become illegal for the Investment Manager to carry on its duties under the Investment Management Agreement and except as provided for under an Investment Manager Tax Event above, no removal or resignation of the Investment Manager shall become effective (and the Investment Manager will continue to act in such capacity) until a successor investment manager has been appointed in accordance with the terms of the Investment Management Agreement. The successor investment manager will be selected by the Issuer subject to: (i) the approval of the holders of the Subordinated Notes (excluding any Subordinated Notes held by the Investment Manager or any Investment Manager Related Person) acting by Ordinary Resolution; (ii) provided that no Retention Deficiency has occurred and is continuing and the appointment is not in connection with a removal for cause, or a removal upon breach of Par Value Ratios and the Retention Holder is the Investment Manager or an Affiliate thereof, the approval in writing of the Retention Holder; (iii) for so long as the Rated Notes are Outstanding, the holders of the Controlling Class not objecting (acting by way of Ordinary Resolution) within 30 days after the giving of notice thereof in accordance with the Conditions of such proposed selection by the Issuer; and (iv) receipt of Rating Agency Confirmation from each Rating Agency then rating the Rated Notes. If no successor investment manager has been appointed within 120 days or if the Investment Manager is required to resign or is removed as a result of illegality or pursuant to an Investment Manager Tax Event, the Issuer (subject to the approval of the Controlling Class, acting by Ordinary Resolution) shall appoint a successor investment manager which satisfies the criteria specified in the Investment Management Agreement as soon as possible subject to receipt of Rating Agency Confirmation from each Rating Agency then rating the Rated Notes.

For the avoidance of doubt, no Notes either held in the form of IM Removal and Replacement Non-Voting Notes or IM Removal and Replacement Exchangeable Non-Voting Notes or held by or on behalf of the Investment Manager or any Investment Manager Related Person shall have any voting rights with respect to and shall not be counted for the purposes of determining a quorum and the results of any IM Replacement Resolution.

Upon notice of removal or resignation of the Investment Manager

In the event that the Investment Manager has received notice that it will be removed or has given notice of its resignation, until a successor investment manager has been appointed and has accepted such appointment in accordance with the terms specified in the Investment Management Agreement, purchases and sales of Collateral Debt Obligations shall be only be made in relation to sale of Credit Impaired Obligations, Credit Improved Obligations and Defaulted Obligations.

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 or any other party. The Issuer confirms that this information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from information from the Collateral Administrator, no facts have been omitted which would render the reproduced information inaccurate or misleading. No party other than the Collateral Administrator assumes any responsibility for the accuracy or completeness of such information.

Elavon Financial Services DAC, a Designated Activity Company registered in Ireland with the Companies Registration Office, registered number 418442, with its registered office at 2nd Floor, Block E, Cherrywood Science & Technology Park, Loughlinstown, Co. Dublin, Ireland, acting through its UK Branch (registered number BR009373) from its offices at 125 Old Broad Street, Fifth Floor, London EC2N 1AR under the trade name U.S. Bank Global Corporate Trust Services.

Elavon Financial Services DAC is regulated by the Central Bank of Ireland and is subject to the Financial Services Authority's Conduct of Business Rules.

Termination and Resignation of Appointment of the Collateral Administrator

Pursuant to the terms of the Investment Management Agreement, the Collateral Administrator may be removed: (a) without cause at any time upon at least 90 days' prior written notice; or (b) with cause upon at least 10 days' prior written notice by the Issuer at its discretion or the Trustee acting upon the written directions of the holders of the Subordinated Notes acting by way of Ordinary Resolution and subject to the Trustee being secured and/or indemnified and/or prefunded to its satisfaction. In addition the Collateral Administrator may also resign its appointment without cause on at least 45 days' prior written notice and with cause upon at least 10 days' prior written notice to the Issuer, the Trustee and the Investment 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 Agency Agreement.

HEDGING ARRANGEMENTS

The following section consists of a summary of certain provisions which, pursuant to the Investment Management Agreement, are required to be contained in each Hedge Agreement and/or Hedge Transaction. Such summary does not purport to be complete and is qualified by reference to the detailed provisions of each Hedge Agreement and Hedge Transaction. The terms of a Hedge Agreement or Hedge Transaction may differ from the description provided herein, subject to receipt of Rating Agency Confirmation in respect thereof or without Rating Agency Confirmation if such Hedge Transaction constitutes a Form Approved Hedge.

Hedge Agreements

Subject to the satisfaction of the Hedging Condition, the Issuer (or the Investment Manager on its behalf) may enter into transactions documented under a 1992 (Multicurrency - Cross Border) Master Agreement or 2002 Master Agreement or such other form published by the International Swaps and Derivatives Association, Inc. ("**ISDA**"). Each Hedge Transaction will be evidenced by a confirmation entered into pursuant to a Hedge Agreement.

Each Hedge Transaction will be for the purposes of:

(a) in the case of an Interest Rate Hedge Transaction, hedging any interest rate mismatch between the Rated Notes and the Collateral Debt Obligations; and

(b) in the case of a Currency Hedge Transaction, exchanging payments of principal, interest and other amounts in respect of any Non-Euro Obligation for amounts denominated in Euros at the Currency Hedge Transaction Exchange Rate,

in each case subject to receipt of Rating Agency Confirmation in respect thereof (save in the case of a Form Approved Hedge) and provided that the Hedge Counterparty satisfies the applicable Rating Requirement (taking into account any guarantor thereof) and has the Dutch regulatory capacity to enter into derivatives transactions with Dutch residents. If the relevant Moody's counterparty criteria change following the receipt of Rating Agency Confirmation or approval of a Form Approved Hedge, as applicable, the Investment Manager (on behalf of the Issuer) will be required to seek a further Rating Agency Confirmation or approval, as applicable.

For the avoidance of doubt, the ability of the Issuer or the Investment Manager on its behalf to enter into any Currency Hedge Transactions, and therefore the ability of the Issuer or the Investment Manager on its behalf to acquire Non-Euro Obligations, is subject to the satisfaction of the Hedging Condition.

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 Investment Manager on its behalf) shall use commercially reasonable endeavours to enter into a replacement Currency Hedge Transaction within 30 days of the termination thereof with a counterparty which (or the guarantor of which) satisfies the applicable Rating Requirement and which has the Dutch regulatory capacity to enter into derivatives transactions with Dutch residents.

Interest Rate Hedge Transactions: In the event that any Interest Rate Hedge Transaction terminates in whole at any time in circumstances in which the applicable Interest Rate Hedge Counterparty is the "Defaulting Party" or sole "Affected Party" (each as defined in the applicable Interest Rate Hedge Agreement) the Issuer (or the Investment Manager on its behalf) shall use commercially reasonable endeavours to enter into a replacement Interest Rate Hedge Transaction within 30 days of the termination thereof with a counterparty which (or whose guarantor) satisfies the applicable Rating Requirement and which has the Dutch regulatory capacity to enter into derivatives transactions with Dutch residents.

Standard Terms of Currency Hedge Transactions

Any Currency Hedge Transaction shall contain the following terms (provided that the Issuer may enter into Currency Hedge Transactions on different terms than those set forth below, subject to receipt of Rating Agency Confirmation in respect thereof or without Rating Agency Confirmation if such Currency Hedge Transactions constitute Form Approved Hedges):

(a) on the effective date of entry into such transaction, the Issuer pays to the Currency Hedge Counterparty an initial exchange amount in Euros equal to the purchase price of such Non-Euro Obligation, converted into Euros at the Currency Hedge Transaction Exchange Rate in exchange for payment by the Currency Hedge Counterparty of an initial exchange amount in the relevant currency equal to the purchase price of such Non-Euro Obligation;

(b) on the scheduled date of termination of such transaction, which shall be the date falling two Business Days after the date on which the Non-Euro Obligation is scheduled to mature or such later date as otherwise specified in the relevant confirmation, the Issuer pays to the Currency Hedge Counterparty a final exchange amount equal to the amount payable upon maturity of the Non-Euro Obligation in the relevant currency (the "**Proceeds on Maturity**") in exchange for payment by the Currency Hedge Counterparty of a final exchange amount denominated in Euros, such final exchange amount to be an amount equal to the Proceeds on Maturity converted into Euros at the Currency Hedge Transaction Exchange Rate;

(c) two Business Days following the date of each scheduled payment of interest on the related Non-Euro Obligation or such later date as otherwise specified in the relevant confirmation, the Issuer pays to the Currency Hedge Counterparty an amount in the relevant non-Euro currency based on the then outstanding principal amount of the relevant Non-Euro Obligation (the "**Non-Euro Notional Amount**") and the Currency Hedge Counterparty will pay to the Issuer a EURIBOR-linked amount based on the then outstanding principal amount of the related Non-Euro Obligation converted into Euros at the Currency Hedge Transaction Exchange Rate (the "**Euro Notional Amount**"); and

(d) upon the sale of any Non-Euro Obligation, the Currency Hedge Transaction relating hereto shall be terminated on or around the date of such sale in accordance with its terms, resulting in either (i) the Currency Hedge Counterparty receiving the proceeds of the sale of the Non-Euro Obligation from the Issuer (which shall be funded outside the Priorities of Payments from the Relevant Currency Account) and returning the Sale Proceeds (in accordance with paragraph (b) of the definition thereof) to the Issuer (which shall be credited to the Principal Account); or (ii) the Issuer retaining the proceeds of sale of the Non-Euro Obligation and either receiving a payment from the Currency Hedge Counterparty or making a payment to the Currency Hedge Counterparty out of such sale proceeds in connection with the termination of the Currency Hedge Transaction as required under the applicable Hedge Agreement (any amount so received by the Issuer to be converted into Euros at the prevailing spot exchange rate and paid into the Principal Account in accordance with the Conditions).

The Investment Manager, acting on behalf of the Issuer, shall convert all amounts received by it in respect of any Non-Euro Obligation which is not the subject of a related Currency Hedge Transaction into Euros promptly upon receipt thereof at the then prevailing Spot Rate and shall procure that such amounts are paid into the Principal Account or the Interest Account, as applicable. The Investment Manager (on behalf of the Issuer) is also authorised to enter into spot exchange transactions, as necessary, to fund the Issuer's payment obligations under any Currency Hedge Transaction.

All amounts received by the Issuer in respect of Non-Euro Obligations shall be paid into the appropriate Currency Account and all amounts payable by the Issuer under any Currency Hedge Transaction (other than any initial exchange amounts payable in Euros by the Issuer, any Hedge Replacement Payments (in respect of any Currency Hedge Transaction) and any Currency Hedge Issuer Termination Payments save to the extent otherwise provided in Condition 3(j)(x) (*Currency Accounts*)), will be paid out of the appropriate Currency Account, in each case to the extent amounts are available therein.

The Issuer shall only be obliged to pay Scheduled Periodic Currency Hedge Issuer Payments to a Currency Hedge Counterparty if and to the extent it actually receives the corresponding amount in respect of the relevant Non-Euro Obligation.

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 (following acceleration of the Notes) in accordance with Condition 10(b) (*Acceleration*) and the Post-Acceleration Priority of Payments.

Standard Terms of Hedge Agreements

Each Hedge Agreement entered into by or on behalf of the Issuer shall contain the following standard provisions, save to the extent that any change thereto is agreed by the applicable Hedge Counterparty and subject to receipt of Rating Agency Confirmation in respect thereof (other than in respect of any Form Approved Hedges).

Gross up

Under each Hedge Agreement the Issuer will not be obliged to gross up any payments thereunder, however the applicable Hedge Counterparty may in certain circumstances be obliged to gross up a payment thereunder in the event of any withholding or deduction for or on account of tax required to be paid on such payments provided that any withholding or deduction for or on account of FATCA may be excluded from such gross-up obligations. 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) if a substitute principal obligor under the Notes has been substituted for the Issuer in accordance with Condition 9 (*Taxation*), arrange for a transfer of all of its interest and obligations under the Hedge Agreement and all Transactions thereunder to that substitute principal obligor so as to avoid the requirement to withhold or deduct for or on account of tax subject to satisfaction of the conditions specified therein (including receipt of Rating Agency Confirmation).

Limited Recourse and Non-Petition

The obligations of the Issuer under each Hedge Agreement will be limited to the proceeds of enforcement of the Collateral as applied in accordance with the Priorities of Payments set out in Condition 3(c) (*Priorities of Payments*); provided that any Counterparty Downgrade Collateral standing to the credit of a Counterparty Downgrade Collateral Account shall be applied and delivered by the Issuer (or by the Investment Manager on its behalf) in accordance with Condition 3(j)(v) (*Counterparty Downgrade Collateral Accounts*). The Issuer will have the benefit of non-petition language similar to the language set out in Condition 4(c) (*Limited Recourse*).

Termination Provisions

Each Hedge Agreement may terminate by its terms, whether or not the Notes have been paid in full prior to such termination, upon the earlier to occur of certain events, including but not limited to:

(a) certain events of bankruptcy, insolvency, receivership or reorganisation of the Issuer or the related Hedge Counterparty;

(b) failure on the part of the Issuer or the related Hedge Counterparty to make any payment under the applicable Hedge Agreement after taking into account the applicable grace period;

(c) a change in law making it illegal for either the Issuer or the related Hedge Counterparty to be a party to, or perform its obligations under, the applicable Hedge Agreement;

(d) in certain circumstances, upon a regulatory change or change in the regulatory status of the Issuer, as further described in the relevant Hedge Agreement;

(e) any amendment to any provisions of the Transaction Documents without the written consent of the Hedge Counterparty which has a material adverse effect on its rights thereunder, subject to the terms of the relevant Hedge Agreement;

(f) failure by a Hedge Counterparty to comply with the requirements of the Rating Agencies in the event that it (or, as relevant, its guarantor) is subject to a rating withdrawal or downgrade by the Rating Agencies to below the applicable Rating Requirement;

(g) upon the early redemption in full or acceleration of the Notes; and

(h) any other event as specified in the relevant Hedge Agreement.

A termination of a Hedge Agreement does not constitute an Event of Default under the Notes though the repayment in full of the Notes may be an additional termination event under a Hedge Agreement.

Upon the occurrence of any Event of Default or Termination Event (each as defined in the applicable Hedge Agreement), a Hedge Agreement may be terminated by the Hedge Counterparty or the Issuer (or the Investment Manager on its behalf) in accordance with the detailed provisions thereof and a lump sum (the "**Termination Payment**") may become payable by the Issuer to the applicable Hedge Counterparty or vice versa. Such Termination Payment will be determined by the applicable Hedge Counterparty and/or Issuer (or the Investment Manager on its behalf) by reference to market quotations obtained in respect of the entry into of a replacement swap(s) on the same terms as that terminated or as otherwise described in the applicable Hedge Agreement or, to the extent that such determination does not produce a commercially reasonable result, any loss suffered by a party.

Rating Downgrade Requirements

Each Hedge Agreement shall contain the terms and provisions required by the Rating Agencies for the type of derivative transaction represented by the Hedge Transactions in the event that the Hedge Counterparty (or, as relevant, its guarantor) is subject to a rating withdrawal or downgrade by the Rating Agencies to below the applicable Rating Requirement. Such provisions may include a requirement that a Hedge Counterparty must post collateral or transfer the Hedge Agreement to another entity (or, as relevant, its guarantor) meeting the applicable Rating Requirement or procure that a guarantor meeting the applicable Rating Requirement guarantees its obligations under the Hedge Agreement or take other actions subject to Rating Agency Confirmation.

Transfer and Modification

The Investment Manager, acting on behalf of the Issuer, may not modify any Hedge Transaction or Hedge Agreement without Rating Agency Confirmation in relation to such modification, save to the extent that it would constitute a Form Approved Hedge following such modification. A Hedge Counterparty may transfer its rights and obligations under a Hedge Agreement to any institution which (or whose credit support provider (as defined in the applicable Hedge Agreement)) satisfies the applicable Rating Requirement and provided that such institution has the Dutch regulatory capacity to enter into derivatives transactions with Dutch residents.

Any of the requirements set out herein may be modified in order to meet any new or additional requirements of any Rating Agency then rating any Class of Notes.

Governing Law

Each Hedge Agreement together with each Hedge Transaction thereunder, in each case including any non-contractual obligations arising out of or in relation thereto, will be governed by, and construed in accordance with, the laws of England.

Reporting of Specified Hedging Data

The Investment Manager, on behalf of the Issuer, may from time to time enter into agreements (each a "**Reporting Delegation Agreement**") in a form approved by the Rating Agencies for the delegation of certain derivative reporting obligations to one or more Hedge Counterparties or third parties (each, in such capacity, a "**Reporting Delegate**").

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 of the Notes.

Monthly Reports

The Collateral Administrator, not later than the eighth Business Day after 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 or the Effective Date Report has been prepared) commencing in October 2016, on behalf, and at the expense, of the Issuer and in consultation with the Investment Manager, shall compile and make available via a secured website at https://usbtrustgateway.usbank.com (or such other website as may be notified by the Collateral Administrator to the Issuer, the Trustee, the Investment Manager, the Initial Purchaser, each Hedge Counterparty, each Rating Agency, the Principal Paying Agent and the Noteholders from time to time), within two Business Days of publication thereof to the Issuer, the Trustee, the Investment Manager, the Initial Purchaser, each Hedge Counterparty, any holder of a beneficial interest in a Note (upon written request therefor in the form set out in the Agency Agreement clarifying that it is such a holder) and each Rating Agency a monthly report (including portfolio data in CSV or excel format) (the "**Monthly Report**"), which shall contain, without limitation, the information set out below with respect to the Portfolio, determined by the Collateral Administrator as at the fifteenth calendar day of each month (or if such day is not a Business Day, the immediately following Business Day) in consultation with the Investment Manager.

Portfolio

(a) the Aggregate Principal Balance of the Collateral Debt Obligations and Eligible Investments representing Principal Proceeds;

(b) the Aggregate Collateral Balance of the Collateral Debt Obligations;

(c) the Adjusted Collateral Principal Amount of the Collateral Debt Obligations;

(d) subject to any confidentiality obligations binding on the Issuer, in respect of each Collateral Debt Obligation, its Principal Balance, LoanX ID, CUSIP number, ISIN or identification thereof, annual interest rate or spread (and EURIBOR floor if any), facility, Collateral Debt Obligation Stated Maturity, Obligor, the Domicile of the Obligor, Fitch Rating, Moody's Rating, Moody's Default Probability Rating and any other public rating (other than any confidential credit estimate), its Fitch industry classification and Moody's industrial classification group, Moody's Recovery Rate and Fitch Recovery Rate;

(e) subject to any confidentiality obligations binding on the Issuer, in respect of each Collateral Debt Obligation, whether such Collateral Debt Obligation is a Senior Secured Loan, Senior Secured Bond, Unsecured Senior Loan, Second Lien Loan, Mezzanine Loan or High Yield Bond, Fixed Rate Collateral Debt Obligation, Corporate Rescue Loan, PIK Security, Current Pay Obligation, Unhedged Fixed Rate Collateral Debt Obligation, Semi-Annual Obligation, Step-Up Coupon Security, Step-Down Coupon Security, Annual Obligation, Revolving Obligation, Delayed Drawdown Collateral Debt Obligation, Bridge Loan, Cov-Lite Loan, Deferring Security Discount Obligation or Swapped Non-Discount Obligation;

(f) subject to any confidentiality obligations binding on the Issuer, in respect of each Collateral Enhancement Obligation and Exchanged Security (to the extent applicable), its Principal Balance, face amount, annual interest rate, Collateral Debt Obligation Stated Maturity and Obligor, details of the type of instrument it represents and details of any amounts payable thereunder or other rights accruing pursuant thereto;

(g) subject to any confidentiality obligations binding on the Issuer, the number, identity and, if applicable, Principal Balance of, respectively, any Collateral Debt Obligations, Collateral Enhancement Obligations or Exchanged Securities that were released for sale or other disposition (specifying the reason for such sale or other disposition), the Aggregate Principal Balances of Collateral Debt Obligations released for sale or other disposition at the Investment 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 and amount of any Investment Gains and the amount of any Excess Exchanged Security Sale Proceeds paid to the Interest Account;

(h) subject to any confidentiality obligations binding on the Issuer, the purchase or sale price of each Collateral Debt Obligation, Eligible Investment and Collateral Enhancement Obligation acquired by the Issuer and in which the Issuer has granted a security interest to the Trustee, and each Collateral Debt Obligation, Eligible Investment and Collateral Enhancement Obligation sold by the Issuer since the date of determination of the last Monthly Report and where the purchaser or seller thereof is the Investment Manager, Cairn Capital Limited or any of their respective Affiliates (if any), the identity of the purchaser or seller thereof and the Principal Balance of such Collateral Debt Obligation, Eligible Investment or Collateral Enhancement Obligation;

(i) subject to any confidentiality obligations binding on the Issuer, the identity of each Collateral Debt Obligation which became a Defaulted Obligation or Deferring Security or in respect of which an Exchanged Security has been received since the date of determination of the last Monthly Report and the identity and Principal Balance of each CCC Obligation, Caa Obligation and Current Pay Obligation;

(j) subject to any confidentiality obligations binding on the Issuer, the identity of each Collateral Debt Obligation which became a Restructured Obligation and its Obligor, as well as, where applicable, the name of the Obligor prior to the restructuring and the Obligor's new name after the Restructuring Date;

(k) the Aggregate Principal Balance of Collateral Debt Obligations which were upgraded or downgraded since the most recent Monthly Report and of which the Collateral Administrator or the Investment Manager has actual knowledge;

(l) the approximate Market Value of, respectively, the Collateral Debt Obligations and the Collateral Enhancement Obligations;

(m) the Aggregate Principal Balance of Collateral Debt Obligations comprising Participations in respect of which the Selling Institutions are not the lenders of record; and

(n) at the discretion of the Investment Manager, a commentary provided by the Investment Manager with respect to the Portfolio.

