IMPORTANT NOTICE

You must read the following disclaimer before continuing

THIS DOCUMENT MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE TRANSMITTED INTO OR DISTRIBUTED WITHIN THE UNITED STATES TO PERSONS UNLESS SUCH PERSONS ARE BOTH "QUALIFIED INSTITUTIONAL BUYERS" ("**QIBs**") (AS DEFINED IN RULE 144A ("**RULE 144A**") UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**")) IN RELIANCE ON RULE 144A AND "QUALIFIED PURCHASERS" ("**QPs**") FOR THE PURPOSES OF SECTION 3(c)(7) OF THE INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "**INVESTMENT COMPANY ACT**"), IN EACH CASE FOR ITS OWN ACCOUNT FOR INVESTMENT PURPOSES AND NOT WITH A VIEW TO THE DISTRIBUTION THEREOF (EXCEPT IN ACCORDANCE WITH RULE 144A).

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

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

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

The document and any information contained herein shall remain our property and in sending the document to you, no rights (including any intellectual property rights) over the document and the information contained therein has been given to you.

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

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

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European CLO 4 - 2019 Designated Activity Company, *Morgan Stanley & Co. International plc* or *HPS Investment Partners CLO (UK) LLP* (or any person who controls any of them or any director, officer, employee or agent of any of them, or any Affiliate of any such person) accepts any liability or responsibility whatsoever in respect of any difference between the document distributed to you in electronic format and the hard copy version available to you on request from us.

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

AQUEDUCT EUROPEAN CLO 4 - 2019 DESIGNATED ACTIVITY COMPANY
(a designated activity company limited by shares incorporated under the laws of Ireland with registered number 621029 and having its registered office in Ireland)

€2,000,000 Class X Senior Secured Floating Rate Notes due 2032
€244,000,000 Class A Senior Secured Floating Rate Notes due 2032
€30,000,000 Class B-1 Senior Secured Floating Rate Notes due 2032
€15,000,000 Class B-2 Senior Secured Fixed Rate Notes due 2032
€23,300,000 Class C Senior Secured Deferrable Floating Rate Notes due 2032
€26,000,000 Class D Senior Secured Deferrable Floating Rate Notes due 2032
€20,000,000 Class E Senior Secured Deferrable Floating Rate Notes due 2032
€11,800,000 Class F Senior Secured Deferrable Floating Rate Notes due 2032
€16,500,000 Class M-1 Subordinated Notes due 2032
€18,600,000 Class M-2 Subordinated Notes due 2032
€100,000 Class M-3 Subordinated Notes due 2032

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

Aqueduct European CLO 4 - 2019 Designated Activity Company (the "**Issuer**") will issue the Class X Notes, 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 Subordinated Notes, the Class M-2 Subordinated Notes and the Class M-3 Subordinated Notes (each as defined herein).

The Class X Notes, the Class A Notes, the Class B-1 Notes, the Class B-2 Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes (such Classes, the "**Rated Notes**") together with the Class M-1 Subordinated Notes, the Class M-2 Subordinated Notes and the Class M-3 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 5 July 2019 (the "**Issue Date**"), made between (amongst others) the Issuer and Citibank N.A., London Branch, in its capacity as trustee (the "**Trustee**").

Interest on the Notes will be payable quarterly in arrear in each year on 15 January, 15 April, 15 July and 15 October prior to the occurrence of a Frequency Switch Event (as defined herein) and semi-annually in arrear in each year on 15 January and 15 July (where the Payment Date (as defined herein) immediately following the occurrence of a Frequency Switch Event falls in either January or July) or 15 April and 15 October (where the Payment Date immediately following the occurrence of a Frequency Switch Event falls in either April or October) following the occurrence of a Frequency Switch Event, commencing on 15 January 2020 and ending on the Maturity Date (as defined herein) (subject to any earlier redemption of the Notes and 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 amended) (the "**Prospectus Directive**"). The Issuer is not offering the Notes in any jurisdiction in circumstances that would require a prospectus to be prepared pursuant to the Prospectus Directive. Application has been made to Irish Stock Exchange plc, trading as Euronext Dublin ("**Euronext Dublin**") for the 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**"). There can be no assurance that any such listing and admission to trading will be maintained. This Offering Circular constitutes listing particulars for the purpose of such application and has been approved by Euronext Dublin.

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

The Notes have not been, 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), in each case, who are both qualified institutional buyers (as defined in Rule 144A under the Securities Act ("**Rule 144A**")) in reliance on Rule 144A under the Securities Act and qualified purchasers for the purposes of Section 3(c)(7) of the United States Investment Company Act of 1940, as amended (the "**Investment Company Act**"). The Issuer will not be registered under the Investment Company Act. Interests in the Notes will be subject to certain restrictions on transfer, and each purchaser of the Notes offered hereby in making its purchase will be deemed to have made certain acknowledgements, representations and agreements. See "*Plan of Distribution*" and "*Transfer Restrictions*".

The Notes (other than the Retention Notes purchased by the Retention Holder) are being offered by the Issuer through Morgan Stanley & Co. International 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. The Retention Notes to be purchased by the Retention Holder shall be purchased from the Initial Purchaser by the Retention Holder on the Issue Date. It is expected that delivery of the Notes will be made on or about the Issue Date.

Morgan Stanley & Co. International plc

Initial Purchaser

The date of this Offering Circular is 3 July 2019

*The Issuer accepts responsibility for the information (other than the Third Party Information) contained in this document and, to the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case), the information (other than the Third Party Information) included in this document is in accordance with the facts and does not omit anything likely to affect the import of such information. The Collateral Manager accepts responsibility for the information contained in the sections of this document headed "Risk Factors – Conflicts of Interest – Certain Conflicts of Interest Involving or Relating to the Collateral Manager and its Affiliates", "The EU Retention and Disclosure Requirements - Description of the Retention Holder", "The EU Retention and Disclosure Requirements – Origination of Collateral Obligations" and "Description of the Collateral Manager" (together, the "**Collateral Manager Information**"). To the best of the knowledge and belief of the Collateral Manager (which has taken all reasonable care to ensure that such is the case), the Collateral Manager Information is in accordance with the facts and does not omit anything likely to affect the import of such information. The Collateral Administrator (together with the Collateral Manager the "**Third Parties**"), accepts responsibility for the information contained in the section of this document headed "Description of the Collateral Administrator" (the "**Collateral Administrator Information**" and, together with the Collateral Manager Information, the "**Third Party Information**"). 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), the Collateral Administrator Information is in accordance with the facts and does not omit anything likely to affect the import of such information. Except for the Collateral Manager Information (in the case of the Collateral Manager) and the Collateral Administrator Information (in the case of the Collateral Administrator) neither the Collateral Manager nor the Collateral Administrator accepts any responsibility for the accuracy and completeness of any information contained in this Offering Circular. The delivery of this Offering Circular at any time does not imply that the information herein is correct at any time subsequent to the date of this Offering Circular.*

None of the Initial Purchaser, the Trustee, any Agent, any Hedge Counterparty, or any other party (save for the Issuer, the Collateral Manager and the Collateral Administrator in each case as specified above) makes any representation, recommendation or warranty, express or implied, regarding the accuracy, adequacy, reasonableness or completeness of the information contained in this Offering Circular or in any further notice or other document which may at any time be supplied in connection with the Notes or their distribution or accepts any responsibility or liability therefor. None of the Initial Purchaser, the Trustee, the Collateral Manager, the Collateral Administrator, any Agent, any Hedge Counterparty or any other party undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Offering Circular nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the aforementioned parties which is not included in this Offering Circular. None of, the Initial Purchaser, the Trustee, the Collateral Manager, the Collateral Administrator, any Agent, any Hedge Counterparty (in each case other than as specified above) or any other party (save for the Issuer as specified above) accepts any responsibility for the accuracy or completeness of any information contained in this Offering Circular.

This Offering Circular does not constitute an offer of, or an invitation by or on behalf of, the Issuer, the Initial Purchaser, the Collateral Manager, 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. The Notes are not intended to be sold and should not be sold to retail investors. For these purposes, a retail investor means (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU or (ii) a customer within the meaning of Directive 2002/92/EC, where that customer would not qualify as a professional client as defined in Point (10) of Article 4(1) of Directive 2014/65/EU. See further "Plan of Distribution" of this Offering Circular for further information.

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

*In this Offering Circular, unless otherwise specified or the context otherwise requires, all references to "Euro", "euro", "€" and "EUR" are to the lawful currency of the member states of the European Union that have adopted and retain the single currency in accordance with the Treaty on the Functioning of the European Union, 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.*

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

In connection with the issue of the Notes, no stabilisation will take place and Morgan Stanley & Co. International plc not be acting as stabilising manager in respect of the Notes.

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

EU RETENTION AND DISCLOSURE REQUIREMENTS

In accordance with the EU Retention Requirements, the Retention Holder will undertake in the Collateral Management and Administration Agreement (which will be entered into on the Issue Date between, among others, the Collateral Manager, the Issuer, the Trustee (for the benefit of the Noteholders) and the Collateral Administrator) to purchase (at the initial issuance and each subsequent date of additional issuance of Notes) and retain, for its own account, a material net economic interest in the transaction comprising not less than 5 per cent. of the Principal Amount Outstanding of each Class of Notes (for such purposes the Class B-1 Notes and the Class B-2 Notes together shall be treated as a single Class) (the "**Retention Notes**") for the purposes of satisfying the EU Retention Requirements (as in force on the Issue Date).

In respect of the EU Disclosure Requirements, (i) the Issuer will undertake to be designated as the entity required to make available to the Noteholders, potential investors in the Notes and the competent authorities the reports and information necessary to fulfil the reporting requirements thereunder, (ii) the Collateral Manager and/or the Issuer agrees to the extent that such information is within its possession and not subject to a duty of confidentiality under law or contract and is not already otherwise available to the Collateral Administrator to provide to the Collateral Administrator all reports, data and other information reasonably necessary for the proper performance by the Issuer as the reporting entity of such reporting obligations and (iii) the Collateral Administrator will, to the extent agreed by the Collateral Administrator, make available such reports and information for the purposes of the EU Disclosure Requriements provided that the Collateral Administrator shall not be obliged to agree and shall not be obliged to propose the form, content, frequency or method of distribution of any such reports or information. If the Collateral Administrator does not agree to provide such reporting, the Issuer (with the consent of the Collateral Manager) shall appoint another entity to make such information available to the competent authorities, any Noteholder and any potential investor in the Notes.

For the avoidance of doubt, if the Collateral Administrator agrees to assist the Issuer with providing such information and reporting on behalf of the Issuer, the Collateral Administrator will not assume any responsibility for the Issuer's obligations as the entity responsible to fulfil the reporting obligations under the EU Disclosure Requirements. In providing such services, the Collateral Administrator also assumes no responsibility or liability to any third party, including, any Noteholder or any potential Noteholder, and including for their use and/or onward disclosure of such information, and shall have the benefit of the powers, protections and indemnities granted to it under the Transaction Documents.

Each prospective investor in the Notes is required to independently assess and determine whether the information provided herein and in any reports or documents provided or to be provided to investors in relation to this transaction is sufficient to comply with the EU Retention and Disclosure Requirements or any other regulatory requirement to which they may be subject. Notwithstanding anything in this Offering Circular to the contrary, none of the Issuer, the Collateral Manager, the Retention Holder, the Initial Purchaser, the Agents, 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 or otherwise comply with the requirements of the EU Retention and Disclosure Requirements, the implementing provisions in respect of the EU Retention and Disclosure Requirements in their relevant jurisdiction or any other applicable legal, regulatory or other requirements, other than as set out above. Each prospective investor in the Notes which is subject to the EU Retention and Disclosure 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 the EU Retention and Disclosure Requirements or similar requirements of which it is uncertain.

See "*Risk Factors – Regulatory Initiatives - Risk Retention and Due Diligence – EU Risk Retention and Due Diligence Requirements"*, "*Risk Factors – Regulatory Initiatives - EU Disclosure Requirements"* and "*The EU Retention and Disclosure Requirements*" below.

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

VOLCKER RULE

Section 619 of the Dodd-Frank Act and the corresponding implementing rules (the "**Volcker Rule**") prevents "banking entities" as defined under the Volcker Rule (a term which includes U.S. banking organisations and foreign banking organisations that have a branch or agency office in the U.S. (and the affiliates of each such organisation), regardless where such affiliates are located) from, among other things, (i) engaging in proprietary trading in a wide variety of financial instruments, (ii) acquiring or retaining any "ownership interest" in, or sponsoring, a "covered fund", subject to certain exemptions and exclusions or (iii) entering into certain transactions with a "covered fund" that is advised, managed, or sponsored by that banking entity or any of its affiliates. The Volcker Rule also prohibits material conflicts of interest between a banking entity and its clients, customers and counterparties with respect to the banking entity's covered fund activities.

A "covered fund" is defined widely, and includes any issuer which would be an investment company under the U.S. Investment Company Act of 1940 (the "**Investment Company Act**") but is exempt from registration therefrom solely in reliance on either section 3(c)(1) or 3(c)(7) of that Act, subject to certain exemptions and exclusions found in the Volcker Rule's implementing regulations) and "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 any right of the holder to participate in the selection or removal of, among others, an investment advisor, investment or collateral manager, or general partner, trustee, or member of the board of directors or other governing body of the covered fund.

The provisions of the Volcker Rule and its related regulatory guidance prohibit or severely limit the ability of "banking entities" to hold an ownership interest in a "covered fund" or enter into certain financial transactions with such fund. 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.

The holders of any of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes in the form of CM Removal and Replacement Non-Voting Notes or CM Removal and Replacement Exchangeable Non-Voting Notes are disenfranchised in respect of any CM Removal Resolution and/or CM Replacement Resolution, which disenfranchisement is intended to exclude such Notes from the definition of "ownership interest". However, there can be no assurance that these features will be effective in resulting in such

investments in the Issuer by U.S. banking organisations and other banking entities subject to the Volcker Rule not being characterised as an "ownership interest" in the Issuer.

Each investor is responsible for analysing its own position under the Volcker Rule and any other similar laws and regulations and none of the Issuer, the Collateral Manager, the Trustee or the Initial Purchaser nor any of their Affiliates makes any representation to any prospective investor or purchaser of the Notes regarding the application of the Volcker Rule to the Issuer, or to such investor's investment in the Notes on the Issue Date or at any time in the future.

The Volcker Rule and any similar measures introduced in another relevant jurisdiction may restrict the ability of relevant individual prospective purchasers to invest in the Notes and, in addition, may have a negative impact on the price and liquidity of the Notes in the secondary market. Investors should conduct their own analysis to determine whether the Issuer is a "covered fund" for their purposes. See "*Risk Factors –Regulatory Initiatives – Volcker Rule*" 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**") may only be sold within the United States to persons and outside the United States to U.S. persons (as such term is defined in Regulation S), in each case, who are "qualified institutional buyers" (as defined in Rule 144A) ("**QIBs**") that are also "qualified purchasers" for purposes of Section 3(c)(7) of the Investment Company Act ("**QPs**"). Rule 144A Notes of each Class will each be represented on issue by beneficial interests in one or more permanent global certificates of such Class (each, a "**Rule 144A Global Certificate**" and together, the "**Rule 144A Global Certificates**") or, in some cases, definitive certificates (each a "**Rule 144A Definitive Certificate**" and together the "**Rule 144A Definitive Certificates**"), in each case in fully registered form, without interest coupons or principal receipts, which will be deposited on or about the Issue Date with, and registered in the name of, a 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 (as defined in Regulation S) 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 may in some cases be represented by definitive certificates of such Class (each a "**Regulation S Definitive Certificate**" and together, the "**Regulation S Definitive Certificates**"), in each case in fully registered form, without interest coupons or principal receipts, which will be deposited on or about the Issue Date with, and registered in the name of, a common depositary for Euroclear and Clearstream, Luxembourg or, in the case of Regulation S Definitive Certificates, the registered holder thereof. Neither U.S. persons (as defined in Regulation S) 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 at any time. Ownership interests in the Regulation S Global Certificates and the Rule 144A Global Certificates (together, the "**Global Certificates**") will be shown on, and transfers thereof will only be effected through, records maintained by Euroclear and Clearstream, Luxembourg and their respective participants. Notes in definitive certificated form will be issued in only in limited circumstances. In each case, purchasers and transferees of notes will be deemed and in certain circumstances will be required to have made certain representations and agreements. See "*Form of the Notes*", "*Book Entry Clearance Procedures*", "*Plan of Distribution*" and "*Transfer Restrictions*".

As at the Issue Date, the Issuer has not been registered under the Investment Company Act in reliance on Section 3(c)(7) of the Investment Company Act. Exemptions or exclusions from registration as an investment company under the Investment Company Act other than those set out in sections 3(c)(1) and 3(c)(7) of the Investment Company Act may be available to the Issuer, but it is unlikely, and there can be no assurance that, any such exemptions or exclusions will be available or that the Issuer will elect to rely on such exemptions. Each purchaser of an interest in the Notes (other than a non-U.S. person (as defined in Regulation S) outside the U.S.) will be deemed or in the case of a Definitive Certificate required to have represented and agreed that it is both a QIB and a QP and will also be deemed or required 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 (other than in the case of the Initial Purchaser) 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 (as defined in Regulation S) 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 NOTES OFFERED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED WITH, OR APPROVED BY, ANY UNITED STATES FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT PASSED UPON OR ENDORSED THE MERITS OF THIS OFFERING OR THE ACCURACY OR ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.

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

Available Information

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

General Notice

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

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

Commodity Pool Regulation

BASED UPON INTERPRETIVE GUIDANCE PROVIDED BY THE U.S. COMMODITY FUTURES TRADING COMMISSION (THE "**CFTC**"), THE ISSUER IS NOT EXPECTED TO BE TREATED AS A

COMMODITY POOL AND AS SUCH, THE ISSUER (OR THE COLLATERAL MANAGER ON THE ISSUER'S BEHALF) MAY ENTER INTO HEDGE AGREEMENTS (OR ANY OTHER AGREEMENT THAT WOULD FALL WITHIN THE DEFINITION OF "SWAP" AS SET OUT IN THE CEA) ONLY UPON SATISFACTION OF THE HEDGING AGREEMENT ELIGIBILITY CRITERIA OR FOLLOWING RECEIPT OF LEGAL ADVICE FROM REPUTABLE COUNSEL TO THE EFFECT THAT NONE OF THE ISSUER, ITS DIRECTORS OR OFFICERS, OR THE COLLATERAL MANAGER OR ANY OF ITS DIRECTORS, OFFICERS OR EMPLOYEES, SHOULD BE REQUIRED TO REGISTER WITH THE CFTC AS EITHER A "COMMODITY POOL OPERATOR" OR A "COMMODITY TRADING ADVISOR" (AS SUCH TERMS ARE DEFINED IN THE U.S. COMMODITY EXCHANGE ACT OF 1936, AS AMENDED (THE "**CEA**") IN RESPECT OF THE ISSUER. IN THE EVENT THAT TRADING OR ENTERING INTO HEDGE AGREEMENTS WOULD RESULT IN THE ISSUER'S ACTIVITIES FALLING WITHIN THE DEFINITION OF A "COMMODITY POOL" UNDER THE CEA, THE COLLATERAL MANAGER WOULD EITHER SEEK TO UTILISE ANY EXEMPTIONS FROM REGISTRATION AS A COMMODITY POOL ADVISOR (A "**CPO**") AND/OR A COMMODITY TRADING ADVISOR ("**CTA**") WHICH THEN MAY BE AVAILABLE, OR SEEK TO REGISTER AS A CPO/CTA. ANY SUCH EXEMPTION MAY IMPOSE ADDITIONAL COSTS ON THE COLLATERAL MANAGER, AND MAY SIGNIFICANTLY LIMIT ITS ABILITY TO ENGAGE IN HEDGING ACTIVITIES ON BEHALF OF THE ISSUER. SEE "COMMODITY POOL REGULATION" BELOW.

MIFID II Product Governance

Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer target market assessment) and determining appropriate distribution channels.

PRIIPs Regulation and Prospectus Directive

The 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 Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the "**Prospectus Directive**"). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.

Where the Initial Purchaser carries on regulated activities with or for investors in the course of or as a result of carrying on corporate finance business with or for a client of the Initial Purchaser (such as when the Initial Purchaser is advising the Issuer in relation to the issuance described herein), the Initial Purchaser will not be acting on behalf of investors and will not be responsible for providing investors with protections afforded to clients of the Initial Purchaser (such as the Issuer in relation to the issuance described herein) or advise investors in relation to any transactions.

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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 (the "**Offering Circular**") and related documents referred to herein. Capitalised terms not specifically defined in this Overview have the meanings set out in Condition 1 (Definitions) under "Terms and Conditions" below or are defined elsewhere in this Offering Circular. An index of defined terms appears at the back of this Offering Circular. References to a "Condition" are to the specified Condition in the "Terms and Conditions" below and references to "Conditions" are to the "Terms and Conditions" below. For a discussion of certain risk factors to be considered in connection with an investment in the Notes, see "Risk Factors".*

Issuer	Aqueduct European CLO 4 - 2019 Designated Activity Company, a designated activity company limited by shares incorporated under the laws of Ireland with registered number 621029 and having its registered office at 32 Molesworth Street, Dublin 2, Ireland
Collateral Manager	HPS Investment Partners CLO (UK) LLP
Trustee	Citibank N.A., London Branch
Initial Purchaser	Morgan Stanley & Co. International plc
Collateral Administrator	Virtus Group LP

Notes

Class of Notes[1]	Principal Amount	Initial Stated Interest Rate[2]	Alternative Stated Interest Rate[3]	Moody's Ratings of at least[4][5]	Fitch Ratings of at least[4][5]	Maturity Date	Issue Price[6]
X	€2,000,000	3 month EURIBOR + 0.60%	6 month EURIBOR + 0.60%	Aaa(sf)	AAAsf	15 July 2032	100.00%
A	€244,000,000	3 month EURIBOR + 1.11%	6 month EURIBOR + 1.11%	Aaa(sf)	AAAsf	15 July 2032	100.00%
B-1	€30,000,000	3 month EURIBOR + 1.80%	6 month EURIBOR + 1.80%	Aa2(sf)	AAsf	15 July 2032	100.00%
B-2	€15,000,000	2.45%	2.45%	Aa2(sf)	AAsf	15 July 2032	100.00%
C	€23,300,000	3 month EURIBOR + 2.40%	6 month EURIBOR + 2.40%	A2(sf)	Asf	15 July 2032	100.00%
D	€26,000,000	3 month EURIBOR + 3.55%	6 month EURIBOR + 3.55%	Baa3(sf)	BBB-sf	15 July 2032	100.00%
E	€20,000,000	3 month EURIBOR + 5.55%	6 month EURIBOR + 5.55%	Ba2(sf)	BBsf	15 July 2032	96.75%
F	€11,800,000	3 month EURIBOR + 7.90%	6 month EURIBOR + 7.90%	B2(sf)	B-sf	15 July 2032	93.66%
M-1 Subordinated Notes	€16,500,000	N/A	N/A	N/A	N/A	15 July 2032	100.00%
M-2 Subordinated Notes	€18,600,000	Variable[7]	Variable[7]	N/A	N/A	15 July 2032	100.00%

M-3 Subordinated Notes	€100,000	See notes 8 and 9 below	See notes 8 and 9	N/A	N/A	15 July 2032	100.00%

1 Any Class of Rated Notes may be issued with a fixed rate, a floating rate or a combination of both.

2 Applicable at all times prior to the occurrence of a Frequency Switch Event, provided that the rate of interest of the Floating Rate Notes for the first interest period will be determined by reference to a straight line interpolation of 6-month and 12-month EURIBOR.

3 Applicable at all times following the occurrence of a Frequency Switch Event, provided that the rate of interest of the Floating Rate Notes of each Class for the period from, and including, the final Payment Date before the Maturity Date to, but excluding, the Maturity Date will, if such first mentioned Payment Date falls in April 2032, be determined by reference to 3-month EURIBOR.

4 The ratings assigned to the Rated Notes by Moody's address the expected loss posed to investors by the legal final maturity date of the Rated Notes. The ratings assigned to the Class X Notes, Class A Notes and Class B Notes by Fitch address the timely payment of interest and the ultimate payment of principal. The ratings assigned to the Class C Notes, Class D Notes, Class E Notes and the Class F Notes by Fitch 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.

5 As of the date of this Offering Circular, each of the Rating Agencies is established in the European Union (the "**EU**") and is registered under Regulation (EC) No 1060/2009 (as amended) (the "**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 the CRA3.

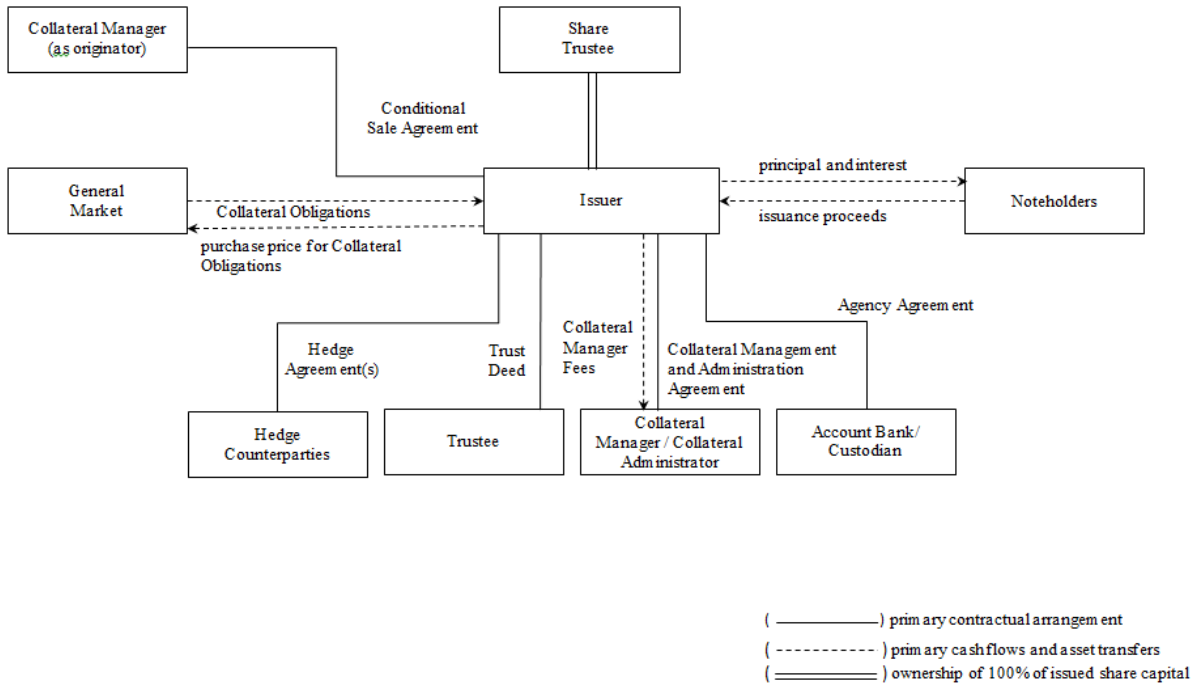
6 The Initial Purchaser may offer the Notes at other prices as may be negotiated at the time of sale which may vary among different purchasers and which may be different from the issue price of the Notes.

7 In addition to their pro rata share of the residual Subordinated Note distributions, the Class M-2 Subordinated Noteholders will be entitled to receive, in respect of their Class M-2 Subordinated Notes, Senior Class M-2 Interest Amounts and Subordinated Class M-2 Interest Amounts, provided that the occurrence of a Distribution Switch Event will lead to such amounts ceasing to be payable. The Class M-2 Subordinated Noteholders will also be entitled to IRR Class M-2 Amounts on each Payment Date for which the IRR Threshold has been met or surpassed.

8 The Class M-3 Subordinated Noteholders will be entitled to receive, in respect of their Class M-3 Subordinated Notes, Senior Class M-3 Interest Amounts and Subordinated Class M-3 Interest Amounts, provided that the occurrence of a Distribution Switch Event will lead to such Senior Class M-3 Interest Amounts ceasing to be payable. The Class M-3 Subordinated Noteholders will also be entitled to IRR Class M-3 Amounts on each Payment Date on which the IRR Threshold has been met or surpassed. The Class M-3 Subordinated Noteholders will not be entitled to receive, in respect of their Class M-3 Subordinated Notes, any share of the residual Subordinated Note distributions.

9 Subject to available Interest Proceeds. See Condition 6(a)(ii) (*Subordinated Notes*).

Structure Diagram



Eligible Purchasers

The Notes of each Class will be offered:

(a) outside of the United States to non-U.S. persons (as defined in Regulation S) 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 (as defined in Regulation S), in each case, who are QIB/QPs in reliance on Rule 144A.

Distributions on the Notes

Payment Dates

Interest on the Notes will be payable in each year on 15 January, 15 April, 15 July and 15 October prior to the occurrence of a Frequency Switch Event and on 15 January and 15 July (where the Payment Date immediately following the occurrence of a Frequency Switch Event falls in either January or July) or on 15 April and 15 October (where the Payment Date immediately following the occurrence of a Frequency Switch Event falls in either April or October) following the occurrence of a Frequency Switch Event, commencing on 15 January 2020 and ending on the Maturity Date (subject to any earlier redemption of the Notes and in each case to adjustment for non-Business Days in accordance with the Conditions).

Stated Interest Rate

Interest in respect of the Rated Notes will be payable quarterly in arrear prior to the occurrence of a Frequency Switch Event and semi-annually in arrear following the occurrence of a Frequency Switch Event, in each case on each Payment Date (with the first Payment Date occurring in January 2020) in accordance with the Interest Priority of Payments.

Interest on the Class M-2 Subordinated Notes and the Class M-3 Subordinated Notes will be payable quarterly in arrear prior to the occurrence of a Frequency Switch Event and semi-annually in arrear following the occurrence of a Frequency Switch Event, in each case, on each Payment Date (with the first Payment Date occurring in January 2020) in accordance with the Priorities of Payments and calculated as a proportion of the Collateral Principal Amount from time to time, provided that the occurrence of a Distribution Switch Event shall result in such interest amounts in the form of Subordinated Class M-3 Interest Amounts ceasing to be payable in respect of the Class M-3 Subordinated Notes.

Subordinated Class M-3 Interest Amounts payable in respect of the Class M-3 Subordinated Notes shall be computed based on the Class M-3 Distribution Percentage, as applicable, of the Subordinated Distribution Amount in accordance with the Conditions.

Residual distributions shall be payable on the Class M-1 Subordinated Notes and the Class M-2 Subordinated Notes (but not the Class M-3 Subordinated Notes) on each Payment Date on an available funds basis after payment of all prior ranking amounts in accordance with the Priorities of Payment.

Subordinated Distribution Amount

In respect of a Payment Date and the immediately preceding Due Period thereto, an amount determined by the Collateral Administrator equal to 0.35 per cent. per annum (calculated on the basis of a 360 day year and the actual number of days elapsed in such Due Period) of the Collateral Principal Amount as at the first day of the Due Period (or, if such day is

not a Business Day, the next day which is a Business Day).

Class M-2 Distribution Percentage At any time, the Principal Amount Outstanding of Class M-1 Subordinated Notes and Class M-2 Subordinated Notes held by Collateral Manager Related Persons other than as Retention Notes divided by the Principal Amount Outstanding of all Class M-1 Subordinated Notes and Class M-2 Subordinated Notes excluding the Retention Notes.

Class M-3 Distribution Percentage At any time, a percentage equal to (i) 100 per cent. minus (ii) the Class M-2 Distribution Percentage minus (iii) the Collateral Manager Distribution Percentage.

Distribution Switch Event The occurrence of:

(a) an event resulting in the Collateral Manager ceasing to be a member of the Affiliated Group (for the avoidance of doubt whether as a result of a change in the identity of the Collateral Manager to a person that is not a member of the Affiliated Group, as a result of the Collateral Manager ceasing to be a member of the Affiliated Group due to corporate events in respect of the Affiliated Group or otherwise); and

(b) notification by the Collateral Manager or the Trustee of such event to the Collateral Administrator.