Accounts

(a) the Balances standing to the credit of each of the Accounts;

(b) the purchase price, principal amount, redemption price, annual interest rate, maturity date and Obligor under each Eligible Investment purchased from funds in the Accounts; and

(c) amounts paid to the Collateral Enhancement Account since the date of determination of the last Monthly Report.

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, if applicable, Fitch rating in respect of each Hedge Counterparty and whether such Hedge Counterparty satisfies the Rating Requirements.

Coverage Tests and Collateral Quality Tests

(a) a statement as to whether each of the Class A/B Par Value Test, the Class C Par Value Test, the Class D Par Value Test, the Class E Par Value Test and the Class F Par Value Test is satisfied and details of the relevant Par Value Ratios;

(b) a statement as to whether each of the Class A/B Interest Coverage Test, the Class C Interest Coverage Test and the Class D Interest Coverage Test is satisfied and details of the relevant Interest Coverage Ratios;

(c) during the Reinvestment Period, a statement as to whether the Reinvestment Overcollateralisation Test is satisfied and details of the Class F Par Value Ratio;

(d) the Fitch Weighted Average Recovery Rate and a statement as to whether the Fitch Minimum Weighted Average Recovery Rate Test is satisfied;

(e) the Weighted Average Life and a statement as to whether the Weighted Average Life Test is satisfied;

(f) the Weighted Average Spread (calculated on the basis of the Aggregate Funded Spread determined (1) with the EURIBOR Floor Adjustment and (2) without the EURIBOR Floor Adjustment), the Weighted Average Coupon Adjustment Percentage and a statement as to whether the Minimum Weighted Average Spread Test is satisfied;

(g) the Weighted Average Fixed Coupon;

(h) the Adjusted Weighted Average Moody's Rating Factor, Moody's Weighted Average Recovery Adjustment and a statement as to whether the Moody's Maximum Weighted Average Rating Factor Test is satisfied;

(i) the Weighted Average Moody's Recovery Rate, Moody's Weighted Average Rating Factor Adjustment and a statement as to whether the Moody's Minimum Weighted Average Recovery Rate Test is satisfied;

(j) the Diversity Score and a statement as to whether the Moody's Minimum Diversity Test is satisfied;

(k) the Obligor Concentration and a statement as to whether the Maximum Obligor Concentration Test is satisfied; and

(l) a statement identifying any Collateral Debt Obligation in respect of which the Investment Manager has made its own determination of "Market Value" (pursuant to the definition thereof) for the purposes of any of the Coverage Tests.

Portfolio Profile Tests

(a) in respect of each Portfolio Profile Test, a statement as to whether such test is satisfied, together with details of the result of the calculations required to be made in order to make such determination which details shall include the applicable numbers, levels and/or percentages resulting from such calculations;

(b) the identity and Moody's Rating and Fitch Rating of each Selling Institution, together with any changes in the identity of such entities since the date of determination of the last Monthly Report and details of the aggregate amount of Participations entered into with each such entity; and

(c) a statement as to whether the limits specified in the Bivariate Risk Table are met by reference to the Moody's ratings and Fitch ratings of Selling Institutions and, if such limits are not met, a statement as to the nature of the non compliance.

Frequency Switch Event

a statement indicating whether a Frequency Switch Event has occurred during the relevant Due Period (and in the case of a Frequency Switch Event occurring under paragraph (b) of the definition thereof, to the extent notice of the occurrence of such Frequency Switch Event has been received by the Collateral Administrator from the Investment Manager in accordance with the Conditions).

Risk Retention

(a) confirmation that the Collateral Administrator has received written confirmation from the Retention Holder that:

(i) it continues to hold Class M-1 Notes with an initial principal amount representing not less than 5 per cent. of the Aggregate Collateral Balance (the "**Retention**");

(ii) it has not sold, hedged or otherwise mitigated its credit risk under or associated with the Retention or the underlying portfolio of Collateral Debt Obligations, except to the extent permitted in accordance with the Retention Requirements;

(b) the calculation of 5 per cent. of the Aggregate Collateral Balance for the purposes of determining the Retention and whether a Retention Deficiency has occurred and is continuing; and

(c) the amount of any Investment Gains and the amount of any Excess Exchanged Security Sale Proceeds paid into the Interest Account since the previous Payment Date.

Payment Date Report

The Collateral Administrator, on behalf, and at the expense, of the Issuer and in consultation with the Investment Manager, shall render an accounting report (including portfolio data in CSV or excel format) (the "**Payment Date Report**"), prepared and determined as of each Determination Date, and made available via a secured website at https://usbtrustgateway.usbank.com (or such other website as may be notified by the Collateral Administrator to the Issuer, the Trustee, the Investment Manager, the Initial Purchaser, each Hedge Counterparty, each Rating Agency, the Principal Paying Agent and the Noteholders from time to time) to the Investment Manager, the Issuer, the Trustee, the Initial Purchaser, each Hedge Counterparty, 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) and each Rating Agency not later than the Business Day preceding the related Payment Date. 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 Debt Obligations as of the close of business on such Determination Date, after giving effect to (A) Principal Proceeds received on the Collateral Debt Obligations with respect to the related Due Period and the reinvestment of such Principal Proceeds in Substitute Collateral Debt Obligations during such Due Period and (B) the disposal of any Collateral Debt Obligations during such Due Period;

(b) subject to any confidentiality obligations binding on the Issuer, a list of, respectively, the Collateral Debt Obligations and Collateral Enhancement Obligations indicating the Principal Balance and Obligor of each; and

(c) the information required pursuant to "*Monthly Reports — Portfolio*" above.

Notes

(a) the Principal Amount Outstanding of the Notes of each Class and such aggregate amount as a percentage of the original aggregate Principal Amount Outstanding of the Notes of such Class at the beginning of the Accrual Period, the amount of principal payments to be made on the Notes of each Class on the related Payment Date, and the aggregate amount of the Notes of each Class Outstanding and such aggregate amount as a percentage of the original aggregate amount of the Notes of such Class Outstanding after giving effect to the principal payments, if any, on the next Payment Date;

(b) the interest payable in respect of each Class of Notes (as applicable), including the amount of any Deferred Interest payable on the related Payment Date (in the aggregate and by Class);

(c) the Interest Amount payable in respect of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes, on the next Payment Date; and

(d) EURIBOR for the related Due Period and the Floating Rate of Interest applicable to each Class of Rated Notes during the related Due Period.

Payment Date Payments

(a) the amounts payable pursuant to the Interest Proceeds Priority of Payments, the Principal Proceeds Priority of Payments, the Collateral Enhancement Obligations Proceeds Priority of Payments and the Post-Acceleration Priority of Payments;

(b) the Trustee Fees and Expenses, the amount of any Investment Management Fees and Administrative Expenses payable on the related Payment Date, in each case, on an itemised basis; and

(c) any Defaulted Currency Hedge Termination Payments and any Defaulted Interest Rate Hedge Termination Payments.

Accounts

(a) the Balance standing to the credit of the Interest Account at the end of the related Due Period;

(b) the Balance standing to the credit of the Principal Account at the end of the related Due Period;

(c) the Balance standing to the credit of the Interest Account immediately after all payments and deposits to be made on the next Payment Date;

(d) the Balance standing to the credit of the Principal Account immediately after all payments and deposits to be made on the next Payment Date;

(e) the amounts payable from the Interest Account through a transfer to the Payment Account pursuant to the Priorities of Payments on such Payment Date;

(f) the amounts payable from the Principal Account through a transfer to the Payment Account pursuant to the Priorities of Payments on such Payment Date;

(g) the amounts payable from any other Accounts (through a transfer to the Payment Account) pursuant to the Priorities of Payments on such Payment Date, together with details of whether such amounts constitute Interest Proceeds or Principal Proceeds;

(h) the Balance standing to the credit of each of the other Accounts at the end of the related Due Period;

(i) the purchase price, principal amount, redemption price, annual interest rate, maturity date of and Obligor of each Eligible Investment purchased from funds in the Accounts;

(j) the Principal Proceeds received during the related Due Period;

(k) the Interest Proceeds received during the related Due Period; and

(l) the Collateral Enhancement Obligation Proceeds received during the related Due Period.

Coverage Tests, Collateral Quality Tests and Portfolio Profile Tests

(a) the information required pursuant to "*Monthly Reports — Coverage Tests and Collateral Quality Tests*" above; and

(b) the information required pursuant to *"Monthly Reports — Portfolio Profile Tests"* above.

Hedge Transactions

The information required pursuant to *"Monthly Reports — Hedge Transactions"* above.

Frequency Switch Event

The information required pursuant to "*Monthly Reports - Frequency Switch Event*" above.

Risk Retention

The information required pursuant to *"Monthly Reports – Risk Retention"* above.

Miscellaneous

Each report shall state that it is for the purposes of information only, that certain information included in the report is estimated, approximated or projected and that it is provided without any representations or warranties as to the accuracy or completeness thereof and that none of the Collateral Administrator, the Trustee, the Issuer or the Investment 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 Dutch 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 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. The Netherlands Taxation

The comments below are of a general nature based on taxation law and practice in The Netherlands as at the date of this Offering Circular and are subject to any changes therein, without prejudice to any amendment introduced at a later date and implemented with or without retroactive effect. The summary relates only to the position of persons who are absolute beneficial owners of the Notes and does not purport to describe all possible tax considerations or consequences that may be relevant to a holder or prospective holder of Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as holders that are subject to taxation in Bonaire, St. Eustatius and Saba or trusts or similar arrangements) may be subject to special rules. The following is a general description of certain tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes and so should be treated with appropriate caution. In particular, it does not take into consideration any tax implications that may arise on a substitution of the Issuer. Prospective investors should consult their own professional advisors concerning the possible tax consequences of purchasing, holding and/or selling Notes and receiving payments of interest, principal and/or other amounts under the Notes under the applicable laws of their country of citizenship, residence or domicile.

Please note that with the exception of the section on withholding tax below, the summary does not describe the Netherlands tax consequences for holders of Notes if such holders, and in the case of individuals, his/her partner or certain of their relatives by blood or marriage in the direct line (including foster children), have a substantial interest or deemed substantial interest in the Issuer under The Netherlands Income Tax Act 2001 (*Wet Inkomstenbelasting 2001*). Generally speaking, a holder of securities in a company is considered to hold a substantial interest in such company, if such holder alone or, in the case of individuals, together with his/her partner (as defined in The Netherlands Income Tax Act 2001), directly or indirectly, holds (i) an interest of 5 per cent. or more of the total issued and outstanding capital of that company or of 5 per cent. or more of the issued and outstanding capital of a certain class of shares of that company; or (ii) holds rights to acquire, directly or indirectly, such interest; or (iii) holds certain profit sharing rights in that company that relate to 5 per cent. or more of the company's annual profits and/or 5 per cent. or more of the company's liquidation proceeds. A deemed substantial interest arises if a substantial interest (or part thereof) in a company has been disposed of, or is deemed to have been disposed of, on a non-recognition basis.

Under the existing laws of The Netherlands:

(a) all payments of interest and principal by the Issuer under the Notes can be made free of withholding or deduction for any taxes of whatsoever nature imposed, levied, withheld, or assessed by The Netherlands or any political subdivision or taxing authority thereof or therein;

(b) a holder of a Note who is not a resident of The Netherlands and who derives income from a Note or who realises a gain on the disposal or redemption of a Note will not be subject to Dutch taxation on such income or capital gain, unless:

(i) the holder is deemed to be resident in The Netherlands; or

(ii) such income or gain is attributable to an enterprise or part thereof which is either effectively managed in The Netherlands or carried on through a permanent establishment (*vaste inrichting*) or a permanent representative (*vaste vertegenwoordiger*) in The Netherlands; or

(iii) the holder is an individual and such income or gain qualifies as income from activities that exceed normal active portfolio management in The Netherlands;

(c) Dutch gift, estate or inheritance taxes will not be levied on the occasion of the transfer of a Note by way of gift by, or on the death of, a holder unless:

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

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

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

(e) there is no Dutch VAT payable in respect of payments in consideration for the issue of the Notes or in respect of the payment of interest or principal under the Notes or the transfer of a Note; and

(f) a holder of a Note will not be treated as a resident of The Netherlands by reason only of the holding of a Note or the execution, performance, delivery and/or enforcement of the Notes.

3. Certain U.S. Federal Income Tax Considerations

General

The following discussion summarises certain of the material U.S. federal income tax consequences of the purchase, beneficial ownership, and disposition of the Notes.

For purposes of this summary, a "**U.S. Holder**" is a beneficial owner of a Note that is:

- an individual who is a citizen or a resident of the United States, for U.S. federal income tax purposes;
- a corporation (or other entity that is treated as a corporation for U.S. federal tax purposes) that is created or organised in or under the laws of the United States, any State thereof, or the District of Columbia;
- an estate whose income is subject to U.S. federal income taxation regardless of its source; or
- a trust if a court within the United States is able to exercise primary supervision over its administration, and one or more United States persons have the authority to control all of its substantial decisions.

For purposes of this summary, a "**Non-U.S. Holder**" is a beneficial owner of a Note that is:

- a nonresident alien individual for U.S. federal income tax purposes;
- a foreign corporation for U.S. federal income tax purposes;
- an estate whose income is not subject to U.S. federal income tax on a net income basis; or
- a trust if no court within the United States is able to exercise primary jurisdiction over its administration or if no United States persons have the authority to control all of its substantial decisions.

An individual may, subject to certain exceptions, be deemed to be a resident of the United States for U.S. federal income tax purposes by reason of being present in the United States for at least 31 days in the calendar year and for an aggregate of more than 182 days during a three-year period ending in the current calendar year (counting for such purposes all of the days present in the current year, one-third of the days present in the immediately preceding year, and one-sixth of the days present in the second preceding year).

This summary is based on interpretations of the Code, regulations issued thereunder, and rulings and decisions currently in effect (or in some cases proposed), all of which are subject to change. Any such change may be applied retroactively and may adversely affect the federal income tax consequences described herein. This summary addresses only holders that purchase Notes at initial issuance for cash (and, in the case of the Rated Notes, at their issue price) and beneficially own such Notes as capital assets and not as part of a "straddle", "hedge", "synthetic security" or a "conversion transaction" for federal income tax purposes, or as part of some other integrated investment. This summary does not discuss all of the tax consequences (such as any alternative minimum tax consequences) that may be relevant to particular investors or to investors subject to special treatment under the federal income tax laws (such as banks, thrifts, or other financial institutions; insurance companies; securities dealers or brokers, or traders in securities electing mark-to-market treatment; mutual funds or real estate investment trusts; small business investment companies; S corporations; partnerships or investors that hold their Notes through a partnership or other entity treated as a partnership for U.S. federal income tax purposes; U.S. Holders whose functional currency is not the U.S. dollar; certain former citizens or residents of the United States; retirement plans or other tax-exempt entities, or persons holding the Notes in tax-deferred or tax-advantaged accounts; or "controlled foreign corporations" or "passive foreign investment companies" for U.S. federal income tax purposes). This summary also does not address the tax consequences to shareholders, or other equity holders in, or beneficiaries of, a holder of Notes, or any state, local or foreign tax consequences of the purchase, ownership or disposition of the Notes.

PROSPECTIVE PURCHASERS OF NOTES SHOULD CONSULT THEIR TAX ADVISORS AS TO THE U.S. FEDERAL, STATE AND LOCAL TAX CONSEQUENCES TO THEM OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF NOTES, AS WELL AS ANY CONSEQUENCES ARISING UNDER THE LAWS OF ANY OTHER TAXING JURISDICTION TO WHICH THEY MAY BE SUBJECT.

U.S. Federal Tax Treatment of the Issuer

General: The Issuer will be treated as a foreign corporation for U.S. federal income tax purposes. In this regard, the Investment Manager has agreed to cause the Issuer to comply with certain guidelines that are intended to reduce the risk that the Issuer will be treated as engaged in a trade or business in the United States for U.S. federal income tax purposes. However, neither the Issuer nor the Investment Manager has received any assurance from tax counsel that the Issuer's contemplated activities will not cause it to be engaged in a trade or business in the United States. Moreover, even if the Investment Manager breached the agreement described above, the Investment Manager would not be liable for causing the Issuer to be engaged in a trade or business in the United States unless the Investment Manager also breached the standard of care specified in the Investment Management Agreement. Accordingly, the Issuer may not have any claim against the Investment Manager in the event that the Investment Manager causes the Issuer to be engaged in a trade or business in the United States. The Issuer also could be treated as engaged in a trade or business in the United States for U.S. federal income tax purposes by reason of a change in law or its interpretation. Finally, the Trust Deed could be amended in a manner that permits or causes the Issuer to be engaged in a trade or business in the United States for U.S. federal income tax purposes. If it is determined that the Issuer is engaged in a trade or business in the United States for U.S. federal income tax purposes, and the Issuer has taxable income that is effectively connected with such U.S. trade or business, the Issuer will be subject under the Code to the regular U.S. 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

The Issuer intends to treat 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 as indebtedness for U.S. federal, state, and local income and franchise tax purposes. However, no opinion will be received with respect to the debt-for-tax characterization of any Rated Notes. The Issuer's characterisation 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.

The Trust Deed could be amended in a manner that materially adversely affects the U.S. federal tax consequences of an investment in the Notes as described herein, including by affecting the U.S. federal income tax characterization of the Notes as indebtedness or equity or changing the characterization and timing of income inclusions to U.S. Holders in respect of the Notes. The remainder of this discussion assumes that the Trust Deed is not so amended.

Recently Proposed Regulations. The IRS recently issued proposed regulations that, if finalized in their current form, could, under certain circumstances, treat Rated Notes as equity in the Issuer for periods during which those Rated Notes are held by a person that is directly or indirectly related to the Issuer through chains of 80 per cent. or greater ownership. Upon a subsequent sale of those Rated Notes by the related person, the determination of the amount of OID (if any) on those Rated Notes will depend upon all facts and circumstances at that time, and no assurance can be given that those Rated Notes will have the same amount of OID (if any) as the other Rated Notes of the same Class. Moreover, because all Rated Notes of a single Class will bear the same ISIN, investors may not be able to distinguish between the Rated Notes that were held by the related person and the Rated Notes that were not held by the related person, which could have material adverse consequences to holders of the Rated Notes that were not held by the related person (including a reduction in the liquidity of their Rated Notes). Investors should consult their own tax advisors regarding the consequences to them in the event that the proposed regulations are finalised.

U.S. Federal Tax Treatment of U.S. Holders of Rated Notes

Class A Notes and Class B Notes.

Stated Interest. U.S. Holders of Class A Notes and Class B Notes will include in gross income the U.S. dollar value of payments of stated interest accrued or received on their Notes, in accordance with their usual method of tax accounting, as ordinary interest income.

In general, U.S. Holders of Class A Notes or Class B Notes that use the cash method of accounting will calculate the U.S. dollar value of payments of stated interest based on the euro-to-U.S. dollar spot exchange rate at the time a payment is received.

In general, U.S. Holders of Class A Notes or Class B Notes that use the accrual method of accounting or that otherwise are required to accrue stated interest before receipt will calculate the U.S. dollar value of accrued interest based on the average euro-to-U.S. dollar spot exchange rate during the applicable Accrual Period (or, with respect to an Accrual Period that spans two taxable years, at the average euro-to-U.S. dollar spot exchange rate for the partial period within the U.S. Holder's taxable year). Alternatively, a U.S. Holder of Class A Notes or Class B Notes can elect to calculate the U.S. dollar value of accrued interest based on the euro-to-U.S. dollar spot exchange rate on the last day of the

applicable Accrual Period (or, with respect to an Accrual Period that spans two taxable years, at the euro-to-U.S. dollar spot exchange rate on the last day of the U.S. Holder's taxable year) or, if the last day of the Accrual Period is within five business days of the U.S. Holder's receipt of the payment, the spot exchange rate on the date of receipt. Any such election must be applied to all debt instruments held by the U.S. Holder and is irrevocable without the consent of the IRS.

Accrual basis U.S. Holders of Class A Notes or Class B Notes also will recognise foreign currency exchange gain or loss on the receipt of interest payments on their Class A Notes or Class B Notes to the extent that the U.S. dollar value of such payments (based on the euro-to-U.S. dollar spot exchange rate on the date such payments are received) differs from the U.S. dollar value of such payments when they were accrued. The foreign currency exchange gain or loss generally will be treated as ordinary income or loss.

Original Issue Discount. In addition, if the discount at which a substantial amount of the Class A Notes or the Class B Notes is first sold to investors is at least 0.25 per cent. of the principal amount of the Class, multiplied by the number of complete years to the weighted average maturity of the Class, then the Issuer will treat the Class as issued with original issue discount ("**OID**") for U.S. federal income tax purposes. The total amount of OID with respect to a Note within the Class will equal the excess of the principal amount of the Note over its issue price (the first price at which a substantial amount of Notes within the Class was sold to investors). U.S. Holders of Notes that are issued with OID will be required to include the U.S. dollar value of OID in advance of the receipt of cash attributable to such income. In general, U.S. Holders of the Class A Notes or the Class B Notes will calculate the U.S. dollar value of OID based on the average euro-to-U.S. dollar spot exchange rate during the applicable Accrual Period (or, with respect to an Accrual Period that spans two taxable years, at the average euro-to-U.S. dollar spot exchange rate for the partial period within the U.S. Holder's taxable year). Alternatively, a U.S. Holder of the Class A Notes or the Class B Notes can elect to calculate the U.S. dollar value of OID based on the euro-to U.S. dollar spot exchange rate on the last day of the applicable Accrual Period (or, with respect to an Accrual Period that spans two taxable years, at the euro-to-U.S. dollar spot exchange rate on the last day of the U.S. Holder's taxable year) or, if the last day of the Accrual Period is within five business days of the U.S. Holder's receipt of the payment of accrued OID, the spot exchange rate on the date of receipt. Any such election must be applied to all debt instruments held by the U.S. Holder and is irrevocable without the consent of the IRS.

A U.S. Holder will be required to include OID in income as it accrues (regardless of the U.S. Holder's method of accounting) under a constant yield method. Accruals of any such OID will be based on the weighted average life of the applicable Class rather than its stated maturity. It is possible, however, that the IRS could assert and a court could ultimately hold that some other method of accruing OID should apply. Accruals of OID on the Class A 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 Accrual Period, and then adjusting the accrual for each subsequent Accrual Period based on the difference between the value of EURIBOR used in setting interest for that subsequent Accrual Period and the assumed rate.

U.S. Holders of Class A Notes or Class B Notes that are issued with OID also will recognise foreign currency exchange gain or loss on the receipt of payments in respect of OID on their Class A Notes or Class B Notes to the extent that the U.S. dollar value of such payments (based on the euro-to-U.S. dollar spot exchange rate on the date such payments are received) differs from the U.S. dollar value of the corresponding amounts of OID when they were accrued. The foreign currency exchange gain or loss generally will be treated as ordinary income or loss.

Sale, Exchange or Retirement. In general, a U.S. Holder will have a basis in its Note equal to the U.S. dollar value of the cost of such Note (based, in the case of a Class A Note or a Class B Note, on the euro-to-U.S. dollar spot exchange rate on the date the Note was acquired, or the settlement date for the purchase of the Note if the Note is treated under applicable Treasury regulations as a security traded on an established securities market and the U.S. Holder either uses the cash method of accounting, or uses the accrual method of accounting and so elects (which election must be applied consistently from year to year)), (i) increased by the U.S. dollar value of any such amount includable in income as OID (as described above), and (ii) reduced by the U.S. dollar value of payments other than stated interest on such Note (based, in the case of a Class A Note or a Class B Note, on the euro-to-U.S. dollar spot exchange rate on the date any such payments were received).

A U.S. Holder will generally recognise foreign currency exchange gain or loss on the receipt of any principal payments on a Class A Note or Class B Note prior to a sale, exchange, or retirement of such Note to the extent that the U.S. dollar value of each such principal payment (based on the euro-to-U.S. dollar spot exchange rate on the date any such payment was received) differs from the U.S. dollar value of the equivalent principal amount of the Note on the date that the Note was acquired (based on the euro-to-U.S. dollar spot exchange rate on such date). Any such foreign currency exchange gain or loss generally will be treated as ordinary income or loss.

Upon a sale, exchange, or retirement of a Class A Note or Class B Note, a U.S. Holder will generally recognise gain or loss equal to the difference between the U.S. dollar value of the amount realised on the sale, exchange, or retirement (less any accrued and unpaid interest, which will be taxable as described above) and the holder's tax basis in such Note. In the case of a Class A Note or Class B Note, any such gain or loss will be foreign currency exchange gain or loss to the extent that the U.S. dollar value of the principal amount of the Note on the date of the sale, exchange, or retirement (based on the euro-to-U.S. dollar spot exchange rate on such date) differs from the U.S. Holder's basis in such Note. Any such foreign currency exchange gain or loss generally will be treated as ordinary income or loss. Any gain or loss in excess of foreign currency exchange gain or loss will be capital gain or loss, and generally will be treated as long-term capital gain or loss if the U.S. Holder held the Note for more than one year at the time of disposition. In certain circumstances, U.S. Holders who are individuals may be entitled to preferential tax rates for net long-term capital gains; however, the ability of U.S. Holders to offset capital losses against ordinary income is limited.

Class C Notes, Class D Notes, Class E Notes and Class F Notes.

Original Issue Discount. The Issuer will treat the Class C Notes, Class D Notes, Class E Notes and Class F Notes as issued with OID for U.S. federal income tax purposes. The total amount of OID with respect to a Class C Note, Class D Note, Class E Note or Class F Note will equal the sum of all payments to be received under such Note less its issue price (the first price at which a substantial amount of Notes within the applicable Class was sold to investors). U.S. Holders of the Class C Notes, Class D Notes, Class E Notes, or Class F Notes will be required to include the U.S. dollar value of OID in advance of the receipt of cash attributable to such income. In general, U.S. Holders will calculate the U.S. dollar value of OID based on the average euro-to-U.S. dollar spot exchange rate during the applicable Accrual Period (or, with respect to an Accrual Period that spans two taxable years, at the average euro-to-U.S. dollar spot exchange rate for the partial period within the U.S. Holder's taxable year). Alternatively, a U.S. Holder can elect to calculate the U.S. dollar value of OID based on the euro-to-U.S. dollar spot exchange rate on the last day of the applicable Accrual Period (or, with respect to an Accrual Period that spans two taxable years, at the euro-to-U.S. dollar spot exchange rate on the last day of the U.S. Holder's taxable year) or, if the last day of the Accrual Period is within five business days of the U.S. Holder's receipt of the payment of accrued OID, the euro-to-U.S. dollar spot exchange rate on the date of receipt. Any such election must be applied to all debt instruments held by the U.S. Holder and is irrevocable without the consent of the IRS.

A U.S. Holder of Class C Notes, Class D Notes, Class E Notes or Class F Notes will be required to include OID in income as it accrues (regardless of the U.S. Holder's method of accounting) under a constant yield method. Accruals of any such OID will be based on the weighted average life of the applicable Class rather than its stated maturity. Accruals of OID on the Class C Notes, Class D Notes, Class E Notes, and Class F Notes will be calculated by assuming that interest will be paid over the life of the applicable Class based on the value of EURIBOR used in setting the interest rate for the first Payment Date, and then adjusting the accrual for each subsequent Payment Date based on the difference between the value of EURIBOR used in setting interest for that subsequent Payment Date and the assumed rate. It is possible, however, that the IRS could assert, and a court could ultimately hold, that some other method of accruing OID on the Class C Notes, Class D Notes, Class E Notes, or Class F Notes should apply.

U.S. Holders of Class C Notes, Class D Notes, Class E Notes, or Class F Notes also will recognise foreign currency exchange gain or loss on the receipt of interest payments on their Notes to the extent that the U.S. dollar value of such payments (based on the euro-to-U.S. dollar spot exchange rate on the date such payments are received) differs from the U.S. dollar value of the corresponding amounts of OID when they were accrued. The foreign currency exchange gain or loss generally will be treated as ordinary income or loss.

Sale, Exchange or Retirement. In general, a U.S. Holder of a Class C Note, Class D Note, Class E Note or Class F Note will have a basis in such Note equal to the U.S. dollar value of the cost of such Note (based on the euro-to-U.S. dollar spot exchange rate on the date the Note was acquired, or the settlement date for the purchase of the Note if the Note is treated under applicable Treasury regulations as a security traded on an established securities market and the U.S. Holder either uses the cash method of accounting, or uses the accrual method of accounting and so elects (which election must be applied consistently from year to year)), (i) increased by any amount includable in income by such U.S. Holder as OID (as described above), and (ii) reduced by the U.S. dollar value of any payments received on such Note (based on the euro-to-U.S. dollar spot exchange rate on the date any such payments were received).

A U.S. Holder will generally recognise foreign currency exchange gain or loss on the receipt of any principal payments on a Class C Note, Class D Note, Class E Note or Class F Note prior to a sale, exchange, or retirement of such Note to the extent that the U.S. dollar value of each such principal payment (based on the euro-to-U.S. dollar spot exchange rate on the date any such payment was received) differs from the U.S. dollar value of the equivalent principal amount of the Note on the date that the Note was acquired (based on the euro-to-U.S. dollar spot exchange rate on such date). Any such foreign currency exchange gain or loss generally will be treated as ordinary income or loss.

Upon a sale, exchange, or retirement of a Class C Note, Class D Note, Class E Note or Class F Note, a U.S. Holder will generally recognise gain or loss equal to the difference between the U.S. dollar value of the amount realised on the sale, exchange, or retirement and the holder's tax basis in such Note. Any such gain or loss will be foreign currency exchange gain or loss to the extent that the U.S. dollar value of the principal amount of the Note on the date of the sale, exchange, or retirement (based on the euro-to-U.S. dollar spot exchange rate on such date) differs from the U.S. Holder's basis in such Note. Any such foreign currency exchange gain or loss generally will be treated as ordinary income or loss. Any gain or loss in excess of foreign currency exchange gain or loss will be capital gain or loss, and generally will be treated as long-term capital gain or loss if the U.S. Holder held the Note for more than one year at the time of disposition. In certain circumstances, U.S. Holders who are individuals may be entitled to preferential tax rates for net long-term capital gains; however, the ability of U.S. Holders to offset capital losses against ordinary income is limited.

Alternative Characterisation.

It is possible that the Rated Notes could be treated as "contingent payment debt instruments" for U.S. federal income tax purposes. In this event, the timing of a U.S. Holder's OID inclusions could differ from that described above and any gain recognised on the sale, exchange, or retirement of such Notes would be treated as ordinary income and not as capital gain.

Receipt of Euro.

U.S. Holders will have a tax basis in any euro received in respect of the Notes on a sale, redemption, or other disposition of the Notes equal to the U.S. dollar value of the euro on that date. Any gain or loss recognised on a sale, exchange, or other disposition of those euro generally will be ordinary income or loss. A U.S. Holder that converts the euro into U.S. dollars on the date of receipt generally should not recognise ordinary income or loss in respect of the conversion.

Possible Treatment of Class E Notes and Class F Notes as Equity for U.S. Federal Tax Purposes.

As described above under "*U.S. Federal Tax Treatment of the Notes,*" the Issuer intends to treat the Class E Notes and Class F Notes as indebtedness for U.S. federal, state, and local income and franchise tax purposes, and the Trust Deed requires Noteholders to treat the Class E Notes and Class F Notes as indebtedness for U.S. federal, state and local income and franchise tax purposes. Nevertheless, the IRS could assert, and a court could ultimately hold, that the Class E Notes and Class F Notes are equity in the Issuer for U.S. federal income tax purposes.

If the Class E Notes or Class F Notes are treated as equity in the Issuer, because the Issuer will be a passive foreign investment company (a "**PFIC**") for U.S. federal income tax purposes, the U.S. dollar value of gain on the sale of the Class E Notes and/or the Class F Notes could be treated as ordinary income and subject to an additional tax in the nature of interest, and the U.S. dollar value of certain interest on such Notes could be subject to the additional tax. A U.S. Holder of such Notes might be

able to avoid the ordinary income treatment and additional tax by writing "Protective QEF Election" on the top of an IRS Form 8621, filling out the form, checking Box A (Election to Treat the PFIC as a QEF) and filing the form with the IRS with respect to their Class E Notes and the Class F Notes, or by filing a protective statement with the IRS preserving the U.S. Holder's ability to elect retroactively to treat the Issuer as a "qualified electing fund" (a "**QEF**") and so electing at the appropriate time. The Issuer will provide, upon a U.S. Holder's request (and at the expense of such holder), all information and documentation that a U.S. Holder is required to obtain for U.S. federal income tax purposes in order to make and maintain a "protective" QEF election with respect to the Issuer. If the Class E Notes or Class F Notes are treated as equity, a U.S. Holder also will be required to file an annual PFIC report.

If the Issuer holds any Collateral Debt Obligations that are treated as equity in a foreign corporation for U.S. federal income tax purposes, and if the Class E Notes or Class F Notes are treated as equity in the Issuer, U.S. Holders of Class E Notes or Class F Notes could be treated as owning an indirect equity interest in a PFIC or a controlled foreign corporation ("**CFC**") and could be subject to certain adverse tax consequences. In particular, a U.S. Holder of an indirect equity interest in a PFIC is treated as owning the PFIC directly. The U.S. Holder, and not the Issuer, would be required to make a QEF election with respect to each indirect interest in a PFIC. However, certain PFIC information statements are necessary for U.S. Holders that have made QEF elections, and there can be no assurance that the Issuer can obtain such statements from a PFIC. Thus, there can be no assurance that a U.S. Holder would be able to make the election with respect to any indirectly held PFIC.

In addition, if the Class E Notes or Class F Notes represent equity in the Issuer for U.S. federal income tax purposes, a U.S. Holder of such Notes would be required to file an IRS Form 926 with the IRS if (i) such person is treated as owning, directly or by attribution, immediately after the U.S. Holder's purchase of Notes, at least 10 per cent. by value of the Issuer or (ii) the amount of cash transferred by such person (or any related person) to the Issuer during the 12-month period ending on the date of such purchase exceeds $100,000. U.S. Holders may wish to file a "protective" IRS Form 926 with respect to their Class E Notes and Class F Notes.

Finally, if the Class E Notes or Class F Notes represent equity in the Issuer, a U.S. Holder of such Notes would be required to file an IRS Form 5471 with the IRS if the U.S. Holder is treated as owning (actually or constructively) at least 10 per cent. by value of the equity of the Issuer for U.S. federal income tax purposes, and may be required to provide additional information regarding the Issuer annually on IRS Form 5471 if the U.S. Holder is treated as owning (actually or constructively) more than 50 per cent. by value of the equity of the Issuer for U.S. federal income tax purposes. U.S. Holders may wish to file a "protective" IRS Form 5471 with respect to their Class E Notes and Class F Notes.

Prospective U.S. Holders of Class E Notes and Class F Notes should consult with their tax advisors regarding whether to make protective filings of IRS Forms 8621, 926 and 5471 with respect to such Notes and the consequences to them if the Class E Notes or Class F Notes are treated as equity in the Issuer.

U.S. Federal Tax Treatment of U.S. Holders of Subordinated Notes

Investment in a Passive Foreign Investment Company. The Issuer will constitute a PFIC for U.S. federal income tax purposes, and, except to the extent that the Issuer is also a CFC and a U.S. Holder is a 10 per cent. United States shareholder in the Issuer (as described below under "*Investment in a Controlled Foreign Corporation*"), U.S. Holders of Subordinated Notes will be subject to the PFIC rules. U.S. Holders should consider making an election to treat the Issuer as a QEF. Generally, a U.S. Holder makes a QEF election on IRS Form 8621, attaching a copy of that form to its U.S. federal income tax return for the first taxable year for which it held its Subordinated Notes. If a U.S. Holder makes a timely QEF election with respect to the Issuer, the electing U.S. Holder will be required in each taxable year to include in gross income (i) as ordinary income, the U.S. dollar value of the U.S. Holder's *pro rata* share of the Issuer's ordinary earnings and (ii) as long-term capital gain, the U.S. dollar value of the U.S. Holder's *pro rata* share of the Issuer's net capital gain, whether or not distributed. Because there is more than one class of Subordinated Notes, a U.S. Holder's *pro rata* share of the Issuer's ordinary earnings and net capital gain may exceed the amounts payable to the U.S. Holder on the Subordinated Notes during one or more taxable years. A U.S. Holder will not be eligible for the dividends received deduction in respect of such income or gain. In addition, any losses of the Issuer in a taxable year will not be available to the U.S. Holder and may not be carried back or forward

in computing the Issuer's ordinary earnings and net capital gain in other taxable years. If applicable, the rules pertaining to a CFC, discussed below generally override those pertaining to a PFIC with respect to which a QEF election is in effect.

In certain cases in which a QEF does not distribute all of its earnings in a taxable year, the electing U.S. Holder may also be permitted to elect to defer payment of some or all of the taxes on the QEF's income, subject to a nondeductible interest charge on the deferred amount. In this respect, prospective purchasers of Subordinated Notes should be aware that it is expected that the Collateral Debt Obligations will include high-yield debt obligations and such instruments may have substantial OID, the cash payment of which may be deferred, perhaps for a substantial period of time. In addition, the Issuer may use proceeds from the sale of Collateral Debt Obligations to retire other classes of Notes. As a result, in any given year, the Issuer may have substantial amounts of earnings for U.S. federal income tax purposes that are not distributed on the Subordinated Notes. Thus, absent an election to defer payment of taxes, U.S. Holders that make a QEF election with respect to the Issuer may owe tax on significant "phantom" income.