Payment of Interest and Deferral and the Class X Principal Amortisation Amount Failure on the part of the Issuer to pay the Interest Amounts due and payable on the Class X Notes, the Class A Notes or the Class B Notes (or the Class C Notes, the Class D Notes, the Class E Notes or the Class F Notes if such Class of Notes is the Controlling Class and a Frequency Switch Event has occurred) pursuant to Condition 6 (*Interest*) and the Priorities of Payments shall not be an Event of Default unless and until such failure continues for a period of at least five Business Days save:

(a) in the case of administrative error or omission only, where such failure continues for a period of at least ten Business Days; and

(b) in the case of an administrative error or omission on any Redemption Date in respect of a Rated Note, where such failure continues for at least ten Business Days,

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

To the extent that interest payments on the Class C Notes, Class D Notes, Class E Notes or Class F Notes are not made on the relevant Payment Date, unless the relevant Class of Notes is the Controlling Class and a Frequency Switch Event has occurred, an amount equal to such unpaid interest will be added to the Principal Amount Outstanding of the Class C Notes, Class D Notes, Class E Notes and the Class F Notes (as applicable), and from the date such unpaid interest is added to the 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. For the avoidance of doubt, if the relevant Class of Notes is the Controlling Class and a Frequency Switch Event has occurred such unpaid interest will not be added to the Principal Amount Outstanding of such Class of Notes and shall remain payable as interest. See Condition 6(c) (*Deferral of Interest*).

The Class M-2 Subordinated Noteholders will also be entitled to an IRR

Class M-2 Amount on each Payment Date on which the IRR Threshold has been met or surpassed, being an amount equal to the Class M-2 Distribution Percentage (on the date of determination of the IRR Class M-2 Amount) of the Incentive Distribution Amount.

The Class M-3 Subordinated Noteholders will also be entitled to an IRR Class M-3 Amount on each Payment Date on which the IRR Threshold has been met or surpassed, being an amount equal to the Class M-3 Distribution Percentage of the Incentive Distribution Amount.

To the extent that the Class X Principal Amortisation Payment is not made on the relevant Payment Date as a result of the insufficiency of available Interest Proceeds and/or Principal Proceeds, an amount equal to the portion of the Class X Principal Amortisation Payment unpaid on such Payment Date will be deferred in accordance with Condition 7(n) (*Redemption of the Class X Notes*).

Collateral Manager Distribution Percentage — At any time, the Principal Amount Outstanding of Class M-1 Subordinated Notes and Class M-2 Subordinated Notes not held by Collateral Manager Related Persons divided by the Principal Amount Outstanding of all Class M-1 Subordinated Notes and Class M-2 Subordinated Notes, expressed as a percentage.

Incentive Distribution Amount — In respect of each Payment Date for which the IRR Threshold has been met or surpassed, an amount equal to 20 per cent. of any Interest Proceeds and Principal Proceeds that, if not distributed as an Incentive Collateral Management Fee, IRR Class M-2 Amount or IRR Class M-3 Amount would otherwise be available to distribute to the Class M-1 Subordinated Noteholders and the Class M-2 Subordinated Noteholders.

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

(a) on the Maturity Date;

(b) on any Payment Date following a Determination Date on which a Coverage Test is not satisfied (to the extent such test is required to be satisfied on such Determination Date);

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

(d) after the Reinvestment Period, on each Payment Date out of Principal Proceeds transferred to the Payment Account immediately prior to the related Payment Date (see Condition 7(f) (*Redemption Following Expiry of the Reinvestment Period*));

(e) on any Payment Date on and after the Effective Date, at the discretion of the Collateral Manager, during the Reinvestment Period to cure a failure of the Reinvestment Overcollateralisation Test (see Condition 7(k) (*Reinvestment*

Overcollateralisation Test));

(f) on any Payment Date during the Reinvestment Period at the discretion of the Collateral Manager (acting on behalf of the Issuer), following written certification by the Collateral Manager to the Trustee (on which the Trustee may rely without further enquiry) that (A) using commercially reasonable endeavours, it has been unable, for a period of at least 20 consecutive Business Days, to identify additional Collateral Obligations or Substitute Collateral Obligations that are deemed appropriate by the Collateral Manager in its sole discretion in sufficient amounts to permit the investment of all or a portion of the funds then available for reinvestment or (B) at any time after the Effective Date but during the Reinvestment Period, it has determined, acting in a commercially reasonable manner, that a redemption is required in order to avoid a Rating Event, the Collateral Manager may elect, in its sole discretion, to designate all or a portion of those funds as a Special Redemption Amount (see Condition 7(d) (*Special Redemption*));

(g) 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) at the option of the holders of the Subordinated Notes (acting by way of Ordinary Resolution) (see Condition 7(b)(i) (*Optional Redemption in Whole – Subordinated Noteholders*));

(h) 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 (i) directed in writing by the Collateral Manager or (ii) the Subordinated Noteholders (acting by way of an Ordinary Resolution) such Class or Classes of Rated Notes to be redeemed at their applicable Redemption Prices, in each case at least 30 days prior to the Redemption Date to redeem such Class or Classes of Rated Notes, as long as the Class or Classes of Rated Notes to be redeemed each represents not less than the entire Class of such Rated Notes subject to the consent of the Collateral Manager (see Condition 7(b)(ii) (*Optional Redemption in Part – Collateral Manager / Subordinated Noteholders*));

(i) on any Payment Date on or after the redemption or repayment in full of the Rated Notes, the Subordinated Notes may be redeemed in whole at the direction of the holders of the Subordinated Notes (acting by way of Ordinary Resolution) (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)(i) (*Optional Redemption in Whole – Subordinated Noteholders*));

(k) in whole (with respect to all Classes of Notes) on any Payment Date at the option of (i) the Controlling Class or (ii) the Subordinated Noteholders, in each case acting by way of Ordinary Resolution following the occurrence of a Note Tax Event, subject to (x) the Issuer having failed to cure the Note

Tax Event and (y) certain minimum time periods. See Condition 7(g) (*Redemption Following Note Tax Event*);

(l) at any time following an acceleration of the Notes after the occurrence of an Event of Default which is continuing and has not been cured or waived (See Condition 10 (*Events of Default*));

(m) in whole (with respect to all Classes of Rated Notes) but not in part from Sale Proceeds on any Business Day following the expiry of the Non-Call Period if, upon or at any time following the expiry of the Non-Call Period, the Aggregate Principal Balance is less than 20 per cent. of the Target Par Amount if so directed in writing by the Collateral Manager (see Condition 7(b)(iii) (*Optional Redemption in Whole - Clean-up Call*)); and

(n) in part (with respect to all Classes of Notes (excluding the Class X Notes)) on any Business Day at the written direction of the Collateral Manager in order to comply with the EU Retention Requirements subject to, in respect of any Class of Notes (excluding the Class X Notes), a cumulative limit of 5.1% of the Principal Amount Outstanding of such Class of Notes as of the Issue Date (see Condition 7(m) (*Redemption of Notes in part - Collateral Manager*)).

The Class X Notes shall be subject to mandatory redemption in part beginning on (and including) the second Payment Date immediately following the Issue Date, in each case in an amount equal to the Class X Principal Amortisation Amount until the Principal Amount Outstanding of the Class X Notes is reduced to zero (see Condition 7(n) (*Redemption of the Class X Notes*)).

Non-Call Period

During the period from the Issue Date up to, but excluding, 15 July 2021 (the "**Non-Call Period**"), the Notes are not subject to Optional Redemption (save for upon a Collateral Tax Event, a Note Tax Event or a Special Redemption). See Condition 7(b) (*Optional Redemption*), Condition 7(d) (*Special Redemption*) and Condition 7(g) (*Redemption Following Note Tax Event*).

Redemption Prices

The Redemption Price of each Class of Rated Notes will be (a) 100 per cent. of the Principal Amount Outstanding of the Notes to be redeemed (including, in the case of the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes, any accrued and unpaid Deferred Interest on such Notes) plus (b) accrued and unpaid interest thereon to the day of redemption.

The Redemption Price for each Subordinated Note will be the greater of (1) 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 (2) its *pro rata* share (calculated in accordance with paragraph (DD) of the Interest Priority of Payments, paragraph (U) of the Principal Priority of Payments or paragraph (X) 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, together with, in the case of any Class M-2 Subordinated Note or any Class M-3 Subordinated Note, any accrued and unpaid Interest Amounts and any Deferred Senior Class M-2 Amounts or Deferred Subordinated Class M-2 Amounts and any Deferred Senior Class M-3 Amounts or Deferred

	Subordinated Class M-3 Amounts, as applicable.
Priorities of Payments	Prior to the delivery of an Acceleration Notice (deemed or actual) in accordance with Condition 10(b) (*Acceleration*) or following the delivery of an Acceleration Notice which has subsequently been rescinded and annulled in accordance with Condition 10(c) (*Curing of Default*), and other than in connection with an Optional Redemption in whole pursuant to Condition 7(b) (*Optional Redemption*) or in connection with a redemption in whole pursuant to Condition 7(g) (*Redemption Following Note Tax Event*), Interest Proceeds will be applied in accordance with the Interest Priority of Payments and Principal Proceeds will be applied in accordance with the Principal Priority of Payments. Upon any redemption in whole of the Notes in accordance with Condition 7(b) (*Optional Redemption*) or in accordance with Condition 7(g) (*Redemption Following Note Tax Event*) or following the delivery of an Acceleration Notice 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 Management Fees	
Senior Management Fee	An amount payable to the Collateral Manager on each Payment Date equal to the Collateral Manager Distribution Percentage of the Senior Distribution Amount, provided that if a Distribution Switch Event has occurred prior to the time of determination of the Senior Management Fee, the Senior Management Fee shall be 100 per cent. of the Senior Distribution Amount (in each case, being exclusive of any applicable VAT). See "*Description of the Collateral Management and Administration Agreement — Compensation of the Collateral Manager* ".
Subordinated Management Fee	An amount payable to the Collateral Manager on each Payment Date equal to the Collateral Manager Distribution Percentage (on the date of determination of the Subordinated Management Fee) of the Subordinated Distribution Amount, provided that if a Distribution Switch Event has occurred prior to the time of determination of the Subordinated Management Fee, the Subordinated Management Fee shall be 100 per cent. of the Subordinated Distribution Amount. per annum (in each case, being exclusive of any applicable VAT). See "*Description of the Collateral Management and Administration Agreement — Compensation of the Collateral Manager*".
Incentive Collateral Management Fee	An amount payable to the Collateral Manager on each Payment Date for which the IRR Threshold has been met or surpassed, such Incentive Collateral Management Fee in an amount equal to the Collateral Manager Distribution Percentage of the Incentive Distribution Amount (being exclusive of any applicable VAT). See "*Description of the Collateral Management and Administration Agreement — Compensation of the Collateral Manager*".
Senior Distribution Amount	In respect of a Payment Date and the immediately preceding Due Period thereto, an amount determined by the Collateral Administrator equal to 0.15 per cent. per annum (calculated on the basis of a 360 day year and the actual number of days elapsed in such Due Period) of the Collateral Principal Amount as at the first day of the Due Period (or, if such day is not a Business Day, the next day which is a Business Day) relating to the applicable Payment Date.

Collateral Manager Advances	To the extent that there are insufficient sums standing to the credit of the Supplemental Reserve Account from time to time to purchase or exercise rights under Collateral Enhancement Obligations which the Collateral Manager determines on behalf of the Issuer should be purchased or exercised, the Collateral Manager may, at its discretion, pay amounts required in order to fund such purchase or exercise (such amount, a "**Collateral Manager Advance**") to such account pursuant to the terms of the Collateral Management and Administration Agreement. Each Collateral Manager Advance may bear interest provided that such rate of interest shall not exceed a rate of EURIBOR plus 2.0 per cent. per annum. All such Collateral Manager Advances shall be repaid out of Interest Proceeds and Principal Proceeds on each Payment Date pursuant to the Priorities of Payment. Each Collateral Manager Advance must be in a minimum amount of €1,000,000 and no more than three Collateral Manager Advances may be made in total.
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 Obligations. The Notes will also be secured by an assignment by way of security of various of the Issuer's other rights, including its rights under certain of the agreements described herein but excluding its rights in respect of the Issuer Profit Account and the Corporate Services Agreement. See Condition 4 (*Security*).
Hedge Arrangements	
General	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 Obligations. The Issuer will obtain Rating Agency Confirmation prior to entering into any hedging arrangements after the Issue Date unless it is a Form Approved Hedge. See "*Hedging Arrangements*". Subject to the Eligibility Criteria, the Issuer or the Collateral Manager on its behalf may purchase Collateral Obligations that are denominated in a Qualifying Currency provided that no later than the settlement of the purchase by the Issuer of such Collateral Obligation a Currency Hedge Transaction is entered into in respect of each such Collateral Obligation with a Hedge Counterparty satisfying the applicable Rating Requirement under which the currency risk is reduced or eliminated.
Issue Date Interest Rate Hedge Transactions	On or around the Issue Date, the Issuer may enter into Interest Rate Hedge Transactions which are interest rate caps ("**Issue Date Interest Rate Hedge Transactions**") with one or more Interest Rate Hedge Counterparties in order to mitigate its exposure to increases in EURIBOR-based payments of interest payable by the Issuer on the Rated Notes. Should the Issuer enter into such transactions on the Issue Date, the Issuer will pay a premium to any such Interest Rate Hedge Counterparty. The Issuer (or the Collateral Manager on its behalf) would be required to exercise such Issue Date Interest Rate Hedge Transactions if at any time EURIBOR was greater than the strike price set out in the applicable Issue Date Interest Rate Hedge Transaction. The Issuer (or the Collateral Manager on its behalf) may be permitted to novate any Issue Date Interest Rate Hedge Transaction in certain circumstances.
Collateral Manager	Pursuant to the Collateral Management and Administration Agreement, the Collateral Manager is required to act as the Issuer's collateral manager

with respect to the Portfolio, to act in specific circumstances in relation to the Portfolio on behalf of the Issuer and to carry out the duties and functions described therein. Pursuant to the Collateral Management and Administration Agreement, the Issuer delegates authority to the Collateral Manager to carry out certain functions in relation to the Portfolio and any Hedge Transactions. See "*Description of the Collateral Management and Administration Agreement*" and "*The Portfolio*".

The Collateral Manager has selected the Collateral Obligations purchased by the Issuer on or prior to the Issue Date pursuant to the terms of the Warehouse Arrangements and has independently reviewed and assessed each such Collateral Obligation. The Collateral Manager will acknowledge that such Collateral Obligations purchased pursuant to the Warehouse Arrangements between the date the Issuer acquired or committed to acquire such Collateral Obligations and the Issue Date shall, subject to any limitations or restrictions set out in the Collateral Management and Administration Agreement, fall within the Collateral Manager's duties and obligations pursuant to the terms of the Collateral Management and Administration Agreement.

Purchase and Sale of Collateral Obligations

Initial Portfolio

The Issuer (or the Collateral Manager on its behalf) has purchased a portfolio of Collateral Obligations prior to the Issue Date pursuant to the Warehouse Arrangements, subject to the Eligibility Criteria and certain other restrictions.

Initial Investment Period

During the period from and including the Issue Date to but excluding the earlier of:

(a) the date designated for such purpose by the Collateral Manager, subject to the Effective Date Determination Requirements having been satisfied; and

(b) 15 December 2019 (or if such day is not a Business Day, the next following Business Day),

(such earlier date, the "**Effective Date**" and such period, the "**Initial Investment Period**"), the Collateral Manager (on behalf of the Issuer) intends to use reasonable endeavours to purchase the Portfolio of Collateral Obligations, subject to the Eligibility Criteria and certain other restrictions.

Target Par Amount

It is intended that the Aggregate Principal Balance of the Collateral Obligations in the Portfolio on the Effective Date will be €400,000,000.

Sale of Collateral Obligations

Subject to the limits described in the Collateral Management and Administration Agreement, the Collateral Manager, on behalf of the Issuer, may dispose of any Collateral Obligation during and after the Reinvestment Period. See "*The Portfolio – Management of the Portfolio - Discretionary Sales*" and "*The Portfolio – Management of the Portfolio - Terms and Conditions applicable to the Sale of Credit Risk Obligations, Credit Improved Obligations, Defaulted Obligations and Equity Securities* " and "*The Portfolio – Terms and Conditions applicable to the Sale of Exchanged Equity Securities*".

Reinvestment in Collateral Obligations

Subject to the limits described in the Collateral Management and Administration Agreement and Principal Proceeds being available for such purpose, the Collateral Manager shall, on behalf of the Issuer, use

	reasonable endeavours to purchase Substitute Collateral Obligations meeting the Eligibility Criteria and the Reinvestment Criteria during the Reinvestment Period. Following expiry of the Reinvestment Period, only Unscheduled Principal Proceeds and Sale Proceeds from the sale of Credit Risk Obligations and Credit Improved Obligations received after the Reinvestment Period may, but are not required to, be reinvested by the Issuer or the Collateral Manager acting on behalf of the Issuer, in Substitute Collateral Obligations meeting the Eligibility Criteria and Reinvestment Criteria and subject to certain other restrictions. See "*The Portfolio — Management of the Portfolio*".
Eligibility Criteria	In order to qualify as a Collateral Obligation, an obligation must satisfy certain specified Eligibility Criteria. Each obligation shall only be required to satisfy the Eligibility Criteria at the time the Issuer (or the Collateral Manager, acting on behalf of the Issuer) enters into a binding commitment to purchase such obligation save for an Issue Date Collateral Obligation which must also satisfy the Eligibility Criteria on the Issue Date. See "*The Portfolio — Eligibility Criteria*".
Restructured Obligations	In order for a Collateral Obligation which is the subject of a restructuring to qualify as a Restructured Obligation, such Collateral Obligation must satisfy the Restructured Obligation Criteria as at the applicable Restructuring Date. See "*The Portfolio - Restructured Obligations*".
Collateral Quality Tests	The Collateral Quality Tests will comprise the following: For so long as any of the Rated Notes are rated by Moody's and are Outstanding: (a) the Moody's Minimum Diversity Test; (b) the Moody's Maximum Weighted Average Rating Factor Test; (c) the Moody's Minimum Weighted Average Recovery Rate Test; and (d) the Moody's Minimum Weighted Average Spread Test. For so long as any of the Rated Notes are rated by Fitch and are Outstanding: (a) the Fitch Maximum Weighted Average Rating Factor Test; (b) the Fitch Minimum Weighted Average Recovery Rate Test; (c) the Maximum Obligor Concentration Test; and (d) the Fitch Minimum Weighted Average Spread Test. For so long as any of the Rated Notes are Outstanding, the Weighted Average Life Test.
Portfolio Profile Tests	In summary, the Portfolio Profile Tests will consist of each of the following (the percentage requirements applicable to different types of Collateral Obligations specified in the Portfolio Profile Tests and summarily displayed in the table below shall be determined by reference

to the Collateral Principal Amount):

		Minimum	Maximum
(a)	Secured Senior Obligations in aggregate (including the Balances standing to the credit of the Principal Account and the Unused Proceeds Account and Eligible Investments acquired with such Balances (excluding accrued interest))	90.0%	N/A
(b)	Secured Senior Loans (which term, for these purposes, shall comprise the aggregate of the Aggregate Principal Balance of the Secured Senior Loans and the Balances standing to the credit of the Principal Account and the Unused Proceeds Account, including Eligible Investments acquired with such Balances (excluding accrued interest thereon, in each case as at the relevant Measurement Date))	70.0%	N/A
(c)	Secured Senior Bonds, Unsecured Senior Bonds, High Yield Bonds and Mezzanine Obligations in the form of bonds	N/A	30.0%
(d)	Fixed Rate Collateral Obligations	N/A	10.0% or, in relation to a Fitch Test Matrix elected by the Collateral Manager where such Fitch Test Matrix and/or the interpolation between the applicable Fitch Test Matrices applies a maximum percentage of the Collateral Principal Amount that can comprise Fixed Rate Collateral Obligations, such lower percentage calculated in accordance with the provisions set out in the section of this Offering Circular entitled "*The Portfolio — Portfolio Profile Tests and Collateral Quality Tests—Fitch Test Matrices*"
(e)	Unsecured Senior Obligations, Second Lien Loans, Mezzanine Obligations and/or High Yield Bonds in aggregate	N/A	10.0%
(f)	Collateral Obligations of a single Obligor (in the case	N/A	2.5%, provided that up to three Obligors may each

	of Secured Senior Obligations)		represent up to 3.0% each
(g)	Collateral Obligations of a single Obligor (in the case of Collateral Obligations which are not Secured Senior Obligations)	N/A	1.5%
(h)	Collateral Obligations of a single Obligor	N/A	2.5%, provided that up to three Obligors may each represent up to 3.0% each
(i)	Collateral Obligations of the ten largest Obligors determined by the proportion of the Aggregate Principal Balance of all Collateral Obligations they each represent at the relevant date of determination	N/A	20.0%
(j)	Non-Euro Obligations	N/A	20.0%
(k)	Participations	N/A	5.0%
(l)	Current Pay Obligations	N/A	2.5%
(m)	Unfunded Amounts/Funded Amounts under Revolving Obligations/Delayed Drawdown Collateral Obligations	N/A	5.0%
(n)	CCC Obligations	N/A	7.5%
(o)	Caa Obligations	N/A	7.5%
(p)	Corporate Rescue Loans	N/A	5.0%, provided that not more than 2.0% may consist of Corporate Rescue Loans from a single Obligor
(q)	Fitch industry classification	N/A	10.0% provided that: (i) three Fitch industries may comprise in aggregate up to 40.0%; and (ii) any one Fitch industry may comprise up to 17.5%
(r)	Moody's Rating derived from S&P Rating	N/A	10.0%
(s)	Domicile of Obligors – Fitch		10.0% Domiciled in countries with a country ceiling rated below "AAA" by Fitch unless Rating Agency Confirmation from Fitch is obtained
(t)	Domicile of Obligors – Moody’s	N/A	10.0% Domiciled in countries or jurisdictions with a Moody's local currency country risk ceiling of "A1" or below unless Rating Agency Confirmation from Moody's is obtained

(u)	Bivariate Risk Table	N/A	See limits set out in "*The Portfolio - Management of the Portfolio - Bivariate Risk Table*"
(v)	Cov-Lite Loans	N/A	30.0%
(w)	Indebtedness of Obligor	N/A	5.0% Collateral Obligations issued by Obligors each of which has a total current indebtedness (comprised of all financial debt owing by the relevant 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 of not less than EUR 150 million but not more than EUR 250 million or the equivalent thereof at the Spot Rate at the time at which the Issuer entered into a binding commitment to purchase such Collateral Obligation
(x)	Discount Obligations		25.0%
(y)	Collateral Manager Portfolio Companies	N/A	10.0%

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.

Class	Required Par Value Ratio
A/B	128.4%
C	120.1%
D	112.2%
E	106.6%
F	104.1%

Class	Required Interest Coverage Ratio
A/B	120.0%
C	115.0%
D	110.0%
E	105.0%

Reinvestment Overcollateralisation Test

On any Determination Date on and after the Effective Date and during the Reinvestment Period only, if the Reinvestment Overcollateralisation Test is failing on the relevant Determination Date, Interest Proceeds shall be applied in an amount (such amount, the "**Required Diversion Amount**") equal to the lesser of (1) 50.0 per cent. of all remaining Interest Proceeds

	available for payment pursuant to paragraph (W) of the Interest 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 Priority of Payments, would be sufficient to cause the Reinvestment Overcollateralisation Test to be met as of the relevant Determination Date, at the discretion of the Collateral Manager (acting on behalf of the Issuer), (i) to the payment into the Principal Account to purchase additional Collateral Obligations as Principal Proceeds or (ii) to payment of the Rated Notes in accordance with the Note Payment Sequence.
Principal Purchase Test	At the discretion of the Collateral Manager at any time following the expiry of the Non-Call Period and provided that the Principal Purchase Test will be satisfied immediately following such payment, the Issuer may transfer amounts from the Interest Account to the Principal Purchase Account for the purchase of Collateral Obligations.
Traded but unsettled Collateral Obligations	Obligations in respect of which the Issuer or the Collateral Manager, on behalf of the Issuer, has entered into a binding commitment to purchase, but which have not yet settled, shall be included as Collateral Obligations in the calculation of the Portfolio Profile Tests, the Collateral Quality Tests, the Coverage Tests, the Reinvestment Overcollateralisation Test and the Principal Purchase Test at any time as if such purchase had been completed. Obligations in respect of which the Issuer or the Collateral Manager, on behalf of the Issuer, has entered into a binding commitment to sell, but which have not yet settled, shall not be included as Collateral Obligations in the calculation of the Portfolio Profile Tests, the Collateral Quality Tests, the Coverage Tests, the Reinvestment Overcollateralisation Test and the Principal Purchase Test at any time as if such sale had been completed and the anticipated proceeds of such sale shall be deemed to be received and deposited into the appropriate account.
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) sold outside of the United States to non-U.S. persons (as defined in Regulation S) in reliance on Regulation S will be represented on issue by beneficial interests in one or more Regulation S Global Certificates in fully registered form, without interest coupons or principal receipts, which will be deposited on or about the Issue Date with, and registered in the name of, a 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 (as defined in Regulation S) or U.S. Resident. The Rule 144A Notes of each Class (other than, in certain circumstances, the Class E Notes, the Class F Notes and the Subordinated Notes) sold in reliance on Rule 144A within the United States to persons and outside of

the United States to U.S. persons (as defined in Regulation S), in each case, who are both QIBs and QPs, will be represented on issue by one or more Rule 144A Global Certificates in fully registered form, without interest coupons or principal receipts deposited with, and registered in the name of, a 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 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 Transfer Agent with a written certification substantially in the form set out in the Trust Deed regarding compliance with certain of such transfer restrictions. Any transfer of a beneficial interest in a Regulation S Global Certificate to a person who takes delivery through an interest in a Rule 144A Global Certificate is also subject to certification requirements substantially in the form set out in the Trust Deed and each purchaser thereof shall be deemed to represent that such purchaser is 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 (as defined in Regulation S) or U.S. Resident. See "*Form of the Notes*" and "*Book Entry Clearance Procedures*".

Except in the limited circumstances described herein, definitive certificates in 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, provided that a holder of Class M-1 Subordinated Notes or Class M-2 Subordinated Notes may only hold such Subordinated Notes by way of Definitive Certificates. See "*Form of the Notes - Exchange for Definitive Certificates*".

Each initial investor and each transferee of a Class E Note, a Class F Note or Subordinated Note in the form of a Global Certificate will be deemed to represent (among other things) that it is not, and is not acting on behalf of (and for so long as it holds such Note or an interest therein it will not be, and will not be acting on behalf of) a Benefit Plan Investor or a Controlling Person. If an initial investor or transferee is unable to make such deemed representation, such initial investor or transferee may not acquire such Note unless such initial investor or transferee: (i) obtains the written consent of the Issuer; (ii) provides an ERISA certificate to the Issuer as to its status as a Benefit Plan Investor or Controlling Person (substantially in the form of Annex B); and (iii) unless the written consent of the Issuer to the contrary is obtained with respect to securities purchased by an initial investor on the Issue Date, holds such Note in the form of a Definitive Certificate.

Transfers of interests in the Notes are subject to certain restrictions and must be made in accordance with the procedures set forth in the Trust Deed. See "*Form of the Notes*", "*Book Entry Clearance Procedures*" and "*Transfer Restrictions*".

Each purchaser or transferee 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 Transfer pursuant to ERISA*) and Condition 2(j) (*Forced Transfer pursuant to FATCA*).
CM Removal and Replacement Voting Notes, CM Removal and Replacement Non-Voting Notes and CM 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 CM Removal and Replacement Voting Notes, CM Removal and Replacement Exchangeable Non-Voting Notes or CM Removal and Replacement Non-Voting Notes. CM 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 voting on any CM Replacement Resolutions and/or any CM Removal Resolutions. CM Removal and Replacement Non-Voting Notes and CM Removal and Replacement Exchangeable Non-Voting Notes shall not carry any rights in respect of, or be counted for the purposes of determining a quorum and the result of voting on any CM Removal Resolutions or any CM Replacement Resolutions but shall carry a right to vote on and be counted in respect of all other matters in respect of which the CM Removal and Replacement Voting Notes have a right to vote and be counted. CM Removal and Replacement Voting Notes shall be exchangeable at any time upon request by the relevant Noteholder into CM Removal and Replacement Exchangeable Non-Voting Notes or CM Removal and Replacement Non-Voting Notes. CM Removal and Replacement Exchangeable Non-Voting Notes shall be exchangeable for (a) upon request by the relevant Noteholder, CM Removal and Replacement Non-Voting Notes at any time; or (b) only in connection with the transfer of such Notes to an entity that is not an Affiliate of the transferor and upon request of the relevant transferee or transferor, CM Removal and Replacement Voting Notes. CM Removal and Replacement Non-Voting Notes shall not be exchangeable at any time into CM Removal and Replacement Voting Notes or CM Removal and Replacement Exchangeable Non-Voting Notes. The Class X 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 CM Removal Resolutions or any CM Replacement Resolutions.
Governing Law	The Notes, the Trust Deed, the Collateral Management and Administration Agreement, the Agency and Account Bank Agreement and all other Transaction Documents (save for the Corporate Services Agreement which is governed by the laws of Ireland) will be governed by English law.
Listing	Application has been made to Euronext Dublin 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 listing will be maintained.
Tax Status	See "*Tax Considerations*".
Certain ERISA Considerations	See "*Certain ERISA Considerations*".

Withholding Tax	No gross-up of any payments will be payable to the Noteholders. See Condition 9 (*Taxation*).
Additional Issuances	Subject to certain conditions being met (including the prior written approval of the Retention Holder), additional Notes of all existing Classes (other than the Class X Notes) or of the Subordinated Notes may be issued and sold. See Condition 17 (*Additional Issuances*). Additional Notes that are not fungible with original Notes for U.S. federal tax purposes will be issued with a separate securities identifier.
EU Retention Requirements	The Retention Notes will be acquired by the Retention Holder on the Issue Date from the Initial Purchaser and, pursuant to the Collateral Management and Administration Agreement, the Collateral Manager in its capacity as Retention Holder will undertake to retain the Retention Notes, with the intention of complying with the EU Retention Requirements. See "*The EU Retention and Disclosure Requirements*" and "*Risk Factors – Regulatory Initiatives – Risk Retention in Europe*". The Retention Holder intends to obtain financing on or about the Issue Date for its acquisition of the Retention Notes. See "*Risk Factors – Regulatory Initiatives – Retention Financing*". In respect of the EU Disclosure Requirements, (i) the Issuer will undertake to be designated as the entity required to make available to the Noteholders, potential investors in the Notes and the competent authorities the reports and information necessary to fulfil the reporting requirements thereunder, (ii) the Collateral Manager and/or the Issuer agrees to the extent that such information is within its possession and not subject to a duty of confidentiality under law or contract and is not already otherwise available to the Collateral Administrator to provide to the Collateral Administrator all reports, data and other information reasonably necessary for the proper performance by the Issuer as the reporting entity of such reporting obligations and (iii) the Collateral Administrator will, to the extent agreed by the Collateral Administrator, make available such reports and information via a secure website. See "*Risk Factors – EU Disclosure 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. Prospective investors should carefully consider the following factors, in addition to the matters set forth elsewhere in this Offering Circular, prior to investing in any Notes. Terms not defined in this section and not otherwise defined above have the meanings set out in Condition 1 (Definitions) of the "Terms and Conditions".