The Issuer will provide, upon request and at the Issuer's expense, all information and documentation that a U.S. Holder making a QEF election with respect to the Issuer is required to obtain for U.S. federal income tax purposes.

A U.S. Holder of Subordinated Notes (other than certain U.S. Holders that are subject to the rules pertaining to a CFC, described below) that does not make a timely QEF election will be required to report the U.S. dollar value of any gain on the disposition of its Subordinated Notes as ordinary income, rather than capital gain, and to compute the tax liability on such gain and any "Excess Distribution" (as defined below) received in respect of the Subordinated Notes as if such items had been earned ratably over each day in the U.S. Holder's holding period (or a certain portion thereof) for the Subordinated Notes. The U.S. Holder will be subject to tax on such gain or Excess Distributions at the highest ordinary income tax rate for each taxable year in which such gain or Excess Distributions are treated as having been earned, other than the current year (for which the U.S. Holder's regular ordinary income tax rate will apply), regardless of the rate otherwise applicable to the U.S. Holder. Further, such U.S. Holder will also be liable for a nondeductible interest charge as if such income tax liabilities had been due with respect to each such prior year. For purposes of these rules, gifts, exchanges pursuant to corporate reorganisations and use of the Subordinated Notes as security for a loan may be treated as taxable dispositions of such Subordinated Notes. In addition, a stepped-up basis in the Subordinated Notes will not be available upon the death of an individual U.S. Holder who has not made a timely QEF election with respect to the Issuer.

An "**Excess Distribution**" is the amount by which the U.S. dollar value of distributions during a taxable year in respect of a Note exceeds 125 per cent. of the average amount of distributions in respect thereof during the three preceding taxable years (or, if shorter, the U.S. Holder's holding period for the Note).

In many cases, the U.S. federal income tax on any gain on disposition or receipt of Excess Distributions is likely to be substantially greater than the tax if a timely QEF election is made. A U.S. HOLDER OF A SUBORDINATED NOTE SHOULD STRONGLY CONSIDER MAKING A QEF ELECTION WITH RESPECT TO THE ISSUER.

Investment in a Controlled Foreign Corporation. The Issuer will be a CFC if more than 50 per cent. of the equity interests in the Issuer, measured by reference to combined voting power or value, are owned directly, indirectly, or constructively by 10 per cent. United States shareholders. For this purpose, a "**10 per cent. United States shareholder**" is any United States person that possesses directly, indirectly, or constructively 10 per cent. or more of the combined voting power of all classes of equity in the Issuer. It is likely that the Subordinated Notes will be treated as voting securities. In this case, a U.S. Holder of Subordinated Notes possessing directly, indirectly, or constructively 10 per cent. or more of the sum of the aggregate outstanding principal amount of the Subordinated Notes would be treated as a 10 per cent. United States shareholder. If more than 50 per cent. of the Subordinated Notes (and any Rated Notes that are treated as equity in the Issuer for U.S. federal income tax purposes), determined with respect to aggregate value or aggregate outstanding principal amount, are owned directly, indirectly, or constructively by such 10 per cent. United States shareholders, the Issuer will be treated as a CFC. If, for any given taxable year, the Issuer is treated as a CFC, a 10 per cent. United States shareholder of the Issuer will be required to include as ordinary income an amount equal to the

U.S. dollar value of that person's *pro rata* share of the Issuer's "subpart F income" at the end of such taxable year. Among other items, and subject to certain exceptions, "subpart F income" includes dividends, interest, annuities, gains from the sale of shares and securities, certain gains from commodities transactions, certain types of insurance income and income from certain transactions with related parties. It is likely that, if the Issuer were to constitute a CFC, all of its income would be subpart F income. In general, for purposes of determining a 10 per cent. United States shareholder's *pro rata share* of the Issuer's subpart F income, the amount of the Issuer's subpart F income attributable to each class of Subordinated Notes will be the amount that bears the same ratio to the Issuer's total subpart F income as (1) the earnings and profits that would be distributed with respect to that class if all of the Issuer's earnings and profits were distributed on the last day of the Issuer's taxable year on which the Issuer is a CFC bear to (2) the Issuer's total earnings and profits for that taxable year.

If the Issuer is treated as a CFC and a U.S. Holder is treated as a 10 per cent. United States shareholder of the Issuer, the Issuer will not be treated as a PFIC with respect to the U.S. Holder for the period during which the Issuer remains a CFC and the U.S. Holder remains a 10 per cent. United States shareholder of the Issuer (the "qualified portion" of the U.S. Holder's holding period for the Subordinated Notes). As a result, to the extent the Issuer's subpart F income includes net capital gains, such gains will be treated as ordinary income to the 10 per cent. United States shareholder under the CFC rules, notwithstanding the fact that the character of such gains generally would otherwise be preserved under the QEF rules. If the qualified portion of the U.S. Holder's holding period for the Subordinated Notes subsequently ceases (either because the Issuer ceases to be a CFC or the U.S. Holder ceases to be a 10 per cent. United States shareholder), then solely for purposes of the PFIC rules, the U.S. Holder's holding period for the Subordinated Notes will be treated as beginning on the first day following the end of such qualified portion, unless the U.S. Holder has owned any Subordinated Notes for any period of time prior to such qualified portion and has not made a QEF election with respect to the Issuer. In that case, the Issuer will again be treated as a PFIC which is not a QEF with respect to the U.S. Holder and the beginning of the U.S. Holder's holding period for the Subordinated Notes will continue to be the date upon which the U.S. Holder acquired the Subordinated Notes, unless the U.S. Holder makes an election to recognise gain with respect to the Subordinated Notes and a QEF election with respect to the Issuer. In the event that the Issuer is a CFC, then, at the request and expense of any U.S. Holder that is a 10 per cent. United States shareholder with respect to the Issuer, the Issuer will provide the information necessary for the U.S. Holder to comply with any filing requirements that arise as a result of the Issuer's classification as a CFC.

Indirect Interests in PFICs and CFCs. If the Issuer owns a Collateral Debt Obligation that is treated as equity in a foreign corporation for U.S. federal income tax purposes, U.S. Holders of Subordinated Notes could be treated as owning an indirect equity interest in a PFIC or a CFC and could be subject to certain adverse tax consequences.

In particular, a U.S. Holder of an indirect equity interest in a PFIC is treated as owning the PFIC directly. The U.S. Holder, and not the Issuer, would be required to make a QEF election with respect to each indirect interest in a PFIC. However, certain PFIC information statements are necessary for U.S. Holders that have made QEF elections, and there can be no assurance that the Issuer can obtain such statements from a PFIC, and thus there can be no assurance that a U.S. Holder will be able to make the election with respect to any indirectly held PFIC.

Accordingly, if the U.S. Holder has not made a QEF election with respect to the indirectly held PFIC, the U.S. Holder would be subject to the adverse consequences described above under "*Investment in a Passive Foreign Investment Company*" with respect to any Excess Distributions of such indirectly held PFIC, any gain indirectly realised by such U.S. Holder on the sale by the Issuer of such PFIC, and any gain indirectly realised by such U.S. Holder with respect to the indirectly held PFIC on the sale by the U.S. Holder of its Subordinated Notes (which may arise even if the U.S. Holder realises a loss on such sale). Moreover, if the U.S. Holder has made a QEF election with respect to the indirectly held PFIC, the U.S. Holder will be required to include in income the U.S. dollar value of its *pro rata* share of the indirectly held PFIC's ordinary earnings and net capital gain as if the indirectly held PFIC were held directly (as described above), and the U.S. Holder will not be permitted to use any losses or other expenses of the Issuer to offset such ordinary earnings and/or net capital gains. Accordingly, if any of the Collateral Debt Obligations are treated as equity interests in a PFIC, U.S. Holders could experience significant amounts of "phantom" income with respect to such interests.

If a Collateral Debt Obligation is treated as an indirect equity interest in a CFC and a U.S. Holder owns directly, indirectly, or constructively 10 per cent. or more of the CFC's voting power for U.S. federal income tax purposes, the U.S. Holder generally will be required to include the U.S. dollar value of its *pro rata* share of the CFC's "subpart F income" as ordinary income at the end of each taxable year, as described above under "*Investment in a Controlled Foreign Corporation*," regardless of whether the CFC distributed any amounts to the Issuer during such taxable year or whether the U.S. Holder made a QEF election with respect to the indirectly held CFC. In addition, the U.S. dollar value of gain realised by the U.S. Holder on the sale by the Issuer of the CFC, and the U.S. dollar value of gain realised by the U.S. Holder on the sale by the U.S. Holder of its Subordinated Notes (as described below), generally will be treated as ordinary income to the extent of the U.S. Holder's *pro rata* share of the CFC's current and accumulated earnings and profits, reduced by any amounts previously taxed pursuant to the CFC rules. U.S. Holders should consult their own tax advisors regarding the tax issues associated with such investments in light of their own individual circumstances.

Phantom Income. U.S. Holders may be subject to U.S. federal income tax on the amounts that exceed the distributions they receive on the Subordinated Notes. For example, if the Issuer is a CFC and a U.S. Holder is a 10 per cent. United States shareholder with respect to the Issuer, or a U.S. Holder makes a QEF election with respect to the Issuer, the U.S. Holder will be subject to federal income tax with respect to its share of the Issuer's income and gain (to the extent of the Issuer's "earnings and profits"), which may exceed the Issuer's distributions. It is expected that the Issuer's income and gain (and earnings and profits) will exceed cash distributions with respect to (i) debt instruments that were issued with OID and are held by the Issuer, and (ii) the acquisition at a discount of the Rated Notes by the Issuer (including by reason of a Refinancing or any deemed exchange that occurs for U.S. federal income tax purposes as a result of a modification of the Trust Deed). U.S. Holders should consult their tax advisors regarding the timing of income and gain on the Subordinated Notes.

Distributions. The treatment of actual distributions of cash on the Subordinated Notes will vary depending on whether a U.S. Holder has made a timely QEF election with respect to the Issuer (as described above). See "*Investment in a Passive Foreign Investment Company*." If a timely QEF election has been made, distributions should be allocated first to amounts previously taxed pursuant to the QEF election (or pursuant to the CFC rules, if applicable) and to this extent will not be taxable to such U.S. Holder. Distributions in excess of such previously taxed amounts will be taxable to U.S. Holders as ordinary income upon receipt, to the extent of any remaining amounts of untaxed current and accumulated earnings and profits of the Issuer. Distributions in excess of previously taxed amounts and any remaining current and accumulated earnings and profits of the Issuer will be treated first as a nontaxable return of capital, to the extent of the U.S. Holder's adjusted tax basis in the Subordinated Notes (as described below under "*Sale, Redemption, or Other Disposition*"), and then as a disposition of a portion of the Subordinated Notes. In addition, a U.S. Holder will recognise exchange gain or loss with respect to amounts previously taxed pursuant to the QEF election (or pursuant to the CFC rules, if applicable) equal to the difference, if any, between the U.S. dollar value of the distribution on the date received and the U.S. dollar value of the previously taxed amount. Any exchange gain or loss will generally be treated as ordinary income or loss.

If a U.S. Holder has not made a timely QEF election with respect to the Issuer then, except to the extent that distributions are attributable to amounts previously taxed pursuant to the CFC rules, some or all of any distributions with respect to the Subordinated Notes may constitute Excess Distributions, taxable as described above under the heading "*Investment in a Passive Foreign Investment Company*." In addition, distributions in excess of a U.S. Holder's adjusted tax basis in the Subordinated Notes would be treated as a disposition of a portion of the Subordinated Notes and subject to an additional tax reflecting a deemed interest charge, as described below under "—*Sale, Redemption, or Other Disposition*".

Distributions on the Subordinated Notes will not be eligible for the dividends received deduction, and will not qualify as "qualified dividend income."

Sale, Redemption, or Other Disposition. In general, a U.S. Holder of Subordinated Notes will recognise gain or loss upon the sale, redemption, or other disposition of the Subordinated Notes (including a distribution that is treated as a disposition of the Subordinated Notes, as described above under "Distributions") equal to the difference between the U.S. dollar value of the amount realised and the U.S. Holder's adjusted tax basis in the Subordinated Notes. The U.S. dollar value of the amount realised generally is based on the euro-to-U.S. dollar spot exchange rate on the date of the disposition.

However, if the Subordinated Notes are treated under applicable Treasury regulations as stock or securities traded on an established securities market and the U.S. Holder uses the cash method of accounting, then the U.S. dollar value of the amount realised is based instead on the euro-to-U.S. dollar spot exchange rate on the settlement date for the sale. U.S. Holders that use the accrual method of accounting also may elect to use the settlement date valuation, provided that they apply it consistently from year to year.

A U.S. Holder's tax basis in its Subordinated Notes initially will equal the U.S. dollar value of the amount paid by the U.S. Holder for the Subordinated Notes, determined under rules analogous to the rules for determining the U.S. dollar value of the amount realised. The U.S. Holder's tax basis in the Subordinated Notes will be increased by amounts taxable to the U.S. Holder by reason of any QEF election, or by reason of the CFC rules, as applicable, and decreased by the U.S. dollar value of actual distributions by the Issuer that are deemed to consist of such previously taxed amounts or are treated as a nontaxable return of capital, as described above under "*Distributions*".

If the U.S. Holder has made a timely QEF election with respect to the Issuer, then, except to the extent that the Issuer is treated as a CFC and the U.S. Holder is treated as a 10 per cent. United States shareholder of the Issuer, gain or loss upon the sale, redemption, or other disposition of the Subordinated Notes generally will be treated as foreign currency exchange gain or loss, and taxable as ordinary income or loss, to the extent of the positive or negative change in the U.S. dollar value of any amounts previously taxed pursuant to the QEF election from the date of each deemed distribution pursuant to the election (based on the euro-to-U.S. dollar spot exchange rate on that date) to the date of the disposition. Any gain or loss in excess of foreign currency exchange gain or loss will be capital gain or loss, and generally will be long-term capital gain or loss if the U.S. Holder has held the Subordinated Notes for more than one year at the time of the disposition. In certain circumstances, U.S. Holders who are individuals may be entitled to preferential tax rates for net long-term capital gains; however, the ability of U.S. Holders to offset capital losses against ordinary income is limited.

If a U.S. Holder does not make a timely QEF election with respect to the Issuer as described above and is not subject to the CFC rules, any gain realised on the sale, redemption, or other disposition of a Subordinated Note (or any gain deemed to accrue prior to the time a non-timely QEF election is made) will be taxed as ordinary income and subject to an additional tax reflecting a deemed interest charge under the special tax rules described above. See "*Investment in a Passive Foreign Investment Company*."

If the Issuer is treated as a CFC and a U.S. Holder is treated as a 10 per cent. United States shareholder of the Issuer, then any gain or loss realised by the U.S. Holder upon a sale, redemption, or other disposition of the Subordinated Notes, other than gain or loss subject to the PFIC rules, if applicable, generally will be treated as foreign currency exchange gain or loss, and taxable as ordinary income or loss, to the extent of the positive or negative change in the U.S. dollar value of any amounts previously taxed pursuant to the CFC rules from the date of each deemed distribution pursuant to the CFC rules (based on the euro-to-U.S. dollar spot exchange rate on that date) to the date of the disposition. Any gain in excess of foreign currency exchange gain will be treated as ordinary income to the extent of the U.S. dollar value of the U.S. Holder's *pro rata* share of the Issuer's previously untaxed earnings and profits.

In addition, as described above under "*Indirect Interests in PFICs and CFCs*," the U.S. dollar value of any gain attributable to interests in PFICs or CFCs owned by the Issuer may be treated as ordinary income to a U.S. Holder upon the sale, redemption, or other disposition of the U.S. Holder's Subordinated Notes.

Receipt of Euro. U.S. Holders will have a tax basis in any euro received in respect of the Notes on a sale, redemption, or other disposition of the Notes equal to the U.S. dollar value of the euro on that date. Any gain or loss recognised on a sale, exchange, or other disposition of those euro generally will be ordinary income or loss. A U.S. Holder that converts the euro into U.S. dollars on the date of receipt generally should not recognise ordinary income or loss in respect of the conversion.

Transfer and Information Reporting Requirements. A U.S. Holder that purchases the Subordinated Notes for cash will be required to file an IRS Form 926 or similar form with the IRS if (i) such person is treated as owning, directly or by attribution, immediately after the transfer, at least 10 per cent. by

vote or value of the Issuer or (ii) the amount of cash transferred by such person (or any related person) to the Issuer during the 12-month period ending on the date of such transfer exceeds $100,000.

A U.S. Holder that is treated as owning (actually or constructively) at least 10 per cent. by vote or value of the equity of the Issuer for U.S. federal income tax purposes may be required to file an information return on IRS Form 5471, and provide additional information regarding the Issuer annually on IRS Form 5471 if it is treated as owning (actually or constructively) more than 50 per cent. by vote or value of the equity of the Issuer for U.S. federal income tax purposes.

In addition, U.S. Holders generally will be required to file an annual PFIC report.

U.S. Holders that fail to comply with these reporting requirements may be subject to adverse tax consequences, including a "tolling" of the statute of limitations with respect to their U.S. tax returns. U.S. Holders should consult their tax advisors with respect to these and any other reporting requirements that may apply with respect to their acquisition or ownership of the Subordinated Notes.

Specified Foreign Financial Asset Reporting

Certain U.S. Holders may be subject to reporting obligations with respect to their Notes if they do not hold their Notes in an account maintained by a financial institution and the aggregate value of their Notes and certain other "specified foreign financial assets" exceeds $50,000. Significant penalties can apply if a U.S. Holder is required to disclose its Notes and fails to do so.

3.8 per cent. Medicare Tax on "Net Investment Income"

U.S. Holders that are individuals or estates and certain trusts are subject to an additional 3.8 per cent. tax on all or a portion of their "net investment income," or "undistributed net investment income" in the case of an estate or trust, which may include any income or gain with respect to the Notes, to the extent of their net investment income or undistributed net investment income (as the case may be) that, when added to their other modified adjusted gross income, exceeds $200,000 for an unmarried individual, $250,000 for a married taxpayer filing a joint return (or a surviving spouse), $125,000 for a married individual filing a separate return, or the dollar amount at which the highest tax bracket begins for an estate or trust (which, in 2016, is $12,400). The 3.8 per cent. Medicare tax is determined in a different manner than the regular income tax and special rules apply with respect to the PFIC and CFC rules described above. U.S. Holders should consult their advisors with respect to the 3.8 per cent. Medicare tax.

FBAR Reporting

A U.S. Holder of Subordinated Notes (or any Class of Notes that are treated as equity in the Issuer for U.S. federal income tax purposes) may be required to file FinCEN Form 114 with respect to foreign financial accounts in which the Issuer has a financial interest if the U.S. Holder holds more than 50 per cent. of the aggregate outstanding principal amount of such Notes or is otherwise treated as owning more than 50 per cent. of the total value or voting power of the Issuer's outstanding equity.

Reportable Transactions

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

U.S. Federal Tax Treatment of Non-U.S. Holders of Notes

In general, payments on the Notes to a Non-U.S. Holder that provides appropriate tax certifications to the Issuer and gain realised on the sale, exchange or retirement of the Notes by the Non-U.S. Holder will not be subject to U.S. federal income or withholding tax unless (i) such income is effectively connected with a trade or business conducted by such Non-U.S. Holder in the United States, or (ii) in the case of gain, such Non-U.S. Holder is a nonresident alien individual who holds the Notes as a capital asset and is present in the United States for more than 182 days in the taxable year of the sale and certain other conditions are satisfied.