1. General

1.1 General

It is intended that the Issuer will invest in Collateral Obligations and other financial assets with certain risk characteristics as described below and subject to the investment policies, restrictions and guidelines described in "*The Portfolio*". There can be no assurance that the Issuer's investments will be successful, that its investment objectives will be achieved, that the Noteholders will receive the full amounts payable by the Issuer under the Notes or that they will receive any return on their investment in the Notes. Prospective investors are therefore advised to review this entire Offering Circular carefully and should consider, among other things, the risk factors set out in this section before deciding whether to invest in the Notes. Except as is otherwise stated below, such risk factors are generally applicable to all Classes of Notes, although the degree of risk associated with each Class of Notes will vary in accordance with the position of such Class of Notes in the Priorities of Payments. See Condition 3(c) (*Priorities of Payment*). In particular: (i) payments of Senior Class M-2 Interest Amounts on the Class M-2 Subordinated Notes and Senior Class M-3 Interest Amounts on the Class M-3 Subordinated Notes will rank pari passu as amongst themselves and rank senior in the Priorities of Payments in respect of each other Class; (ii) payments in respect of the Class X Notes and the Class A Notes are generally higher in the Priorities of Payments than those of the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Subordinated Notes (save in respect of the Senior Class M-2 Interest Amounts on the Class M-2 Subordinated Notes and Senior Class M-3 Interest Amounts on the Class M-3 Subordinated Notes); (iii) payments in respect of the Class B Notes are generally higher in the Priorities of Payments than those of the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Subordinated Notes (save in respect of the Senior Class M-2 Interest Amounts on the Class M-2 Subordinated Notes and Senior Class M-3 Interest Amounts on the Class M-3 Subordinated Notes); (iv) payments in respect of the Class C Notes are generally higher in the Priorities of Payments than those of the Class D Notes, the Class E Notes, the Class F Notes and the Subordinated Notes (save in respect of the Senior Class M-2 Interest Amounts on the Class M-2 Subordinated Notes and Senior Class M-3 Interest Amounts on the Class M-3 Subordinated Notes); (v) payments in respect of the Class D Notes are generally higher in the Priorities of Payment than those of the Class E Notes, the Class F Notes and the Subordinated Notes (save in respect of the Senior Class M-2 Interest Amounts on the Class M-2 Subordinated Notes and Senior Class M-3 Interest Amounts on the Class M-3 Subordinated Notes); (vi) payments in respect of the Class E Notes are generally higher in the Priorities of Payments than those of the Class F Notes and the Subordinated Notes (save in respect of the Senior Class M-2 Interest Amounts on the Class M-2 Subordinated Notes and Senior Class M-3 Interest Amounts on the Class M-3 Subordinated Notes); (vii) payments in respect of the Class F Notes are generally higher in the Priorities of Payments than those of the Subordinated Notes (save in respect of the Senior Class M-2 Interest Amounts on the Class M-2 Subordinated Notes and Senior Class M-3 Interest Amounts on the Class M-3 Subordinated Notes); (viii) payments of Subordinated Class M-2 Interest Amounts on the Class M-2 Subordinated Notes and Subordinated Class M-3 Interest Amounts on the Class M-3 Subordinated Notes will rank senior in the Priorities of Payment to payments of IRR Class M-2 Amounts on the Class M-2 Subordinated Notes, IRR Class M-3 Interest Amounts on the Class M-3 Subordinated Notes and residual distributions on the Class M-1 Subordinated Notes and the Class M-2 Subordinated Notes and (ix) provided the IRR Threshold has been met or surpassed, payments of IRR Class M-2 Amounts and IRR Class M-3 Amounts will rank pari passu as amongst themselves and will rank senior to residual distributions on the Class M-1 Subordinated Notes and the Class M-2 Subordinated Notes. Notwithstanding the foregoing, on one occasion at any time on or after the Issue Date, the Issuer may, at the discretion of the Collateral Manager, distribute up to €100,000 in aggregate from the Expense Reserve Account (to the extent funds are available) to the Class M-3 Subordinated Noteholders (on a pro rata basis) in respect of the Class M-3 Subordinated Notes.

Neither the Initial Purchaser nor the Trustee undertakes to review the financial condition or affairs of the Issuer or the Collateral Manager during the life of the arrangements contemplated by this Offering Circular nor to advise any investor or potential investor in the Notes of any information coming to the attention of the 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 Payment. In the event that such funds are not sufficient to pay the expenses incurred by the Issuer, the ability of the Issuer to operate effectively may be impaired, and it may not be able to defend or prosecute legal proceedings brought against it or which it might otherwise bring to protect its interests or be able to pay the expenses of legal proceedings against persons it has indemnified.

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

Legal, tax and regulatory changes could occur over the course of the life of the Notes that may adversely affect the Issuer. The regulatory environment for vehicles of the nature of the Issuer is evolving, and changes in regulation may adversely affect the value of investments held by the Issuer and the ability of the Issuer to obtain the leverage it might otherwise obtain or to pursue its investment and trading strategies. In addition, the securities and derivatives markets are subject to comprehensive statutory, regulatory and margin requirements. Certain regulators and self-regulatory organisations and exchanges are authorised to take extraordinary actions in the event of market emergencies. The regulation of derivatives transactions and vehicles that engage in such transactions is an evolving area of law and is subject to modification by government and judicial action. The effect of any future regulatory change on the Issuer could be substantial and adverse.

1.5 Events in the CLO and Leveraged Finance Markets

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

Many European economies continue to suffer from high rates of unemployment. This economic climate may have an adverse effect on the ability of consumers and businesses to repay or refinance their existing debt. Several countries have experienced or are currently experiencing a "double-dip" recession and there remains a risk of a "double-dip" recession in countries which have experienced modest growth over previous quarters and continued recession in countries which have not yet experienced positive growth since the onset of the global recession.

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

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

Many financial institutions, including banks, continue to suffer from capitalisation issues. The bankruptcy or insolvency of a major financial institution may have an adverse effect on the Issuer, particularly if such financial institution is a the administrative agent of a leveraged loan, 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, insolvency or financial distress of another financial institution, or one or more sovereigns may result in the disruption of payments to the Issuer. In addition, the bankruptcy or insolvency of one or more additional financial institutions may trigger additional crises in the global credit markets and overall economy which could have a significant adverse effect on the Issuer, the Collateral and the Notes.

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

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

1.6 Euro and Euro Zone Risk

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

As a result of the credit crisis in Europe, in particular in Cyprus, Greece, Ireland, Italy, Portugal and Spain, the European Commission created the European Financial Stability Facility (the "**EFSF**") and the European Financial Stability Mechanism (the "**EFSM**") to provide funding to Euro zone countries in financial difficulties that seek such support. In March 2011, the European Council agreed on the need for Euro zone countries to establish a permanent stability mechanism, the European Stability Mechanism (the "**ESM**") to assume the role of the EFSF and the EFSM in providing external financial assistance to Euro zone countries from 1 July 2013.

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

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

1.7 UK Referendum on Membership of the European Union

Concerns relating to credit risk (including that of sovereigns and of those entities which have exposure to sovereigns) persist, in particular with respect to current economic, monetary and political conditions in the Eurozone. If such conditions further deteriorate (including as may be demonstrated by any relevant credit rating agency action, any default or restructuring of indebtedness by one or more states or institutions and/or any exit(s) by any member state(s) from the European Union and/or any changes to, including any break up of, the Eurozone), then these matters may cause further severe stress in the financial system generally and/or may adversely affect the United Kingdom (the "**UK**") housing market, the Issuer, one or more of the other parties to the Transaction Documents (including the seller, the servicer, the account bank and/or the swap providers) and/or any borrower in respect of the underlying loans.

In particular, prospective investors should note that, pursuant to a referendum held in June 2016, the UK has voted to leave the European Union and, on 29 March 2017, the UK Government invoked article 50 of the Lisbon Treaty and officially notified the European Union of its decision to withdraw from the European Union. This commenced the formal two-year process of negotiations regarding the terms of the withdrawal and the framework of the future relationship between the UK and the European Union (the "**article 50 withdrawal agreement**"). As part of those negotiations, a transitional period has been agreed in principle which would extend the application of European Union law, and provide for continuing access to the European Union single market, until the end of 2020.

It remains uncertain whether the article 50 withdrawal agreement will be finalised and ratified by the UK and the European Union ahead of the 31 October 2019 deadline. If it is not ratified, the Treaty on the European Union and the Treaty on the Functioning of the European Union will cease to apply to the UK from that date. Whilst continuing to negotiate the article 50 withdrawal agreement, the UK Government has therefore commenced preparations for a "hard" Brexit or "no-deal" Brexit to minimise the risks for firms and businesses associated with an exit with no transitional agreement. This has included publishing draft secondary legislation under powers provided in the EU (Withdrawal) Act 2018 to ensure that there is a functioning statute book on 31 October 2019. The European authorities have not provided UK firms and businesses with similar assurances in preparation for a "hard" Brexit.

Due to the ongoing political uncertainty as regards the terms of the UK's withdrawal from the European Union and the structure of the future relationship, it is not possible to determine the precise impact on general economic conditions in the UK, including the performance of the UK housing market. It is also not possible to determine the precise impact that these matters will have on the business of the Issuer (including the performance of the underlying loans), any other party to the transaction documents and/or any borrower in respect of the underlying loans, or on the regulatory position of any such entity or of the transactions contemplated by the transaction documents under European Union regulation or more generally.

No assurance can be given that any of the matters outlined above would not adversely affect the ability of the Issuer to satisfy its obligations under the Notes and/or the market value and/or liquidity of the Notes in the secondary market.

If the UK were, as a consequence of leaving the EU, no longer within the scope of 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, then (a) a UK manager such as the Collateral 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 Collateral 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 EU Retention Requirements (even if the Collateral Manager were to remain subject to UK financial services regulation), however, we note that the Collateral Manager intends to act as an "originator" retention holder for the purposes of this transaction. As of the date hereof, an "originator" retention holder is not required to be regulated in the EU in order to act in such capacity.

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 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. It is not possible to guarantee or predict the timing of any European Commission equivalency decision, cooperation arrangements or registration by ESMA.

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 European Commission equivalency decision and (ii) following any European Commission equivalency decision, for a maximum of three years.

The European Union (Markets in Financial Instruments) Regulations 2017 S.I. No. 375 of 2017 (as amended, the "**2017 MiFID Regulations**") implemented Directive 2014/65/EU into Irish law, effective 3 January 2018. The 2017 MiFID Regulations contain a "safe-harbour" for non-EU investment firms, however, services to 'retail clients' (as defined in MiFID II) are excluded.

Until non-EU investment firms qualify under MiFID II to provide collateral management services in the EU on a cross-border basis, the "safe harbour" provision for non-EU investment firms providing services into Ireland to Irish persons contained in the 2017 MiFID Regulations will apply, provided that:

(a) the non-EU investment firm's head or registered office is in a non-EU country and it has no branch in Ireland;

(b) the non-EU investment firm is subject to authorisation and supervision in the non-EU country where the non-EU investment firm is established and the non-EU investment firm is authorised so that the competent authority of the non-EU country pays due regard to any recommendations of the Financial Action Task Force in the context of anti-money laundering and countering the financing of terrorism;

(c) co-operation arrangements that include provisions regulating the exchange of information for the purpose of preserving the integrity of the market and protecting investors are in place between the Central Bank of Ireland and the competent authorities where the non-EU investment firm is established; and

(d) the non-EU investment firm's services are provided only to professional clients or eligible counterparties (i.e. as defined in Directive 2014/65/EU) and are not provided to retail clients.

Ratings Actions

Following the result of the Referendum, S&P, Fitch and Moody's each downgraded the UK's sovereign credit rating and each of S&P and Fitch 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 Notes and, therefore, the Noteholders.

1.8 Reliance on Rating Agency Ratings

The Dodd-Frank Wall Street Reform and Consumer Protection Act (the "**Dodd-Frank Act**") requires that U.S. federal banking agencies amend their regulations to remove reference to or reliance on credit agency ratings,

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

1.9 Flip Clauses

There is uncertainty as to the validity and/or enforceability of a provision which (based on contractual and/or trust principles) subordinates certain payment rights of a creditor to the payment rights of other creditors of its counterparty upon the occurrence of insolvency proceedings relating to that creditor. In particular, recent cases have focused on provisions involving the subordination of a hedging counterparty's payment rights in respect of certain termination payments upon the occurrence of insolvency proceedings or other default on the part of such counterparty (so-called "**flip clauses**"). Such provisions are similar in effect to the terms which will be included in the Transaction Documents relating to the subordination of termination payments in certain circumstances.

The English Supreme Court has held that a flip clause as described above is valid under English law. Contrary to this, however, certain US Bankruptcy Court decisions have held that such a subordination provision is unenforceable under US bankruptcy law and that any action to enforce such provision would violate the automatic stay which applies under such law in the case of a US bankruptcy of the counterparty. The implications of this conflict remain unresolved. However, it should be noted that, on 26 June 2016, Judge Shelley Chapman in the U.S. Bankruptcy Court ruled in a series of cases commenced by the Lehman Brothers Chapter 11 debtors that a series of flip clauses were enforceable for several reasons, including the protection of those clauses by provisions in the U.S. Bankruptcy Code known as "safe harbors". Lehman has filed a notice of appeal with regards to the decision.

If a creditor of the Issuer (such as the Hedge Counterparties) or a related entity becomes subject to insolvency proceedings in any jurisdiction outside England and Wales (including, but not limited to, the US), and it is owed a payment by the Issuer, a question arises as to whether the insolvent creditor or any insolvency official appointed in respect of that creditor could successfully challenge the validity and/or enforceability of subordination provisions included in the English law governed Transaction Documents (such as a provision of the Priorities of Payments which refers to the ranking of each Hedge Counterparty's payment rights in respect of termination payments in certain circumstances). In particular, based on the decision of the US Bankruptcy Court referred to above, there is a risk that such subordination provisions would not be upheld under US bankruptcy laws. Such laws may be relevant in certain circumstances with respect to a Hedging Counterparty (and/or with respect to any replacement counterparty, depending on certain matters in respect of that entity).

In general, if a subordination provision included in the Transaction Documents was successfully challenged under the insolvency laws of any relevant jurisdiction outside England and Wales and any relevant foreign judgment or order was recognised by the English courts, there can be no assurance that such actions would not adversely affect the rights of the Noteholders, the market value of the Notes and/or the ability of the Issuer to satisfy its obligations under the Notes.

Lastly, given the general relevance of the issues under discussion in the judgments referred to above and that the Transaction Documents will include terms providing for the subordination of termination payments in certain circumstances, there is a risk that the final outcome of the dispute in such judgments (including any recognition action by the English courts) may result in negative rating pressure in respect of the Notes. If any rating assigned to the Notes is lowered, the market value of the Notes may reduce.

1.10 LIBOR and EURIBOR Reform

Various interest rate benchmarks (including the London Inter-Bank Offered Rate ("**LIBOR**") and the Euro Interbank Offered Rate ("**EURIBOR**") are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented including the EU Benchmark Regulation (Regulation (EU) 2016/1011) (the "**Benchmark Regulation**"). In

addition, the sustainability of LIBOR has been questioned by the UK Financial Conduct Authority as a result of the absence of relevant active underlying markets and possible disincentives (including possibly as a result of regulatory reforms) for market participants to continue contributing to such benchmarks. Additionally, in March 2017, the European Money Markets Institute (formerly Euribor-EBF) (the "**EMMI**") published a position paper referring to certain proposed reforms to EURIBOR, which reforms aim to clarify the EURIBOR specification, to develop a transaction-based methodology for EURIBOR and to align the relevant methodology with the Benchmarks Regulation, the IOSCO Principles for Financial Benchmarks and other regulatory recommendations. The EMMI has since indicated that there has been a "change in market activity as a result of the current regulatory requirements and a negative interest rate environment" and "under the current market conditions it will not be feasible to evolve the current EURIBOR methodology to a fully transaction-based methodology following a seamless transition path". It is the current intention of the EMMI to develop a hybrid methodology for EURIBOR.

These reforms and other pressures may cause one or more interest rate benchmarks to disappear entirely, to perform differently than in the past (as a result of a change in methodology or otherwise), create disincentives for market participants to continue to administer or participate in certain benchmarks or have other consequences which cannot be predicted.

Based on the foregoing, prospective investors should in particular be aware that:

(a) any of these reforms or pressures described above or any other changes to a relevant interest rate benchmark (including LIBOR or EURIBOR) could affect the level of the published rate, including to cause it to be lower and/or more volatile than it would otherwise be;

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

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

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

(c) in the case of a change to EURIBOR, if the EURIBOR benchmarks referenced in Condition 6 (*Interest*) are discontinued or otherwise unavailable, subject to any amendment to the Transaction Documents, interest on the Floating Rate Notes will be calculated for a period by the fall-back provisions provided for under Condition 6(e) (*Interest on the Rated Notes*), although such provisions, being dependent in part upon the provision by reference banks of offered quotations for leading banks in the Euro-zone interbank market, may not operate as intended (depending on market circumstances and the availability of rates information at the relevant time) and may in certain circumstances result in the effective application of a fixed rate based on the rate which applied in the previous period when EURIBOR was available;

(d) if EURIBOR or any other relevant interest rate benchmark is discontinued, there can be no assurance that the applicable fall-back provisions under any swap agreements would operate to allow the transactions under such swap agreements to effectively mitigate interest rate risk in respect of the Floating Rate Notes;

(e) if any of the LIBOR, EURIBOR or other related benchmark is materially disrupted, calculated in a different way or discontinued (or the Collateral Manager reasonably expects any of these events will occur), the Issuer may amend, modify, supplement and/or waive the relevant provisions of the Trust Deed and/or the Collateral Management and Administration Agreement and/or any other Transaction Document and may enter into supplemental trust deeds, or any other modification, authorisation or waiver to change the relevant reference rate of the Floating Rate Notes to an alternative base rate, replace references to the relevant benchmarks with respect to Floating Rate Collateral Obligations,

amend provisions which reference an index that has an equivalent frequency and setting date to the index applicable to a Floating Rate Collateral Obligation to the extent that no such equivalent is available and make any other amendments as are necessary or advisable in the reasonable judgement of the Collateral Manager to facilitate the foregoing changes, in each case, subject to the consent of the Controlling Class and the Subordinated Noteholders (in each case by Ordinary Resolution), as set out and further described in Condition 14(c)(xxix) (*Modification and Waiver*); and

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

Moreover, any of the above matters or any other significant change to the setting or existence of LIBOR or EURIBOR could have a material adverse effect on the value or liquidity of, and the amount payable under (or, in respect of the Subordinated Notes, available to pay in respect of) (i) any Collateral Obligations which pay interest linked to a LIBOR or EURIBOR rate and (ii) the Notes. Changes in the manner of administration of LIBOR or EURIBOR could result in adjustment to the Conditions, early redemption, delisting or other consequences in relation to the Floating Rate Notes. No assurance may be provided that relevant changes will occur with respect to LIBOR or EURIBOR and/or that such benchmarks will continue to exist.

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

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

Many jurisdictions have adopted wide-ranging anti-money laundering, economic and trade sanctions, and anti-corruption and anti-bribery laws, and regulations (collectively, the "**Requirements**"). Any of the Issuer, the Initial Purchaser, the Collateral Manager, the Agents or the Trustee could be requested or required to obtain certain assurances from prospective investors intending to purchase Notes and to retain such information or to disclose information pertaining to them to governmental, regulatory or other authorities or to financial intermediaries or engage in due diligence or take other related actions in the future. It is expected that the Issuer, the Initial Purchaser, the Collateral Manager, the Agents and the Trustee will comply with Requirements to which they are or may become subject and to interpret such Requirements broadly in favour of disclosure. Failure to honour any request by the Issuer, the Initial Purchaser, the Collateral Manager, the Agents or the Trustee to provide requested information or take such other actions as may be necessary or advisable for the Issuer, the Initial Purchaser, the Collateral Manager or the Trustee to comply with any Requirements, related legal process or appropriate requests (whether formal or informal) may result in, among other things, a forced sale to another investor of such investor's Notes. In addition, it is expected that each of the Issuer, the Initial Purchaser, the Collateral Manager, the Agents and the Trustee intends to comply with applicable anti-money laundering and anti-terrorism, economic and trade sanctions, and anti-corruption or anti-bribery laws, and regulations of the United States and other countries, and will disclose any information required or requested by authorities in connection therewith.

1.12 Third Party Litigation; Limited Funds Available

The Issuer's investment activities may subject it to the risks of becoming involved in litigation by third parties. This risk may be greater where the Issuer exercises control or significant influence over a company's direction. The expense of defending against claims against the Issuer by third parties and paying any amounts pursuant to settlements or judgments would be borne by the Issuer in accordance with the Priorities of Payment. The 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 to amounts available in accordance with the Priorities of Payment. In the event that such funds are not sufficient to pay the expenses incurred by the Issuer, the ability of the Issuer to operate effectively may be impaired, and the Issuer may not be able to defend or prosecute legal proceedings that may be bought against it or that the Issuer might otherwise bring to protect its interests.

1.13 Investment Company Act

The Issuer has not been and will not be 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 at any time that any holder of an interest in a Rule 144A Note is a "**Non-Permitted Noteholder**", the Issuer shall, promptly after determination that such person is a Non-Permitted Noteholder by the Issuer, send notice to such Non-Permitted Noteholder demanding that such Non-Permitted Noteholder transfer its interest outside the United States to a non U.S. person (as defined in Regulation S) or to a person that is not a Non-Permitted Noteholder within 30 days of the date of such notice. If such Non-Permitted Noteholder fails to effect the transfer required within such 30 day period, (a) the Issuer or the Collateral Manager on its behalf and at the expense of the Issuer, shall cause such beneficial interest to be transferred in a sale to a person or entity that certifies to the Issuer, in connection with such transfer, that such person or entity either is not a U.S. person (as defined in Regulation S) or is a QIB/QP and (b) pending such transfer, no further payments will be made in respect of such beneficial interest.

2. Taxation

2.1 EU Financial Transaction Tax – ("FTT")

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

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

The FTT may give rise to tax liabilities for the Issuer with respect to certain transactions (including concluding swap transactions and/or purchases or sales of securities) if it is adopted based on the Commission's Proposal. Any such tax liabilities may reduce amounts available to the Issuer to meet its obligations under the Notes and may result in investors receiving less interest or principal than expected. Neither the Issuer, the Principal Paying Agent nor any other person would, pursuant to the Conditions of the Notes, be required to pay additional amounts as a result of any such tax liabilities. It should also be noted that the FTT could be payable in relation to relevant transactions by investors in respect of the Notes (including secondary market transactions) if the conditions for a charge to arise are satisfied and the FTT is adopted based on the Commission's Proposal. Primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006 are exempt. There is however uncertainty in relation to the intended scope of this exemption for certain money market instruments and structured issues.

The FTT proposal remains subject to negotiation between the Participating Member States. It may therefore be altered prior to implementation, the timing of which remains unclear. Additional EU member states may decide to participate. Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

2.2 Foreign Account Tax Compliance Act Withholding

Provisions of law commonly referred to as "**FATCA**", impose an information reporting regime and, potentially, a 30 per cent. withholding tax with respect to (i) certain payments from sources within the United States, (ii) "foreign passthru payments" made to certain non-U.S. financial institutions that do not comply with this reporting regime, and (iii) payments to certain investors that do not provide identification information with respect to interests issued by a participating non-U.S. financial institution. The Issuer expects to be classified as a financial institution for these purposes.

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

The Issuer will require (and other intermediaries through which Notes are held are expected to require) each Noteholder to provide certifications and identifying information about itself and its direct or indirect owners (or beneficial owners) or controlling persons in order to enable the Issuer (or an intermediary) to identify and report on certain Noteholders and certain of the Noteholder's direct and indirect U.S. owners or controlling persons to the IRS or the Irish Revenue Commissioners. The Issuer (and intermediaries through which such Notes are held) may also be required to withhold on payments to Noteholders that do not provide the required information, or that are "foreign financial institutions" that are not compliant with, nor exempt from, FATCA. Although certain exceptions to these disclosure requirements could apply, the failure to provide the required information will generally give the Issuer (or an intermediary) the right to sell the Noteholder's Notes (and such sale could be for less than its then fair market value). See Condition 2(j) (*Forced Transfer pursuant to FATCA*). Moreover, the Issuer is permitted to make any amendments to the Trust Deed or any other Transaction Document, and the Trustee shall consent to (without the consent of the Noteholders) such amendment, to enable the Issuer to comply with FATCA. For the purposes of this discussion, the term "Noteholder" includes a beneficial owner of Notes.

If an amount in respect of FATCA were to be deducted or withheld either from amounts due to the Issuer or from interest, principal or other payments made in respect of the Notes, neither the Issuer, the Principal Paying Agent nor any other person would, pursuant to the Conditions of the Notes, be required to pay additional amounts as a result of the deduction or withholding. As a result, investors may receive less interest or principal than expected. Furthermore, any requirement to deduct or withhold such withholding tax would not result in the occurrence of a Note Tax Event pursuant to which the Notes may be subject to early redemption in the manner described in Condition 7(g) (*Redemption Following Note Tax Event*). However, interest payments, discount or premium due from the Obligors of any Collateral Obligations becoming subject to the imposition of withholding tax as a result of FATCA may constitute a Collateral Tax Event. Prospective investors should refer to the summary under "*Tax Considerations - Foreign Account Tax Compliance Act*" below.

2.3 UK Corporation Tax and Diverted Profits Tax Treatment of the Issuer

In the context of the activities to be carried out under the Transaction Documents, the Issuer will be subject to UK corporation tax if and only if it is: (i) incorporated or 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 it is not incorporated in the UK and the central management and control of the Issuer is not in the United Kingdom. The Issuer was incorporated in Ireland and the 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 fixed place of business in the UK. The Collateral Manager will, however, have and is expected to habitually exercise authority to do business on behalf of the Issuer in the UK. The Issuer should not

be subject to UK corporation tax in consequence of the activities which the Collateral Manager carries out on its behalf provided that the Issuer's activities are regarded as investment activities rather than trading activities.

Even if the Issuer is regarded as carrying on a trade in the UK through the agency of the Collateral Manager for the purposes of UK taxation, it will not be subject to UK corporation tax in respect of the agency of the Collateral Manager if the agency is deemed not to be a permanent establishment in the UK under Article 5(6) of the UK-Ireland double tax treaty. This exemption will apply to the profits of the Issuer resulting from the agency of the Collateral Manager if the Collateral Manager is regarded as an independent agent acting in the ordinary course of its business for the purpose of the UK-Ireland tax treaty.

Should the Collateral Manager be assessed to UK tax on behalf of the Issuer, it may have the benefit of an indemnity from the Issuer (subject to any related Collateral Manager Breach). 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 in accordance with the Priorities of Payment. It should be noted that UK tax legislation makes it possible for H.M. Revenue & Customs to seek to assess the Issuer to UK tax directly rather than through the Collateral Manager as its UK representative. Should the Issuer be assessed on this basis, the Issuer will be liable to pay UK tax on its UK taxable profit attributable to its UK activities. The Issuer would also be liable to pay UK tax on its UK taxable profits if it were treated as being tax resident in the UK. Imposition of such tax by the United Kingdom tax authorities may also give rise to a "Collateral Tax Event" and an Optional Redemption subject to and in accordance with the Conditions.

With effect from 1 April 2015 a new tax was introduced in the United Kingdom called the "diverted profits tax", which is charged at a rate of 25 per cent. on any "taxable diverted profits". The tax may apply in circumstances including where arrangements are designed to ensure that a non-UK resident company does not carry on a trade in the United Kingdom for corporation tax purposes through a permanent establishment or where arrangements involve entities or transactions lacking economic substance. The diverted profits tax is a new tax and its scope and the basis upon which it will be applied by HM Revenue & Customs remains uncertain. Imposition of such tax by the United Kingdom tax authorities may also give rise to a "Collateral Tax Event" and an Optional Redemption subject to and in accordance with the Conditions.

2.4 OECD Action Plan on Base Erosion and Profit Shifting

Fiscal and taxation policy and practice is constantly evolving and at present the pace of evolution has been quickened due to a number of developments which include, but are not limited to, the Organisation for Economic Co-operation and Development ("**OECD**") Base Erosion and Profit Shifting project ("**BEPS**").

One of the action points from this project ("**Action 6**") is the prevention of treaty abuse by developing model treaty provisions to prevent the granting of treaty benefits in inappropriate circumstances.

As noted above, whether the Issuer will be subject to United Kingdom corporation tax may depend on whether it can benefit from Article 5 of the United Kingdom-Ireland double tax treaty. Further, it is expected that the Issuer will rely on the interest and other articles of treaties entered into by Ireland to be able to receive payments from some Obligors free from withholding taxes that might otherwise apply.

The OECD recommendations on Action 6 are primarily being implemented into double tax treaties through a multilateral convention. The multilateral convention has been signed by over 75 jurisdictions (including the United Kingdom and Ireland). It entered into force on 1 July 2018 for signatories who deposited their ratification, acceptance or approval on or before 22 March 2018. For signatories who deposited or deposit their ratification, acceptance or approval after 22 March 2018 , the multilateral convention comes into force at the start of the month which is three entire calendar months after such deposit takes place. The United Kingdom deposited its instrument of ratification on 29 June 2018 and therefore the multilateral convention came into force in respect of the United Kingdom on 1 October 2018. Ireland desposited its instrument of ratification on 29 January 2019 and therefore the multilateral convention came into force in respect of Ireland on 1 May 2019. The date from which provisions of the multilateral convention have effect in relation to a treaty depends on several factors including the type of tax which the relevant treaty article relates to.

Upon ratifying the multilateral convention the United Kingdom and Ireland each deposited a non-provisional list of reservations and notifications to be made pursuant to it. Based on the information contained in these documents and the multilateral convention Action 6 would be implemented into the double tax treaties Ireland

has entered into with the United Kingdom and other jurisdictions by the inclusion of a principal purpose test ("**PPT**").

Once in effect, a PPT would deny a treaty benefit where it is reasonable to conclude, having regard to all relevant facts and circumstances for this purpose, that obtaining that benefit was one of the principal purposes of any arrangement or transaction that resulted directly or indirectly in that benefit, unless it is established that granting that benefit in those circumstances would be in accordance with the object and purpose of the relevant provisions of the treaty. It is currently unclear how a PPT would be applied by either of the tax authorities of those jurisdictions from which payments are made to the Issuer or the United Kingdom in relation to the application of Article 5 of the United Kingdom-Ireland double tax treaty.

It is also possible that Ireland will negotiate other bespoke amendments to their double tax treaties on a bilateral basis in the future which may affect the ability of the Issuer to obtain the benefit of these treaties.

Provided that the Issuer carries on investment activities as opposed to a trade, the incorporation of a PPT in the United Kingdom-Ireland double tax treaty is not expected to affect the Issuer's exposure to United Kingdom corporation tax.

However, if the Issuer were to be trading, then there may be a risk that the Issuer could be treated as having a taxable permanent establishment in the United Kingdom (see the risk factor entitled "*UK Corporation Tax and Diverted Profits Tax Treatment of the Issuer*" above for further information in relation to the circumstances in which the Issuer could be treated as having a UK permanent establishment for UK tax purposes).

Consequences of a denial of treaty benefits

If, as a consequence of the application of Action 6, United Kingdom tax were imposed on the net income or profits of the Issuer, the amount of United Kingdom tax due would likely be significant on the basis that some or all of the interest which it pays on the Notes may not be deductible for United Kingdom tax purposes. If the United Kingdom imposed tax on the net income or profits of the Issuer, this may constitute a Collateral Tax Event, which may result in an optional redemption (in whole but not in part) of the Rated Notes of each Class in accordance with Condition 7(b) (*Optional Redemption*).

If, as a consequence of the application of Action 6, the Issuer were to be denied the benefit of a treaty entered into by Ireland and as a consequence payments were made to the Issuer subject to withholding taxes, and the Obligors do not make "gross-up" payments that cover the full amount of any such withholding taxes, the amounts available to make payments on, or distributions to, the Noteholders would accordingly be reduced. If the Issuer receives any interest payments on any Collateral Obligation net of any applicable withholding tax, the Interest Coverage Tests and the Minimum Weighted Average Spread Tests will be determined by reference to such net receipts. A Collateral Tax Event shall occur if the aggregate amount of any withholding tax on payments in respect of the Collateral Obligations during any Due Period is equal to or in excess of 6 per cent. of the aggregate interest payments due on all Collateral Obligations during such Due Period (other than any additional interest arising as a result of the operation of any gross-up provision), following which the Rated Notes may be redeemed (in whole but not in part) at the option of the Subordinated Noteholders, acting by Ordinary Resolution. See Condition 7(b) (*Optional Redemption*).

Investors should note that other action points which form part of the OECD BEPS project (such as Action 4, which can deny deductions for financing costs, see the risk factor entitled "*ATAD*" below) may be implemented in a manner which affects the tax position of the Issuer.

2.5 United States Federal Income Tax Treatment of the Issuer

The Issuer intends to operate so as not to be subject to U.S. federal income tax on its net income. In this regard, the Issuer will receive an opinion of Cadwalader, Wickersham & Taft LLP to the effect that, if the Issuer and the Collateral Manager comply with the Trust Deed and the Collateral Management and Administration Agreement, including certain investment guidelines referenced therein (the "**Trading Restrictions**") and certain other assumptions specified in the opinion are satisfied, the Issuer will not be treated as engaged in a trade or business within the United States for U.S. federal income tax purposes under current law. Failure of the Issuer to comply with the Trading Restrictions or the Trust Deed may not give rise to a default or an Event of Default under the Trust Deed or the Collateral Management and Administration Agreement and may not give rise to a claim against the Issuer or the Collateral Manager. In the event of such a failure, the Issuer could be treated as

engaged in a U.S. trade or business for U.S. federal income tax purposes. In addition, the Trading Restrictions permit the Issuer to receive advice from other nationally recognised U.S. tax counsel to the effect that any changes in its structure and operations or deviations from the Trading Restrictions will not cause the Issuer to be treated as engaged in a trade or business within the United States for U.S. federal income tax purposes. The opinion of Cadwalader, Wickersham & Taft LLP will assume the correctness of any such advice. The opinion of Cadwalader, Wickersham & Taft LLP is not binding on the IRS or the courts. Moreover, a change in law or its interpretation could result in the Issuer being treated as engaged in a trade or business in the United States for U.S. federal income tax purposes, or otherwise subject to U.S. federal income tax on a net income basis. Finally, the opinion of Cadwalader, Wickersham & Taft LLP does not address the effects of any supplemental trust deeds.

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 would be subject under the Code to the regular U.S. corporate income tax on such effectively connected taxable income (computed possibly without any allowance for deductions) and possibly to a 30% branch profits tax and state and local taxes as well. The imposition of such taxes on the Issuer would materially adversely affect the Issuer's ability to make payments on the Notes.

2.6 The Issuer is expected to be treated as a passive foreign investment company and may be treated as a controlled foreign corporation for U.S. federal tax purposes.

The Issuer is expected to be a passive foreign investment company for U.S. federal income tax purposes, which means that a U.S. holder of Subordinated Notes (and any other Class of Notes treated as equity for U.S. federal income tax purposes) may be subject to adverse tax consequences, which may be mitigated if such Noteholder elects to treat the Issuer as a qualified electing fund and to recognise currently its proportionate share of the Issuer's ordinary income and long term capital gain whether or not distributed to such U.S. holder. In addition, depending on the overall ownership of interests in the Issuer, a U.S. holder of 10 per cent. or more of the Subordinated Notes may be treated as a U.S. shareholder in a controlled foreign corporation and required to recognise currently its proportionate share of the "subpart F income" of the Issuer, whether or not distributed to such U.S. holder. A U.S. holder that makes a qualified electing fund election, or that is required to include subpart F income in the event that the Issuer is treated as a controlled foreign corporation, may recognise income in amounts significantly greater than the payments received from the Issuer. Taxable income may exceed cash payments when, for example, the Issuer uses earnings to repay principal on the Notes or accrues income on the Collateral Obligations prior to the receipt of cash or the Issuer discharges its debt at a discount. A U.S. holder that makes a qualified electing fund election or that is required to recognise currently its proportionate share of the subpart F income of the Issuer will be required to include in the current income its *pro rata* share of such earnings, income or amounts whether or not the Issuer actually makes any payments to such Noteholder. The Issuer will cause its independent accountants to provide any U.S. holder of the Subordinated Notes, upon request by such U.S. holder and at the Issuer's expense, with the information reasonably available to the Issuer that a U.S. holder would need to make a qualified electing fund election and/or to comply with the controlled foreign corporation rules.

2.7 Withholding Tax on the Notes

So long as the Notes remain listed on the Global Exchange Market of Euronext Dublin or another recognised stock exchange for the purposes of Section 64 of the TCA, no withholding tax would currently be imposed in Ireland on payments of principal or interest on the Notes. However, there can be no assurance that the law will not change or that payments will not otherwise be subject to withholding taxes. In particular, the Issuer has the right to withhold on all payments made to any beneficial owner of an interest in any of the Notes that fails to comply with its requests for identifying information to enable the Issuer to comply with FATCA or to certain FFIs that fail to comply with FATCA or an applicable IGA. See "*Foreign Account Tax Compliance Act Withholding*" above.

In the event that any withholding tax or deduction for tax is imposed on payments of principal or 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 subject to any withholding tax or deduction for or on account of tax (other than in the circumstances set out in the definition thereof, including, without limitation, withholding tax in respect of FATCA), the Notes

may be redeemed in whole but not in part at the direction of the holders of (i) the Controlling Class or (ii) the Subordinated Notes, in each case acting by way of Ordinary Resolution, subject to certain conditions including a threshold test pursuant to which determination is made as to whether the anticipated proceeds of liquidation of the security over the Collateral would be sufficient to pay all amounts due and payable on the Rated Notes in such circumstances in accordance with the Priorities of Payment.

2.8 Changes in Tax Law; No Gross Up; General

At the time when they are acquired by the Issuer, Eligibility Criteria require that payments of interest on the Collateral Obligations either will not be subject to any withholding tax imposed by any jurisdiction (other than withholding taxes imposed on amendment fees, waiver fees, consent fees, extension fees, commitment fees or similar fees) or, if and to the extent that any such withholding tax does apply, 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 or otherwise, the payments on the Collateral Obligations might not in the future become subject to withholding tax or increased withholding tax rates in respect of which the relevant Obligor will not be obliged to gross up the Issuer. In such circumstances, the Issuer may be able, but will not be obliged, to take advantage of (a) a double taxation treaty between Ireland and the jurisdiction from which the relevant payment is made or (b) any domestic exemption or procedural formality under the current applicable law in the jurisdiction of the borrower. In the event that the Issuer receives any interest payments on any Collateral Obligation net of any applicable withholding tax, the Coverage Tests and Collateral Quality Tests will be determined by reference to such net receipts. Such tax would also reduce the amounts available to make payments on the Notes. There can be no assurance that remaining payments on the Collateral Obligations would be sufficient to make timely payments of interest, principal on the Maturity Date and other amounts payable in respect of the Notes of each Class. The occurrence of any withholding tax imposed by any jurisdiction owing to a change in law or due to FATCA may result in the occurrence of a Collateral Tax Event pursuant to which the Rated Notes may be subject to optional redemption in the manner described in Condition 7(b) (*Optional Redemption*).

2.9 Irish Value Added Tax Treatment of the Collateral Management Fees

The Issuer has been advised that under current Irish law, the Collateral Management Fees and any other return or compensation paid to the Collateral Manager, should be exempt from value added tax in Ireland as consideration paid for collective portfolio management services provided to a "qualifying company" for the purposes of section 110 of the TCA. This is based upon Article 135(1)(g) of Council Directive 2006/112/EC on the Common System of Value Added Tax (the "**Directive**"), which provides that EU member states shall exempt the management of "special investment funds" as defined by EU member states. The Value-Added Tax Consolidation Act 2010 of Ireland, in the provisions implementing Article 135(1)(g) of the Directive, specifically lists, in the categories of undertakings to whom supplies of management services are exempt from VAT, undertakings which are "qualifying companies" for the purposes of section 110 of the TCA. The Issuer has been advised that it will be such a "qualifying company", therefore management services supplied to it are exempt from value added tax in Ireland under current law. On 9 December 2015 the European Court of Justice handed down its judgment in the case of Staatssecretaris van Financiën v Fiscale Eenheid X NV cs Case C-595/13 which concerned Dutch law on value added tax, in particular the Dutch interpretation of the term "special investment fund" under the Directive, and could suggest that the exemption had been enacted by some EU member states more broadly than is permitted by the Directive. The Issuer is not, however, aware of any proposal to amend Irish domestic law to remove the exemption from value added tax on Collateral Management Fees for entities such as the Issuer.

2.10 ATAD

As part of its anti-tax avoidance package, and to provide a framework for a harmonised implementation of a number of the BEPS conclusions across the EU, the European Commission adopted Council Directive (EU) 2016/1164 (the "**Anti-Tax Avoidance Directive**"") on 12 July 2016.

The EU Council adopted Council Directive (EU) 2017/952 (the "**Anti-Tax Avoidance Directive 2**") on 29 May 2017, amending the Anti-Tax Avoidance Directive, to provide for minimum standards for counteracting hybrid mismatches involving EU member states and third countries.

EU member states had until 31 December 2018 to implement the Anti-Tax Avoidance Directive (subject to derogations for EU member states which have equivalent measures in their domestic law) and have until 31 December 2019 to implement the Anti-Tax Avoidance Directive 2 (except for measures relating to reverse hybrid mismatches, which must be implemented by 31 December 2021).

The Directives contain various measures that could, depending on their implementation in Ireland, potentially result in certain payments made by the Issuer ceasing to be fully deductible. This could increase the Issuer's liability to tax.

There are two measures which are of particular relevance to the Issuer.

First, the Anti-Tax Avoidance Directive provides for an "interest limitation rule" which restricts the deductible interest of an entity to 30% of its earnings before interest, tax, depreciation and amortisation. However, the interest limitation only applies to the net borrowing costs of an entity (being the amount by which its borrowing costs exceed its taxable interest revenues and other economically equivalent taxable revenues).

Secondly, the Anti-Tax Avoidance Directive (as amended by the Anti-Tax Avoidance Directive 2) provides for hybrid mismatch rules. These rules are designed to neutralise arrangements where amounts are deductible from the income of one entity but are not taxable for another, or the same amounts are deductible for two entities. These rules could potentially apply to the Issuer where: (i) the interest that it pays under the Notes, and claims deductions from its taxable income for, is not brought into account as taxable income by the relevant Noteholder, either because of the characterisation of the Notes, or the payments made under them, or because of the nature of the Noteholder itself; and (ii) the mismatch arises between associated enterprises, between the Issuer and an associated enterprise or under a structured arrangement.

The exact scope of these two measures, and impact on the Issuer's tax position, will depend on the implementation of the measures in Ireland.

2.11 Taxation Implication of Reinvestment Amounts

A Subordinated Noteholder may, in certain circumstances, provide the Issuer with cash by way of a contribution in accordance with Condition 3(c)(iv) (*Reinvestment Amounts*). Subordinated Noteholders may become subject to taxation in relation to the making of a contribution. Subordinated Noteholders are responsible for any and all taxation liabilities that may be applicable in such circumstances. Subordinated Noteholders should consult their own tax advisers as to the tax treatment to them of making a contribution in accordance with Condition 3(c)(iv) (*Reinvestment Amounts*).

2.12 United States Tax Characterisation of the Notes

Upon the issuance of the Notes, Allen & Overy LLP will deliver an opinion generally to the effect that under current law, assuming compliance with the Transaction Documents, and based on certain assumptions and factual representations made by the Issuer and/or the Collateral Manager, the Class X Notes, the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes will be treated, and the Class E Notes should be treated, as debt of the Issuer for U.S. federal income tax purposes.

The Issuer has agreed and, by its acceptance of a Note, each Noteholder (and any beneficial owners of any interest therein) will be deemed to have agreed, to treat the Rated Notes as debt of the Issuer and the Subordinated Notes as equity in the Issuer, in each case for U.S. federal income tax purposes, except as otherwise required by applicable law. The determination of whether a Note will or should be treated as debt for U.S. federal income tax purposes is based on the facts and circumstances existing at the time the Note is issued. Prospective investors should be aware that the classification of an instrument as debt or equity is highly factual, and there can be no assurance that the IRS will not seek to characterise any particular Class or Classes of the Rated Notes as equity in the Issuer. If any of the Notes were treated as equity for U.S. federal income tax purposes, adverse U.S. federal income tax consequences might apply.

For a more complete discussion of the U.S. federal income tax consequences of your investment in Notes, see "*Tax Considerations - United States Federal Income Taxation*" below.

3. Regulatory Initiatives

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

Without limitation to the above, other regulatory initiatives which are relevant include the following:

3.1 Basel III

The Basel Committee on Banking Supervision ("**BCBS**") has approved significant changes to the Basel regulatory capital and liquidity framework (such changes being commonly referred to as "**Basel III**") and has proposed certain revisions to the securitisation framework. Basel III provides for a substantial strengthening of existing prudential rules, including new requirements intended to reinforce capital standards (with heightened requirements for global systemically important banks) and to establish a leverage ratio "backstop" for financial institutions and certain minimum liquidity standards (referred to as the Liquidity Coverage Ratio ("**LCR**") and the Net Stable Funding Ratio ("**NSFR**")). BCBS member countries agreed to implement Basel III from 1 January 2013, subject to transitional and phase-in arrangements for certain requirements (for example, the LCR requirements refer to implementation from the start of 2015, with full implementation by January 2019, and the NSFR requirements refer to implementation from January 2018). As implementation of any changes to the Basel framework (including those made via Basel III) requires national legislation, the final rules and the timetable for its implementation in each jurisdiction, as well as the treatment of asset-backed securities (for example, as LCR eligible assets or not), may be subject to some level of national variation. It should also be noted that changes to regulatory capital requirements are coming for insurance and reinsurance undertakings through national initiatives, such as the Solvency II framework in Europe (being Directive 2009/138/EC including any implementing and/or delegated regulation, technical standards and guidance related thereto as may be amended, replaced or supplemented from time to time).

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.

3.2 Risk Retention and Due Diligence

EU Risk Retention and Due Diligence Requirements

The Securitisation Regulation came into force on 1 January 2019 and applies to certain parties involved in the establishment of EU regulated securitisations, the securities of which are issued on or after 1 January 2019, and to certain institutional investors therein. It should be noted that securitisations established prior to the application date of 1 January 2019 which involve the creation of a new securitisation position may also be subject to the Securitisation Regulation. Among other things, the Securitisation Regulation includes provisions harmonising and replacing the risk retention and due diligence requirements (including the corresponding guidance provided through technical standards) applicable to such investors.

The Securitisation Regulation places a requirement on originators, sponsors, original lenders and securitisation special purpose entities (**SSPEs**) established in the EU to, amongst other things, (i) retain on an ongoing basis a material net economic interest in the securitisation of not less than 5 percent and (ii) make certain information available to holders of a securitisation position, competent authorities and (upon request) potential investors in accordance with the transparency requirements set out therein. The Securitisation Regulation also places requirements on an institutional investor intending to invest in an EU regulated securitisation to, amongst other things, (i) be able to demonstrate that such investor has carried out a due-diligence assessment in respect of

various matters including the risk characteristics of the individual securitisation and its underlying exposures, (ii) ensure the originator, sponsor or original lender in respect of the relevant securitisation has explicitly disclosed to the investor that it will retain, on an ongoing basis, a material net economic interest of not less than 5 per cent. in respect of certain specified credit risk tranches or asset exposures and (iii) ensure the originator, sponsor or SSPE has, where applicable, made available to the investor certain information in accordance with the transparency requirements therein. See "*Risk Factors – EU Disclosure Requirements*".

Failure to comply with one or more of the requirements may result in various penalties being imposed on the relevant investor, originator, sponsor, lender or SSPE (as applicable), which may be payable or reimbursable by the Issuer as Administrative Expenses to the extent in the form of pecuniary sanctions imposed on the Issuer or the Collateral Manager. Aspects of the requirements and what is or will be required to demonstrate compliance to national regulators remains unclear (particularly in respect of Article 7 of the Securitisation Regulation, as to which see "*Risk Factors – EU Disclosure Requirements*"). Investors should therefore make themselves aware of such requirements (and any corresponding implementing rules of their regulator), where applicable to them, in addition to any other regulatory requirements applicable to them with respect to their investment in the Notes.

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 is sufficient to comply with the Securitisation Regulation. Notwithstanding anything in this Offering Circular to the contrary, none of the Issuer, the Collateral Manager, the Retention Holder, the Initial Purchaser, the Agents, the Trustee, their respective Affiliates nor 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 or otherwise comply with the requirements of the Securitisation Regulation, the implementing provisions in respect of the Securitisation Regulation in their relevant jurisdiction or any other applicable legal, regulatory or other requirements, other than as set out above. Each prospective investor in the Notes which is subject to the Securitisation Regulation 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 the Securitisation Regulation or similar requirements of which it is uncertain. Prospective investors should therefore make themselves aware of the 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 Securitisation Regulation and any other changes in the law or regulation, the interpretation or application of any or regulation or changes in the regulatory capital treatment of the Notes for some or all investors may negatively impact the regulatory position of individual investors and, in addition, may have a negative impact on the price and liquidity of the Notes in the secondary market. Without limitation to the foregoing, no assurance can be given that the requirements of the Securitisation Regulation, or the interpretation or application thereof, will not change (whether as a result of the legislative proposals put forward by the European Commission or otherwise), and, if any such change is effected, whether such change would affect the regulatory position of current or future investors in the Notes. The Retention Holder does not have an obligation to change the quantum or nature of its holding of the Retention Notes due to any future changes in the EU Retention Requirements or in the interpretation thereof.

See further "*Risk Factors – EU Disclosure Requirements*" and "*The EU Retention and Disclosure Requirements*" below.

U.S. Risk Retention Requirements

Section 941 of Dodd-Frank amended the Exchange Act to generally require the "sponsor" of a "securitization transaction" (or its "majority-owned affiliate") to retain at least 5 per cent. of the "credit risk" of "securitized assets", as such terms are defined for purposes of that statute (the "**Minimum Risk Retention Requirement**"), and generally prohibit a "sponsor" (or its "majority-owned affiliate") from directly or indirectly eliminating or reducing its credit exposure by hedging or otherwise transferring the credit risk that the securitizer is required to retain. Final rules implementing the statute (the "**U.S. Risk Retention Rules**") came into effect on 24 December 2016 with respect to CLOs. Under the U.S. Risk Retention Rules, a "sponsor" means a person who organizes and initiates a securitization transaction by selling or transferring assets, either directly or indirectly, including through an affiliate, to the issuing entity. In the case of many CLOs, the entity acting as collateral manager typically organizes and initiates transaction and, therefore, would be considered the "sponsor" for U.S.

Risk Retention Rules purposes, as further discussed in the adopting release with respect to the U.S. Risk Retention Rules. For purposes of this transaction, based upon the language in the adopting release with respect to the U.S. Risk Retention Rules, the Collateral Manager would be a "sponsor" but there can be no assurance, and no representation is made, that any governmental authority will agree that such is the case. The U.S. Risk Retention Rules also provide for certain exemptions from the risk retention obligation that they generally impose. However, on 9 February 2018, a three-judge panel (the "**Panel**") of the United States Court of Appeals for the District of Columbia held, in The Loan Syndications and Trading Association v. Securities and Exchange Commission and Board of Governors of the Federal Reserve System, No. 1:16-cv-0065 (the "**LSTA Decision**"), that collateral managers of "open market CLOs" (described in the LSTA Decision as CLOs where assets are acquired from "arms-length negotiations and trading on an open market") are not "securitizers" or "sponsors" under Section 941 of the Dodd-Frank Act and, therefore, are not subject to risk retention and do not have to comply with the U.S. Risk Retention Rules. The Panel's opinion in the LSTA Decision became effective on 5 April 2018, when the district court for the District of Columbia (the "**DC District Court**") entered its order following the issuance of the appellate mandate on 3 April 2018 in respect thereof. As a result, the United States Court of Appeals for the District of Columbia Circuit (the "**DC Circuit Court**") concluded that the applicable governmental agencies cannot impose risk retention upon the collateral manager of an open-market CLO under the U.S. Risk Retention Rules.

The Collateral Manager has informed the Issuer that the U.S. Risk Retention Rules are not expected to apply to the transactions contemplated herein and neither it nor any of its Affiliates intend to retain the Minimum Risk Retention Requirement pursuant to the U.S. Risk Retention Rules for any period of time on the basis that it intends to qualify as an "open market CLO". Accordingly, none of the Collateral Manager or its affiliates are expected to be required to hold any Notes for any period of time for the purposes of satisfying the U.S. Risk Retention Rules.

The statements contained herein regarding the U.S. Risk Retention Rules and the LSTA Decision are based on publicly available information solely as of the date of this Offering Circular. Though, not currently expected, if regulators were to determine that the Collateral Manager should have purchased a portion of the Notes on the Issue Date to comply with the U.S. Risk Retention Rules or to the extent the U.S. Risk Retention Rules apply after the date hereof, the ultimate interpretation as to whether any action taken by an entity complies with the U.S. Risk Retention Rules will be a matter of interpretation by the applicable governmental authorities or regulators. Failure on the part of the Collateral Manager to comply with the U.S. Risk Retention Rules to the extent they apply to the Collateral Manager following the LSTA Decision (regardless of the reason for such failure to comply) could give rise to regulatory action against the Collateral Manager which may adversely affect the Notes and the ability of the Collateral Manager to perform its obligations under the Collateral Management and Administration Agreement.

The impact of the U.S. Risk Retention Rules on the loan securitisation market and the leveraged loan market generally is uncertain, and any negative impact on secondary market liquidity for the Notes may be experienced due to effects of the rule on market expectations or uncertainty, the relative appeal of alternative investments not impacted by the rule or other factors. In addition, it is possible that the rule, to the extent applicable to CLOs in the future, may reduce the number of investment managers active in the market, which may result in fewer new issue CLOs and reduce the liquidity provided by CLOs to the leveraged loan market generally. A contraction or reduced liquidity in the loan market could reduce opportunities for the Collateral Manager to sell Collateral Obligations or to invest in Collateral Obligations when it believes it is in the interest of the Issuer to do so, which in turn could negatively impact the return on the Collateral and reduce the market value or liquidity of the Notes. Any reduction in the volume and liquidity provided by CLOs in the leveraged loan market could also reduce opportunities to redeem or refinance the Notes.

All investors whose investment activities are subject to investment laws and regulations, regulatory capital requirements, or review by regulatory authorities (including the introduction or proposal of risk retention rules) 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 restrictions, unfavorable accounting treatment, capital charges or reserve requirements.

Japanese Retention Rule

The Japanese Financial Services Agency recently published a rule introducing risk retention and disclosure requirements as part of the regulatory capital regulation of certain categories of Japanese investors (such investors, "**Japanese Affected Investors**") seeking to invest in securitisation transactions (the "**Final JRR**

Rules"). Among other things, the Final JRR Rules will require Japanese Affected Investors to apply higher risk weighting to securitisation exposures they hold unless such investor can conclude (on the basis of appropriate due diligence) either that the applicable "originator" (as defined in the Final JRR Rules) or another party "deeply involved in the organization of the securitised product" has committed to hold a retention piece of at least 5 per cent. of the total exposure of the underlying assets in the securitisation transaction (the "**Japanese Retention Requirement**") or that the underlying assets were not "inappropriately originated". Under the Final JRR Rules, Japanese Affected Investors will be subject to punitive capital requirements and/or other regulatory penalties with respect to investments in securitisation transactions that fail to comply with the Final JRR Rules.

The Final JRR Rules became effective on 31 March 2019 with respect to securities issued in securitisation transactions on and after such date, including the Notes. No official English language translation of the Final JRR Rules has been made available as of the date hereof and no assurances can be made as to the content, impact or interpretation of the Final JRR Rules and in particular it is unclear how 5 per cent. of the total exposure of the underlying assets is to be calculated for purposes of the Final JRR Rules and what materials a Japanese Affected Investor may rely on to determine whether the underlying assets in a securitisation were not "inappropriately originated." It should be noted, however, that while no assurances may be provided, the retention interests held by the Retention Holder could be deemed to constitute eligible retention interests for purposes of the Japanese Retention Requirement. The ability to draw such a conclusion would require the Retention Holder to qualify as an "originator" for purposes of the Japanese Retention Requirement and require that the Notes to be purchased and held by the Retention Holder qualify as a compliant retention interest, both of which are uncertain and there is no guidance on these issues at this time. Whether and to what extent the Japanese Financial Services Authority may provide further clarification or interpretation as to the Final JRR Rules is unknown.

The Final JRR Rules may deter Japanese Affected Investors from purchasing Notes, which may limit the liquidity and trading of the Notes, and as a consequence may adversely affect the market price of the Notes. In addition, the Final JRR Rules may deter Japanese Affected Investors from purchasing CLO debt generally, which may adversely affect leveraged loan or CLO markets generally and the Issuer's ability to refinance the Notes in particular.

Each purchaser or prospective purchaser of the Notes is responsible for analysing its own regulatory position and is advised to consult with its own advisers regarding the suitability of the Notes for investment and the applicability of the Final JRR Rules to this transaction. None of the Issuer, the Collateral Manager, the Initial Purchaser, the Trustee, the Agents, the Retention Holder or any other Person offers any assurances as to compliance with the Final JRR Rules (or regarding actions by any such Person to facilitate compliance with the Final JRR Rules by any other Person) or makes any representation, warranty or agreement regarding the Final JRR Rules (including whether any Collateral Obligation was or was not "inappropriately originated" or with respect to the Retention Holder's obligations under clause 25 (Risk Retention) of the Collateral Management and Administration Agreement) or the ability of Japanese Affected Investors to conclude that this transaction complies with the requirements of the Final JRR Rules.

3.3 Retention Financing

On or about the Issue Date, the Collateral Manager will enter into financing arrangements (the "**Retention Financing**") in respect of the Retention Notes (the "**Relevant Retention Notes**") that it is required to acquire in order to comply with the EU Retention Requirements and will transfer title to the Relevant Retention Notes in connection with the Retention Financing. The Retention Financing will be on full-recourse terms. The Retention Financing would be provided directly or indirectly to the Collateral Manager by a funding vehicle which is a special purpose vehicle whose shares are held on charitable trust (the "**Retention Lender**"). Although the Collateral Manager will transfer legal and beneficial title to the Relevant Retention Notes to the Retention Lender as part of the Retention Financing, the Collateral Manager would retain the economic risk in the Relevant Retention Notes but not legal ownership of them. None of the Initial Purchaser, the Collateral Manager, any Agent, the Issuer, the Trustee or any of their respective Affiliates makes any representation, warranty or guarantee that the Retention Financing will comply with the EU Retention Requirements. In particular, should the Collateral Manager or Retention Lender default in the performance of its obligations under the Retention Financing, or the Retention Financing is otherwise terminated before its stated maturity (being the Maturity Date), the Collateral Manager would not be entitled to have the Relevant Retention Notes (or equivalent securities) retransferred to it and instead the Retention Financing will terminate on a cash settlement basis. In exercising its rights pursuant to the Retention Financing, the Retention Lender would not be required to have regard to the EU Retention Requirements and any such termination of the Retention Financing may

therefore cause the transaction described in this Offering Circular to be non-compliant with the EU Retention Requirements. However, to the extent the Collateral Manager is able to do so, the Collateral Manager may be able to acquire Notes (excluding the Class X Notes) to replace the Relevant Retention Notes pursuant to Condition 7(m) (*Redemption of Notes in part - Collateral Manager*).

3.4 EU Disclosure Requirements

Article 7 of the Securitisation Regulation contains transparency requirements that require the originator, sponsor and SSPE of a securitisation to make certain prescribed information relating to the securitisation available to investors, competent authorities and, upon request, to potential investors (the "**Relevant Recipients**").

Required Disclosure

Virtus Group LP, acting on behalf of the Issuer and on the instructions of the Issuer (or the Collateral Manager on behalf of the Issuer), has made drafts of the documentation (as provided to it by or on behalf of the Issuer and in the form available at such date) referred to in Articles 7(1)(b) and 7(1)(c) of the Securitisation Regulation (the "**Pre-Pricing Draft Documents**") available to the Relevant Recipients before pricing of the Notes via a secure website currently located at https://sf.citidirect.com or by such other method of dissemination as is required by the Securitisation Regulation (as instructed by the Issuer or the Collateral Manager on its behalf) (or such other website as may be notified in writing by Virtus Group LP to the Issuer, the Initial Purchaser, the Trustee, the Hedge Counterparties, the Collateral Manager, the Rating Agencies and the Noteholders from time to time, or otherwise as may be required by the applicable competent authorities or by the Issuer to comply with its obligations as reporting entity). Investors should note that while Article 7(1)(b) of the Securitisation Regulation requires the provision of, among other things, the "final offering document" and the "closing transaction documents" before pricing this is not possible, therefore, the documents which are made available prior to pricing are subject to change. None of the Issuer, the Collateral Manager, the Retention Holder, the Initial Purchaser, the Trustee, any Hedge Counterparty or any other person gives any assurance as to whether competent authorities will determine that such disclosure is sufficient for the purposes of the Securitisation Regulation. Investors should note that the Pre-Pricing Draft Documents are subject to change and that on or after the Issue Date, each Pre-Pricing Draft Document will be replaced by the final form of such document.

Article 7 of the Securitisation Regulation also includes ongoing reporting obligations to be undertaken by the originator, sponsor and SSPE of a securitisation. This includes quarterly portfolio level disclosure ("**Portfolio Reports**") pursuant to Article 7(1)(a) of the Securitisation Regulation, quarterly investor reports containing certain information prescribed by Article 7(1)(e) of the Securitisation Regulation ("**Investor Reports**" and together with the Portfolio Reports, the "**Transparency Reports**"), any inside information relating to the securitisation that the reporting entity is obliged to make public under the Market Abuse Regulation ("**Inside Information**"). At present, it is unclear whether the ongoing reporting obligations will also include the reporting of any significant events for transactions which are already subject to the Market Abuse Regulation regime, but to the extent this does apply such events will need to be reported on an ongoing basis in addition to the Inside Information ("**Significant Events**").

The Transparency Reports are to be made available simultaneously, with the first publication within 3 months of the Issue Date. Thereafter, the Transparency Reports are to be made available on a quarterly basis within one month of each Payment Date (or following the occurrence of a Frequency Switch Event, not less than 3 months after the most recent publication). Any Inside Information and the notification of any Significant Event is required to be made available without delay.

On 22 August 2018, ESMA published its final report (the "**Final Report**") on the technical standards on the disclosure requirements under the Securitisation Regulation. The Final Report follows on from ESMA's consultation paper dated 19 December 2017 and consists of draft regulatory technical standards and draft implementing technical standards. The European Commission has, at the date hereof, not adopted the Final Report, which includes detailed disclosure templates that are required to be completed with respect to the Transparency Reports, Inside Information and Significant Events. The European Commission indicated in a letter to ESMA published on 18 December 2018 that it will endorse such technical standards only once certain amendments are introduced. In response to the European Commission's letter, on 31 January 2019 ESMA published an opinion on the technical standards on disclosure requirements. This opinion is now with the European Commission for consideration.

In a statement on 30 November 2018, ESMA confirmed in a joint statement with the other European Supervisory Authorities that, as per the grandfathering provisions of the Securitisation Regulation with respect to the reporting obligations, until the regulatory technical standards relating to Article 7 of the Securitisation Regulation (the "**Article 7 RTS**") are adopted by the European Commission, for the purposes of the Transparency Reports, the reporting entity shall make available the information referred to in Annexes I to VIII of Delegated Regulation (EU) 2015/3 (the "**CRA3 RTS**"). In their current form, the CRA3 RTS only apply to structured finance instruments for which a reporting template has been specified. Currently there is no loan level data template within such Annexes for CLO transactions nor is it expected that one will be developed in accordance with the CRA3 RTS. On that basis, the Issuer believes the transaction described herein will not be required to comply with the reporting obligations relating to the Transparency Reports until the Article 7 RTS are adopted and implemented (such date of implementation, the "**Securitisation Regulation Reporting Effective Date**"). In any event, information regarding the underlying exposures will be provided prior to the Securitisation Regulation Reporting Effective Date in the Payment Date Reports and Monthly Reports, in each case as set out in "*Description of the Reports*" below, which in the Issuer's view is in line with the level of information typically provided to noteholders of European CLO transactions in the period immediately prior to 1 January 2019. In relation to Investor Reports prior to the Securitisation Regulation Reporting Effective Date, the CRA3 RTS does not provide a template but rather a list of types of information to be covered. The Issuer intends the Payment Date Report to include information of the types so listed.