Information Reporting and Backup Withholding

Under certain circumstances, the Code requires "information reporting" annually to the IRS and to each holder, and "backup withholding", with respect to certain payments made on or with respect to the Notes. Backup withholding will apply to a U.S. Holder only if the U.S. Holder (i) fails to furnish its Taxpayer Identification Number ("**TIN**") which, for an individual, would be his or her Social Security Number, (ii) furnishes an incorrect TIN, (iii) is notified by the IRS that it has failed to properly report payments of interest and dividends, or (iv) under certain circumstances, fails to certify, under penalties of perjury, that it has furnished a correct TIN and has not been notified by the IRS that it is subject to backup withholding for failure to report interest and dividend payments. The exemption generally is available to U.S. Holders that provide a properly completed IRS Form W-9.

A Non-U.S. Holder that provides an applicable IRS Form W-8, together with all appropriate attachments, signed under penalties of perjury, identifying the Non-U.S. Holder and stating that the Non-U.S. Holder is not a United States person, will not be subject to IRS reporting requirements and U.S. backup withholding.

Information reporting and backup withholding may apply to the proceeds of a sale of Notes made within the United States or conducted through certain U.S. related financial intermediaries, unless the payor receives the statement described above or the Non-U.S. Holder otherwise establishes an exemption.

Backup withholding is not an additional tax and may be refunded (or credited against the holder's U.S. federal income tax liability, if any), provided that certain required information is furnished. The information reporting requirements may apply regardless of whether withholding is required. Copies of the information returns also may be made available to the tax authorities in the country in which a Non-U.S. Holder is a resident under the provisions of an applicable income tax treaty or agreement.

FATCA

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

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

Future Legislation and Regulatory Changes Affecting Noteholders

Future legislation, regulations, rulings or other authority could affect the federal income tax treatment of the Issuer and Noteholders. The Issuer cannot predict whether and to what extent any such legislative or administrative changes could change the tax consequences to the Issuer and to the Noteholders. Prospective Noteholders should consult their tax advisors regarding possible legislative and administrative changes and their effect on the federal tax treatment of the Issuer and their investment in the Notes.

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

4. EU Directive on the Taxation of Savings Income

On 1 July 2005, a new EU directive (the "**Savings Directive**") regarding the taxation of savings income payments came into effect. The directive obliges a Member State to provide to the tax authorities of another Member State details of payments of interest or other similar income payments made by a person within its jurisdiction for the immediate benefit of an individual or to certain non-corporate entities resident in that other Member State (or for certain payments secured for their benefit). However, Austria and Luxembourg have opted out of the reporting requirements and may instead apply a special withholding tax for a transitional period in relation to such payments of interest, deducting tax at rates rising over time to 35 per cent. This transitional period commenced on 1 July 2005 and will terminate at the end of the first fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments. However, Luxembourg has announced that it will cease to withhold from 1 January 2015 and instead provide the required information.

Also with effect from 1 July 2005, a number of non-EU countries and certain dependent or associated territories of Member States have adopted similar measures (either provision of information or transitional withholding) in relation to payments of interest or other similar income payments made by a person in that jurisdiction for the immediate benefit of an individual or to certain non-corporate entities in any Member State. The Member States have entered into reciprocal provision of information or transitional special withholding tax arrangements with certain of those dependent or associated territories. These apply in the same way to payments by persons in any Member State to individuals or certain non-corporate residents of those territories.

Prospective purchasers of Notes should note that an amended version of the Savings Directive was adopted by the European Council on 24 March 2014, which is intended to close loopholes identified in the current Savings Directive. The amendments, which must be transposed by Member States prior to 1 January 2016 and applied from 1 January 2017, will extend the scope of the Savings Directive to (i) broadly, payments made 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 interest.

CERTAIN ERISA CONSIDERATIONS

ERISA imposes certain requirements on "**employee benefit plans**" subject thereto, on entities (such as collective investment funds, insurance company separate accounts and some insurance company general accounts) the underlying assets of which include the assets of such plans (collectively, "**ERISA Plans**"), and on those persons who are fiduciaries with respect to ERISA Plans. Investments by ERISA Plans are subject to ERISA's general fiduciary requirements, including the requirement of prudence, diversification and investments being made in accordance with the documents governing the 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, the "**Plan Asset Regulation**"), as modified by Section 3(42) of ERISA, if a Plan invests in an "equity interest" of an entity that is neither a "publicly offered security" nor a security issued by an investment company registered under the Investment Company Act of 1940, the Plan's assets are deemed to include both the equity interest and an undivided interest in each of the entity's underlying assets, unless it is established (a) that the entity is an "operating company," as that term is defined in the Plan Asset Regulation, or (b) that less than 25 per cent. of the total value of each class of equity interest in the entity, disregarding the value of any equity interests held by persons (other than Benefit Plan Investors) with discretionary authority or control over the assets of the entity or who provide investment advice for a fee (direct or indirect) with respect to such assets (such as the Investment 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 entity, and any other parties with authority or control with respect to the Issuer, could be deemed to be Plan fiduciaries or otherwise parties in interest or disqualified persons by virtue of their provision of such services (and there could be an improper delegation of authority to such providers).

The Plan Asset Regulation defines an "equity interest" as any interest in an entity other than an instrument that is treated as indebtedness under applicable local law and that has no substantial equity features. Although it is not free from doubt, the Class A Notes, the 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, the Class B Notes, the Class C Notes and the Class D Notes as not being equity interests in the Issuer could, however, be affected, subsequent to their issuance, by certain changes in the structure or financial condition of the Issuer. However, the characteristics of the Class E Notes, the Class F Notes and Subordinated Notes for purposes of the Plan Asset Regulation are less certain. The Class E Notes, the Class F Notes and the Subordinated Notes may be considered "equity interests" for purposes of the Plan Asset Regulation. Accordingly, the Issuer intends to limit investments by Benefit Plan Investors in such Class E

Notes, the Class F Notes and the Subordinated Notes. In reliance on representations made by investors in the Class E Notes, the Class F Notes and the Subordinated Notes, the Issuer intends to limit investment by Benefit Plan Investors in the Class E Notes, the Class F Notes, the Class M-1 Notes and the Class M-2 Notes to less than 25 per cent. of the total value of the Class E Notes, the Class F Notes, the Class M-1 Notes and the Class M-2 Notes (determined separately by each class of equity interest) at all times (excluding for purposes of such calculation Class E Notes, Class F Notes, Class M-1 Notes and Class M-2 Notes held by a Controlling Person). Each prospective purchaser (including a transferee) of a Class E Note, a Class F Note or a Subordinated Note will be required to make certain representations regarding its status as a Benefit Plan Investor or Controlling Person and other ERISA matters as described under "Transfer Restrictions" below. No Class E Note, Class F Note, Class M-1 Note or Class M-2 Note will be sold or transferred to purchasers that have represented that they are Benefit Plan Investors or Controlling Persons to the extent that such sale may result in Benefit Plan Investors owning 25 per cent. or more of the total value of the Class E Notes, Class F Notes, Class M-1 Notes or Class M-2 Notes (determined separately by each class of equity interest). Except as otherwise provided by the Plan Asset Regulation, each Class E Note, Class F Note and Subordinated Note held by persons that have represented that they are Controlling Persons will be disregarded and will not be treated as outstanding for purposes of determining compliance with such 25 per cent. Limitation.

Even if the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes, would not be treated as equity interests in the Issuer for purposes of ERISA, it is possible that an investment in such Notes by a Benefit Plan Investor (or with the use of the assets of a Benefit Plan Investor) could be treated as a prohibited transaction under ERISA and/or Section 4975 of the Code. Such a prohibited transaction, however, may be subject to a statutory or administrative exemption. Even if an exemption were to apply, such exemption may not, however, apply to all of the transactions that could be deemed prohibited transactions in connection with an investment in the Notes by a Benefit Plan Investor.

Each of the Issuer, the Initial Purchaser, the Investment Manager, or their respective Affiliates may be the sponsor of, or investment adviser with respect to one, or more Plans. Because such parties may receive certain benefits in connection with the sale of the Notes to such Plans, whether or not the Notes are treated as equity interests in the Issuer, the purchase of such Notes using the assets of a Plan over which any of such parties has investment authority might be deemed to be a violation of the prohibited transaction rules of ERISA and/or Section 4975 of the Code for which no exemption may be available. Accordingly, the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes may not be acquired using the assets of any Plan if any of the Issuer, the Initial Purchaser, the Investment 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, at 29 C.F.R. Section 2550.401c1.

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 or regulation that is similar to the prohibited transaction provisions of Section 406 of ERISA and/or Section 4975 of the Code ("**Other Plan Law**"), and no part of the assets to be used by it to acquire or hold such 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 a transferee acquiring such Notes (or interests therein) unless the transferee makes the foregoing representations, warranties and agreements described in clause (i) hereof.

If you are a purchaser or transferee of a Class E Note, Class F Note or Subordinated Note in the form of a Regulation S Global Certificate or a Rule 144A Global Certificate you will be deemed to represent, warrant and

agree that (i) you are not, and are not acting on behalf of (and for so long as you hold any such Note or interest therein will not be, and will not be acting on behalf of), a Benefit Plan Investor or Controlling Person (A) unless you receive the written consent of the Issuer, (B) provide an ERISA certificate to a Transfer Agent and the Issuer as to your status as a Benefit Plan Investor or Controlling Person and (C) hold such Note in the form of a Definitive Certificate, other than in the case where the purchaser is acquiring Class E Notes, Class F Notes or Subordinated Notes on the Issue Date, in which case the purchaser may acquire such Class E Notes, Class F Notes or Subordinated Notes in the form of a Rule 144A Global Certificate or a Regulation S Global Certificate; and (ii) (A) if you are, or are acting on behalf of, a Benefit Plan Investor, your acquisition, holding and disposition of such Notes will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code, and (B) if you are a governmental, church, non-U.S. or other plan, (1) you are not, and for so long as you hold such Notes or interest therein will not be, subject to any federal, state, local or non-U.S. law or regulation that could cause the underlying assets of the Issuer to be treated as assets of the investor in any Note (or any interest therein) by virtue of its interest and thereby subject the Issuer or the Investment Manager (or other persons responsible for the investment and operation of the Issuer's assets) to Other Plan Law ("**Similar Law**") and (2) your acquisition, holding and disposition of such Notes will not constitute or result in a non-exempt violation of any Other Plan Law and (3) you will agree to certain transfer restrictions regarding your interest in such Notes. Any purported transfer of the Class E Notes, the Class F Notes or the Subordinated Notes in violation of the requirements set forth in this paragraph shall be null and void *ab initio* and the Issuer will have the right to cause the sale of such Notes to another acquirer that complies with the requirements of this paragraph in accordance with the terms of the Trust Deed.

If you are a purchaser or transferee of a Class E Note, Class F Note or Subordinated Note in the form of a Definitive Certificate, you will be required to (i) represent, warrant and agree in writing to the Issuer (1) whether or not, for so long as you hold such Notes or interest herein, you are, or are acting on behalf of, a Benefit Plan Investor, (2) whether or not, for so long as you hold such Notes or interest therein, you are a Controlling Person and (3) that (a) if you are, or are acting on behalf of, a Benefit Plan Investor, your acquisition, holding and disposition of such Notes will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code and (b) if you are a governmental, church or non-U.S. plan, (x) you are not, and for so long as you hold such Notes or interest therein will not be, subject to Similar Law and (y) your acquisition, holding and disposition of such Notes will not constitute or result in a non-exempt violation of any Other Plan Law, (ii) agree to certain transfer restrictions regarding your interest in such Notes, and (iii) provide a completed ERISA Certificate in or substantially in the form set out in the Annex (*Form of ERISA Certificate*) hereto to the Issuer and a Transfer Agent. Any purported transfer of the Class E Notes, the Class F Notes or the Subordinated Notes in violation of the requirements set forth in this paragraph shall be *null and void ab initio* and the Issuer will have the right to cause the sale of such Notes to another acquirer that complies with the requirements of this paragraph in accordance with the terms of the Trust Deed.

No transfer of an interest in Class E Notes, Class F Notes, Class M-1 Notes or Class M-2 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, Class M-1 Notes or Class M-2 Notes (determined separately by each class of equity interest).

Any Plan fiduciary considering whether to acquire a Note on behalf of a Plan or an employee benefit plan not subject to ERISA or Section 4975 of the Code should consult with its counsel regarding the potential consequences of such investment, the applicability of the fiduciary responsibility and prohibited transaction provisions of ERISA and the Code and/or similar provisions of Other Plan Law, and the scope of any available exemption relating to such investment.

The sale of Notes to a Plan or an employee benefit plan not subject to ERISA or Section 4975 of the Code is in no respect a representation or warranty by the Issuer, or any other person that this investment meets all relevant legal requirements with respect to investments by Plans or such other plans generally or any particular plan, that any prohibited transaction exemption would apply to the acquisition, holding, or disposition of this investment by such plans in general or any particular plan, or that this investment is appropriate for such plans generally or any particular plan.

PLAN OF DISTRIBUTION

Barclays Bank PLC (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 (the "**Subscribed Notes**") pursuant to the Subscription Agreement. The Subscription Agreement entitles the Initial Purchaser to terminate it in certain circumstances prior to payment being made to the Issuer.

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: €212,000,000, Class B Notes: €42,100,000, Class C Notes: €19,600,000, Class D Notes: €17,150,000, Class E Notes: €24,000,000, Class F Notes: €8,700,000, Class M-1 Notes: €17,650,000 and Class M-2 Notes: €20,800,000.

The Issuer has agreed to indemnify the Initial Purchaser, the Investment Manager, the Agents, the Trustee and certain other participants against certain liabilities or to contribute to payments they may be required to make in respect thereof.

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

No action has been or will be taken by the Issuer, the Initial Purchaser, the Investment Manager or the Retention Holder that would permit a public offering of the Notes or possession or distribution of this Offering Circular or any other offering material in relation to the Notes in any jurisdiction where action for the purpose is required. No offers, sales or deliveries of any Notes, or distribution of this Offering Circular or any other offering material relating to the Notes, may be made in or from any jurisdiction, except in circumstances which will result in compliance with any applicable laws and regulations and will not impose any obligations on the Issuer or the Initial Purchaser.

United States

The Notes have not been and will not be registered under the Securities Act and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. Persons 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 CS Subscribed Notes (a) outside the United States to non-U.S. Persons in offshore transactions in reliance on Regulation S and in accordance with applicable law and (b) in the United States (directly or through its U.S. broker dealer Affiliate) in reliance on Rule 144A only to or for the accounts of QIBs, each of such purchasers or accountholders is also a QP.

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.

General

The Initial Purchaser, which is authorised and regulated by the Financial Conduct Authority, has represented and agreed that:

(a) *United Kingdom*:

(i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 ("**FSMA**") received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

(b) *European Economic Area*: In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**") the 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 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 (as amended, including by Directive 2010/73/EU and includes any relevant implementing measure in each Relevant Member State).

(c) *Austria*: No prospectus has been or will be approved and/or published pursuant to the Austrian Capital Markets Act (Kapitalmarktgesetz ("**KMG**") as amended. Neither this document nor any other document connected therewith constitutes a prospectus according to the Austrian Capital Markets Act and neither this document nor any other document connected therewith may be distributed, passed on or disclosed to any other person in Austria, save as specifically agreed with the Initial Purchaser. No document pursuant to Directive 2003/71/EC has been or will be drawn up and approved in Austria and no document pursuant to Directive 2003/71/EC has been or will be passported into Austria as the Notes will be offered in Austria in reliance an on exemption from the document publication requirement under the KMG. The Initial Purchaser has represented and agreed that it will offer the Notes in Austria only in compliance with the provisions of the KMG, and Notes will therefore not be publicly offered or (re)sold in Austria without a document being published or an applicable exemption from such requirement being relied upon.

(d) *Denmark*: The Initial Purchaser has represented and agreed that it has not offered or sold and will not offer or sell, directly or indirectly, any of the 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.

(e) *France*: Any person who is in possession of this Offering Circular is hereby notified that no action has or will be taken that would allow an offering of the Notes in France and neither the Offering Circular nor any offering material relating to the Notes have been submitted to the *Autorité des Marchés Financiers* ("**AMF**") for prior review or approval. Accordingly, the Notes may not be offered, sold, transferred or delivered and neither this Offering Circular nor any offering material relating to the Notes may be distributed or made available (in whole or in part) in France, directly or indirectly, except as permitted by French law and regulation.

The Initial Purchaser has represented and agreed that:

(i) the 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.

(f) *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.

(g) *Ireland*: The Initial Purchaser has represented and agreed that it has not offered, sold, placed or underwritten and will not offer, sell, place or underwrite the issue of any Notes:

(i) otherwise than in conformity with the provisions of the Prospectus (Directive 2003/71/EC) Regulations of 2005 (as amended) and any rules issued under Section 1363 of the 2014 Act of Ireland by the Central Bank;

(ii) otherwise than in compliance with the provisions of the 2014 Act;

(iii) otherwise than in compliance with the provisions of the European Communities (Markets in Financial Instruments) Regulations 2007 (S.I. No. 60 of 2007) (as amended) and the provisions of the Investor Compensation Act 1998 and they will conduct themselves in accordance with any codes and rules of conduct and any conditions and requirements and any other enactment, imposed or approved by the Central Bank with respect to anything done by them in relation to the Notes;

(iv) otherwise than in compliance with the provisions of the Market Abuse (Directive 2003/6/EC) Regulations 2005 (as amended) and any rules issued by the Central Bank pursuant thereto or Section 1370 of the 2014 Act; and

(v) otherwise than in compliance with the provisions of the Irish Central Bank Acts 1942 - 2014 and any codes of conduct, practices and rules made under Section 117(1) of the Central Bank Act 1989 (as amended) or any regulations issued pursuant to Part 8 of the Central Bank (Supervision and Enforcement) Act 2013 (as amended),

as each of the foregoing may be amended, restated, varied, supplemented and/or otherwise replaced from time to time.

(h) *Netherlands*: The Initial Purchaser has acknowledged and agreed the Notes may only be offered, sold or delivered in the Netherlands to qualified investors (as defined in the Dutch FSA as amended from time to time) that do not qualify as "public" (within the meaning of Article 4(1) of the CRR and the rules promulgated thereunder, as amended from time to time, together with any successor or replacement provisions included in any European Union regulation or directive).

(i) *Sweden*: The Initial Purchaser has confirmed and agreed that it will not, directly or indirectly, offer for subscription or purchase or issue invitations to subscribe for or buy 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*).

(j) *Switzerland*: This Offering Circular is not intended to constitute an offer or solicitation to purchase or invest in the Notes described herein. The Notes may not be publicly offered, sold or advertised, directly or indirectly, in, into or from Switzerland and will not be listed on the SIX Swiss Exchange or on any other exchange or regulated trading facility in Switzerland. Neither this Offering Circular nor any other offering or marketing material relating to the Notes constitutes a prospectus as such term is understood pursuant to article 652a or article 1156 of the Swiss Code of Obligations or a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange or any other regulated trading facility in Switzerland or a simplified prospectus or a prospectus as such term is defined in the Swiss Collective Investment Scheme Act, and neither this Offering Circular nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this Offering Circular nor any other offering or marketing material relating to the offering, nor the Issuer nor the Notes have been or will be filed with or approved by any Swiss regulatory authority. The Notes are not subject to the supervision by any Swiss regulatory authority, e.g., the Swiss Financial Markets Supervisory Authority FINMA, and investors in the Notes will not benefit from protection or supervision by such authority.

TRANSFER RESTRICTIONS

Because of the following restrictions, purchasers are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of the Notes.