The transaction described herein will have to comply with the reporting obligations relating to the Transparency Reports from the Securitisation Regulation Reporting Effective Date. Since there remains significant uncertainty as to the form in which Article 7 RTS will be adopted, it is not clear as to what will be required for compliance. Clarification is being sought by industry participants on these matters. ESMA has recommended to the European Commission that a transition period of 15-18 months be granted for the implementation of the disclosure requirements. At present it remains unclear whether such a transition period will be granted, and if it is, what its duration and terms will be.

Reporting Entity

The originator, sponsor and SSPE must designate amongst themselves one entity to fulfil the disclosure requirements (the "**reporting entity**"), although all three entities remain liable for the satisfaction of the disclosure requirements. The Issuer has agreed to act as the reporting entity for the transaction described herein.

The Collateral Manager and/or the Issuer shall agree, pursuant to the Collateral Management and Administration Agreement, to the extent that such information is within its possession and not subject to a duty of confidentiality under law or contract and is not already otherwise available to the Collateral Administrator to provide to the Collateral Administrator all reports, data and other information reasonably necessary for the proper performance by the Issuer, as the reporting entity, of its reporting obligations under Article 7 of the Securitisation Regulation. Whether the Collateral Manager will be able to ascertain and report all of the information required to be reported in accordance with Article 7 of the Securitisation Regulation is unclear. In addition, the Issuer and the Collateral Manager will propose in writing to the Collateral Administrator the form, content, timing and manner of publication of any such reports and information for the purposes of the EU Disclosure Requirements. The Collateral Administrator shall consult with the Issuer and the Collateral Manager and if it agrees to provide such reporting on such proposed terms shall confirm in writing to the Issuer and the Collateral Manager. Any failure by the Collateral Manager or the Collateral Administrator to fulfil any such obligations may cause the transaction to be non-compliant with the Securitisation Regulation.

For the avoidance of doubt, if the Collateral Administrator agrees to assist the Issuer with providing such information and reporting on behalf of the Issuer, the Collateral Administrator will not assume any responsibility for the Issuer's obligations as the entity responsible to fulfil the reporting obligations under the EU Disclosure Requirements. In providing such services, the Collateral Administrator also assumes no responsibility or liability to any third party, including, any Noteholder or any potential Noteholder, and including for their use and/or onward disclosure of such information, and shall have the benefit of the powers, protections and indemnities granted to it under the Transaction Documents.

If a regulator determines that the transaction did not comply or is no longer in compliance with the reporting obligations, 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. The Issuer and the Collateral Manager may be subject to administrative sanctions in the case of negligence or intentional infringement of the requirements of Article 7 of the Securitisation Regulation, including maximum pecuniary

sanctions of at least EUR5,000,000 (or its equivalent) or 10% of total annual net turnover. Any such pecuniary sanctions levied on the Issuer may materially adversely effect the Issuer's ability to perform its obligations under the Notes and any such pecuniary sanction levied on the Collateral Manager may materially adversely effect the ability of the Collateral Manager to perform its obligations under the Transaction Documents and could have a negative impact on the price and liquidity of the Notes in the secondary market.

See further "*Risk Retention and Due Diligence – EU Risk Retention and Due Diligence Requirements"* and "*Description of the Reports*" below for certain other information relevant to investors in respect of the Securitisation Regulation.

3.5 EMIR

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

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

Non-financial counterparties (as defined in EMIR) are not subject to the clearing obligation unless the gross notional value of all derivative contracts entered into by the non-financial counterparty and other non-financial entities in its "group", excluding eligible hedging transactions, exceed certain thresholds and its counterparty is also subject to the clearing obligation. If the Issuer is considered to be a member of such a "group" (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 entities 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 posting requirement.

The process for implementing the clearing obligation is under way but uncertainties about the scope and timing remain, especially in the longer term. The margin posting requirement commenced on 1 March 2017. Whilst the Hedge Transactions are expected to be treated as hedging transactions and deducted from the total in assessing the notional value of OTC derivative contracts entered by the Issuer and/or non-financial entities within its "group" (as defined in EMIR), there is currently no certainty as to whether the relevant regulators will share this view.

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

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

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

Prospective investors should also be aware that EMIR has been subject to a review with a view to effect a number of amendments. In particular, on 4 May 2017 the European 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 have impacted the Issuer's ability to hedge the Notes: 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 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. On 15 November 2017 and 28 November 2017, the Council of the European Union published its amendments to the Proposal (the "**Compromise Proposal**"). The Compromise Proposal deleted the inclusion of securitisation special purpose entities in the FC definition and this position was confirmed in the text adopted by the European Parliament in plenary session on 12 June 2018. The European Parliament and the Council reached a political agreement on the Compromise Proposal on 5 February 2019 and published the final compromise text (the "**EMIR Refit Regulation**"), which was approved to come into force on 17 June 2019.

3.6 Alternative Investment Fund Managers Directive

The AIFMD regulates alternative investment fund managers ("**AIFMs**") and provides in effect that each alternative investment fund (an "**AIF**") within the scope of the AIFMD must have a designated AIFM responsible for ensuring compliance with the AIFMD. Although there is an exemption in the AIFMD for "securitisation special purpose entities" (the "**SSPE Exemption**"), the European Securities and Markets Authority has not yet given any formal guidance on the application of the SSPE Exemption or whether a vehicle such as the Issuer would fall within it, so there can be no certainty as to whether the Issuer would benefit from the SSPE Exemption.

If the Issuer is an AIF (which at this stage is unclear) then it would be necessary to identify its AIFM, which would be the entity which manages it in general and is therefore most likely to be the Collateral Manager. In such a scenario, the Collateral Manager would be subject to the AIFMD and would need to be appropriately regulated and certain duties and responsibilities would be imposed on the Collateral Manager in respect of its management of the Portfolio. Such duties and responsibilities, were they to apply to the Collateral Manager's management of the assets of the Issuer, may result in significant additional costs and expenses incurred by the Collateral Manager which, in respect of some such fees and expenses, may be reimbursable by the Issuer to the Collateral Manager pursuant to the Collateral Management and Administration Agreement as an Administrative Expense, which may in turn negatively affect the amounts payable to Noteholders. If the Collateral Manager was to fail to, or be unable to, be appropriately regulated, the Collateral Manager may not be able to continue to manage the Issuer's assets, or its ability to do so may be impaired. Any regulatory changes arising from implementation of the AIFMD (or otherwise) that impair the ability of the Collateral Manager to manage the Issuer's assets may adversely affect the Collateral Manager's ability to carry out the Issuer's investment strategy and achieve its investment objective.

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

3.7 U.S. Dodd-Frank Act

The Dodd-Frank Act was signed into law on 21 July 2010. The Dodd-Frank Act represents a comprehensive change to financial regulation in the United States, and affects virtually every area of the capital markets. Implementation of the Dodd-Frank Act requires many lengthy rulemaking processes that have resulted in, and will continue to result in the adoption of a multitude of new regulations potentially applicable to entities which

transact business in the U.S. or with U.S. persons outside the U.S. Once fully implemented, the Dodd-Frank Act will affect many aspects, in the U.S. and internationally, of the business of the Collateral Manager, including securitisation, proprietary trading, investing, creation and management of investment funds, OTC derivatives and other activities. While certain regulations implementing various provisions of the Dodd-Frank Act have been finalised and adopted, many implementing regulations currently exist only in draft form and are subject to comment and revision, and still other implementing regulations have not yet been proposed. It is therefore difficult to predict the full extent to which the businesses of the Collateral Manager and its subsidiaries and Affiliates and the Issuer, will be affected by the Dodd-Frank Act as implementing regulations are finalised over time and come into effect and regulators provide further guidance with respect thereto.

This uncertainty is further compounded by the numerous regulatory efforts underway outside the U.S. Certain of these efforts overlap with the substantive provisions of the Dodd-Frank Act, while others, such as proposals for financial transaction and/or bank taxes in particular countries or regions, do not. In addition, even where these U.S. and international regulatory efforts overlap, these efforts generally have not been undertaken on a coordinated basis. Areas where divergence between U.S. regulators and their international counterparts exist or have begun to develop (whether with respect to scope, interpretation, timing, approach or otherwise) include trading, clearing and reporting requirements for derivatives transactions, higher U.S. capital and margin requirements relating to uncleared derivatives transactions, and capital and liquidity requirements that may result in mandatory "ring-fencing" of capital or liquidity in certain jurisdictions, among others.

No assurance can be made that the United States federal government or any U.S. regulatory body (or other authority or regulatory body) will not continue to take further legislative or regulatory action, and the effect of such actions, if any, cannot be known or predicted.

Investors should be aware that those risks are material and that the Issuer and, consequently, an investment in the Notes could be materially and adversely affected thereby. As such, investors should consult their own independent advisers and make their own assessment about the potential risks posed by the Dodd-Frank Act and the rules to be promulgated thereunder in making any investment decision in respect of the Notes.

3.8 CFTC Regulations and others

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 of any Hedge Transaction by the Issuer and the availability of such Hedge Transactions. Some or all of the Hedge Transactions that the Issuer may enter into may be affected by (i) the requirement that certain swaps be centrally cleared and in some cases traded on a designated contract market or swap execution facility, (ii) initial and variation margin requirements of any central clearing organisation (with respect to cleared swaps) or initial or variation requirements as may otherwise be required with respect to uncleared swaps, (iii) recordkeeping obligations, and other matters. These new requirements may significantly increase the cost to the Issuer and/or the Collateral Manager of entering into Hedge Transactions such that the Issuer may be unable to purchase certain types of Collateral Obligations, have unforeseen legal consequences on the Issuer or the Collateral Manager or have other material adverse effects on the Issuer or the Noteholders.

In particular, regulations promulgated by the CFTC or other relevant US regulators requiring the posting of variation margin by entities such as the Issuer (insofar as it enters into Hedge Transactions with any Hedge Counterparty that is also subject to this requirement) were previously scheduled to go into effect in the United States on 1 March 2017. However, pursuant to the release of a letter from the CFTC dated 13 February 2017 and guidance from the Federal Reserve Board and the Office of the Comptroller of the Currency dated 23 February 2017, the relevant US regulators confirmed their intention to adopt a no-action position relating to such regulations as they apply to certain counterparties that do not present significant credit and market risks, in order to provide relief from compliance with the variation margin requirements to certain swap dealers until 1 September 2017, subject to certain conditions. While transactions existing prior to 1 March 2017 are expected to be exempt from such requirement, new Hedge Transactions would be subject to it, as might existing Hedge Transactions that undergo a material amendment, based on guidance provided and positions taken by US regulators in other contexts.

The Trust Deed does not permit the Issuer to post variation margin. Accordingly, the application of US 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, have

unforeseen legal consequences on the Issuer or have other material adverse effects on the Issuer or the Noteholders.

3.9 Commodity Pool Regulation

In 2012, the U.S. Commodity Futures Trading Commission (the "**CFTC**") rescinded one of the primary rules which formerly provided an exemption from registration as a "Commodity Pool Operator" (a "**CPO**") and a "commodity trading advisor" ("**CTA**") under the U.S. Commodity Exchange Act, as amended (the "**CEA**"), in respect of certain transactions. In addition, the Dodd-Frank Act expanded the definition of a "commodity pool" to include any form of enterprise operated for the purpose of trading in commodity interests, including swaps. Similarly, the term "commodity pool operator" was expanded to include any person engaged in a business that is of the nature of a commodity pool or similar enterprise and in connection therewith, solicits, accepts, or receives from others, funds, securities or property for the purpose of trading in commodity interests, including any swaps. The CFTC has taken an extremely expansive interpretation of these definitions, and has expressed the view that entering into a single swap (apparently without distinguishing between trading and holding a swap position) could make an entity a "commodity pool" subject to regulation under the CEA. It should also be noted that the definition of "swaps" under the Dodd-Frank Act is itself extremely broad, and expressly includes interest rate swaps, currency swaps and total return swaps. Although the CFTC has provided guidance that certain securitisation transactions, including CLOs, will be excluded from the definition of "commodity pool", it is unclear if such exclusion will apply to all CLOs and, in certain instances, the collateral manager of a CLO may be required to register as a CPO or a CTA with the CFTC or apply for an exemption from registration. In addition, no assurance can be made that the United States federal government or any U.S. regulatory body (or other authority or regulatory body) will not continue to take further legislative or regulatory action, and the effect of such actions, if any, cannot be known or predicted.

If the Issuer were deemed to be a "commodity pool", then both the CPO and the CTA of the Issuer would be required to register as such with the CFTC and the National Futures Association (the "**NFA**") by the initial offering date of the Notes. Because there has previously been an exemption from such registration for most securitisation and investment fund transactions, there is little, if any, guidance as to which entity or entities would be regarded as the Issuer's CPO and CTA and thus be required to register. While there remain certain limited exemptions from registration, because the wording of these regulations applies to traditional commodity pools and was not drafted with transactions such as the Issuer and its investment activities in mind, it is unclear whether and to what extent any of these exemptions would be available to avoid registration with respect to the Issuer. In addition, if the Issuer were deemed to be a "commodity pool", it would have to comply with a number of reporting requirements that are geared to traded commodity pools, which may result in significant additional costs and expenses, which may in turn affect the amounts payable to Noteholders. It is presently unclear how an investment vehicle such as the Issuer could comply with certain of these reporting requirements on an ongoing basis.

Furthermore, even if an exemption were available, the limits imposed by such exemption may prevent the Issuer from entering into Hedge Transactions, having the effect of limiting the Issuer's ability to invest in Non-Euro Obligations and put it in breach of its obligation to enter into Currency Hedge Transactions with respect to any Non-Euro Obligations it has purchased. The inability to enter into Interest Rate Hedge Transactions will also limit the Issuer's ability to hedge any interest rate mismatch between the Collateral Obligations and the Notes, thereby in some cases limiting its ability to invest in fixed rate Collateral Obligations. Any termination of a Hedge Agreement would expose the Issuer to costs and increased interest rate or currency exchange rate risk until the hedged assets can be sold (in respect of which, see "*Interest Rate Risk*" and "*Currency Risk*" below).

In light of the foregoing, the Collateral Manager will permit the Issuer to enter into a Hedge Agreement or any other similar agreement that could fall within the definition of "swap" as set out in the CEA only (i) upon satisfaction of the Hedging Agreement Eligibility Criteria or (ii) upon receipt of legal advice from reputable counsel to the effect that none of the Issuer, its directors or officers, the Collateral Manager or any of its Affiliates or any other person should be required to register as a CPO or CTA with the CFTC with respect to the Issuer or that if required to register that the applicable persons did so register.

Neither the CFTC nor the NFA pass upon the merits of participating in a pool or upon the adequacy or accuracy of offering memoranda. Consequently, neither the CFTC not the NFA has reviewed or approved this Offering Circular or any related subscription agreement.

3.10 Volcker Rule

Under Section 619 of the U.S. Dodd-Frank Act and the corresponding implementing rules (the "**Volcker Rule**") relevant "banking entities" as defined under the Volcker Rule are generally prohibited from, among other things, (i) conducting proprietary trading activities in a wide variety of financial instruments unless the transaction is excluded from the scope of the rule and (ii) acquiring or retaining any ownership interest in, or acting as sponsor in respect of, certain investment entities referred to as covered funds, except as may be permitted by an applicable exclusion or exception from the Volcker Rule. In addition, in certain circumstances, the Volcker Rule restricts relevant banking entities from entering into certain credit exposure related transactions with covered funds. Subject to certain exceptions and extensions, full conformance with the Volcker Rule was required from 21 July 2015, and relevant banking entities are required to engage in good faith efforts in this regard during the current conformance period. In general, there is limited interpretive guidance regarding the Volcker Rule.

Key terms are widely defined under the Volcker Rule, including "banking entity", "ownership interest", "sponsor" and "covered fund". In particular, "banking entity" is defined to include certain non-U.S. affiliates of U.S. banking entities, as well as non-U.S. banking entities that conduct operations in the United States either directly or through branches or affiliates, and "covered fund" is defined to include an issuer that would be an investment company, as defined in the U.S. Investment Company Act of 1940 but for section 3(c)(1) or 3(c)(7) thereof, subject to certain exemptions found in the Volcker Rule's implementing regulations (which would extend to the Issuer given its intention to rely on section 3(c)(7)). It should also be noted that an "ownership interest" is broadly defined and may arise through a holder's exposure to the profit and losses of a covered fund as well as through any right of the holders to participate in the selection of an investment adviser, manager, general partner, trustee, board of directors or similar governing body of the covered fund. The Subordinated Notes will be characterised as ownership interests in the Issuer, and it is uncertain whether any of the Rated Notes may be similarly characterised as ownership interests. Providing that the right of holders of the Notes in respect of the removal of the Collateral Manager and selection of a successor collateral manager shall only be exercisable upon a Collateral Manager Event of Default may not be sufficient to ensure that the Rated Notes are not characterised as ownership interests. If the Issuer is deemed to be a covered fund then in the absence of regulatory relief such prohibitions may have adverse effects on the Issuer and the liquidity and value of the Notes including limiting the secondary market of the Notes and affecting the Issuer's access to liquidity and ability to hedge its exposures.

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 and Class D Notes in the form of CM Removal and Replacement Non-Voting Notes or CM Removal and Replacement Exchangeable Non-Voting Notes in respect of any CM Removal Resolution and/or CM Replacement Resolution. There can be no assurance that these steps will be effective in resulting in such investments in the Issuer by U.S. banking institutions and other banking entities subject to the Volcker Rule (whether in the form of CM Removal and Replacement Exchangeable Non-Voting Notes or otherwise) not being characterised as an "ownership interest" in the Issuer.

The Class X 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 CM Removal Resolutions or any CM Replacement Resolutions. There can be no assurance that this feature will be effective in resulting in investments in the Class X Notes by U.S. banking institutions and other banking entities subject to the Volcker Rule not being characterised as an "ownership interest" in the Issuer.

The Volcker Rule and any similar measures introduced in another relevant jurisdiction may restrict the ability of relevant individual prospective purchasers to invest in the Notes and, in addition, may have a negative impact on the price and liquidity of the Notes in the secondary market. Each prospective investor is responsible for analysing its own position under the Volcker Rule and any similar measures and none of the Issuer, the Collateral Manager or the Initial Purchaser makes any representation regarding such position, including with respect to the ability of any investor to acquire or hold the Notes of any Class (including the Rated Notes), now or at any time in the future.

On May 30, 2018, the Board of Governors of the Federal Reserve asked for comment on proposed modifications to the Volcker Rule, including modifications to the definition of "covered fund" and to the nature of a prohibited "ownership interest" in a covered fund. It cannot be predicted at this time what the substance of any possible modifications to the Volcker Rule, if any were enacted, would provide.

3.11 CRA3

Aspects of Regulation (EC) No 1060/2009 (as amended) (the "**CRA3**") came into force on 20 June 2013 including Article 8(b). In summary, Article 8(b) of the CRA3 requires issuers, sponsors and originators of structured finance instruments such as the Notes to make detailed disclosures of information relating to such instruments. While it was intended that disclosures would start to be made under Article 8(b) from 1 January 2017 in respect of those structured finance instruments for which a reporting template has been specified (which does not include CLOs such as the Notes) and using a website to be set up by the European Securities and Markets Authority ("**ESMA**"), this website has not been set up. In this regard, ESMA issued a statement indicating that it has encountered several issues in preparing the set-up of the website and, given these issues, it does not expect to be in a position to receive disclosures. As a result, there is no mechanism by which relevant entities (including the Issuer) can currently comply with Article 8(b) in general and, as noted above, no reporting template has been specified for CLO transactions in any event. If such a template for CLO transactions were to be published and the website for disclosure were to be set up by ESMA in the future, then the Issuer may incur additional costs and expenses to comply with the disclosure obligations under Article 8(b) and such costs and expenses will be payable by the Issuer as Administrative Expenses. However, subject to certain transitional arrangements as provided for in the Securitisation Regulation, Article 8(b) of the CRA3 has been repealed, and related disclosure requirements will be governed thereafter by the Securitisation Regulation instead - see "*Risk Factors – Regulatory Initiatives - EU Disclosure Requirements"* above.

4. Relating To The Notes

4.1 Limited Liquidity and Restrictions on Transfer

Although there is currently a limited market for notes representing collateralised debt obligations similar to the Notes (other than the Subordinated Notes), there is currently no market for the Notes themselves. The Initial Purchaser or its Affiliates, as part of their activities as broker and dealer in fixed income securities, may make a secondary market in relation to these Notes (other than the Subordinated Notes), but is not obliged to do so. Any indicative prices provided by the Initial Purchaser or its Affiliates shall be determined in the Initial Purchaser's sole discretion taking into account prevailing market conditions and shall not be a representation by the Initial Purchaser or its Affiliates that any instrument can be purchased or sold at such prices (or at all). Notwithstanding the above, the Initial Purchaser or its Affiliates may suspend or terminate making a market and providing indicative prices without notice, at any time and for any reason. There can be no assurance that any secondary market for any of the Notes will develop or, if a secondary market does develop, that it will provide the Noteholders with liquidity of investment or that it will continue for the life of such Notes. Consequently, a purchaser must be prepared to hold such Notes until the Maturity Date. Where a market does exist, to the extent that an investor wants to sell these securities, the price may, or may not, be at a discount from the outstanding principal amount. 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 CM Removal and Replacement Non-Voting Notes are not exchangeable at any time for Notes held in the form of CM Removal and Replacement Voting Notes or CM Removal and Replacement Exchangeable Non-Voting Notes and there are restrictions as to the circumstances in which Notes held in the form of CM Removal and Replacement Exchangeable Non-Voting Notes may be exchanged for Notes held in the form of CM Removal and Replacement Voting Notes. Such restrictions on exchange may limit their liquidity.

4.2 Optional Redemption and Market Volatility

The market value of the Collateral Obligations may fluctuate, with, among other things, changes in prevailing interest rates, foreign exchange rates, general economic conditions, the conditions of financial markets (particularly the markets for senior and mezzanine loans and high yield bonds), European and international political events, events in the home countries of the issuers of the Collateral Obligations or the countries in which their assets and operations are based, developments or trends in any particular industry and the financial

condition of such issuers. The secondary market for senior and mezzanine loans 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 Payment and certain other amounts.

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

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

(a) in the case of a redemption on any Business Day falling on or after the expiry of the Non-Call Period at the option of the Subordinated Noteholders acting by way of Ordinary Resolution;

(b) on any Payment Date following the occurrence of a Note Tax Event at the direction of (i) the Controlling Class acting by Ordinary Resolution or (ii) the Subordinated Noteholders acting by Ordinary Resolution; or

(c) 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,

in each case subject to certain requirements and conditions set out herein. (See Condition 7 (*Redemption and Purchase*).)

As described in Condition 7(b)(v) (*Optional Redemption effected in whole or in part through Refinancing*), subject to certain conditions, 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 (i) the Collateral Manager or (ii) the Subordinated Noteholders (acting by Ordinary Resolution), at least 30 days prior to the Redemption Date to redeem such Class of Rated Notes. 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*).

In addition, any amendment made to the Transaction Documents in connection with a Refinancing of all or certain Classes of Rated Notes in whole (including any amendment to the Transaction Documents that would otherwise have required an Ordinary Resolution or an Extraordinary Resolution of one or more Classes of Noteholders in accordance with Condition 14 (*Meetings of Noteholders, Modification, Waiver and Substitution*) were it not necessary to reflect the terms of Refinancing or made in order to facilitate or otherwise in connection with such Refinancing does not require the consent of any Noteholders.

Following the expiry of the Non-Call Period, the Issuer shall redeem the Rated Notes in whole from Sale Proceeds on any Business Day, if the Collateral Principal Amount is less than 20 per cent. of the Target Par Amount at the direction of the Collateral Manager in accordance with the Conditions and the Trust Deed.

As described in Condition 7(m) (*Redemption of Notes in part - Collateral Manager*), the Issuer shall redeem in part on a *pro rata* basis (with respect to all Classes of Notes (excluding the Class X Notes)) on any Business Day at the written direction of the Collateral Manager subject to, in respect of any Class of Notes, a cumulative limit of 5.1% of the Principal Amount Outstanding of such Class of Notes as of the Issue Date.

The Trust Deed provides that the holders of the Subordinated Notes will not have any cause of action against any of the Issuer, the Collateral 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 Collateral Manager, the Trustee shall amend the Trust Deed and the other Transaction Documents to the extent which the Issuer (or the Collateral Manager on its behalf) certifies is necessary to

reflect the terms of the Refinancing (including any modification to remove the right of the Subordinated Noteholders or any other party to direct the Issuer to redeem by refinancing the Class(es) of Notes subject to a Refinancing) and no consent for such amendments shall be required from the holders of the Notes other than the holders of the Subordinated Notes acting by way of Ordinary Resolution. No assurance can be given that any such amendments to the Trust Deed or the terms of any Refinancing will not adversely affect the holders of any Class or Classes of Notes not subject to redemption (or, in the case of the Subordinated Notes, the 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 Payment Date on or after the redemption or repayment of the Rated Notes (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) at the direction of the Subordinated Noteholders (acting by way of Ordinary Resolution).

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

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

The Notes will be subject to redemption in part by the Issuer on any Payment Date during the Reinvestment Period if the Collateral Manager in its sole discretion provides written certification to the Trustee (on which the Trustee may rely absolutely and without enquiry or liability) that it (A) has been unable, for a period of at least 20 consecutive Business Days using commercially reasonable endeavours, to identify additional Collateral Obligations or Substitute Collateral Obligations that are deemed appropriate by the Collateral Manager in its sole discretion and which would meet the Eligibility Criteria or, to the extent applicable, the Reinvestment Criteria in sufficient amounts to permit the investment or reinvestment of all or a portion of the funds then in the Principal Account to be invested in additional or Substitute Collateral Obligations or (B) at any time after the Effective Date but during the Reinvestment Period, has determined, acting in a commercially reasonable manner, that a redemption is required in order to avoid a Rating Event. On the Special Redemption Date, the Special Redemption Amount will be applied in accordance with the Priorities of Payment. 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.

4.5 Mandatory Redemption of the Notes

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

If (i) the Class A/B Par Value Test is not met on any Determination Date on and after the Effective Date or (ii) the Class A/B Interest Coverage Test is not met on the Determination Date immediately preceding the second Payment Date or any Determination Date thereafter, Interest Proceeds and thereafter Principal Proceeds will be applied in redemption of the Class X Notes, the Class A Notes and the Class B Notes in accordance with the Note Payment Sequence on the related Payment Date in accordance with and subject to the Priorities of Payment (including payment of all prior ranking amounts) until each such Coverage Test is satisfied if recalculated following such redemption.

If (i) the Class C Par Value Test is not met on any Determination Date on and after the Effective Date or (ii) the Class C Interest Coverage Test is not met on the Determination Date immediately preceding the second Payment Date or any Determination Date thereafter, Interest Proceeds and thereafter Principal Proceeds will be applied in redemption of the Class X Notes, the Class A Notes, the Class B Notes and the Class C Notes in accordance with the Note Payment Sequence on the related Payment Date in accordance with and subject to the Priorities of Payment (including payment of all prior ranking amounts) until each such Coverage Test is satisfied if recalculated following such redemption.

If (i) the Class D Par Value Test is not met on any Determination Date on and after the Effective Date or (ii) the Class D Interest Coverage Test is not met on the Determination Date immediately preceding the second Payment Date or any Determination Date thereafter, Interest Proceeds and thereafter Principal Proceeds will be applied in redemption of the Class X Notes, the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes in accordance with the Note Payment Sequence on the related Payment Date in accordance with and subject to the Priorities of Payment (including payment of all prior ranking amounts) until each such Coverage Test is satisfied if recalculated following such redemption.

If (i) the Class E Par Value Test is not met on any Determination Date on and after the Effective Date or (ii) the Class E Interest Coverage Test is not met on the Determination Date immediately preceding the second Payment Date or any Determination Date thereafter, Interest Proceeds and thereafter Principal Proceeds will be applied in redemption of the Class X Notes, the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes in accordance with the Note Payment Sequence on the related Payment Date in accordance with and subject to the Priorities of Payment (including payment of all prior ranking amounts) until each such Coverage Test is satisfied if recalculated following such redemption.

If the Class F Par Value Test is not met on any Determination Date on and after the Effective Date, Interest Proceeds and thereafter Principal Proceeds will be applied in redemption of the Class X 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 in accordance with the Note Payment Sequence on the related Payment Date in accordance with and subject to the Priorities of Payment (including payment of all prior ranking amounts) until such Coverage Test is satisfied if recalculated following such redemption.

4.6 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 Collateral Manager notifies the Issuer, the Rating Agencies and the Trustee that it is unable to invest in additional Collateral Obligations in accordance with the Collateral Management and Administration Agreement. Early termination of the Reinvestment Period could adversely affect returns to the Subordinated Noteholders and may also cause the holders of Rated Notes to receive principal payments earlier than anticipated.

4.7 The Collateral Manager may reinvest after the end of the Reinvestment Period

After the end of the Reinvestment Period, the Collateral Manager may continue to reinvest Unscheduled Principal Proceeds received with respect to the Collateral Obligations and the Sale Proceeds from the sale of Credit Risk Obligations and Credit Improved Obligations, subject to certain conditions set forth in the Trust Deed.

4.8 Actions May Prevent the Failure of Coverage Tests and an Event of Default

At any time, subject to certain conditions (including the prior approval of the Retention Holder), the Issuer may issue and sell additional Notes (other than the Class X Notes) and use the net proceeds to acquire Collateral Obligations and, if applicable, enter into additional Hedge Transactions in connection with the Issuer's issuance of, and making payments on, the Notes and ownership of and disposition of the Collateral Obligations or (in the case of an issuance of additional Subordinated Notes) to be applied as Interest Proceeds. See Condition 17 (*Additional Issuances*).

In addition, the Collateral Manager may, pursuant to the Priorities of Payment, redirect funds (including by deferring or waiving payment of some or all of its Collateral Management Fees) or the Subordinated Noteholders may in certain circumstances designate Reinvestment Amounts, in each case to be applied toward the acquisition of additional Collateral Obligations or other Permitted Uses.

The Collateral Manager may make Collateral Manager Advances pursuant to Condition 3(k) (*Collateral Manager Advances*) from time to time to the extent there are insufficient sums standing to the credit of the Supplemental Reserve Account to purchase or exercise rights under Collateral Enhancement Obligations which the Collateral Manager determines on behalf of the Issuer should be purchased or exercised. The Collateral Manager may earn a rate of interest based on EURIBOR plus 2.0 per cent. per annum. Each Collateral Manager Advance must be in a minimum amount of €1,000,000 and no more than three Collateral Manager Advances may be made in total

The Subordinated Noteholders may elect to make a Reinvestment Amount in accordance with Condition 3(c)(iv) (*Reinvestment Amounts*) by contributing assets to the Issuer either directly or indirectly by designating distributions that would otherwise be made by the Issuer to the Subordinated Noteholder as a contribution back from the Subordinated Noteholder to the Issuer. The Collateral Manager will decide (in consultation with the relevant Subordinated Noteholder but at the discretion of the Collateral Manager) whether such Reinvestment Amount is accepted and, if so accepted, the Permitted Use to which such Reinvestment Amount would be applied.

Any such action could result in satisfaction of a Coverage Test that would otherwise be failing and therefore potentially decrease the occurrence of principal prepayments of the highest ranking Class of 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).