Rule 144A Notes

Each prospective purchaser of Rule 144A Notes, by accepting delivery of this Offering Circular, will be required or deemed to have represented and agreed (or in the case of a Definitive Certificate, shall represent and agree) that such person acknowledges that this Offering Circular is personal to it and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire Notes other than pursuant to Rule 144A or in offshore transactions in accordance with Regulation S. Distribution of this Offering Circular, or disclosure of any of its contents to any person other than such offeree and those persons, if any, retained to advise it with respect thereto is unauthorised and any disclosure of any of its contents, without the prior written consent of the Issuer, is prohibited.

Each purchaser or transferee of Rule 144A Notes represented by a Rule 144A Global Certificate will be required or deemed to have represented and agreed and each purchaser or transferee of Rule 144A Notes represented by Definitive Certificates will be required to represent and agree, as follows:

1. The purchaser (a) is a QIB, (b) is aware that the sale of such Rule 144A Notes to it is being made in reliance on Rule 144A, (c) is acquiring such Notes for its own account or for the account of a QIB as to which the purchaser exercises sole investment discretion, and in a principal amount of not less than €250,000 for the purchaser and for each such account and (d) will provide notice of the transfer restrictions described herein 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 Investment Manager or the Collateral Administrator is acting as a fiduciary or financial or investment 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 Investment 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 Investment 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 Investment 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; (f) the acquisition of the Rule 144A Notes is lawful under the purchaser's jurisdiction of incorporation and jurisdiction in which it operates (if different); and (g) the purchaser is a sophisticated investor.

5. The purchaser and each account for which the purchaser is acquiring such Rule 144A Notes is a QP. The purchaser is acquiring the Rule 144A Notes in a principal amount of not less than €250,000. The purchaser and each such account is acquiring the Rule 144A Notes as principal for its own account for investment and not for sale in connection with any distribution thereof. The purchaser and each such account: (a) was not formed for the specific purpose of investing in the Rule 144A Notes (except when each beneficial owner of the purchaser and each such account is a QP); (b) to the extent the purchaser is a private investment company formed before April 30, 1996, the purchaser has received the necessary consent from its beneficial owners; (c) is not a pension, profit sharing or other retirement trust fund or plan in which the partners, beneficiaries or participants, as applicable, may designate the particular investments to be made; and (d) is not a broker dealer that owns and invests on a discretionary basis less than U.S.$25,000,000 in securities of unaffiliated issuers. Further, the purchaser agrees with respect to itself and each such account: (x) that it shall not hold such Rule 144A Notes for the benefit of any other person and shall be the sole beneficial owner thereof for all purposes; (y) that it shall not sell participation interests in the Rule 144A Notes or enter into any other arrangement pursuant to which any other person shall be entitled to a beneficial interest in the distributions on the Rule 144A Notes; and (z) that the Rule 144A Notes purchased directly or indirectly by it constitute an investment of no more than 40 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)

   (i) With respect to the purchase, holding and disposition of any Class A Note, Class B Note, Class C Note or Class D Note or any interest in such Note (i) either (A) it is not and is not acting on behalf of (and for so long as it holds any such Note or interest therein will not be, and will not be acting on behalf of), a Benefit Plan Investor or a governmental, church, non-U.S. or other plan which is subject to any Other Plan Law, and no part of the assets to be used by it to acquire or hold such Notes or any interest therein constitutes the assets of any Benefit Plan Investor or such governmental, church, non-U.S. or other plan, or (B) its acquisition, holding 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 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.

   (ii) With respect to the Class E Notes, the Class F Notes or the Subordinated Notes in the form of a Rule 144A Global Certificate: (i) it is not, and is not acting on behalf of (and for so long as it holds any such Note or interest therein will not be, and will not be acting on behalf of), a Benefit Plan Investor or Controlling Person (A) unless it receives the written consent of the Issuer, (B) provides an ERISA certificate to a

Transfer Agent and the Issuer as to its status as a Benefit Plan Investor or Controlling Person and (C) holds such Note in the form of a Definitive Certificate, other than in the case where the purchaser is acquiring Class E Notes, Class F Notes or Subordinated Notes on the Issue Date, in which case the purchaser may acquire such Class E Notes, Class F Notes or Subordinated Notes in the form of a Rule 144A Global Certificate or a Regulation S Global Certificate, provided such purchaser delivers a completed ERISA Certificate in or substantially in the form set out in the Annex (*Form of ERISA Certificate*) hereto to the Issuer, and any Transfer Agent, and (ii) if it is a governmental, church, non-U.S. or other plan, (A) it is not, and for so long as it holds such Notes or interest therein will not be, subject to any Similar Law and (B) its acquisition, holding and disposition of such Notes will not constitute or result in a non-exempt violation of any Other Plan Law.

(iii) With respect to acquiring or holding the Class E Notes, the Class F Notes or the Subordinated Notes in the form of a Definitive Certificate (i) (A) whether or not, for so long as it holds such Class E Notes, Class F Notes or Subordinated Notes 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 Notes, Class F Notes or Subordinated Notes or interest therein, it is a Controlling Person and (C) that (1) if it is, or is acting on behalf of, a Benefit Plan Investor, its acquisition, holding and disposition of such Class E Notes, Class F Notes or Subordinated Notes will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code and (2) if it is a governmental, church, non-U.S. or other plan, (x) it is not, and for so long as it holds such Class E Notes, Class F Notes or Subordinated Notes or interest therein will not be, subject to any Similar Law and (y) its acquisition, holding and disposition of such Subordinated Notes will not constitute or result in a non-exempt violation of any Other Plan Law, (ii) that it will agree to certain transfer restrictions regarding its interest in such Class E Notes, Class F Notes or Subordinated Notes, and (iii) that it will provide a completed ERISA Certificate in or substantially in the form set out in the Annex (*Form of ERISA Certificate*) hereto to the Issuer and a Transfer Agent.

(iv) Any purported transfer of any Class E Notes, Class F Notes or Subordinated Notes in violation of the requirements set forth in this sub-section (a) shall be null and void *ab initio* and the acquiror understands that the Issuer will have the right to cause the sale of such Class E Notes, Class F Notes or Subordinated Notes to another acquiror that complies with the requirements of this in accordance with the terms of the Trust Deed.

(b) The purchaser acknowledges that the Issuer, the Initial Purchaser, the Trustee, the Investment Manager and the Collateral Administrator and their Affiliates, and others, will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

7. The purchaser understands that pursuant to the terms of the Trust Deed, the Issuer has agreed that the Rule 144A Global Certificates or Rule 144A Definitive Certificates, as applicable, offered in reliance on Rule 144A will bear the legend set forth below, and will be represented by one or more Rule 144A Global Certificates or Rule 144A Definitive Certificates, as applicable. The Rule 144A Global Certificates may not at any time be held by or on behalf of, 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 and the Transfer Agent with a written certification (in the form provided in the Trust Deed) as to compliance with the transfer restrictions.

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), AND THE ISSUER HAS NOT BEEN REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "**INVESTMENT COMPANY ACT**"). THE HOLDER HEREOF, BY PURCHASING THE NOTES IN RESPECT OF WHICH THIS NOTE HAS BEEN ISSUED, AGREES FOR THE BENEFIT OF THE ISSUER THAT THE NOTES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (A)(1) TO A PERSON

WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT, OR (2) TO A NON-U.S. PERSON IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT AND, IN THE CASE OF CLAUSE (1), IN A PRINCIPAL AMOUNT OF NOT LESS THAN €250,000 FOR THE PURCHASER AND FOR EACH ACCOUNT FOR WHICH IT IS ACTING, AND IN EACH CASE, TO A PURCHASER THAT (V) IS A QUALIFIED PURCHASER FOR THE PURPOSES OF SECTION 3(c)(7) OF THE INVESTMENT COMPANY ACT, (W) WAS NOT FORMED FOR THE PURPOSE OF INVESTING IN THE ISSUER (EXCEPT WHEN EACH BENEFICIAL OWNER OF THE PURCHASER IS A QUALIFIED PURCHASER), (X) HAS RECEIVED THE NECESSARY CONSENT FROM ITS BENEFICIAL OWNERS WHEN THE PURCHASER IS A PRIVATE INVESTMENT COMPANY FORMED BEFORE APRIL 30, 1996, (Y) IS NOT A BROKER-DEALER THAT OWNS AND INVESTS ON A DISCRETIONARY BASIS LESS THAN U.S.$25,000,000 IN SECURITIES OF UNAFFILIATED ISSUERS AND (Z) IS NOT A PENSION, PROFIT SHARING OR OTHER RETIREMENT TRUST FUND OR PLAN IN WHICH THE PARTNERS, BENEFICIARIES OR PARTICIPANTS, AS APPLICABLE, MAY DESIGNATE THE PARTICULAR INVESTMENTS TO BE MADE, AND IN A TRANSACTION THAT MAY BE EFFECTED WITHOUT LOSS OF ANY APPLICABLE INVESTMENT COMPANY ACT EXEMPTION OR IN THE CASE OF CLAUSE (2), €100,000 AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES. ANY TRANSFER IN VIOLATION OF THE FOREGOING WILL BE OF NO FORCE AND EFFECT, WILL BE VOID *AB INITIO* AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO THE TRANSFEREE, NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE ISSUER, THE TRUSTEE OR ANY INTERMEDIARY. IN ADDITION TO THE FOREGOING, IN THE EVENT OF A VIOLATION OF (V) THROUGH (Z), THE ISSUER MAINTAINS THE RIGHT TO DIRECT THE RESALE OF ANY 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, CLASS D NOTES ONLY*] [EACH PERSON ACQUIRING OR HOLDING THIS NOTE OR ANY INTEREST HEREIN SHALL BE REQUIRED OR DEEMED TO HAVE REPRESENTED, WARRANTED AND AGREED THAT (I) EITHER (A) IT IS NOT AND IS NOT ACTING ON BEHALF OF (AND FOR SO LONG AS IT HOLDS ANY SUCH NOTE OR INTEREST THEREIN WILL NOT BE, AND WILL NOT BE ACTING ON BEHALF OF) AN EMPLOYEE BENEFIT PLAN, AS DEFINED IN SECTION 3(3) OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**"), THAT IS SUBJECT TO THE PROVISIONS OF PART 4 OF SUBTITLE B OF TITLE I OF ERISA, A PLAN TO WHICH SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED, (THE "**CODE**"), APPLIES, OR AN ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS BY REASON OF SUCH AN EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN SUCH ENTITY WITHIN THE MEANING OF 29 C.F.R. SECTION 2510.3-101 (AS MODIFIED BY SECTION 3(42) OF ERISA) ("**BENEFIT PLAN INVESTOR**"), OR A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN WHICH IS SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT IS 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 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 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, THE CLASS F NOTES, THE CLASS M-1 NOTES AND THE CLASS M-2 NOTES IN THE FORM OF RULE 144A GLOBAL NOTES AND REGULATION S GLOBAL NOTES ONLY*] [EACH PURCHASER OR TRANSFEREE OF THIS CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE WILL BE REQUIRED OR DEEMED TO REPRESENT, WARRANT AND AGREE THAT (1) IT IS NOT, AND IS NOT ACTING ON BEHALF OF (AND FOR SO LONG AS IT HOLDS ANY SUCH NOTE OR INTEREST THEREIN WILL NOT BE, AND WILL NOT BE ACTING ON BEHALF OF), A BENEFIT PLAN INVESTOR OR CONTROLLING PERSON UNLESS SUCH PURCHASER OR TRANSFEREE (A) RECEIVES THE WRITTEN CONSENT OF THE ISSUER, (B) PROVIDES AN ERISA CERTIFICATE TO A TRANSFER AGENT AND THE ISSUER AS TO ITS STATUS AS A BENEFIT PLAN INVESTOR OR CONTROLLING PERSON AND (C) HOLDS SUCH NOTE IN THE FORM OF A DEFINITIVE CERTIFICATE, OTHER THAN IN THE CASE WHERE THE PURCHASER IS ACQUIRING CLASS E NOTES, CLASS F NOTES OR SUBORDINATED NOTES ON THE ISSUE DATE, IN WHICH CASE THE PURCHASER MAY ACQUIRE SUCH CLASS E NOTES, CLASS F NOTES OR SUBORDINATED NOTES IN THE FORM OF A RULE 144A GLOBAL CERTIFICATE OR A REGULATION S GLOBAL CERTIFICATE PROVIDED THE PURCHASER DELIVERS A COMPLETED CERTIFICATE IN OR SUBSTANTIALLY IN THE FORM SET OUT IN SCHEDULE 8 (*FORM OF ERISA CERTIFICATE*) TO THE TRUST DEED TO THE ISSUER OR A TRANSFER AGENT, AND (2)(A) IF IT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, ITS ACQUISITION, HOLDING AND DISPOSITION OF SUCH NOTES WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF 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)(B) IF IT IS A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, 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 INVESTMENT 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 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**") ("**SIMILAR LAW**"), AND ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT VIOLATION OF ANY APPLICABLE STATE, LOCAL, OTHER FEDERAL OR NON-U.S. LAWS OR REGULATIONS THAT ARE SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("**OTHER PLAN LAW**"). "**BENEFIT PLAN INVESTOR**" MEANS A BENEFIT PLAN INVESTOR, AS DEFINED IN SECTION 3(42) OF ERISA, AND INCLUDES (A) AN EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF TITLE I OF ERISA) THAT IS SUBJECT TO THE FIDUCIARY RESPONSIBILITY PROVISIONS OF TITLE I OF ERISA, (B) A PLAN THAT IS SUBJECT TO SECTION 4975 OF THE CODE OR (C) ANY ENTITY WHOSE UNDERLYING

ASSETS INCLUDE "PLAN ASSETS" BY REASON OF ANY SUCH EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN THE ENTITY. "**CONTROLLING PERSON**" MEANS A PERSON (OTHER THAN A BENEFIT PLAN INVESTOR) WHO HAS DISCRETIONARY AUTHORITY OR CONTROL WITH RESPECT TO THE ASSETS OF THE ISSUER OR ANY PERSON WHO PROVIDES INVESTMENT ADVICE FOR A FEE (DIRECT OR INDIRECT) WITH RESPECT TO SUCH ASSETS, OR ANY AFFILIATE OF ANY SUCH PERSON. 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 A CLASS E NOTE, A CLASS F NOTE OR A SUBORDINATED NOTE IN VIOLATION OF THE REQUIREMENTS SET FORTH IN THIS PARAGRAPH SHALL BE NULL AND VOID *AB INITIO* AND THE ACQUIROR UNDERSTANDS THAT THE ISSUER WILL HAVE THE RIGHT TO CAUSE THE SALE OF 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, A CLASS F NOTE OR A SUBORDINATED NOTE OR ANY INTEREST THEREIN WILL BE PERMITTED, AND THE TRUSTEE WILL NOT RECOGNIZE ANY SUCH TRANSFER, IF IT WOULD CAUSE 25 PER CENT. OR MORE OF THE TOTAL VALUE OF THE CLASS E NOTES, THE CLASS F NOTES, THE CLASS M-1 NOTES OR THE CLASS M-2 NOTES (EACH DETERMINED SEPARATELY BY EACH CLASS OF EQUITY INTEREST) TO BE HELD BY BENEFIT PLAN INVESTORS, DISREGARDING CLASS E NOTES, CLASS F NOTES, CLASS M-1 NOTES AND CLASS M-2 NOTES (OR INTERESTS THEREIN) HELD BY CONTROLLING PERSONS ("**25 PER CENT. LIMITATION**").

THE ISSUER HAS THE RIGHT, UNDER THE TRUST DEED, TO COMPEL ANY BENEFICIAL OWNER OF A CLASS E NOTE, A CLASS F NOTE OR A 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, THE CLASS F NOTE OR THE SUBORDINATED NOTE, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER.]

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS E NOTES, THE CLASS F NOTES, THE CLASS M-1 NOTES AND THE CLASS M-2 NOTES IN THE FORM OF DEFINITIVE CERTIFICATES ONLY*] [EACH PURCHASER OR TRANSFEREE OF THIS CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE WILL BE REQUIRED TO REPRESENT, WARRANT AND AGREE IN WRITING TO THE ISSUER (A) WHETHER OR NOT, FOR SO LONG AS IT HOLDS THIS CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE OR AN INTEREST HEREIN, IT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, (B) WHETHER OR NOT, FOR SO LONG AS IT HOLDS THIS CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE OR AN INTEREST HEREIN, IT IS A CONTROLLING PERSON AND (C) THAT (1) IF IT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF THE 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 INVESTMENT 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 WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT VIOLATION OF ANY APPLICABLE STATE, LOCAL, OTHER FEDERAL OR NON-U.S. LAWS OR REGULATIONS THAT ARE SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("**OTHER PLAN LAW**"). EACH PURCHASER OR SUBSEQUENT TRANSFEREE, AS APPLICABLE, OF CLASS E NOTES, CLASS F NOTES OR SUBORDINATED NOTES WILL BE REQUIRED TO COMPLETE AN ERISA CERTIFICATE IDENTIFYING ITS STATUS AS A BENEFIT PLAN INVESTOR OR A CONTROLLING PERSON. "**BENEFIT PLAN INVESTOR**" MEANS A BENEFIT PLAN INVESTOR, AS DEFINED IN SECTION 3(42) OF ERISA, AND INCLUDES (A) AN EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF TITLE I OF ERISA) THAT IS SUBJECT TO THE FIDUCIARY RESPONSIBILITY PROVISIONS OF TITLE I OF ERISA, (B) A PLAN THAT IS SUBJECT TO SECTION 4975 OF THE CODE OR (C) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE "PLAN ASSETS" BY REASON OF ANY SUCH EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN THE ENTITY. "**CONTROLLING PERSON**" MEANS A PERSON (OTHER THAN A BENEFIT PLAN INVESTOR) WHO HAS DISCRETIONARY AUTHORITY OR CONTROL WITH RESPECT TO THE ASSETS OF THE ISSUER OR ANY PERSON WHO PROVIDES INVESTMENT ADVICE FOR A FEE (DIRECT OR INDIRECT) WITH RESPECT TO SUCH ASSETS, OR ANY AFFILIATE OF ANY SUCH PERSON. AN "**AFFILIATE**" OF A PERSON INCLUDES ANY PERSON, DIRECTLY OR INDIRECTLY THROUGH ONE OR MORE INTERMEDIARIES, CONTROLLING, CONTROLLED BY OR UNDER COMMON CONTROL WITH THE PERSON. "**CONTROL**" WITH RESPECT TO A PERSON OTHER THAN AN INDIVIDUAL MEANS THE POWER TO EXERCISE A CONTROLLING INFLUENCE OVER THE MANAGEMENT OR POLICIES OF SUCH PERSON. ANY PURPORTED TRANSFER OF THE CLASS E NOTE, THE CLASS F NOTE OR SUBORDINATED NOTE IN VIOLATION OF THE REQUIREMENTS SET FORTH IN THIS PARAGRAPH SHALL BE NULL AND VOID *AB INITIO* AND THE ACQUIROR UNDERSTANDS THAT THE ISSUER WILL HAVE THE RIGHT TO CAUSE THE SALE OF 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, A CLASS F NOTE OR A SUBORDINATED NOTE OR ANY INTEREST THEREIN WILL BE PERMITTED, AND THE TRUSTEE WILL NOT RECOGNIZE ANY SUCH TRANSFER, IF IT WOULD CAUSE 25 PER CENT. OR MORE OF THE TOTAL VALUE OF THE CLASS E NOTES, THE CLASS F NOTES, THE CLASS M-1 NOTES OR THE CLASS M-2 NOTES (DETERMINED SEPARATELY BY EACH CLASS OF EQUITY INTEREST) TO BE HELD BY BENEFIT PLAN INVESTORS, DISREGARDING CLASS E NOTES, CLASS F NOTES, CLASS M-1 NOTES AND CLASS M-2 NOTES (OR INTERESTS THEREIN) HELD BY CONTROLLING PERSONS ("**25 PER CENT. LIMITATION**").