4.9 Limited Recourse Obligations

The Notes are limited recourse obligations of the Issuer and are payable solely from amounts received in respect of the Collateral. Payments on the Notes both prior to and following enforcement of the security over the Collateral are subordinated to the prior payment of certain fees and expenses of, or payable by, the Issuer and to payment of principal and interest on prior ranking Classes of Notes. See Condition 4(c) (*Limited Recourse and Non-Petition*). None of the Retention Holder, the Collateral Manager, any Collateral Manager Related Person, the Noteholders of any Class, the Initial Purchaser, the Trustee, the Collateral Administrator, the Custodian, any Agent, any Hedge Counterparty, the Corporate Services Provider or any Affiliates of any of the foregoing or the Issuer's Affiliates or any other person or entity (other than the Issuer) will be obliged to make payments on the Notes of any Class. Consequently, Noteholders must rely solely on distributions on the Collateral Obligations and other Collateral for the payment of principal, discount, interest and premium, if any, thereon. There can be no assurance that the distributions on the Collateral Obligations and other Collateral 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 Payment. If distributions on the Collateral are insufficient to make payments on the Notes, no other assets (and, in particular, no assets of the Collateral Manager, any Collateral Manager Related Person, the Noteholders, the Initial Purchaser, the Trustee, the Collateral Administrator, the Custodian, any Agent, any Hedge Counterparty, the Corporate Services Provider 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 Payment, 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 (other than in respect of Senior Class M-2 Interest Amounts payable on the Class M-2 Subordinated Notes and Senior Class M-3 Interest Amounts on the Class M-3 Subordinated Notes); (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; (g) seventhly the Class X Noteholders and the Class A Noteholders and (h) lastly the Class M-2 Subordinated Noteholders and the Class M-3 Subordinated Noteholders in respect of Senior Class M-2 Interest Amounts and Senior Class M-3 Interest Amounts respectively, in each case in accordance with the Priorities of Payment.

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, examinership, winding up or liquidation proceedings or other proceedings under any applicable bankruptcy or similar law in connection with any obligations of the Issuer relating to the Notes, 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.

4.10 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, then the filing or presentation of such a petition could result in one or more

payments on the Notes made during the period prior to such filing being deemed to be a preferential transfer 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.

4.11 Subordination of the Notes

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

Notwithstanding the above, payments of Senior Class M-2 Interest Amounts on the Class M-2 Subordinated Notes and Senior Class M-3 Interest Amounts on the Class M-3 Subordinated Notes will rank pari passu as amongst themselves and will rank senior to payments of interest and principal on each Payment Date in respect of each other Class.

The payment of principal 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 Payment 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 and Senior Class M-2 Interest Amounts, Subordinated Class M-2 Interest Amounts, Senior Class M-3 Interest Amounts, Subordinated Class M-3 Interest Amounts and (provided the IRR Threshold has been met or surpassed) IRR Class M-2 Amounts on the Class M-2 Subordinated Notes and IRR Class M-3 Amounts on the Class M-3 Subordinated Notes has been paid and, subject always to (1) the right of the Collateral Manager on behalf of the Issuer to transfer amounts which would have been payable on the Subordinated Notes to the Supplemental Reserve Account to be applied in the acquisition of Substitute Collateral Obligations or in the acquisition or exercise of rights under Collateral Enhancement Obligations, (2) the requirement to transfer amounts to the Principal Account if the Reinvestment Overcollateralisation Test is not met on any Determination Date during the Reinvestment Period and (3) at the discretion of the Collateral Manger at any time following the expiry of the Non-Call Period and provided that the Principal Purchase Test will be satisfied immediately following such payment, the ability of the Issuer to transfer amounts from the Interest Account to the Principal Purchase Account for the purchase of Collateral Obligations. Notwithstanding the foregoing, on one occasion at any time on or after the Issue Date, the Issuer shall, at the discretion of the Collateral Manager, distribute up to €100,000 in aggregate from the Expense Reserve Account (to the extent funds are available) to the Class M-3 Subordinated Noteholders (on a pro rata basis) in respect of the Class M-3 Subordinated Notes.

Non-payment of any Interest Amounts due and payable in respect of the Class X Notes, the Class A Notes or the Class B Notes (or the Class C Notes, the Class D Notes, the Class E Notes or the Class F Notes if such Class of Notes is the Controlling Class and a Frequency Switch Event has occurred) 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 ten Business Days in the case of an administrative error or omission after the Issuer, the Collateral Administrator or Principal Paying Agent receives notice of or has actual knowledge of such error or omission). In such circumstances, the Controlling Class, which in these circumstances will be the Class A Noteholders (or following redemption in full of the Class A Notes, the Class B Noteholders and following redemption in full of the Class B Notes, as determined pursuant to the definition of "Controlling Class"), acting by Ordinary Resolution, may request the Trustee to accelerate the Notes pursuant to Condition 10 (*Events of Default*).

In the event of any redemption in full or acceleration of the Class X Notes, Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Subordinated Notes will also be subject to automatic redemption and/or acceleration and the Collateral will, in each case, be liquidated. Liquidation of the Collateral at such time or remedies pursued by the Trustee upon enforcement of the security over the Collateral could be adverse to the interests of the Class X Noteholders, 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 X Noteholders and the Class A Noteholders. Remedies pursued on behalf of the Class X Noteholders or the Class A Noteholders could be adverse to the interests of the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders, the Class F Noteholders and the Subordinated Noteholders. Remedies pursued on behalf of the Class B Noteholders could be adverse to the interests of the Class C Noteholders, the Class D Noteholders, the Class E Noteholders, the Class F Noteholders and the Subordinated Noteholders. Remedies pursued on behalf of the Class C Noteholders could be adverse to the interests of the Class D Noteholders, the Class E Noteholders, the Class F Noteholders and the Subordinated Noteholders. Remedies pursued on behalf of the Class D Noteholders could be adverse to the interests of the Class E Noteholders, the Class F Noteholders and the Subordinated Noteholders. Remedies pursued on behalf of the Class E Noteholders could be adverse to the interests of the Class F Noteholders and the Subordinated Noteholders. Remedies pursued on behalf of the Class F Noteholders could be adverse to the interests of the Subordinated Noteholders. Notwithstanding the foregoing, the Senior Class M-2 Interest Amounts and the Senior Class M-3 Interest Amounts shall rank pari passu as amongst themselves and shall rank ahead of all other Classes.

The Trust Deed provides that in the event of any conflict of interest among or between the Class X Noteholders, 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 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) 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; (vi) the Class F Noteholders over the Subordinated Noteholders, provided that in the case of any conflict of interest involving the Class X Notes, the interests of the interested next most senior Class of Notes Outstanding shall prevail. 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 which is given priority as described in this paragraph), the Trustee shall give priority to the group which holds the greater amount of Notes Outstanding of such Class. The Trust Deed provides further that the Trustee will act upon the directions of the holders of the Controlling Class (or other Class given priority as described in this paragraph) in such circumstances, and shall not be obliged to consider the interests of the holders of any other Class of Notes, provided that such action is consistent with the applicable law and with all other provisions of the Trust Deed. See Condition 14(e) (*Entitlement of the Trustee and Conflicts of Interest*).

For the purposes of the foregoing, the Class B-1 Notes and the Class B-2 Notes shall be treated as a single Class and rank *pari passu* without any preference amongst themselves.

4.12 Amount and Timing of Payments

To the extent that interest payments on the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes are not made on a relevant Payment Date, unless the relevant Class of Notes is the Controlling Class and a Frequency Switch Event has occurred, 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. For the avoidance of doubt, if the relevant Class of Notes is the Controlling Class and a Frequency Switch Event has occurred such unpaid interest will not be added to the Principal Amount Outstanding of such Class of Notes and shall remain payable as interest.

The Senior Class M-2 Interest Amounts, Subordinated Class M-2 Interest Amounts, Senior Class M-3 Interest Amounts and Subordinated Class M-3 Interest Amounts may be deferred at the election of all of the Class M-2 Subordinated Noteholders and Class M-3 Subordinated Noteholders and, in respect of a deferral, will not earn interest. A Class M-2 Subordinated Noteholder and a Class M-3 Subordinated Noteholder may waive or designate for reinvestment its portion of a payment in respect of Class M-2 Subordinated Notes or Class M-3 Subordinated Notes, respectively.

Any failure to pay scheduled interest on the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes or Senior Class M-2 Interest Amounts, Subordinated Class M-2 Interest Amounts, Senior Class M-3 Interest Amounts or Subordinated Class M-3 Interest Amounts or to pay residual interest or principal on the Class M-1 Subordinated Notes and the Class M-2 Subordinated Notes at any time, due to there being insufficient funds available to pay such interest in accordance with the applicable Priority of Payments, will not be an Event of Default unless, in respect of the Class C Notes, the Class D Notes, the Class E Notes or the Class F Notes (i) the relevant Class of Notes is the Controlling Class and a Frequency Switch Event has occurred and (ii) the relevant grace period specified in Condition 10(a)(i) (*Non-payment of interest*) has expired. Holders of such Classes of Notes will consequently have no right to accelerate their Notes or to direct that the Trustee take enforcement action with respect to the Collateral to recover the principal amount of their Notes outstanding in circumstances where no such Event of Default has occurred.

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

4.13 Waiver, designation for reinvestment, deferral or cessation of payments in respect of the Class M-2 Subordinated Notes and the Class M-3 Subordinated Notes

As described above, certain payments in respect of the Class M-2 Subordinated Notes or the Class M-3 Subordinated Noteholders may be waived, designate or deferred at the election of some or all (as the case may be) of the Class M-3 Subordinated Noteholders respectively, which may have the effect of avoiding an Event of Default. In addition, deferral of any such payments will result in amounts falling due on later Payment Dates than would otherwise be the case, which may reduce funds available for the discharge of other liabilities that are due on such later Payment Dates.

If a Distribution Switch Event occurs, all Senior Class M-2 Interest Amounts, Subordinated Class M-2 Interest Amounts, Senior Class M-3 Interest Amounts and Subordinated Class M-3 Interest Amounts required to be determined thereafter shall be deemed to be zero, which will reduce the payments to which the Class M-2 Subordinated Noteholders and the Class M-3 Subordinated Noteholders are entitled. The Collateral Management Fees payable by a corresponding amount shall increase by an amount corresponding to such reduction in payments to the Class M-2 Subordinated Noteholders and the Class M-3 Subordinated Noteholders.

The occurrence of a Distribution Switch Event may be, in part or in whole, beyond the control of the Class M-2 Subordinated Noteholders and the Class M-3 Subordinated Noteholders, and may occur at any time on or after the Issue Date. See also "*Risk Factors – Conflicts of Interest - Certain Conflicts of Interest Involving or Relating to the Collateral Manager and its Affiliates*".

A Distribution Switch Event shall occur if (a) an event occurs resulting in the Collateral Manager ceasing to be a member of the Affiliated Group (for the avoidance of doubt whether as a result of a change in the identity of the Collateral Manager to a person that is not a member of the Affiliated Group, as a result of the Collateral Manager ceasing to be a member of the Affiliated Group due to corporate events in respect of the Affiliated Group or otherwise) and (b) the Collateral Manager or the Issuer notifies such event to the Collateral Administrator.

4.14 Reports Will Not Be Audited

The Monthly Reports and Payment Date Reports and, if the Collateral Administrator (acting reasonably) agrees to provide reporting in this regard, the Investor Reports and the Portfolio Reports made available to Noteholders will be compiled by the Collateral Administrator, on behalf of the Issuer, in consultation with and

based on certain information provided to it by the Collateral Manager. Information in the reports will not be audited nor will reports include a review or opinion provided by a public accounting firm.

4.15 Future Ratings of the Rated 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. In the event that 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 the CRA3. As such each Rating Agency is included in the list of credit rating agencies published by ESMA on its website in accordance with the CRA3. ESMA may determine that one or both of the Rating Agencies no longer qualifies for registration under the CRA3 and that determination may also have an adverse effect on the market prices and liquidity of the Rated Notes.

Rating Agencies may refuse to give rating agency confirmations

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

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

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

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

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

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

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

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

4.17 Average Life and Prepayment Considerations

The Maturity Date of the Notes is, subject to adjustment for non-Business Days, 15 July 2032. However, the principal of the Notes of each Class is expected to be repaid in full prior to the Maturity Date. Average life refers to the average amount of time that will elapse from the date of delivery of a Note until each Euro of the principal of such Note will be paid to the investor. The average lives of the Notes will be determined by the amount and frequency of principal payments, which are dependent upon, among other things, the amount of payments received at or in advance of the scheduled maturity of the Collateral Obligations (whether through sale, maturity, redemption, default or other liquidation or disposition). The actual average lives and actual maturities of the Notes will be affected by the financial condition of the issuers of the underlying Collateral Obligations and the characteristics of such loans, including the existence and frequency of exercise of any

optional or mandatory redemption features, the prevailing level of interest rates, the redemption price, the actual default rate, the actual level of recoveries on any Defaulted Obligations and the timing of defaults and recoveries, and the frequency of tender or exchange offers for such Collateral Obligations. Collateral Obligations may be subject to optional prepayment by the Obligor of such loans. Any disposition of a Collateral Obligation may change the composition and characteristics of the Collateral Obligations and the rate of payment thereon and, accordingly, may affect the actual average lives of the Notes. The rate of and timing of future defaults and the amount and timing of any cash realisation from Defaulted Obligations also will affect the maturity and average lives of the Notes.

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

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

4.18 Volatility of the Subordinated Notes

The Subordinated Notes represent a leveraged investment in the underlying Collateral Obligations. Accordingly, it is expected that changes in the market value of the Subordinated Notes will be greater than changes in the market value of the underlying Collateral Obligations, which themselves are subject to credit, liquidity, interest rate and other risks. Utilisation of leverage is a speculative investment technique and involves certain risks to investors and will generally magnify the Subordinated Noteholders' opportunities for gain and risk of loss. In certain scenarios, the Notes may not be paid in full, and the Subordinated Notes and one or more Classes of Rated Notes may be subject to a partial or a 100 per cent. 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 Senior Class M-2 Interest Amounts, Subordinated Class M-2 Interest Amounts, Senior Class M-3 Interest Amounts, Subordinated Class M-3 Interest Amounts or (provided the IRR Threshold has been met or surpassed) IRR Class M-2 Amounts on the Class M-2 Subordinated Notes and IRR Class M-3 Amounts on the Class M-3 Subordinated Notes, to pay interest on one or more subordinate Classes of Rated Notes or for reinvestment in Collateral Obligations being applied on the next Payment Date to make principal payments on the more senior classes of Rated Notes until such Coverage Tests have been satisfied. This feature will likely reduce the return on the Subordinated Notes and/or one or more subordinate Classes of Rated Notes and cause temporary or permanent suspension of distributions to the Subordinated Notes and/or one or more subordinate Classes of Rated Notes. See *"Mandatory Redemption of the Notes"* above.

The volatility of the Class M-2 Subordinated Notes and the Class M-3 Subordinated Notes may be increased by the fact that following a Distribution Switch Event there will be a reduction in payments in respect of the Class M-2 Subordinated Notes and the Class M-3 Subordinated Notes. See "*Waiver, designation for reinvestment, deferral or cessation of payments in respect of the Class M-2 Subordinated Notes and the Class M-3 Subordinated 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.

4.19 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.

4.20 Security

Clearing Systems: Collateral Obligations or other assets forming part of the Collateral which are in the form of securities (if any) will be held by the Custodian on behalf of the Issuer. 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. Such security interests over (i) the beneficial interest of the Issuer in its share of the pool of securities fungible with the relevant Collateral Obligations held in the accounts of the Custodian on trust for the Issuer and (ii) the Issuer's ancillary contractual rights against the Custodian in accordance with the terms of the Agency and Account Bank Agreement (as defined in the Conditions) which may expose the Secured Parties to the risk of loss in the case of a shortfall of such securities in the event of insolvency of the Custodian or its sub-custodian.

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

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

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

4.21 Resolutions, Amendments and Waivers

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

Decisions may be taken by Noteholders by way of Ordinary Resolution or Extraordinary Resolution, in each case, either acting together or, to the extent specified in any applicable Transaction Document, as a Class of Noteholders acting independently. Such Resolutions can be effected either at a duly convened meeting of the applicable Noteholders or by the applicable Noteholders resolving in writing. Meetings of the Noteholders may be convened by the Issuer, the Trustee or by one or more Noteholders holding not less than 10 per cent. of the aggregate Principal Amount Outstanding of the Notes of a particular Class, subject to certain conditions including minimum notice periods. The Trustee may, in its discretion, determine that any proposed Ordinary Resolution or Extraordinary Resolution affects only the holders of one or more Classes of Notes, in which event the required quorum and minimum percentage voting requirements of such Ordinary Resolution or Extraordinary Resolution may be determined by reference only to the holders of that Class or Classes of Notes.

In the event that a meeting of Noteholders is called to consider a Resolution, determination as to whether the requisite number of Notes has been voted in favour of such Resolution will be determined by reference to the percentage which the Notes voted in favour represent of the total amount of Notes voted in respect of such Resolution and not the aggregate Principal Amount Outstanding of all such Notes held or represented by any person or persons entitled to vote at such meeting. This means that a lower percentage of Noteholders may pass a Resolution which is put to a meeting of Noteholders than would be required for a Written Resolution in respect of the same matter.

There are, however, quorum provisions which provide that a minimum number of Noteholders representing a minimum amount of the aggregate Principal Amount Outstanding of the applicable Class or Classes of Notes be present at any meeting to consider a Resolution. In the case of an Extraordinary Resolution, this is one or more persons holding or representing not less than $66^2/_3$ per cent. of the aggregate Principal Amount Outstanding of each Class of Notes (or the relevant Class or Classes only, if applicable) and, in the case of an Ordinary Resolution, this is one or more persons holding or representing not less than 50 per cent. of the aggregate Principal Amount Outstanding of each Class of Notes (or the relevant Class or Classes only, if applicable). Such quorum provisions still, however, require considerably lower thresholds than would be required for a Written Resolution.

In addition, in the event that a quorum requirement is not satisfied at any meeting, lower quorum thresholds will apply at any meeting previously adjourned for want of quorum as set out in Condition 14 (*Meetings of Noteholders, Modification, Waiver and Substitution*) and in the Trust Deed. Any such Resolution may be adverse to any Class of Noteholders or to any group of Noteholders or individual Noteholders within any Class.

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

Notes constituting the Controlling Class that are in the form of CM Removal and Replacement Non-Voting Notes or CM 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 voting on any CM Removal Resolution or any CM Replacement Resolution. As a result, for so long as any of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes constitute the Controlling Class, only Notes that are in the form of CM Removal and Replacement Voting Notes may vote and be counted in respect of a CM Removal Resolution or a CM Replacement Resolution.

The Class X 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 CM Removal Resolutions or any CM Replacement Resolutions. There can be no assurance that this feature will be effective in ensuring that investments in the Class X Notes by U.S. banking institutions and other banking entities subject to the Volcker Rule are not characterised as an "ownership interest" in the Issuer.

Notes in the form of CM 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 CM Removal and Replacement Voting Notes will be entitled to vote to pass a CM Removal Resolution or a CM Replacement Resolution and the remaining percentage of the Controlling Class (in the form of CM Removal and Replacement Non-Voting Notes and/or CM Removal and Replacement Exchangeable Non-Voting Notes) will be bound by such Resolution.

The Initial Purchaser has undertaken in the Subscription Agreement that neither it nor any of its Affiliates and/or officers, directors or employees shall exercise any voting rights in respect to any vote (or written direction or consent) in connection with any CM Removal Resolution or any CM Replacement Resolution in respect of its holding of the Notes.

The Controlling Class for the purposes of a CM Removal Resolution or a CM Replacement Resolution shall be determined in accordance with the Principal Amount Outstanding of the relevant Class of Notes.

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 CM Removal and Replacement Voting Notes, the Class A Notes will not be entitled to vote in respect of such CM Removal Resolution or CM Replacement Resolution and such right shall pass to a more junior Class of Notes in accordance with the definition of Controlling Class.

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 a CM Removal Resolution or a CM Replacement Resolution, such Class of Notes will not be entitled to vote in respect of such CM Removal Resolution or CM Replacement Resolution and such right shall pass to a more junior Class of Notes.

Certain amendments and modifications may be made without the consent of Noteholders. See Condition 14(c) (Modification and Waiver). Such amendment or modification could be adverse to certain Noteholders. Without limitation to the foregoing, potential investors should note that the Issuer may amend the Transaction Documents to modify or amend the components of the Portfolio Profile Tests, the Eligibility Criteria, the Reinvestment Overcollateralisation Test, the Principal Purchase Test, the Reinvestment Criteria or the Collateral Quality Tests and the related definitions, provided that Rating Agency Confirmation has been obtained and (to the extent provided in Condition 14(c) (Modification and Waiver)) (i) other than in respect of the Weighted Average Life Test, the Controlling Class has consented by way of Ordinary Resolution or (ii) in respect of the Weighted Average Life Test, each Class of Notes acting separately has consented by way of Ordinary Resolution (for which purpose the Class M-1 Subordinated Notes, the Class M-2 Subordinated Notes and the Class M-3 Subordinated Notes shall be treated as a single Class).

In addition, potential investors should note that the Issuer may be prevented from making certain amendments or modifications which would otherwise be beneficial to the transaction due to the requirements set out in Condition 14(c) (Modification and Waiver) to obtain the consent of the Controlling Class or the consent of one or more specified Classes of Noteholders (in each case, acting by Ordinary Resolution).

Certain entrenched rights relating to the Conditions including the currency thereof, Payment Dates applicable thereto, the Priorities of Payment, the provisions relating to quorums and the percentages of votes required for the passing of a Resolution cannot be amended or waived by Ordinary Resolution but require an Extraordinary Resolution (provided however that any such modification, adjustment or change that would otherwise require an Extraordinary Resolution of the Subordinated Noteholders may be passed by an Ordinary Resolution of the Subordinated Noteholders if being effected contemporaneously with a Refinancing in whole). It should however be noted that amendments may still be effected and waivers may still be granted in respect of such provisions in circumstances where not all Noteholders agree with the terms thereof and any amendments or waivers once passed in accordance with the provisions of the Conditions and the provisions of the Trust Deed will be binding on all such dissenting Noteholders. In addition to the Trustee's right to agree to changes to the Transaction Documents to correct a manifest error, or to changes which, in its opinion, are not materially prejudicial to the interests of the Noteholders of any Class without the consent of the Noteholders, modifications may also be made and waivers granted in respect of certain other matters, 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 a modification of the Transaction Documents which may have been beneficial to or in the best interests of the Noteholders or in a manner required in order to ensure regulatory compliance.

Investors should note that for the purposes of determining voting rights attributable to the Notes and the applicable quorum at any meeting of the Noteholders pursuant to Condition 14 (*Meetings of Noteholders, Modification, Waiver and Substitution*), (i) the Class B-1 Notes and the Class B-2 Notes shall together be deemed to constitute a single Class in respect of any voting rights specifically granted to them (including as the Controlling Class). As a consequence, holders of the Class B-1 Notes and the Class B-2 Notes shall act not separately, but in either case together as a single Class for voting purposes, including in relation to amendments where the interests of such Noteholders may not be aligned.

Similarly, for the purposes of determining voting rights attributable to the Notes and the applicable quorum at any meeting of the Noteholders pursuant to Condition 14 (*Meetings of Noteholders, Modification, Waiver and Substitution*) the Class M-1 Subordinated Notes, the Class M-2 Subordinated Notes and the Class M-3 Subordinated Notes shall together be deemed to constitute a single Class in respect of any voting rights specifically granted to them (including as the Controlling Class) except for the purposes of Extraordinary Resolutions (for the purposes of which they shall be treated as separate Classes). As a consequence, holders of the Class M-1 Subordinated Notes, the Class M-2 Subordinated Notes and the Class M-3 Subordinated Notes shall in such circumstances act not separately, but together as a single Class for voting purposes, including in relation to amendments where the interests of such Noteholders may not be aligned.

4.22 Concentrated Ownership of One or More Classes of Notes

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

4.23 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 Collateral 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*) of the definition thereof, such notice shall be deemed to have been given and all the Notes shall automatically become immediately due and repayable.

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 in accordance with Condition 11 (*Enforcement*) that the anticipated proceeds realised from such Enforcement Action (after deducting any expenses properly incurred in connection therewith), would be sufficient to discharge in full all amounts due and payable in respect of all Classes of Notes other than the residual amounts due and payable on 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 Payment; or otherwise (B) in the case of an Event of Default specified in sub-paragraphs (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) may direct the Trustee to take Enforcement Action without regard to any other Event of Default which has occurred prior to, contemporaneously or subsequent to such Event of Default.

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

4.24 Certain ERISA Considerations

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

4.25 Forced Transfer

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

The Trust Deed provides that if, notwithstanding the restrictions on transfer contained therein, the Issuer determines at any time that any holder of an interest in a Rule 144A Note is a U.S. person as defined under Regulation S under the Securities Act and is not both a QIB and a QP (any such person, a "**Non-Permitted Noteholder**") or that any holder of an interest in a Note is a Noteholder that has made or is deemed to have

made a prohibited transaction, Benefit Plan Investor, Controlling Person, Other Plan Law, Similar Law or other ERISA representation that is subsequently shown to be false or misleading or whose ownership otherwise causes a violation of the 25 per cent. limitation set out in the Plan Asset Regulation (a "**Non-Permitted ERISA Noteholder**") or that any holder of an interest in a Note (other than the Collateral Manager in relation to the Retention Notes) is a Noteholder who (i) has failed to provide any information necessary in order to enable the Issuer to comply with its obligations under FATCA or (ii) otherwise prevents the Issuer from complying with FATCA (any such Noteholder, a "**Non-Permitted FATCA Noteholder**"), the Issuer shall (or, in the case of a Non-Permitted ERISA Noteholder, may), promptly after determination that such person is a Non-Permitted Noteholder, Non-Permitted ERISA Noteholder or Non-Permitted FATCA Noteholder by the Issuer, send notice to such Non-Permitted Noteholder, Non-Permitted ERISA Noteholder or Non-Permitted FATCA Noteholder (as applicable) demanding that such Holder transfer its interest outside the United States to a non-U.S. person (as defined in Regulation S) or to a person that is not a Non-Permitted Noteholder, Non-Permitted ERISA Noteholder or Non-Permitted FATCA Noteholder (as applicable) within 30 days (or 10 days in the case of a Non-Permitted ERISA Noteholder) of the date of such notice. If such Holder fails to effect the transfer required within such 30-day period (or 10-day period in the case of a Non-Permitted ERISA Noteholder), (a) the Issuer or the Collateral Manager on its behalf and at the expense of the Issuer, shall cause such beneficial interest to be transferred in a sale to a person or entity that certifies to the Issuer, in connection with such transfer, that such person or entity either is not a U.S. person (as defined in Regulation S) or is a QIB and a QP and is not a Non-Permitted ERISA Noteholder or a Non-Permitted FATCA Noteholder; and (b) pending such transfer, no further payments will be made in respect of such beneficial interest.

5. Relating To The Collateral

5.1 The Portfolio

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

Neither the Issuer nor the Initial Purchaser has made any investigation into the Obligors of the Collateral Obligations. The value of the Portfolio may fluctuate from time to time (as a result of substitution or otherwise) and none of the Issuer, the Trustee, the Initial Purchaser, the Custodian, the Retention Holder, the Collateral Manager, any Collateral Manager Related Person, the Collateral Administrator, any Hedge Counterparty, the Corporate Services Provider or any of their Affiliates are under any obligation to maintain the value of the Collateral Obligations at any particular level. None of the Issuer, the Trustee, the Custodian, the Retention Holder, the Collateral Manager, any Collateral Manager Related Person, 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 Obligations from time to time.

Furthermore, pursuant to the Collateral Management and Administration Agreement, the Collateral Manager is required to carry out due diligence as it considers reasonably necessary in accordance with the standard of care specified in the Collateral Management and Administration Agreement, to ensure the Eligibility Criteria will be satisfied and that the Issuer will, upon the settlement of such purchase, become the legal and beneficial holder of such Collateral Obligations in accordance with the terms of the relevant Underlying Instrument and all applicable laws. Noteholders are reliant on the Collateral Manager conducting such due diligence in a manner which ensures that the Collateral Obligations are properly and effectively transferred and satisfy each of the Eligibility Criteria.

5.2 Nature of Collateral; Defaults

The Collateral on which the Notes and the claims of the other Secured Parties are secured will be subject to credit, liquidity, interest rate and exchange rate risks. The Portfolio of Collateral Obligations which will secure the Notes will be predominantly comprised of Secured Senior Obligations (which may consist of Secured Loans and/or Secured Senior Bonds), Unsecured Senior Obligations, Second Lien Loans, Mezzanine Obligations and High Yield Bonds lent to or issued by a variety of Obligors with a principal place of business in a Non-Emerging Market Country which are primarily rated below investment grade.

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

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

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

5.3 The Warehouse Arrangements

The Issuer has purchased or entered into an agreement to purchase a substantial portion of the Portfolio on or prior to the Issue Date pursuant to certain financing arrangements (the "**Warehouse Arrangements**"). The Warehouse Arrangements were provided by a senior lender (being an Affiliate of the Initial Purchaser) and certain other subordinated investors (including funds and accounts managed by Collateral Manager Related Entities) (each a "**Warehouse Provider**"). The Issuer will apply part of the proceeds of the issuance of the Notes to repay the Warehouse Providers under the Warehouse Arrangements in respect of the funding provided to it to finance the purchase of Collateral Obligations prior to the Issue Date (the "**Warehoused Assets**"), and the Warehouse Arrangements will be terminated on the Issue Date.

The prices paid for Warehoused Assets will be the prevailing prices at the time of the execution of the applicable trades given the market circumstances applicable 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, or committing to acquire, a Warehoused Asset and the Issue Date, including changes in prevailing interest rates, prepayments of principal, developments or trends in any particular industry, changes in the financial condition of the Obligors of Warehoused Assets, 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 Warehoused Assets. Investors in the Notes will be assuming the risk of market value and credit quality changes in the Warehoused Assets from the date the Issuer enters into a commitment to acquire such Warehoused Assets, including during the period prior to the Issue Date, but will not receive the benefit of interest earned on the Warehoused Assets during such period.

An Affiliate of the Initial Purchaser, in its capacity as senior lender under the Warehouse Arrangements, was involved in the process of acquisition by the Issuer (with the Collateral Manager acting on its behalf) of the Warehoused Assets. However, such Affiliate of the Initial Purchaser's involvement in such process was solely in its capacity as senior lender under the Warehouse Arrangements and should not be viewed as a determination by the Initial Purchaser or its Affiliate 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.

On and before the Issue Date, any realised losses resulting from changes in the market value of the Warehoused Assets as compared to the purchase price of the Warehoused Assets will be for the ultimate account of the warehouse subordinated investors. However, any unrealised losses on or prior to the Issue Date and any realised and unrealised losses after the Issue Date will be for the account of the Issuer (and therefore the Noteholders). The interests of the participants in the Warehouse Arrangements in respect of the Warehoused Assets may not necessarily align with, and may be directly contrary to, those of the investors in the Notes.

The financing provided pursuant to the Warehouse Arrangements will be repaid on the Issue Date by applying part of the proceeds of the issuance of the Notes. Certain costs and expenses related to the Warehouse Arrangements, including the interest and commitment fees payable to the lenders under the Warehouse Arrangements and payment of certain fees and reimbursement of certain expenses to such lender and any agents appointed in respect of the Warehouse Arrangements, will therefore be borne by the Issuer as such amounts will be paid by application of the proceeds of the issuance of the Notes.

5.4 Acquisitions of Collateral Obligations and purchase price for such acquisitions

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

The Collateral Manager will enter into a conditional sale agreement with the Issuer under which the Issuer shall have the right to require the Collateral Manager to purchase from it the relevant Collateral Obligations for the same purchase price as the Issuer committed to purchase and settle such Originated Asset. See "*The EU Retention and Disclosure Requirements*".

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

In circumstances where the Issuer has entered into a binding commitment to purchase Collateral Obligations, events occurring between the date of such commitment and the settlement date, including changes in prevailing interest rates, prepayments of principal, developments or trends in any particular industry, changes in the financial condition of the Obligors of Collateral Obligations 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 such Collateral Obligations during such intervening period and will be risks borne by the Issuer (and, indirectly, the Noteholders).

5.5 Considerations Relating to the Initial Investment Period

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

Investors should note that, during the Initial Investment Period, the Collateral Manager may apply some or all amounts standing to the credit of the First Period Reserve Account to be applied for the purchase of additional Collateral Obligations. Such application may affect the amounts which would otherwise have been payable to Noteholders and, in particular, may reduce amounts available for distribution to the Subordinated Noteholders.

5.6 Underlying Portfolio

Characteristics of Senior Obligations and Mezzanine Obligations

The Portfolio Profile Tests provide that, as of the Effective Date, at least 90.0 per cent. of the Collateral Principal Amount must consist of Secured Senior Obligations (which shall comprise for this purpose the aggregate of the Aggregate Principal Balance of the Secured Senior Obligations and the Balances standing to the credit of the Principal Account and the Unused Proceeds Account, in each case as at the relevant Measurement Date, provided that the proviso of limb (b) of the definition of Secured Senior Loan and Secured Senior Bond shall be disregarded for this purpose). Investors should note that Secured Senior Obligations may consist of Secured Senior Loans and/or Secured Senior Bonds but there is no restriction under the Portfolio Profile Tests on the proportion of Secured Senior Bonds and Secured Senior Loans constituting such Secured Senior Obligations. Senior Obligations 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 Obligor in the course of such a transaction, the Obligor's creditworthiness is typically judged by the rating agencies to be below investment grade. Secured Senior Obligations and Unsecured Senior Obligations 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 Obligations or to any other senior debt of the Obligor. Secured Senior Obligations are often secured by specific collateral, including but not limited to, trademarks, patents, accounts receivable, inventory, equipment, buildings, real estate, franchises and common and preferred 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. Senior Obligations are typically in the form of loans, but may also in certain cases

be in the form of a security, which may present different risks and concerns. Mezzanine Obligations may have the benefit of a second priority charge over such assets. Unsecured Senior Obligations do not have the benefit of such security. Secured Senior Loans usually have shorter terms than more junior obligations and often require mandatory prepayments from excess cash flows, asset dispositions and offerings of debt and/or equity securities.

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

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 Obligor 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 Obligations 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 or Mezzanine Obligation which is not waived by the lending syndicate normally is an event of acceleration which allows the syndicate to demand immediate repayment in full of the outstanding loan. However, although any particular Senior Obligation or Mezzanine Obligation may share many similar features with other loans and obligations of its type, the actual terms of any Senior Obligation or Mezzanine Obligation will have been a matter of negotiation and will be unique. Any such particular loan may contain non-standard terms and may provide less protection for creditors than may be expected generally, including in respect of covenants, events of default, security or guarantees. In addition, Collateral Obligations in the form of floating rate notes are similar in nature to Cov-Lite Loans and typically do not provide for financial covenants and thus, may result in difficulties in triggering a default. See "*Investing in Cov-Lite Loans involves certain risks*" below.

Limited Liquidity, Prepayment and Default Risk in relation to Senior Obligations 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 investment managers of trusts or special purpose companies issuing collateralised bond and loan obligations. As secondary market trading volumes increase, new loans are frequently adopting more standardised documentation to facilitate loan trading which should improve market liquidity. There can be no assurance, however, that future levels of supply and demand in loan trading will provide the degree of liquidity which currently exists in the market. This means that such assets will be subject to greater disposal risk in the event that 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.

Secured Senior 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 bondholders 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.

Mezzanine Obligations are likely to be subject to intercreditor arrangements that may include restrictions on the ability of the holders of the relevant Mezzanine Obligations from taking independent enforcement action.

Prepayment Risk

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

Credit Risk

Risks applicable to Collateral Obligations generally 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 and obligations during periods of rising interest rates and economic downturn. An economic downturn could severely disrupt the market for leveraged loans and senior, mezzanine and high-yield obligations 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, Secured Senior Bonds and Mezzanine Obligations and no assurance can be given as to the levels of default and/or recoveries that may apply to any Senior Loans, Secured Senior Bonds and Mezzanine Obligations purchased by the Issuer. As referred to above, although any particular Senior Loan, Secured Senior Bond or Mezzanine Obligation often will share many similar features with other loans and obligations of its type, the actual terms of any particular Senior Loan, Secured Senior Bond or Mezzanine Obligation will have been a matter of negotiation and will thus be unique. The types of protection afforded to creditors will therefore vary from investment to investment. Recoveries on Senior Loans, Secured Senior Bonds and Mezzanine Obligations 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 Obligations 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 Obligations 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 or debt obligation is generally considered speculative in nature and may become a Defaulted Obligation for a variety of reasons. Upon any Collateral Obligation becoming a Defaulted Obligation, such Defaulted Obligation may become subject to either substantial workout negotiations or restructuring, which may entail, among other things, a substantial change in the interest rate, a substantial write-down of principal, a conversion of some or all of the principal debt into equity or an extension of its maturity, and a substantial change in the terms, conditions and covenants with respect to such Defaulted Obligation. Junior creditors may find that a restructuring leads to the total eradication of their debt whilst the borrower continues to service more senior tranches of debt on improved terms for the senior lenders or investors. In addition, such negotiations or restructuring may be quite extensive and protracted over time, and therefore may result in uncertainty with respect to the ultimate recovery on such Defaulted Obligation. Forum shopping for a favourable legal regime for a restructuring is not uncommon, English law schemes of arrangement having become a popular tool for European incorporated companies, even for borrowers with little connection to the UK. The liquidity for Defaulted Obligations may be limited, and to the extent that Defaulted Obligations are sold, it is highly unlikely that the proceeds from such sale will be equal to the amount of unpaid principal and interest thereon. Furthermore, there can be no assurance that the ultimate recovery on any Defaulted Obligation will be at least equal either to the minimum recovery rate assumed by the Rating Agencies in rating the Notes or any recovery rate used in the analysis of the Notes by investors in determining whether to purchase the Notes.

In some European jurisdictions, obligors or lenders may seek a "scheme of arrangement". In such instance, a lender or other debt investor may be forced by a court to accept restructuring terms. Recoveries on both Senior Obligations 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 "*Insolvency Considerations relating to Collateral Obligations*" below.

Characteristics of Unsecured Senior Obligations

The Collateral Obligations may include Unsecured Senior Obligations. Such Collateral Obligations generally have greater credit, insolvency and liquidity risk than is typically associated with secured obligations. Unsecured Senior Obligations will generally have lower rates of recovery than secured obligations following a default. Also, if the insolvency of an Obligor of any Unsecured Senior Obligations occurs, the holders of such obligation will be considered general, unsecured creditors of the Obligor and will have fewer rights than secured creditors of the Obligor.

Investing in Cov-Lite Loans involves certain risks

The Issuer or the Collateral Manager acting on its behalf may purchase Collateral Obligations which are Cov-Lite Loans. Cov-Lite Loans typically do not have maintenance covenants but they usually have incurrence covenants in the same manner as a High Yield Bond. Ownership of Cov-Lite Loans may expose the Issuer to greater risks, including with respect to liquidity, price volatility and ability to restructure loans, than is the case with loans that have maintenance covenants. In addition, the lack of maintenance covenants may make it more difficult for lenders to trigger a default in respect of such Collateral Obligations. This makes it more likely that any default will only arise under a Cov-Lite Loan at a stage where the relevant Obligor is in a greater degree of financial distress. Such a delay may make any successful restructuring more difficult to achieve and/or result in a greater reduction in the value of the Cov-Lite Loan as a consequence of any restructuring effected in such circumstances.

Characteristics of High Yield Bonds

Some High Yield Bonds are unsecured, may be subordinated to other obligations of the applicable Obligor and may 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.

Some European High Yield Bonds are 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 may leave 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. Furthermore, security granted may be similar to that granted under a Second Lien Loan – see further "*Characteristics of Second Lien Loans*" above.

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 "*Insolvency Considerations relating to Collateral Obligations*" below. It must be noted, however, that the overall probability of default (based on credit rating) remains similar for both U.S. and European credits; it is the severity of the effect of any default that differs between the two markets as a result of the aforementioned factors.

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

Investing in Second Lien Loans involves certain risks

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

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

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

For the purposes of the foregoing, "**Senior Loan**" means a Collateral Obligation that is a Secured Senior Loan, an Unsecured Senior Loan or a Second Lien Loan.

Increased risk of 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 involve additional risks. The level of analytical sophistication, both financial and legal, necessary for successful investment in companies experiencing significant business and financial difficulties is unusually high. There is no assurance that the Issuer (or the Collateral Manager on its behalf) will correctly evaluate the value of the assets securing a Corporate Rescue Loan or the prospects for a successful reorganisation or similar action and accordingly the Issuer could suffer significant losses on its investment in such Corporate Rescue Loan. In any reorganisation or liquidation case relating to a company in which the Issuer invests, the Issuer may lose its entire investment, may be required to accept cash or securities with a value less than the Issuer's original investment and/or may be required to accept payment over an extended period of time.

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

Although a Corporate Rescue Loan may be unsecured, where the Obligor the subject of a proceeding under the United States Bankruptcy Code, 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 (if any).

Collateral Enhancement Obligations

All funds required in respect of the purchase price of any Collateral Enhancement Obligations, and all funds required in respect of the exercise price of any rights or options thereunder may only be paid out of the Balance standing to the credit of the Supplemental Reserve Account at the relevant time or out of a Collateral Manager Advance. 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 Collateral Manager, acting on behalf of the Issuer, determines shall be paid into the Supplemental Reserve Account pursuant to the Priorities of Payment rather than being paid to the Subordinated Noteholders. The aggregate amounts which may be credited to the Supplemental Reserve Account in accordance with the Priorities of Payment are subject to the following caps: (i) in aggregate on any particular Payment Date, such amount may not exceed €4,000,000 and (ii) the cumulative maximum aggregate total in respect of all Payment Dates may not exceed €12,000,000. During the Reinvestment Period, Reinvesting Noteholders may also direct that a Reinvestment Amount in respect of their Subordinated Notes be deposited into the Supplemental Reserve Account in accordance with the Priorities of Payment.

To the extent that there are insufficient sums standing to the credit of the Supplemental Reserve Account from time to time to purchase or exercise rights under Collateral Enhancement Obligations which the Collateral Manager determines on behalf of the Issuer should be purchased or exercised, the Collateral Manager may, at its discretion, pay amounts required in order to fund such purchase or exercise (each such amount, a "**Collateral Manager Advance**") to such account pursuant to the terms of the Collateral Management and Administration Agreement. All such Collateral Manager Advances shall be repaid (together with interest thereon) out of Interest Proceeds and Principal Proceeds on each Payment Date pursuant to the Priorities of Payment. Each Collateral Manager Advance must be in a minimum amount of €1,000,000 and no more than three Collateral Manager Advances may be made in total.

The Collateral Manager is under no obligation whatsoever to exercise its discretion (acting on behalf of the Issuer) to take any of the actions described above and the Balance standing to the credit of the Supplemental Reserve Account may also or alternatively be used to fund the purchase of additional Collateral Obligations or Substitute Collateral Obligations. There can therefore be no assurance that the Balance standing to the credit of the Supplemental Reserve Account will be sufficient to fund the exercise of any right or option under any Collateral Enhancement Obligation at any time. The ability of the Collateral Manager (acting on behalf of the Issuer) to exercise any rights or options under any Collateral Enhancement Obligation will be dependent upon there being sufficient amounts standing to the credit of the Supplemental Reserve Account to pay the costs of any such exercise. If sufficient amounts are not so available, the Collateral Manager may, at its discretion, fund the payment of any shortfall by way of a Collateral Manager Advance. However, the Collateral Manager is under no obligation to make any Collateral Manager Advance. Failure to exercise any such right or option may result in a reduction of the returns to the Subordinated Noteholders (and, potentially, Noteholders of other Classes).

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

5.7 Limited Control of Administration and Amendment of Collateral Obligations

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

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

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

5.8 Participations, Novations and Assignments

The Collateral Manager, acting on behalf of the Issuer, may acquire interests in Collateral Obligations which are loans either directly (by way of novation or assignment) or indirectly (by way of sub participation). Each institution from which such an interest is taken by way of participation or acquired by way of assignment is referred to herein as a "Selling Institution". Interests in loans acquired directly by way of novation or assignment are referred to herein as "Assignments". Interests in loans acquired 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 in the loan, and therefore, may have limited interest in monitoring the terms of the loan agreement and the continuing creditworthiness of the borrower. When the Issuer holds a Participation in a loan it generally will not have the right to participate directly in any vote to waive enforcement of any covenants breached by a borrower. A Selling Institution voting in connection with a potential waiver of a restrictive covenant may have interests which are different from those of the Issuer and such Selling Institution may not be required to consider the interest of the Issuer in connection with the exercise of its votes. Participations expose the Issuer to the credit risk of the relevant Selling Institution - see further "*Counterparty Risk*" below. Additional risks are therefore associated with the purchase of Participations by the Issuer as opposed to Assignments. The Portfolio Profile Tests including the Bivariate Risk Table impose limits on the amount of Collateral Obligations that may comprise Participations as a proportion of the Collateral Principal Amount.

5.9 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 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.

5.10 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.

Such credit risk exposes the Issuer not just to insolvency risk but also potentially the risk of the effect of a special resolution regime where the counterparty is a regulated entity within the scope of such regime. A special resolution regime may consist of stabilisation options exercisable by the relevant competent supervisory authorities, including bail-in, and special insolvency procedures. In general terms, the purpose of the stabilisation options is to address the situation where all or part of a business of a relevant entity has encountered, or is likely to encounter, financial difficulties, giving rise to wider public interest concerns. Bail-in means that certain claims of creditors of the entity are reduced, written down to zero and/or converted to equity. The exact scope of the stabilisation options depends on particular special resolution regime that is applicable. Any such event in respect of a counterparty of the Issuer may result in a significant loss for the Issuer as a creditor of such counterparty.

Each counterparty is further 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 strategy as results in the rating of the Rated Notes being maintained at their then current level within the remedy period specified in the ratings criteria of the Rating Agencies. There can be no assurance that the applicable Hedge Counterparty will be able to transfer its obligations to a suitable replacement counterparty or exercise any of the other aforementioned remedies within the specified remedy period. Failure to do so may result in interest rate or currency mismatches, which could adversely affect the ability to make payments on the Notes as the Issuer may not receive payments it would otherwise be entitled to from such Hedge Counterparty to cover its interest rate risk exposure or currency risk exposure in respect of mismatches between the currency composition of the Portfolio and the currency composition of the Notes for so long as the Issuer has not entered into a replacement Hedge Transaction (see "*Interest Rate Risk*" and "*Currency Risk*" below). For further information, see "*Hedging Arrangements*" below.

Similarly, the Issuer will be exposed to the credit risk of the Account Bank and the Custodian to the extent of, respectively, all cash of the Issuer held in the Accounts and all Collateral of the Issuer held by the Custodian. In the event that the Account Bank or the Custodian is subject to a rating withdrawal or downgrade by the Rating Agencies to below the applicable Rating Requirement, the Issuer shall use its reasonable endeavours to procure the appointment of a replacement Account Bank or Custodian, as the case may be, with the applicable Rating Requirement on substantially the same terms as the Agency and Account Bank Agreement within 30 calendar days of such withdrawal or downgrade.

5.11 Concentration Risk

The Issuer will invest in a Portfolio of Collateral Obligations consisting primarily of Senior Obligations, 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*".

5.12 Interest Rate Risk

Certain Notes accrue interest at a floating rate. It is possible that Collateral Obligations (in particular High Yield Bonds) may bear interest at fixed rates and there is no requirement that the amount or portion of Collateral Obligations securing the Notes must bear interest on a particular basis, save for the Portfolio Profile Test which requires that not more than 10.0% or, in relation to a Fitch Test Matrix elected by the Collateral Manager where such Fitch Test Matrix and/or the interpolation between the applicable Fitch Test Matrices applies a maximum percentage of the Collateral Principal Amount that can comprise Fixed Rate Collateral Obligations, such lower percentage calculated in accordance with the provisions set out in the section of this Offering Circular entitled "*The Portfolio — Portfolio Profile Tests and Collateral Quality Tests—Fitch Test Matrices*".

In addition, any payments of principal or interest received in respect of Collateral Obligations and not otherwise reinvested during the Reinvestment Period in Substitute Collateral Obligations will generally be invested in Eligible Investments until shortly before the next Payment Date. There is no requirement that such Eligible Investments bear interest on a particular basis, and the interest rates available for such Eligible Investments are inherently uncertain. As a result of these factors, it is expected that there may be a fixed/floating rate mismatch, floating rate basis mismatch (including in the case of Collateral Obligations or Eligible Investments which pay a floating rate based on a benchmark other than EURIBOR), maturity date mismatch and mismatch in timing of determination of the applicable floating rate benchmark, in each case between the Notes taken as a whole and the underlying Collateral Obligations and Eligible Investments. Such mismatch may be material and may change from time to time as the composition of the related Collateral Obligations and Eligible Investments change as the liabilities of the Issuer accrue or are repaid. As a result of such mismatches, changes in the level of the applicable floating rate benchmark could adversely affect the ability to make payments on the Notes. In addition, pursuant to the Collateral Management and Administration Agreement, the Collateral Manager, acting on behalf of the Issuer, is authorised to enter into the Hedge Transactions in order to mitigate such interest rate mismatches from time to time, subject to receipt in each case of Rating Agency Confirmation in respect thereof (other than in respect of a Form Approved Hedge) and subject to satisfaction of the Hedging Condition and certain regulatory considerations in relation to hedging agreements, discussed in the section titled "*EMIR*" and "*Commodity Pool Regulation*" above. In particular, the Issuer may enter into the Issue Date Interest Rate Hedge Transactions on or around the Issue Date in order to mitigate its exposure to increases in EURIBOR-based payments of interest payable by the Issuer under relevant Rated Notes. 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. Furthermore, the terms of the Interest Rate Hedge Agreements may provide for the ability of the Interest Rate Hedge Counterparty to terminate such Interest Rate Hedge Agreement upon the occurrence of certain events, including related to certain regulatory matters. Any such termination in the case of an Interest Rate Hedge Transaction would result in the Issuer's exposure to interest rate exposure increasing, and may result in the Issuer being required to pay a termination amount to the relevant Interest Rate Hedge Counterparty. See further "*Hedging Arrangements*" below.

Interest Amounts and (provided the IRR Threshold has been met or surpassed) IRR Class M-2 Amounts and IRR Class M-3 Amounts are due and payable in respect of the Rated Notes, the Class M-2 Subordinated Notes and the Class M-3 Subordinated Notes on a quarterly basis prior to the occurrence of a Frequency Switch Event and on a semi-annual basis following the occurrence of a Frequency Switch Event. If a significant number of Collateral Obligations pay interest on a semi-annual or annual basis, there may be insufficient interest received to make quarterly interest payments on the Rated Notes and Senior Class M-2 Interest Amounts, Subordinated Class M-2 Interest Amounts, Senior Class M-3 Interest Amounts, Subordinated Class M-3 Interest Amounts and (provided the IRR Threshold has been met or surpassed) IRR Class M-2 Amounts on the Class M-2

Subordinated Notes and IRR Class M-3 Amounts on the Class M-3 Subordinated Notes (at all times prior to the occurrence of a Frequency Switch Event). In order to mitigate the effects of any such timing mismatch, prior to the occurrence of a Frequency Switch Event, the Issuer will be required to hold back a portion of the interest received on Collateral Obligations which pay interest less than quarterly in order to make quarterly payments of interest on the Notes ("**Interest Smoothing**"). There can be no assurance that Interest Smoothing shall be sufficient to mitigate any timing mismatch.

There can be no assurance that the Collateral Obligations and Eligible Investments securing the Notes will in all circumstances generate sufficient Interest Proceeds to make timely payments of interest on the Rated Notes and Senior Class M-2 Interest Amounts, Subordinated Class M-2 Interest Amounts, Senior Class M-3 Interest Amounts, Subordinated Class M-3 Interest Amounts and (provided the IRR Threshold has been met or surpassed) IRR Class M-2 Amounts on the Class M-2 Subordinated Notes and IRR Class M-3 Amounts on the Class M-3 Subordinated Notes, that any particular levels of return will be generated on the Subordinated Notes or that any Issue Date Interest Rate Hedge Transactions would be sufficient to mitigate any interest rate risk.

A Non-Euro Obligation may be subject to a LIBOR or other benchmark floor which, to the benefit of the Issuer, will set a minimum level of interest receivable by the Issuer. However, if the Issuer has entered into a Currency Hedge Transaction pursuant to which the Issuer pays the relevant Hedge Counterparty the floored amount of interest and receives in return an amount determined by reference to EURIBOR but without a floor, the benefit of the floor under the terms of the Non-Euro Obligation for the Issuer may be negated by such Currency Hedge Transaction. It is not a requirement for Currency Hedge Transactions to determine such EURIBOR on a floored basis to match the terms of such relevant Non-Euro Obligation so as to preserve the floor for the benefit of the Issuer. Any such mismatch will reduce the net amounts earned by the Issuer in respect of Non-Euro Obligations and, therefore, reduce the amount payable to Noteholders in accordance with the Priorities of Payments.

Furthermore, the Issuer is exposed to interest rate risk by virtue of the Accounts. As interest rate levels fluctuate over time, the Issuer may be entitled to a lower rate of interest on some or all Accounts or, in some circumstances, may be required to pay a negative interest rate to the Account Bank (which would be payable as Administrative Expenses subject to the Priorities of Payment). Any such lower or negative rate of interest will reduce the funds available for the Issuer to make distributions in respect of the Notes.

5.13 Currency Risk

The Portfolio Profile Tests provide that not more than 20.0 per cent. of the Collateral Principal Amount may comprise Non-Euro Obligations. Subject to the satisfaction of the Hedging Condition and the Portfolio Profile Tests, the Collateral Manager, on behalf of the Issuer, may purchase Non-Euro Obligations, provided that such Non-Euro Obligations otherwise satisfy the Eligibility Criteria. Although the Issuer shall, subject to the satisfaction of the Hedging Condition, enter into Currency Hedge Transactions to hedge any currency exposure relating to such Non-Euro Obligations, fluctuations in exchange rates may lead to the proceeds of the Collateral Obligations being insufficient to pay all amounts due to the respective Classes of Noteholders or may result in a decrease in value of the Collateral for the purposes of sale hereof upon enforcement of the security over it. The Collateral 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.

Notwithstanding that Non-Euro Obligations are required to have an associated Currency Hedge Transaction which will include currency protection provisions, losses may be incurred due to fluctuations in the Euro exchange rates and in the event of a default by the relevant Currency Hedge Counterparty under any such Currency Hedge Transaction. In addition, fluctuations in Euro exchange rates may result in a decrease in value of the Portfolio for the purposes of sale thereof (including, but not limited to, a Non-Euro Obligation upon enforcement of the security over it). Furthermore, the terms of the Hedge Agreements may provide for the ability of the Hedge Counterparty to terminate such Hedge Agreement upon the occurrence of certain events, including related to certain regulatory matters. Any such termination in the case of a Currency Hedge Transaction would result in the Issuer being exposed to currency risk in respect of the related Non–Euro Obligations for so long as the Issuer has not entered into a replacement Currency Hedge Transaction, and may result in the Issuer being required to pay a termination amount to the relevant Hedge Counterparty. The Collateral Manager may also be unable to find suitable Currency Hedge Counterparties willing to provide Currency Hedge Transactions. There are 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 (as applicable). See further "EMIR", "CFTC Regulations" and others" above and "*Hedging Arrangements*" below.

In addition, it may be necessary for the Issuer to make substantial up-front payments in order to enter into currency hedging arrangements on the terms required by the Collateral Management and Administration Agreement and the Issuer's ongoing payment obligations under the Currency Hedge Transactions (including termination payments) may be significant. The payments associated with such hedging arrangements generally rank senior to payments on the Notes.

In the case of a Non-Euro Obligation which is subject to a LIBOR or other benchmark floor, it is not a requirement for Currency Hedge Transactions to determine EURIBOR on a floored basis to match the terms of such relevant Non-Euro Obligation so as to preserve the floor for the benefit of the Issuer. See "*Interest Rate Risk*".

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

The Issuer will depend on each Hedge Counterparty to perform its obligations under any Currency Hedge Transaction to which it is a party and, if any Hedge Counterparty defaults or becomes unable to perform due to insolvency or otherwise, the Issuer may not receive payments it would otherwise be entitled to from such Hedge Counterparty to cover its currency risk exposure.

5.14 Reinvestment Risk/Uninvested Cash Balances

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

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

The timing of the initial investment of the net proceeds of issue of the Notes remaining after the payment of certain fees and expenses due and payable by the Issuer on the Issue Date and reinvestment of Sale Proceeds, Scheduled Principal Proceeds and Unscheduled Principal Proceeds, can affect the return to holders of, and cash flows available to make payments on, the Notes, especially the most junior Class or Classes of Notes. Loans and privately placed high yield securities are not as easily (or as quickly) purchased or sold as publicly traded securities for a variety of reasons, including confidentiality requirements with respect to Obligor information,

the customised nature of loan agreements and private syndication. The reduced liquidity and lower volume of trading in loans, in addition to restrictions on investment represented by the Reinvestment Criteria, could result in periods of time during which the Issuer is not able to fully invest its cash in Collateral Obligations. The longer the period between reinvestment of cash in Collateral Obligations, the greater the adverse impact may be on the aggregate amount of the Interest Proceeds collected and distributed by the Issuer, including on the Notes, especially the most junior Class or Classes of Notes, thereby resulting in lower yields than could have been obtained if Principal Proceeds were immediately reinvested. In addition, loans are often prepayable by the borrowers thereof with no, or limited, penalty or premium. As a result, loans generally prepay more frequently than other corporate debt obligations of the issuers thereof. Senior Obligations usually have shorter terms than more junior obligations and often require mandatory repayments from excess cash flow, asset dispositions and offerings of debt and/or equity securities. The increased levels of prepayments and amortisation of loans increase the associated reinvestment risk on the Collateral Obligations which risk will first be borne by holders of the Subordinated Notes (save in respect of payments of Senior Class M-2 Interest Amounts on the Class M-2 Subordinated Notes and Senior Class M-3 Interest Amounts on the Class M-3 Subordinated Notes) and then by holders of the other Classes of Notes, beginning with the most junior Class.

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

5.15 Ratings on Collateral Obligations

The Collateral Quality Tests, the Portfolio Profile Tests and the Coverage Tests are sensitive to variations in the ratings applicable to the underlying Collateral Obligations. Generally, deteriorations in the business environment or increases in the business risks facing any particular Obligor may result in downgrade of its obligations, which may result in such obligation becoming a Credit Risk Obligation, a Caa Obligation or CCC 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 Collateral Management and Administration 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 Obligation. In most cases, the Moody's Rating and Fitch's Rating in respect of a Collateral Obligation will be based on a confidential credit estimate determined separately by Fitch and/or Moody's. Such confidential credit estimates are private and therefore not capable of being disclosed to Noteholders. In addition, some ratings will be derived by the Collateral Manager based on, among other things, Obligor group or Affiliate ratings, comparable ratings provided by a different Rating Agency and, in certain circumstances, temporary ratings applied by the Collateral Manager. The Portfolio Profile Tests contain limitations on the proportions of the Collateral Principal Amount that may be made up of Collateral Obligations where the Moody's Rating is derived from an Fitch Rating. Furthermore, such derived ratings will not reflect detailed credit analysis of the particular Collateral Obligation and may reflect a more or less conservative view of the actual credit risk of such Collateral Obligation than any such fundamental credit analysis might, if conducted, warrant; and model-derived variations in such ratings may occur (and have consequential effects on the Collateral Quality Tests, the Portfolio Profile Tests and the Coverage Tests) without necessarily reflecting comparable variation in the actual credit quality of the Collateral Obligation in question. See "*Ratings of the Notes*" and "*The Portfolio*".

There can be no assurance that rating agencies will continue to assign such ratings utilising the same methods and standards utilised today despite the fact that such Collateral Obligation might still be performing fully to the specifications set forth in the applicable financing documentation. Any change in such methods and standards could result in a significant rise in the number of CCC Obligations and Caa Obligations in the Portfolio, which could cause the Issuer to fail to satisfy the Par Value Tests on subsequent Determination Dates, which failure could lead to the early amortisation of some or all of one or more Classes of the Notes. See Condition 7(c) (*Mandatory Redemption upon Breach of Coverage Tests*).

5.16 Insolvency Considerations relating to Collateral Obligations

Collateral Obligations may be subject to various laws enacted for the protection of creditors in the countries of the jurisdictions of incorporation of Obligors and, if different, in which the Obligors conduct business and in which they hold the assets, which may adversely affect such Obligors' abilities to make payment on a full or

timely basis. These insolvency considerations will differ depending on the country in which each Obligor is located or domiciled and may differ depending on whether the Obligor is a non-sovereign or a sovereign entity. In particular, it should be noted that a number of continental European jurisdictions operate "debtor friendly" insolvency regimes which would result in delays in payments under Collateral Obligations where obligations thereunder are subject to such regimes, in the event of the insolvency of the relevant Obligor. If an Obligor is a regulated financial institution, the Issuer may be exposed to the credit risk of the relevant Obligor - see further "*Counterparty Risk"* above.

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

5.17 Lender Liability Considerations; Equitable Subordination

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

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

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

5.18 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 yield and interest collection on the Collateral Obligations, which would have an adverse effect on the amount available for distribution on the Notes, beginning with the Subordinated Notes as the most junior Class of Notes.

5.19 Collateral Manager

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

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

Pursuant to the Collateral Management and Administration Agreement, neither the Collateral Manager nor Collateral Manager Related Persons will be liable (whether directly or indirectly, in contract or tort or otherwise) to the Issuer, the Trustee or the holders of the Notes or any other Person for any loss incurred by the Issuer, the Trustee, the Noteholders or any other Person that arise out of or in connection with the performance by the Collateral Manager of its duties in accordance with the Standard of Care under the Collateral Management and Administration Agreement except (a) by reason of acts or omissions constituting fraud, bad faith, wilful misconduct, wilful default or gross negligence (with such term given its meaning under New York law) in the performance, or reckless disregard, of its obligations under the express terms of the Collateral Management and Administration Agreement or (b) with respect to Collateral Manager Information, to the extent such information contains any untrue statement of material fact or omits to state a material fact necessary in order to make such statements therein, in the light of the circumstances under which they were made, not misleading. Investors should note that in no event will the Collateral Manager Related Persons be liable for any punitive, special, indirect or consequential damages or loss or any settlements agreed to by or on behalf of the Issuer without the Collateral Manager's prior written consent. Investors should also note that, for such purpose and notwithstanding that the Notes and the Transaction Documents are governed by English law, the interpretation of "gross negligence" will be pursuant to New York law. Under New York law, the concept of gross negligence is a significantly lower standard of care than negligence under English law, requiring conduct akin to intentional wrongdoing or reckless indifference under English law. As a result, the Collateral Manager may in some circumstances have no liability for its actions or inactions under the Transaction Documents where it would otherwise have been liable if a mere negligence standard was applied under English law or if New York law was not designated as the law pursuant to which the concept of gross negligence for this purpose would be interpreted.

Pursuant to the Collateral Management and Administration Agreement, the Issuer shall, subject to certain limitations, indemnify the Collateral Manager and Collateral Manager Related Persons in relation, inter alia, to the performance of the Collateral Manager's obligations under the Collateral Management and Administration Agreement or the incurrence of any liabilities incurred in connection therewith (save to the extent arising from a Collateral Manager Breach). See further "*Description of the Collateral Management and Administration Agreement*" below.

Pursuant to the Collateral Management and Administration Agreement, the Collateral Manager shall, subject to certain limitations, indemnify the Issuer for liabilities (including reasonable legal fees and expenses) incurred solely as a direct result of (i) the Collateral Manager's fraud, bad faith, wilful misconduct, wilful default or gross negligence (with such term given its meaning under New York law) in the performance of its duties under the Collateral Management and Administration Agreement or (ii) any Collateral Manager Information that contains any untrue statement of material fact or omits to state a material fact necessary in order to make such statements, in the light of the circumstances under which they were made, not misleading; provided that such liabilities shall not include any punitive, special, indirect or consequential damages or loss or any settlements agreed to by or on behalf of the Issuer without the Collateral Manager's prior written consent.