THE ISSUER HAS THE RIGHT, UNDER THE TRUST DEED, TO COMPEL ANY BENEFICIAL OWNER OF A CLASS E NOTE, A CLASS F NOTE OR A 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, THE CLASS F NOTE OR THE SUBORDINATED NOTE, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER.]

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS C NOTES, CLASS D NOTES, CLASS E NOTES AND CLASS F NOTES ONLY*] [THIS NOTE HAS BEEN ISSUED WITH ORIGINAL ISSUE DISCOUNT ("**OID**") FOR 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 ISSUER AT HERIKERBERGWEG 238, 1101 CM AMSTERDAM, THE NETHERLANDS.]

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS A NOTES, CLASS B NOTES, CLASS C NOTES AND CLASS D NOTES IN THE FORM OF IM REMOVAL AND REPLACEMENT NON-VOTING NOTES OR IM REMOVAL AND REPLACEMENT EXCHANGEABLE NON-VOTING NOTES ONLY*] [EACH PERSON ACQUIRING OR HOLDING THIS NOTE OR ANY INTEREST

HEREIN SHALL BE DEEMED TO HAVE ACKNOWLEDGED AND AGREED THAT SUCH NOTE OR INTEREST HEREIN SHALL NOT CARRY ANY RIGHT TO VOTE IN RESPECT OF, OR BE COUNTED FOR THE PURPOSES OF DETERMINING A QUORUM AND THE RESULT OF ANY VOTES IN RESPECT OF AN IM REMOVAL RESOLUTION OR AN IM REPLACEMENT RESOLUTION.]

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS A NOTES, CLASS B NOTES, CLASS C NOTES AND CLASS D NOTES IN THE FORM OF IM REMOVAL AND REPLACEMENT 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 ANY VOTES IN RESPECT OF AN IM REMOVAL RESOLUTION OR AN IM REPLACEMENT RESOLUTION.]

8. The purchaser will not, at any time, offer to buy or offer to sell the Notes by any form of general solicitation or advertising, including, but not limited to, any advertisement, article, notice or other communication published in any newspaper, magazine or similar medium or broadcast over television or radio or seminar or meeting whose attendees have been invited by general solicitations or advertising.

9. Prospective purchasers are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

10. The purchaser will treat the Issuer and the Notes as described in the "*Tax Considerations - Certain U.S. Federal Income Tax Considerations*" section of the Offering Circular for all U.S. federal, state and local income tax purposes and will take no action inconsistent with such treatment unless required by law.

11. The purchaser will timely furnish the Issuer or its agents with any tax forms or certifications (including, without limitation, IRS Form W-9, an applicable IRS Form W-8, or any successors to such IRS forms) that the Issuer or its agents may reasonably request (A) to permit the Issuer or its agents to make payments to the purchaser without, or at a reduced rate of, deduction or withholding, (B) to enable the Issuer or its agents to qualify for a reduced rate of withholding or deduction in any jurisdiction from or through which the Issuer or its agents receive payments, and (C) to enable the Issuer or its agents to satisfy reporting and other obligations under the Code and Treasury regulations or under any other applicable law (including the CRS), and will update or replace any tax forms or certifications as appropriate or in accordance with their terms or subsequent amendments thereto. Each purchaser acknowledges that the failure to provide, update or replace any such tax forms or certifications may result in the imposition of withholding or back-up withholding upon payments to such purchaser, or to the Issuer. Amounts withheld from payments to the purchaser by the Issuer or its agents that are, in their sole judgment, required to be withheld pursuant to applicable tax laws will be treated as having been paid to the purchaser by the Issuer.

12. The purchaser will provide the Issuer or its agents with any correct, complete and accurate information and will take any other actions that may be required for the Issuer to comply with FATCA and to prevent the imposition of U.S. federal withholding tax under FATCA on payments to or for the benefit of the Issuer. In the event the purchaser fails to provide such information or take such actions, or to the extent that its ownership of Notes would otherwise cause the Issuer to be subject to any tax under FATCA, (A) the Issuer (and any agent acting on its behalf) is authorized to withhold amounts otherwise distributable to the purchaser as compensation for any amounts withheld from payments to or for the benefit of the Issuer as a result of such failure or such ownership, and (B) to the extent necessary to avoid an adverse effect on the Issuer as a result of such failure or such ownership, the Issuer will have the right to compel the purchaser to sell its Notes and, if such purchaser does not sell its Notes within 10 Business Days after notice from the Issuer or its agents, the Issuer will have the right to sell such Notes at a public or private sale called and conducted in any manner permitted by law, and to remit the net proceeds of such sale (taking into account any taxes incurred by the Issuer in connection with such sale) to such person as payment in full for such Notes. The Issuer may also assign each such Note a separate ISIN in the Issuer's sole discretion. Each purchaser agrees that the Issuer, the Trustee or their agents or representatives may (1) provide any information and documentation concerning its investment in its Notes to the Dutch Tax Authorities (*belastingdienst*),

the U.S. Internal Revenue Service and any other relevant tax authority and (2) take such other steps as they deem necessary or helpful to ensure that the Issuer complies with FATCA and/or the CRS.

13. Each purchaser of Class E Notes, Class F Notes, or Subordinated Notes, if it is not a "United States person" (as defined in Section 7701(a)(30) of the Code), represents that either:

    (a) it is not a bank (within the meaning of Section 881(c)(3)(A) of the Code) or an affiliate of a bank;

    (b) after giving effect to its purchase of Notes, it (x) will not directly or indirectly own more than 33-1/3 per cent., by value, of the aggregate of the Notes within such Class and any other Notes that are ranked *pari passu* with or are subordinated to such Notes, and will not otherwise be related to the Issuer (within the meaning of Treasury regulations section 1.881-3) and (y) has not purchased the Notes in whole or in part to avoid any U.S. federal tax liability (including, without limitation, any U.S. withholding tax that would be imposed on payments on the Collateral Debt Obligations if the Collateral Debt Obligations were held directly by the purchaser); or

    (c) it has provided an IRS Form W-8ECI representing that all payments received or to be received by it from the Issuer are effectively connected with the conduct of a trade or business in the United States and includible in its gross income.

14. Each purchaser of Subordinated Notes, if it owns more than 50% of the Subordinated Notes by value or is otherwise treated as a member of the Issuer's "expanded affiliated group" (as defined in Treasury regulations section 1.1471-5T(i) (or any successor provision)), represents that it will (A) confirm that any member of such expanded affiliated group (assuming that the Issuer is a "participating FFI" within the meaning of Treasury regulations section 1.1471-1T(b)(91) (or any successor provision)) that is treated as a "foreign financial institution" within the meaning of Section 1471(d)(4) of the Code and any Treasury regulations promulgated thereunder is either a "participating FFI", a "registered deemed-compliant FFI" or an "exempt beneficial owner" within the meaning of Treasury regulations section 1.1471-4T(e) (or any successor provision), and (B) promptly notify the Issuer in the event that any member of such expanded affiliated group that is treated as a "foreign financial institution" within the meaning of Section 1471(d)(4) of the Code and any Treasury regulations promulgated thereunder is not either a "participating FFI", a "registered deemed-compliant FFI" or an "exempt beneficial owner" within the meaning of Treasury regulations section 1.1471-4T(e) (or any successor provision), in each case except to the extent that the Issuer or its agents have provided the purchaser with an express waiver of this requirement.

15. No purchaser of Subordinated Notes will treat any income with respect to its Subordinated Notes as derived in connection with the Issuer's active conduct of a banking, financing, insurance, or other similar business for purposes of Section 954(h)(2) of the Code.

16. The purchaser understands and acknowledges that the Issuer has the right under the Trust Deed to compel any Non-Permitted Holder or Non-Permitted ERISA Holder to sell its interest in the Notes, or may sell such interest in its Notes on behalf of such Non-Permitted Holder or Non-Permitted ERISA Holder.

17. With respect to the Subordinated Notes, each holder of such Notes will agree that the Subordinated Notes may not be offered, sold, resold, delivered or transferred other than to "professional market parties" (*professionele marktpartijen*) within the meaning of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) that do not qualify as "public" (within the meaning of article 4(1) of the CRR and the rules promulgated thereunder or any subsequent legislation replacing that regulation), and, if resident or domiciled in The Netherlands, other than to qualified investors within the meaning of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*).

Regulation S Notes

Each purchaser or transferee of Regulation S Notes will be deemed to have made the representations (or in the case of a Definitive Certificate, shall make the representations) set forth in clauses (4), (6) and (10) through (17) (inclusive) above (except that references to Rule 144A Notes shall be deemed to be references to Regulation S Notes) and to have further represented and agreed as follows:

1. The purchaser is located outside the United States and is not a U.S. Person.

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, AND IN EACH CASE, TO A PURCHASER THAT (V) IS A QUALIFIED PURCHASER FOR THE PURPOSES OF SECTION 3(c)(7) OF THE INVESTMENT COMPANY ACT, (W) WAS NOT FORMED FOR THE PURPOSE OF INVESTING IN THE ISSUER (EXCEPT WHEN EACH BENEFICIAL OWNER OF THE PURCHASER IS A QUALIFIED PURCHASER), (X) HAS RECEIVED THE NECESSARY CONSENT FROM ITS BENEFICIAL OWNERS WHEN THE PURCHASER IS A PRIVATE INVESTMENT COMPANY FORMED BEFORE APRIL 30, 1996, (Y) IS NOT A BROKER-DEALER THAT OWNS AND INVESTS ON A DISCRETIONARY BASIS LESS THAN U.S.$25,000,000 IN SECURITIES OF UNAFFILIATED ISSUERS AND (Z) IS NOT A PENSION, PROFIT SHARING OR OTHER RETIREMENT TRUST FUND OR PLAN IN WHICH THE PARTNERS, BENEFICIARIES OR PARTICIPANTS, AS APPLICABLE, MAY DESIGNATE THE PARTICULAR INVESTMENTS TO BE MADE, AND IN A TRANSACTION THAT MAY BE EFFECTED WITHOUT LOSS OF ANY APPLICABLE INVESTMENT COMPANY ACT EXEMPTION OR IN THE CASE OF CLAUSE (2), €100,000 AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES. ANY TRANSFER IN VIOLATION OF THE FOREGOING WILL BE OF NO FORCE AND EFFECT, WILL BE VOID *AB INITIO* AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO THE TRANSFEREE, NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE ISSUER, THE TRUSTEE OR ANY INTERMEDIARY. IN ADDITION TO THE FOREGOING, IN THE EVENT OF A VIOLATION OF (V) THROUGH (Z), THE ISSUER MAINTAINS THE RIGHT TO DIRECT THE RESALE OF ANY 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 REQUIRED OR DEEMED TO HAVE REPRESENTED, WARRANTED AND AGREED THAT (I) EITHER (A) IT IS NOT AND IS NOT ACTING ON BEHALF OF (AND FOR SO LONG AS IT HOLDS ANY SUCH NOTE OR INTEREST THEREIN WILL NOT BE, AND WILL NOT BE ACTING ON BEHALF OF) AN EMPLOYEE BENEFIT PLAN, AS DEFINED IN SECTION 3(3) OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**"), THAT IS SUBJECT TO THE PROVISIONS OF PART 4 OF SUBTITLE B OF TITLE I OF ERISA, A PLAN TO WHICH SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**"), APPLIES, OR AN ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS BY REASON OF SUCH AN EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN SUCH ENTITY WITHIN THE MEANING OF 29 C.F.R. SECTION 2510.3-101 (AS MODIFIED BY SECTION 3(42) OF ERISA) ("**BENEFIT PLAN INVESTOR**"), OR A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN WHICH IS SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT IS 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 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 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, THE CLASS F NOTES, THE CLASS M-1 NOTES AND THE CLASS M-2 NOTES IN THE FORM OF RULE 144A GLOBAL NOTES AND REGULATION S GLOBAL NOTES ONLY*] [EACH PURCHASER OR TRANSFEREE OF THIS CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE WILL BE REQUIRED OR DEEMED TO REPRESENT, WARRANT AND AGREE THAT (1) IT IS NOT, AND IS NOT ACTING ON BEHALF OF (AND FOR SO LONG AS IT HOLDS ANY SUCH NOTE OR INTEREST THEREIN WILL NOT BE, AND WILL NOT BE ACTING ON BEHALF OF), A BENEFIT PLAN INVESTOR OR CONTROLLING PERSON (A) UNLESS SUCH PURCHASER OR TRANSFEREE RECEIVES THE WRITTEN CONSENT OF THE ISSUER, (B) PROVIDES AN ERISA CERTIFICATE TO A TRANSFER AGENT AND THE ISSUER AS TO ITS STATUS AS A BENEFIT PLAN INVESTOR OR CONTROLLING PERSON AND (C) HOLDS SUCH NOTE IN THE FORM OF A DEFINITIVE CERTIFICATE, OTHER THAN IN THE CASE WHERE THE PURCHASER IS ACQUIRING CLASS E NOTES, CLASS F NOTES OR SUBORDINATED NOTES ON THE ISSUE DATE, IN WHICH CASE THE PURCHASER MAY ACQUIRE SUCH CLASS E NOTES, CLASS F NOTES OR SUBORDINATED NOTES IN THE FORM OF A RULE 144A GLOBAL CERTIFICATE OR A REGULATION S GLOBAL CERTIFICATE, AND (2) (A) IF IT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, ITS ACQUISITION, HOLDING AND DISPOSITION OF SUCH NOTES WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF 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 INVESTMENT 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 WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT VIOLATION OF ANY APPLICABLE STATE, LOCAL, OTHER FEDERAL OR NON-U.S. LAWS OR REGULATIONS THAT ARE SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("**OTHER PLAN LAW**"). "**BENEFIT PLAN INVESTOR**" MEANS A BENEFIT PLAN INVESTOR, AS DEFINED IN SECTION 3(42) OF ERISA, AND INCLUDES (A) AN EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF TITLE I OF ERISA) THAT IS SUBJECT TO THE FIDUCIARY RESPONSIBILITY PROVISIONS OF TITLE I OF ERISA, (B) A PLAN THAT IS SUBJECT TO SECTION 4975 OF THE CODE OR (C) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE "PLAN ASSETS" BY REASON OF ANY SUCH EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN THE ENTITY. "**CONTROLLING PERSON**" MEANS A PERSON (OTHER THAN A BENEFIT PLAN INVESTOR) WHO HAS DISCRETIONARY AUTHORITY OR CONTROL WITH RESPECT TO THE ASSETS OF THE ISSUER OR ANY PERSON WHO PROVIDES INVESTMENT ADVICE FOR A FEE (DIRECT OR INDIRECT) WITH RESPECT TO SUCH ASSETS, OR ANY AFFILIATE OF ANY SUCH PERSON. 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 A CLASS E NOTE, A CLASS F NOTE OR A SUBORDINATED NOTE IN VIOLATION OF THE REQUIREMENTS SET FORTH IN THIS PARAGRAPH SHALL BE NULL AND VOID *AB INITIO* AND THE ACQUIROR UNDERSTANDS THAT THE ISSUER WILL HAVE THE RIGHT TO CAUSE THE SALE OF 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, A CLASS F NOTE OR A SUBORDINATED NOTE OR ANY INTEREST THEREIN WILL BE PERMITTED, AND THE TRUSTEE WILL NOT RECOGNIZE ANY SUCH TRANSFER, IF IT WOULD CAUSE 25 PER CENT. OR MORE OF THE TOTAL VALUE OF THE CLASS E NOTES, THE CLASS F NOTES, THE CLASS M-1 NOTES OR THE CLASS M-2 NOTES (DETERMINED SEPARATELY BY EACH CLASS OF EQUITY INTEREST) TO BE HELD BY BENEFIT PLAN INVESTORS, DISREGARDING CLASS E NOTES, CLASS F NOTES, CLASS M-1 NOTES AND CLASS M-2 NOTES (OR INTERESTS THEREIN) HELD BY CONTROLLING PERSONS ("**25 PER CENT. LIMITATION**").

THE ISSUER HAS THE RIGHT, UNDER THE TRUST DEED, TO COMPEL ANY BENEFICIAL OWNER OF A CLASS E NOTE, A CLASS F NOTE OR A 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, THE CLASS F NOTE OR THE SUBORDINATED NOTE, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER.]

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS E NOTES, THE CLASS F NOTES, THE CLASS M-1 NOTES AND THE CLASS M-2 NOTES IN THE FORM OF DEFINITIVE CERTIFICATES ONLY*] [EACH PURCHASER OR TRANSFEREE OF THIS CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE WILL BE REQUIRED TO REPRESENT, WARRANT AND AGREE IN WRITING TO THE ISSUER (A) WHETHER OR NOT, FOR SO

LONG AS IT HOLDS THIS CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE OR AN INTEREST HEREIN, IT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, (B) WHETHER OR NOT, FOR SO LONG AS IT HOLDS THIS CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE OR AN INTEREST HEREIN, IT IS A CONTROLLING PERSON AND (C) THAT (1) IF IT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF THE 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 INVESTMENT 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 WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT VIOLATION OF ANY APPLICABLE STATE, LOCAL, OTHER FEDERAL OR NON-U.S. LAWS OR REGULATIONS THAT ARE SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("**OTHER PLAN LAW**"). EACH PURCHASER OR SUBSEQUENT TRANSFEREE, AS APPLICABLE, OF CLASS E NOTES, CLASS F NOTES OR SUBORDINATED NOTES WILL BE REQUIRED TO COMPLETE AN ERISA CERTIFICATE IDENTIFYING ITS STATUS AS A BENEFIT PLAN INVESTOR OR A CONTROLLING PERSON. "**BENEFIT PLAN INVESTOR**" MEANS A BENEFIT PLAN INVESTOR, AS DEFINED IN SECTION 3(42) OF ERISA, AND INCLUDES (A) AN EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF TITLE I OF ERISA) THAT IS SUBJECT TO THE FIDUCIARY RESPONSIBILITY PROVISIONS OF TITLE I OF ERISA, (B) A PLAN THAT IS SUBJECT TO SECTION 4975 OF THE CODE OR (C) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE "PLAN ASSETS" BY REASON OF ANY SUCH EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN THE ENTITY. "**CONTROLLING PERSON**" MEANS A PERSON (OTHER THAN A BENEFIT PLAN INVESTOR) WHO HAS DISCRETIONARY AUTHORITY OR CONTROL WITH RESPECT TO THE ASSETS OF THE ISSUER OR ANY PERSON WHO PROVIDES INVESTMENT ADVICE FOR A FEE (DIRECT OR INDIRECT) WITH RESPECT TO SUCH ASSETS, OR ANY AFFILIATE OF ANY SUCH PERSON. AN "**AFFILIATE**" OF A PERSON INCLUDES ANY PERSON, DIRECTLY OR INDIRECTLY THROUGH ONE OR MORE INTERMEDIARIES, CONTROLLING, CONTROLLED BY OR UNDER COMMON CONTROL WITH THE PERSON. "**CONTROL**" WITH RESPECT TO A PERSON OTHER THAN AN INDIVIDUAL MEANS THE POWER TO EXERCISE A CONTROLLING INFLUENCE OVER THE MANAGEMENT OR POLICIES OF SUCH PERSON. ANY PURPORTED TRANSFER OF THE CLASS E NOTES, THE CLASS F NOTES OR THE SUBORDINATED NOTES IN VIOLATION OF THE REQUIREMENTS SET FORTH IN THIS PARAGRAPH SHALL BE NULL AND VOID *AB INITIO* AND THE ACQUIROR UNDERSTANDS THAT THE ISSUER WILL HAVE THE RIGHT TO CAUSE THE SALE OF SUCH CLASS E NOTES, CLASS F NOTES OR SUBORDINATED NOTES TO ANOTHER ACQUIROR THAT COMPLIES WITH THE REQUIREMENTS OF THIS PARAGRAPH IN ACCORDANCE WITH THE TERMS OF THE TRUST DEED.

NO TRANSFER OF A CLASS E NOTE, A CLASS F NOTE OR A SUBORDINATED NOTE OR ANY INTEREST THEREIN WILL BE PERMITTED, AND THE TRUSTEE WILL NOT RECOGNIZE ANY SUCH TRANSFER, IF IT WOULD CAUSE 25 PER CENT. OR MORE OF THE TOTAL VALUE OF THE CLASS E NOTES, THE CLASS F NOTES OR THE SUBORDINATED NOTES (DETERMINED SEPARATELY BY EACH CLASS OF EQUITY INTEREST) TO BE HELD BY BENEFIT PLAN INVESTORS, DISREGARDING CLASS E NOTES, CLASS F NOTES AND SUBORDINATED NOTES (OR INTERESTS THEREIN) HELD BY CONTROLLING PERSONS ("**25 PER CENT. LIMITATION**").

THE ISSUER HAS THE RIGHT, UNDER THE TRUST DEED, TO COMPEL ANY BENEFICIAL OWNER OF A CLASS E NOTE, A CLASS F NOTE OR A 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, THE CLASS F NOTE OR THE SUBORDINATED NOTE, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER.]

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS C NOTES, CLASS D NOTES, CLASS E NOTES AND CLASS F NOTES ONLY*] THIS NOTE HAS BEEN ISSUED WITH ORIGINAL ISSUE DISCOUNT ("**OID**") FOR 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 ISSUER AT HERIKERBERGWEG 238, 1101 CM AMSTERDAM, THE NETHERLANDS.]

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS A NOTES, CLASS B NOTES, CLASS C NOTES AND CLASS D NOTES IN THE FORM OF IM REMOVAL AND REPLACEMENT NON-VOTING NOTES OR IM REMOVAL AND REPLACEMENT EXCHANGEABLE NON-VOTING NOTES ONLY*] [EACH PERSON ACQUIRING OR HOLDING THIS NOTE OR ANY INTEREST HEREIN SHALL BE DEEMED TO HAVE ACKNOWLEDGED AND AGREED THAT SUCH NOTE OR INTEREST HEREIN SHALL NOT CARRY ANY RIGHT TO VOTE IN RESPECT OF, OR BE COUNTED FOR THE PURPOSES OF DETERMINING A QUORUM AND THE RESULT OF ANY VOTES IN RESPECT OF AN IM REMOVAL RESOLUTION OR AN IM REPLACEMENT RESOLUTION.]

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS A NOTES, CLASS B NOTES, CLASS C NOTES AND CLASS D NOTES IN THE FORM OF IM REMOVAL AND REPLACEMENT 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 ANY VOTES IN RESPECT OF AN IM REMOVAL RESOLUTION OR AN IM REPLACEMENT RESOLUTION.]

4. The purchaser acknowledges that the Issuer, the Initial Purchaser, the Retention Holder, the Trustee, the Investment 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 or U.S. Residents.

6. With respect to the Subordinated Notes, each holder of such Notes will agree that the Subordinated Notes may not be offered, sold, resold, delivered or transferred other than to "professional market parties" (*professionele marktpartijen*) within the meaning of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) that do not qualify as "public" (within the meaning of article 4(1) of the CRR and the rules promulgated thereunder or any subsequent legislation replacing that regulation), and, if resident or domiciled in The Netherlands, other than to qualified investors within the meaning of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*).

GENERAL INFORMATION

Clearing Systems

The Notes of each Class have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The Common Code and International Securities Identification Number ("**ISIN**") for the Notes of each Class:

	Regulation S Notes		Rule 144 A Notes	
	ISIN	**Common Code**	**ISIN**	**Common Code**
Class A IM Removal and Replacement Voting Notes	XS1432574959	143257495	XS1432576574	143257657
Class A IM Removal and Replacement Non-Voting Notes	XS1432575097	143257509	XS1432577119	143257711
Class A IM Removal and Replacement Exchangeable Non-Voting Notes	XS1432575170	143257517	XS1432576814	143257681
Class B IM Removal and Replacement Voting Notes	XS1432575766	143257576	XS1432577200	143257720
Class B IM Removal and Replacement Non-Voting Notes	XS1432575337	143257533	XS1432576731	143257673
Class B IM Removal and Replacement Exchangeable Non-Voting Notes	XS1432575253	143257525	XS1432576145	143257614
Class C IM Removal and Replacement Voting Notes	XS1432575923	143257592	XS1432577465	143257746
Class C IM Removal and Replacement Non-Voting Notes	XS1432575410	143257541	XS1432577036	143257703
Class C IM Removal and Replacement Exchangeable Non-Voting Notes	XS1432576491	143257649	XS1432577549	143257754
Class D IM Removal and Replacement Voting Notes	XS1432576657	143257665	XS1432577895	143257789
Class D IM Removal and Replacement Non-Voting Notes	XS1432575683	143257568	XS1432577382	143257738
Class D IM Removal and Replacement Exchangeable Non-Voting Notes	XS1432575501	143257550	XS1432577978	143257797

Class E Notes	XS1432575840	143257584	XS1432578273	143257827
Class F Notes	XS1432576061	143257606	XS1432577622	143257762
Class M-1 Notes	XS1432576905	143257690	XS1432578190	143257819
Class M-2 Notes	XS1453403732	145340373	XS1453403815	145340381

Listing

Application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List and to trading on its Global Exchange Market. It is anticipated that listing will take place on or around the Issue Date. There can be no assurance that any such approval will be maintained. It is expected that the total expenses related to admission to trading will be approximately €10,740.

Consents and Authorisations

The Issuer has obtained all necessary consents, approvals and authorisations in The Netherlands (if any) in connection with the issue and performance of the Notes. The issue of the Notes was authorised by resolutions of the board of Managing Directors of the Issuer passed on 15 July 2016.

No Significant or Material Change

There has been no significant change in the financial or trading position or prospects of the Issuer since its incorporation on 14 August 2015 and there has been no material adverse change in the financial position or prospects of the Issuer since its incorporation on 14 August 2015.

No Litigation

The Issuer is not involved, and has not been involved, in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) which may have or have had since the date of its incorporation a significant effect on the Issuer's financial position or profitability.

Accounts

Since the date of its incorporation, other than entering into certain documentation which has now been terminated, without any net assets or liabilities for the Issuer relating to a transaction which did not proceed, the Issuer has not commenced operations other than in respect of entering into the warehouse agreements in respect of the acquisition of certain assets to be comprised in the Portfolio on or prior to the Issue Date and has not produced accounts.

So long as any Note remains outstanding, copies of the most recent annual audited financial statements of the Issuer can be obtained at the specified offices of the Transfer Agents during normal business hours. The first financial statements of the Issuer will be in respect of the period from incorporation to 30 June 2016. The annual accounts of the Issuer will be audited. The Issuer will not prepare interim financial statements.

The Trust Deed requires the Issuer to provide written confirmation to the Trustee on an annual basis and otherwise promptly on request that no Event of Default or Potential Event of Default (as defined in the Trust Deed) or other matter which is required to be brought to the Trustee's attention has occurred.

Documents Available

Copies of the following documents may be inspected in electronic format (and, in the case of each of (f) and (g) below, will be available for collection free of charge) at the specified offices of the Transfer Agents and 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 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 Investment Management Agreement;

(e) each Monthly Report;

(f) each Payment Date Report; and

(g) the Risk Retention Letter.

Enforceability of Judgments

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

Listing Agent

Walkers Listing & Support Services Limited is acting solely in its capacity as listing agent for the Issuer in connection with the Notes and is not itself seeking admission of the Notes to trading on the Global Exchange Market of the Irish Stock Exchange.

INDEX OF DEFINED TERMS

ANNEX
FORM OF ERISA CERTIFICATE

The purpose of this ERISA Certificate (this "**Certificate**") is, among other things, to (i) endeavour to ensure that less than 25 per cent. of the total value of the Class E Notes, Class F Notes, the Class M-1 Notes and the Class M-2 Notes (determined separately by each class of equity interest) issued by Cairn CLO VI, B.V. (the "**Issuer**") is held by (a) an employee benefit plan that is subject to the fiduciary responsibility provisions of Title I of the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), (b) a plan that is subject to Section 4975 of the Internal Revenue Code of 1986, as amended (the "**Code**") or (c) any entity whose underlying assets include "plan assets" by reason of any such employee benefit plan's or plan's investment in the entity (collectively, "**Benefit Plan Investors**"), (ii) obtain from you certain representations and agreements and (iii) provide you with certain related information with respect to your acquisition, holding or disposition of the Class E Notes, Class F Notes, Class M-1 Notes and Class M-2 Notes. By signing this Certificate, you agree to be bound by its terms.

Please be aware that the information contained in this Certificate is not intended to constitute advice and the examples given below are not intended to be, and are not, comprehensive. You should contact your own counsel if you have any questions in completing this Certificate. Capitalised terms not defined in this Certificate shall have the meanings ascribed to them in the Trust Deed.

If a box is not checked, you are representing, warranting and agreeing that the applicable Section does not, and will not, apply to you.

1. ☐ **Employee Benefit Plans Subject to ERISA or the Code**. We, or the entity on whose behalf we are acting, are an "employee benefit plan" within the meaning of Section 3(3) of ERISA that is subject to the fiduciary responsibility provisions of Title I of ERISA or a "plan" within the meaning of Section 4975(e)(1) of the Code that is subject to Section 4975 of the Code.

   Examples: (i) tax qualified retirement plans such as pension, profit sharing and section 401(k) plans, (ii) welfare benefit plans such as accident, life and medical plans, (iii) individual retirement accounts or "IRAs" and "Keogh" plans and (iv) certain tax-qualified educational and savings trusts.

2. ☐ **Entity Holding Plan Assets**. We, or the entity on whose behalf we are acting, are an entity or fund whose underlying assets include "plan assets" by reason of a Benefit Plan Investor's investment in such entity.

   Examples: (i) an insurance company separate account, (ii) a bank collective trust fund and (iii) a hedge fund or other private investment vehicle where 25 per cent. or more of the 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, CLASS M-1 NOTES OR CLASS M-2 NOTES, 100 PER CENT. OF THE ASSETS OF THE ENTITY OR FUND WILL BE TREATED AS "PLAN ASSETS."

ERISA and the regulations promulgated thereunder are technical. Accordingly, if you have any questions regarding whether you may be an entity described in this Section 2, you should consult with your counsel.

3. ☐ **Insurance Company General Account**. We, or the entity on whose behalf we are acting, are an insurance company purchasing the [Class E Notes] [Class F Notes] [Class M-1 Notes] [Class M-2 Notes] with funds from our or their general account (i.e. the insurance company's corporate investment portfolio), whose assets, in whole or in part, constitute "plan assets" under Section 401(a) of ERISA for purposes of 29 C.F.R. Section 2510.3-101 as modified by Section 3(42) of ERISA (the "**Plan Asset Regulations**").

ANNEX
FORM OF ERISA CERTIFICATE

The purpose of this ERISA Certificate (this "**Certificate**") is, among other things, to (i) endeavour to ensure that less than 25 per cent. of the total value of the Class E Notes, Class F Notes, the Class M-1 Notes and the Class M-2 Notes (determined separately by each class of equity interest) issued by Cairn CLO VI, B.V. (the "**Issuer**") is held by (a) an employee benefit plan that is subject to the fiduciary responsibility provisions of Title I of the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), (b) a plan that is subject to Section 4975 of the Internal Revenue Code of 1986, as amended (the "**Code**") or (c) any entity whose underlying assets include "plan assets" by reason of any such employee benefit plan's or plan's investment in the entity (collectively, "**Benefit Plan Investors**"), (ii) obtain from you certain representations and agreements and (iii) provide you with certain related information with respect to your acquisition, holding or disposition of the Class E Notes, Class F Notes, Class M-1 Notes and Class M-2 Notes. By signing this Certificate, you agree to be bound by its terms.

Please be aware that the information contained in this Certificate is not intended to constitute advice and the examples given below are not intended to be, and are not, comprehensive. You should contact your own counsel if you have any questions in completing this Certificate. Capitalised terms not defined in this Certificate shall have the meanings ascribed to them in the Trust Deed.

If a box is not checked, you are representing, warranting and agreeing that the applicable Section does not, and will not, apply to you.

1. ☐ **Employee Benefit Plans Subject to ERISA or the Code**. We, or the entity on whose behalf we are acting, are an "employee benefit plan" within the meaning of Section 3(3) of ERISA that is subject to the fiduciary responsibility provisions of Title I of ERISA or a "plan" within the meaning of Section 4975(e)(1) of the Code that is subject to Section 4975 of the Code.

   Examples: (i) tax qualified retirement plans such as pension, profit sharing and section 401(k) plans, (ii) welfare benefit plans such as accident, life and medical plans, (iii) individual retirement accounts or "IRAs" and "Keogh" plans and (iv) certain tax-qualified educational and savings trusts.

2. ☐ **Entity Holding Plan Assets**. We, or the entity on whose behalf we are acting, are an entity or fund whose underlying assets include "plan assets" by reason of a Benefit Plan Investor's investment in such entity.

   Examples: (i) an insurance company separate account, (ii) a bank collective trust fund and (iii) a hedge fund or other private investment vehicle where 25 per cent. or more of the 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, CLASS M-1 NOTES OR CLASS M-2 NOTES, 100 PER CENT. OF THE ASSETS OF THE ENTITY OR FUND WILL BE TREATED AS "PLAN ASSETS."

ERISA and the regulations promulgated thereunder are technical. Accordingly, if you have any questions regarding whether you may be an entity described in this Section 2, you should consult with your counsel.

3. ☐ **Insurance Company General Account**. We, or the entity on whose behalf we are acting, are an insurance company purchasing the [Class E Notes] [Class F Notes] [Class M-1 Notes] [Class M-2 Notes] with funds from our or their general account (i.e. the insurance company's corporate investment portfolio), whose assets, in whole or in part, constitute "plan assets" under Section 401(a) of ERISA for purposes of 29 C.F.R. Section 2510.3-101 as modified by Section 3(42) of ERISA (the "**Plan Asset Regulations**").

If you check Box 3, please indicate the maximum percentage of the insurance company general account that will constitute "plan assets" under Section 401(a) of ERISA for purposes of conducting the 25 per cent. test under the Plan Asset Regulations: ____per cent**.** IF YOU DO NOT INCLUDE ANY PERCENTAGE IN THE BLANK SPACE, YOU WILL BE COUNTED AS IF YOU FILLED IN 100 PER CENT. IN THE BLANK SPACE.

4. ☐ **None of Sections (1) Through (3) Above Apply**. We, or the entity on whose behalf we are acting, are a person that does not fall into any of the categories described in Sections (1) through (3) above. If, after the date hereof, any of the categories described in Sections (1) through (3) above would apply, we will promptly notify the Issuer and a Transfer Agent of such change.

5. **No Prohibited Transaction**. If we checked any of the boxes in Sections (1) through (3) above, we represent, warrant and agree that our acquisition, holding and disposition of the [Class E Notes] [Class F Notes] [Class M-1 Notes] [Class M-2 Notes] do not and will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code.

6. **Not Subject to Similar Law and No Violation of 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 and the Investment 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] [Class M-1 Notes] [Class M-2 Notes] do not and will not constitute or result in a non-exempt violation of any law or regulation that is similar to the prohibited transaction provisions of Section 406 of ERISA or Section 4975 of the Code.

7. ☐ **Controlling Person**. We are, or we are acting on behalf of any of: (i) the Trustee, (ii) the Investment Manager, (iii) any person that has discretionary authority or control with respect to the assets of the Issuer, (iv) any person who provides investment advice for a fee (direct or indirect) with respect to such assets or (v) any "affiliate" of any of the above persons. "**Affiliate**" shall have the meaning set 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 value of the [Class E Notes], [Class F Notes], [Class M-1 Notes] [Class M-2 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 determination (or upon notice from a Transfer Agent if the Transfer Agent makes the determination (who, in each case, agree to notify the Issuer of such discovery (if any)) send notice to us demanding that we transfer our interest to a person that is not a Non-Permitted ERISA Holder within 10 days after the date of such notice;

(ii) if we fail to transfer our [Class E Notes] [Class F Notes] [Class M-1 Notes] [Class M-2 Notes], the Issuer shall have the right, without further notice to us, to sell our [Class E Notes] [Class F Notes] [Class M-1 Notes] [Class M-2 Notes] or our interest in the [Class E Notes] [Class F Notes] [Class M-1 Notes] [Class M-2 Notes] to a purchaser selected by the Issuer that is not a Non-Permitted ERISA Holder on such terms as the Issuer may choose;

(iii) the Issuer may select the purchaser by soliciting one or more bids from one or more brokers or other market professionals that regularly deal in securities similar to the [Class E Notes] [Class F Notes] [Class M-1 Notes] [Class M-2 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] [Class M-1 Notes] [Class M-2 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 Issuer and a Transfer Agent of any proposed transfer by us of all or a specified portion of the Class E Notes, the Class F Notes or the Subordinated Notes, (b) will inform the Issuer and Transfer Agent of any change in our status as set forth above and (c) will not initiate any such transfer after we have been informed by the Issuer or a Transfer Agent in writing that such transfer would cause the 25 per cent. Limitation to be exceeded. We hereby agree and acknowledge that after a Transfer Agent effects any permitted transfer of Class E Notes, Class F Notes or Subordinated Notes owned by us to a Benefit Plan Investor or a Controlling Person or receives notice of any such permitted change of status, the Issuer and a Transfer Agent shall include such Class E Notes, Class F Notes or Subordinated Notes in future calculations of the 25 per cent. Limitation made pursuant hereto unless subsequently notified that such Class E Notes, Class F Notes or Subordinated Notes (or such portion), as applicable, would no longer be deemed to be held by Benefit Plan Investors or Controlling Persons.

10. **Continuing Representation; Reliance**. We acknowledge and agree that the representations, warranties and agreements contained in this Certificate shall be deemed made on each day from the date we make such representations, warranties and agreements through and including the date on which we dispose of our interests in the [Class E Notes] [Class F Notes] [Class M-1 Notes] [Class M-2 Notes]. We understand and agree that the information supplied in this Certificate will be used and relied upon by the Issuer and each Transfer Agent 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] [Class M-1 Notes] [Class M-2 Notes] upon any subsequent transfer of the [Class E Notes] [Class F Notes] [Class M-1 Notes] [Class M-2 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, Barclays Bank PLC and the Investment Manager as third party beneficiaries hereof, (ii) copies of this Certificate and any information contained herein may be provided to the Issuer, the Trustee, Barclays Bank PLC, the Investment Manager, affiliates of any of the foregoing parties and to each of the foregoing parties' respective counsel for purposes of making the determinations described above and (iii) any acquisition or transfer of the [Class E Notes] [Class F Notes] [Class M-1 Notes] [Class M-2 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] [Class M-1 Notes] [Class M-2 Notes] to any person unless the Issuer and a Transfer Agent have received a certificate substantially in the form of this Certificate. Any attempt to transfer in violation of this section will be null and void from the beginning, and of no legal effect.

Note: Unless you are notified otherwise, the name and address of the Trustee is as follows:

U.S. Bank Trustees Limited, 125 Old Broad Street, Fifth Floor, London, EC2N 1AR.

IN WITNESS WHEREOF, the undersigned has duly executed and delivered this Certificate.

_____ [Insert Purchaser's Name]

By:
Name:
Title:

Dated:
This Certificate relates to EUR_____ of [Class E Notes] [Class F Notes] [Class M-1 Notes] [Class M-2 Notes]

REGISTERED OFFICE OF THE ISSUER
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Herikerbergweg 238,
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The Netherlands

INVESTMENT MANAGER
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27 Knightsbridge
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ANNEX B
MONTHLY REPORT RELATING TO THE ORIGINAL NOTES

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