The Issuer is a newly formed entity and has no operating history or performance record of its own, other than in respect of 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 Collateral Manager. The nature of, and risks associated with, the Issuer's future investments may differ substantially from those investments and strategies undertaken historically by the Collateral Manager and such persons. There can be no assurance that the Issuer's investments will perform as well as the past investments of any such persons or entities.

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

The Issuer will be highly dependent on the financial and managerial experience of certain individuals associated with the Collateral Manager in analysing, selecting and managing the Collateral Obligations. There can be no assurance that such key personnel currently associated with the Collateral 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 Collateral Manager may resign or be removed in certain circumstances as described herein under "*Description of the Collateral Management and Administration Agreement*". Furthermore, irrespective of a resignation, removal or replacement of the Collateral Manager pursuant to the terms of the Collateral Management and Administration Agreement, the requirement to satisfy the Originator Requirement will continue to apply. The ongoing application of such requirement may create an impediment in the identification and appointment of a suitable successor Collateral Manager.

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

The Collateral Manager shall not be required to indemnify the Issuer for any Collateral Manager Breaches.

5.20 No Initial Purchaser Role Post-Closing

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

5.21 Acquisition and Disposition of Collateral Obligations

The proceeds of the issue of the Notes remaining after payment of:

(a) the acquisition costs for the Collateral Obligations acquired by the Issuer on or prior to the Issue Date (including other amounts due in order to finance the acquisition of warehoused Collateral Obligations); 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 transferred from the Collection Account and deposited in the Expense Reserve Account, the First Period Reserve Account and the Unused Proceeds Account on the Issue Date.

The Collateral Manager acting on behalf of the Issuer shall use commercially reasonable endeavours to purchase Collateral Obligations with an Aggregate Principal Balance (together with Collateral Obligations previously acquired) equal to at least the Target Par Amount out of the Balance standing to the credit of the Unused Proceeds Account during the Initial Investment Period. The Collateral Manager's decisions concerning purchases of Collateral Obligations will be influenced by a number of factors, including market conditions and the availability of securities and loans satisfying the Eligibility Criteria, Reinvestment Criteria and the other requirements of the Collateral Management and Administration Agreement. The failure or inability of the Collateral Manager to acquire Collateral Obligations with the proceeds of the offering or to reinvest Sale Proceeds or payments and prepayments of principal in Substitute Collateral Obligations in a timely manner will adversely affect the returns on the Notes, in particular with respect to the most junior Class or Classes.

The Collateral Manager may, in its discretion, direct that any Trading Gains which would have been deposited into the Principal Account and designated for reinvestment or used to redeem the Notes are instead deposited into the Interest Account, subject to certain conditions, including the Class F Par Value Ratio being greater than 108.1%. Such Trading Gains will then be distributed as Interest Proceeds in accordance with the Priorities of Payments. As a result, such Trading Gains would not be available to be reinvested in Collateral Obligations and therefore the Aggregate Principal Balance of Collateral Obligations securing the Notes may be less than what would have otherwise been the case if such amounts had been reinvested in Collateral Obligations.

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

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

5.22 Regulatory Risk

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

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

5.23 Valuation Information; Limited Information

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

6. Irish Law

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

Centre of main interest

The Issuer has its registered office in Ireland. Article 3(1) of Regulation (EU) 2015/848 on Insolvency Proceedings (the "**Insolvency Regulation**") states that in the case of a company, the place of its registered office shall be presumed to be its centre of main interests ("**COMI**") in the absence of proof to the contrary and assuming the registered office has not been moved to another EU member state within the three month period prior to the request for the opening of insolvency proceedings. In the decision by the European Court of Justice ("**ECJ**") in relation to Eurofood IFSC Limited, the ECJ stated, in relation to the registered office presumption contained in Council Regulation (EC) No. 1346/2000 of 29 May 2000 on Insolvency Proceedings (which the Insolvency Regulation repealed and replaced), that the place of a company's registered office is presumed to be the company's COMI and stated that the presumption can only be rebutted if "factors which are both objective and ascertainable by third parties enable it to be established that an actual situation exists which is different from that which locating it at the registered office is deemed to reflect". As the Issuer has its registered office in Ireland, has Irish directors, is registered for tax in Ireland and has an Irish corporate services provider, the Issuer does not believe that factors exist that would rebut this presumption, although this would ultimately be a matter for the relevant court to decide, based on the circumstances existing at the time when it was asked to make that decision. If the Issuer's COMI is not located in Ireland, and is held to be in a different jurisdiction within the European Union, main insolvency proceedings may not be opened in Ireland.

Examinership

Examinership is a court procedure available under the Irish Companies Act 2014, as amended to facilitate the survival of Irish companies in financial difficulties.

The Issuer, the directors, a contingent, prospective or actual creditor of the Issuer, or shareholders of the Issuer holding, at the date of presentation of the petition, not less than one-tenth of the voting share capital of the Issuer, are each entitled to petition the court for the appointment of an examiner. The examiner, once appointed, has the power to set aside contracts and arrangements entered into by the company after his appointment and, in certain circumstances, can avoid a negative pledge given by the company prior to his appointment.

Furthermore, the examiner may sell assets which are the subject of a fixed charge. However, if such power is exercised he must account to the holders of the fixed charge for the amount realised and discharge the amount due to them out of the proceeds of sale.

During the period of protection, the examiner will formulate proposals for a compromise or scheme of arrangement to assist the survival of the company or the whole or any part of its undertaking as a going concern. A scheme of arrangement may be approved by the Irish High Court or Circuit Court (as applicable) when at least one class of creditors has voted in favour of the proposals and the relevant Irish court is satisfied that such proposals are fair and equitable in relation to any class of members or creditors who have not accepted the proposals and whose interests would be impaired by the implementation of the scheme of arrangement.

In considering proposals by the examiner, it is likely that secured and unsecured creditors would form separate classes of creditors. In the case of the Issuer, if the Trustee represented the majority in number and value of claims within the secured creditor class, the Trustee would be in a position to reject any proposal not in favour

of the Noteholders. The Trustee would also be entitled to argue at the relevant Irish court hearing at which the proposed scheme of arrangement is considered that the proposals are unfair and inequitable in relation to the Noteholders, especially if such proposals include a writing down of the value of amounts due by the Issuer to the Noteholders. The primary risks to the holders of Notes if an examiner were to be appointed in respect of the Issuer are as follows:

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

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

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

Preferred Creditors

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

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

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

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

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

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

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

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

Floating charges have certain weaknesses, including the following:

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

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

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

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

(e) they rank after fixed charges.

7. Conflicts of Interest

The Initial Purchaser and the Collateral Manager 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.

Certain Conflicts of Interest Involving or Relating to the Collateral Manager and its Affiliates

HPS Investment Partners LLC (formerly known as Highbridge Principal Strategies, LLC, "**HPS LLC**") was originally formed in 2007 as a subsidiary of Highbridge Capital Management, LLC ("**HCM**"), which in turn is a subsidiary of JP Morgan Asset Management Holdings Inc. ("**JPMAM**"). JPMAM is a subsidiary of JP Morgan Chase & Co. (together with its affiliates, "**JPM**"). On 31 March 2016, the senior executives of HPS LLC acquired HPS LLC and its subsidiaries from JPMAM (such acquisition, the "**HPS/JPMAM Transaction**"). On 29 June 2018, affiliates of Dyal Capital Partners, a division of Neuberger Berman, made a passive minority investment in HPS. The Collateral Manager and its subsidiaries are now treated as independent from JPM, although JPM currently retains, and may for a number of years continue to retain, a non-voting minority interest in the Collateral Manager. See "*Description of the Collateral Manager*". HPS Investment Partners CLO (UK) LLP (an affiliate of HPS LLC), will act as collateral manager in respect of this transaction. The Collateral Manager expects to retain certain services relating to its obligations under the Collateral Management and Administration Agreement, including in connection with the construction of the portfolio of the Issuer and back-office functions from HPS Investment Partners (UK) LLP (the "**HPSIP**").

The Affiliated Group is actively engaged in advisory, trade support and management services for multiple collective investment vehicles and managed accounts, including other collateralised loan obligation vehicles and vehicles and accounts in which the Affiliated Group itself has interests (each, an "**Affiliated Group Account**"). The Affiliated Group may sponsor or manage additional collective investment vehicles and managed accounts in the future. The Affiliated Group may employ the same or similar trading strategies as the Collateral Manager employs for the Collateral for the various Affiliated Group Accounts they advise. Such Affiliated Group Accounts may compete with the Issuer for positions and may compensate the Affiliated Group better than the Issuer. Collateral Obligations which are within the investment objectives of the Issuer may be allocated to other Affiliated Group Accounts and there is no assurance the Issuer will be allocated those investments it wishes to pursue. In addition, Noteholders should note that investments of such other Affiliated Group Accounts and the Issuer may not be parallel for various reasons, including usage of leverage, different inflows and outflows of capital or amounts of uninvested capital, and variations in strategy. Fee structures applicable to different Affiliated Group Accounts and the Issuer also vary materially and may be modified in certain situations.

Funds managed by the Collateral Manager were Warehouse Providers under the Warehouse Arrangements but their actions in such capacity (or those of the Collateral Manager on their behalf) the will have been taken based on their own proprietary interests rather than those of the Noteholders. See further *"The Warehouse Arrangements*" above.

The Collateral Manager and its Affiliates have developed policies and procedures that provide that the Collateral Manager will allocate investment opportunities and make purchase and sale decisions among the Issuer and its other clients (including other collateralised loan obligation vehicles that it manages) in a manner that it considers, in its sole discretion and consistent with its fiduciary obligation to its clients, to be reasonable over time. In such a scenario investments will be allocated among the Issuer and such other clients taking into account such factors as the Collateral Manager deems appropriate. These factors include, but are not limited to, investment strategies, investment guidelines and restrictions, concentration limits, tax and regulatory issues, the nature and size of existing portfolio holdings, portfolio cash positions, risk/return objectives (and availability of leverage for certain investments to meet such investment objectives), liquidity constraints (including the applicable client's wind-down and ramp-up periods, remaining investment period, and termination or redemption terms), round-lot position size, availability of counterparty relationships needed to effect the transaction, management of potential or actual conflicts of interest by the Collateral Manager and the Collateral Manager's target allocations to particular sectors, geographies or investment types, which targets may be adjusted from time to time in the Collateral Manager's discretion. It is possible that the application of the foregoing factors may result in allocations in which certain accounts may receive an allocation when other accounts (including the Issuer) do not. Similarly, the Collateral Manager may cause the terms and timing of the liquidation of such positions to differ between the Issuer and its other clients in its discretion. Such allocations or liquidations may benefit another client instead of the Issuer or may be detrimental to the Issuer and the investment results may differ significantly between the Issuer and for the other Affiliated Group Accounts.

Due to specific guidelines and investment parameters for individual funds and accounts advised by the Collateral Manager, pro rata allocations are not always appropriate. Allocation decisions are also made dependent upon each fund's or account's holdings, positioning and objectives at the specific time an allocation is made. Some of the factors that may be considered during the allocation process include, but are not limited to, investment strategies, investment guidelines and restrictions (with, for example, clients with restrictions not participating in an investment, having a smaller allocation to an investment or larger allocation to an investment (due to the portfolio manager's judgment that such restrictions result in such narrow investment universe that, in order for such clients to be as fully invested as other clients, they need larger allocations of eligible investments), concentration limits, tax and regulatory issues, the nature and size of existing portfolio holdings, portfolio cash positions (with, for example, clients with high cash amounts receiving larger allocations and clients fully invested not receiving allocations or smaller allocations), risk/return objectives, availability of leverage for certain investments to meet such investment objectives (with, for example, clients with a high risk/return profile not receiving an allocation if leverage is not available for such investment or clients with available leverage receiving higher allocation due to their ability to invest greater amounts), liquidity constraints (including the applicable clients' wind-down and ramp-up periods, remaining investment period, and termination or redemption terms), round-lot position size, availability of counterparty relationships needed to effect the transaction, management of potential or actual conflicts of interest by the Collateral Manager, and the portfolio management team's target allocations to particular sectors, geographies, ratings or investment types, which targets may be adjusted from time to time in the Collateral Manager's discretion. Whether one or more of the foregoing factors will apply in the case of a given investment will be determined by the Collateral Manager, in its sole discretion. It is expected that application of such factors will vary from investment to investment, and the types of allocation considerations used in Collateral Manager's allocation methodology will vary over time. As a result, the Collateral Manager will exercise a certain level of discretion during the allocation process and will seek to accompany an allocation decision with an appropriate explanation of such decision. Moreover, each portfolio manager (together with his or her respective portfolio management team) are given discretion to construct portfolios for the clients whose assets they manage, and there can be no assurance that accounts with similar objectives and/or investment guidelines will participate in the same investments or participate in investments rateably, particularly in cases where the accounts are managed by different portfolio management teams at the Collateral Manager with divergent views on particular investments.

The Collateral Manager has multiple trading desks, which are utilised by different portfolio managers and managed by different traders. The Collateral Manager employs a variety of trading and investment strategies pursuant to which the clients are managed. One or more of the portfolio managers of the Collateral Manager may invest similarly (either by strategy or security type, etc.) to that of one or more of another portfolio manager of the Collateral Manager. The existence of similar strategies employed by multiple portfolio managers utilising multiple trading desks may result in the trading desks placing simultaneous competing orders and/or opposite orders for the same or similar securities, which could cause one or more adverse consequences, including, among other things, paying a higher price or receiving a smaller allocation, for the clients. The existence of similar strategies employed by multiple portfolio managers utilising multiple trading desks may also result in opposite and/or subordinated positions being held in the same issuer's securities due to the individual portfolio

manager's conviction and the applicable investment guidelines for the clients, which may present additional potentially adverse consequences, especially if the issuer experiences financial difficulties.

The Affiliated Group and one or more Affiliated Group Accounts (including the Issuer and other collateralised loan obligation vehicles), may invest in different instruments or classes of securities of the same issuer, including short positions. As a result, one or more Affiliated Group Accounts may have different investment objectives or pursue or enforce rights with respect to a particular issuer in which the Issuer has invested, and those activities may have an adverse effect on the Issuer and/or enhance the profitability of such other Affiliated Group Accounts. The Issuer may be negatively impacted by the activities by or on behalf of other Affiliated Group Accounts, and transactions for the Issuer may be impaired or effected at prices or terms that may be less favourable than would otherwise have been the case had a particular course of action with respect to the issuer of the loans or securities not been pursued with respect to such other Affiliated Group Accounts. These conflicts are magnified with respect to issuers that become insolvent. It is possible that in connection with an insolvency, bankruptcy or similar proceeding the Issuer may be limited (by applicable law, courts or otherwise) in the positions or actions it may be permitted to take due to other interests held or actions or positions taken by Affiliated Group Accounts or the Collateral Manager.

Under certain circumstances, the Issuer may invest in connection with a transaction in which the Affiliated Group has already invested or is expected to participate. In such cases, the amount available for investment by the Issuer may be correspondingly reduced to permit the Affiliated Group the opportunity to also invest. The terms on which the Affiliated Group may invest in an investment opportunity may be substantially different, and potentially more favourable, than the terms on which the Issuer invests.

The Collateral Manager conducts a broad array of private and public debt investment businesses generally without internal information barriers in the ordinary course. As a result, from time to time, the Collateral Manager receives material non-public information with respect to issuers of publicly-traded securities or other securities in connection with, among other examples, acquisitions, refinancings, restructurings of such issues which Collateral Manager reviews or participates in, oftentimes unrelated to the management services it provides to the Issuer. In such circumstances, the Issuer may be prohibited by law, contract or by virtue of the Collateral Manager's policies and procedures, from (i) selling all or a portion of a position in such issues, thereby potentially incurring trading losses as a result, (ii) establishing an initial position or taking any greater position in such issuer, and (iii) pursuing other investment opportunities related to such issuer.

Subject to requirements of applicable law, the Collateral Manager may from time to time cause an investment vehicle (including another collateralised loan obligation vehicle) or client account it manages to sell or transfer a security or an instrument to the Issuer. The Collateral Manager may engage in the practice of "cross trading" in order to "rebalance" the portfolios (where a particular client account or investment vehicle needs liquidity or where investment objectives differ), to reduce or eliminate transaction costs or market impact, to combine accounts or otherwise. The cross trade will be executed through the use of a methodology that the Collateral Manager has determined to be fair and equitable, in its sole discretion, to calculate the transfer price. An inherent conflict of interest exists when the Collateral Manager engages in the practice of cross trading.

In addition, subject to applicable law, the Issuer may engage in principal transactions with the Collateral Manager or certain affiliates of the Collateral Manager. The Collateral Manager or an Affiliate of the Collateral Manager may also execute agency cross transactions between the Issuer and other clients and may receive commissions from both parties to such transactions, in all cases subject to applicable law. These transactions may create a conflict of interest between the interests of Collateral Manager in assuring that the Issuer receives best execution on all transactions and in limiting or reducing the fees paid by the Issuer, and its interest in generating profits and fees for itself and its Affiliates. In order for the Issuer to enter into any principal or agency cross transactions with or through the Collateral Manager or an Affiliate of the Collateral Manager in an efficient manner that is also consistent with Section 206(3) of the Advisers Act and the rules of the Financial Conduct Authority, the Collateral Manager (or its delegate) may select a third party unaffiliated with the Collateral Manager to review and approve or disapprove any such transactions consistent with applicable law.

The Collateral Manager and its Affiliates conduct a broad arrange of private and public debt investment businesses generally without internal information barriers in the ordinary course. As a result, from time to time, the Collateral Manager receives material non-public information with respect to issuers of publicly-traded securities or other securities in connection with, among other examples, acquisitions, refinancings, restructurings of such issuers which the Collateral Manager or one or more of its Affiliates review or participate in, oftentimes unrelated to its management of the Issuer. In such circumstances, the Issuer may be prohibited,

by law, contract or by virtue of the Collateral Manager's policies and procedures, from (i) selling all or a portion of a position in such issuer, thereby potentially incurring trading losses as a result, (ii) establishing an initial position or taking any greater position in such issuer, and (iii) pursuing other investment opportunities related to such issuer.

Future investment activities by the Collateral Manager on behalf of other clients may give rise to additional conflicts of interest and demands on the Collateral Manager's time and resources.

The Collateral Manager may agree to waive or otherwise not receive a portion of the Collateral Management Fees pursuant to agreements with certain investors in the Notes.

The Collateral Manager and its Affiliated Group are currently entitled to receive separate investment management fees from certain funds managed by the Affiliated Group ("**HPS Funds**") that may invest in the Notes. For so long as the HPS Funds are invested in the Notes, then the Senior Management Fees and Subordinated Management Fees payable to the Collateral Manager shall be lower than they otherwise would be. As a result while the HPS Funds are invested in the Notes, the Collateral Manager team may be less incentivised than if such compensation was received directly from the Issuer. Furthermore, the Incentive Collateral Management Fees payable to the Collateral Manager are lower than they otherwise would be due to the current expectation of receipt of separate investment management fees from the HPS Funds. As a result the Collateral Manager team may be less incentivised.

These Collateral Management Fee arrangements may make it more difficult for the Issuer to locate a replacement Collateral Manager if a replacement were desired for any reason as any replacement Collateral Manager would not necessarily have the separate investment management fees expected to be received by the initial Collateral Manager to offset the lower Collateral Management Fees.

JPM's continuing minority ownership interest creates certain conflicts of interest with respect to the Collateral Manager's transactions or other relationships with JPM. The Collateral Manager may enter into certain transactions with JPM as a counterparty, subject to applicable law, including the Dodd-Frank Act. Subject to applicable law, the Collateral Manager may retain JPM as a clearing or executing broker. JPM may also execute brokerage transactions between the Issuer and other clients and may receive commissions from both parties to such transactions. These transactions create a conflict of interest between the interests of the Collateral Manager in assuring that the Issuer receives best execution on all transactions and in limiting or reducing the fees paid by the Issuer, and its interest in generating profits and fees for JPM, an owner of a minority economic interest in the Collateral Manager.

If permitted by applicable law, including the Dodd-Frank Act, the Collateral Manager on behalf of the Issuer may make short-term investments of excess cash in money-market funds and other instruments sponsored and/or managed by JPM. In connection with any of these investments, the Issuer will pay all fees pertaining to investments in such money-market funds, and, in such event, no portion of any fees otherwise payable by the Issuer will be offset against fees payable in accordance with any of these investments. In these circumstances, as well as in other circumstances in which JPM receives any fees or other compensation in any form relating to the provision of services, no accounting or repayment to the Issuer will be required.

JPM is actively engaged in advisory, trade support and management services for multiple collective investment vehicles and managed accounts, including those that employ the same or similar trading strategies as the Collateral Manager employs for the Collateral. Such accounts may compete with the Issuer and invest in different instruments or classes of securities of the same issuer, including short positions. In addition, JPM has, and continues to develop, banking and other financial and advisory relationships with numerous domestic and overseas companies and governments, including potential buyers and sellers of businesses worldwide. For example, JPM may act as originator and/or arranger and receive fees from the Issuer's actual or target portfolio companies. JPM may advise, represent or provide financing to other entities that may have invested or wish to invest in such companies. JPM may also make markets and conduct trading activities for itself or its other clients in the same loans as those owned by the Issuer. It should be recognised that JPM's activities may compete with or otherwise adversely affect the Issuer or the Issuer's investments. JPM is under no obligation to take into account the interests of any Affiliated Group Accounts, including the Issuer, in conducting any such activities, or present any investment opportunities to the Affiliated Group Accounts.

None of JPMorgan Chase Bank, N.A. or any other JPM entity, the Collateral Manager or its affiliates, or the U.S. Federal Deposit Insurance Company or any other bank or governmental agency, directly or indirectly,

guarantees, assumes or otherwise insures the obligations or performance of the Issuer or of any other entity in which the Issuer or any subsidiary of the Issuer invests. Any losses in the Issuer will be borne solely by investors in the Issuer and not by JPMorgan Chase Bank, N.A. or its affiliates or subsidiaries or the Collateral Manager or its affiliates or subsidiaries.

The Collateral Manager may receive investment recommendations from Holders of the Notes

The Collateral Manager will be retained by the Issuer pursuant to the Collateral Management and Administration Agreement and, subject to the standard of care set forth therein and the restrictions on the Issuer's ability to acquire and dispose of Collateral Obligations set forth in the Indenture and the Collateral Management and Administration Agreement, the Collateral Manager will manage the investment activities to the Issuer as the Collateral Manager believes to be in the best interests of the holders of the Notes. See "*Description of the Collateral Management and Administration Agreement*". Certain third parties, individual holders and/or groups of holders of the Notes may, from time to time, contact the Collateral Manager and make recommendations regarding the acquisition or disposition of specific Collateral Obligations and/or the pursuit of particular investment strategies. Additionally, in connection with the initial offering of the Notes, potential holders of the Notes may have contacted the Collateral Manager prior to the Issue Date and made recommendations in connection with evaluating their potential investment. Any such recommendation (whether made before or after the Issue Date), if adopted, may be adverse to the interests of certain holders or holders of certain Classes of the Notes, because the interests of holders of Notes generally will vary by Class, certain third parties providing such recommendations may have interests adverse to those of the holders of Notes and certain other factors. Although the Collateral Manager has and, after the Issue Date, will have, no restrictions on its ability to communicate with any such third parties such holders or potential holders of the Notes (except as provided by applicable law or confidentiality requirements) it will be under no obligation to adopt any such recommendation. The Collateral Manager may pursue any investment strategy that is consistent with the Collateral Management and Administration Agreement, and may in its sole discretion change such strategy from time to time in the future without the approval of, prior consultation with, or notice to any holder. Regardless of any recommendations or requests of certain third parties, individual holders or potential holders and/or groups of holders or potential holders of Notes, the Collateral Manager will make investment decisions for the Issuer as the Collateral Manager believes to be in the best interests of the holders of the Notes, subject to and in accordance with the Collateral Quality Test and the Eligibility Criteria (as applicable), the Portfolio Profile Tests and other requirements of the Collateral Management and Administration Agreement.

No ethical screens or information barriers

There are generally no ethical screens or information barriers among the Collateral Manager and certain of its Affiliates of the type that some firms implement to separate Persons who make investment decisions from others who might possess material, non-public information that could influence such decisions. If the Collateral Manager, any of its Affiliates or any of its personnel were to receive material non-public information about a particular Obligor or Collateral Obligation, or have an interest in causing the Issuer to acquire or sell a particular Collateral Obligation, the Collateral Manager may be prevented from causing the Issuer to purchase or sell such asset due to internal restrictions imposed on the Collateral Manager. Notwithstanding the maintenance of certain internal controls relating to the management of material non-public information, it is possible that such controls could fail and result in the Collateral Manager, or one of its investment professionals, buying or selling an asset while, at least constructively, in possession of material non-public information. Inadvertent trading on material non-public information could have adverse effects on the Collateral Manager's reputation, result in the imposition of regulatory or financial sanctions, and as a consequence, negatively impact the Collateral Manager's ability to perform its investment management services to the Issuer. In addition, while the Collateral Manager and certain of its Affiliates currently operate without information barriers on an integrated basis, such entities could be required by certain regulations, or decide that it is advisable, to establish information barriers. In such event, the Collateral Manager's ability to operate as an integrated platform could also be impaired, which would limit the Collateral Manager's access to personnel of its Affiliates and potentially impair its ability to manage the Issuer's investments.

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

Various potential and actual conflicts of interest may arise as a result of the investment banking, commercial banking, asset management, financing and financial advisory services and products provided by Morgan Stanley & Co. International plc ("**Morgan Stanley**") and its Affiliates to the Issuer, the Trustee, the Collateral Manager, the issuers of the Collateral Obligations and others, as well as in connection with the investment, trading and

brokerage activities of Morgan Stanley and its Affiliates. Morgan Stanley and its Affiliates may from time to time hold Notes of any Class for investment, trading or other purposes, and may sell at any time any Notes held by them. Morgan Stanley and its Affiliates will have the right to vote the Notes that they hold. The interests and incentives of Morgan Stanley or its Affiliates will not necessarily be aligned with those of the other holders. Additionally, Morgan Stanley or any of its Affiliates may, on either its own or its clients' behalf, invest or take long or short positions in the Notes, which may be different from the position taken by holders of the Notes. Any such short position will increase in value if the Notes decrease in value. Morgan Stanley and its Affiliates are not obligated to consider the interests of the Noteholders or any effect that such positions could have on them.

Morgan Stanley or any its Affiliates may, on their own behalf or on behalf of clients, act as Hedge Counterparty or Selling Institution. The position of Morgan Stanley, its Affiliates or its clients in such a derivative transaction may increase in value if the Notes default or decrease in value. In conducting such activities, Morgan Stanley and its Affiliates are under no obligation to consider the interests of Noteholders or the impact of any such activities on the Noteholders.

Morgan Stanley and any of its Affiliates will act in their own commercial interests in these various capacities without regard to whether its interests conflict with those of the Noteholders or any other party. None of Morgan Stanley or its Affiliates take any responsibility for, and have no obligations to potential investors or other third parties in respect of, the Issuer.

The Issuer's purchase of Collateral Obligations prior to the Issue Date has been financed by an Affiliate of Morgan Stanley, together with certain third party junior investors, pursuant to the Warehouse Arrangements. A portion of the proceeds of the offering of the Notes will be ultimately paid to such Affiliate of Morgan Stanley to repay the Warehouse Arrangements. The existence of the Warehouse Arrangements may give Morgan Stanley the incentive to close the issuance of the Notes in conditions that are not optimal.

In addition, the Issuer has purchased (as described under "*The Warehouse Arrangements*") and may sell prior to the Issue Date, and may purchase or sell after the Issue Date, Collateral Obligations from, to or through one or more of Morgan Stanley or its Affiliates (including purchases of Collateral Obligations in anticipation of the Issue Date). Certain Eligible Investments may be issued, managed or underwritten by one or more of Morgan Stanley or its Affiliates. One or more of Morgan Stanley or its Affiliates may provide investment banking, commercial banking, asset management, financing and financial advisory services and products to the Collateral Manager, its Affiliates, and/or funds managed by the Collateral Manager or its Affiliates, and purchase, hold and sell, both for their respective accounts or for the account of their respective clients, on a principal or agency basis, loans, securities, and other obligations and financial instruments of the Collateral Manager, its Affiliate(s), and funds managed by the Collateral Manager or its Affiliate(s). As a result of such transactions or arrangements, one or more of Morgan Stanley or its Affiliates may have interests adverse to those of the Issuer and Noteholders. Morgan Stanley is not obligated to consider the interests of the Noteholders or any effect that such positions could have on them.

Morgan Stanley and its Affiliates may have underwritten or be acting as agent, counterparty or lender in respect of certain of the Collateral Obligations, may have on-going relationships (including, without limitation, the provision of investment banking, commercial banking and advisory services or engaging in securities or derivatives transactions) with issuers whose debt obligations constitute Collateral Obligations and may own either equity securities or debt obligations (including the debt obligations that constitute Collateral Obligations) issued by such issuers. Morgan Stanley and its Affiliates may also have on-going relationships (including, without limitation, the provision of investment banking, commercial banking and advisory services or engaging in securities or derivatives transactions) with purchasers of the Notes or the Collateral Manager or their respective Affiliates. Morgan Stanley and its Affiliates and clients may also invest in debt obligations that have interests different from or adverse to the debt obligations that constitute Collateral Obligations. From time to time the Issuer may purchase, enter into, terminate or sell Collateral Obligations from or through Morgan Stanley or any of its Affiliates.

In addition, certain "private side" and "walled off" areas of Morgan Stanley or its Affiliates may have access to material non-public information regarding the Collateral Obligations or the issuers whose debt obligations constitute Collateral Obligations. These areas have not participated in the preparation of this Offering Circular, nor have they provided any material non-public information to any employee of Morgan Stanley involved in the preparation of this Offering Circular.

Morgan Stanley will be entitled to be paid certain fees in connection with the structuring and offering of the Notes from the proceeds of the issuance of the Notes. Morgan Stanley may forego a portion of or otherwise choose to accept a reduced amount of such fees for any reason. Whether any such amount will be foregone or reduced may depend on the terms of the securities issued on the Issue Date (including, without limitation, the interest rates and purchase prices of Notes purchased for the account of Morgan Stanley or its Affiliates or otherwise for distribution), the purchase price of the Collateral Obligations and other terms of the transaction.

Certain Conflicts of Interest Involving or Relating to the Retention Financing Parties

The Retention Holder will enter into the Retention Financing, as to which see "*Risk Factors – Regulatory Initiatives – Retention Financing*".

Noteholders should also be aware that the terms of the Retention Financing are such that certain parties to it would benefit from a situation where credit losses are incurred on the Retention Notes. As of the Issue Date such parties are not otherwise parties to the Transaction Documents and, as such, have no direct rights to control or influence the performance of the transactions contemplated by the Transaction Documents. Furthermore, when exercising its rights in connection the Retention Financing, the relevant parties have no duties or obligations to consider the effect of any such actions to the Noteholders.

TERMS AND CONDITIONS

The following are the terms and conditions of each of the Class X Notes, 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 Subordinated Notes, the Class M-2 Subordinated Notes and the Class M-3 Subordinated Notes, substantially in the form in which they will be endorsed on such Notes if issued in definitive certificated form and which will be incorporated by reference into the Global Certificates of each Class representing the Notes in global certificated form, subject to the provisions of such Global Certificates.

The issue of €2,000,000 Class X Senior Secured Floating Rate Notes due 2032 (the "**Class X Notes**"), €244,000,000 Class A Senior Secured Floating Rate Notes due 2032 (the "**Class A Notes**"), €30,000,000 Class B-1 Senior Secured Floating Rate Notes due 2032 (the "**Class B-1 Notes**"), €15,000,000 Class B-2 Senior Secured Fixed Rate Notes due 2032 (the "**Class B-2 Notes**" and, together with the Class B-2 Notes, the "**Class B Notes**"), €23,300,000 Class C Senior Secured Deferrable Floating Rate Notes due 2032 (the "**Class C Notes**"), €26,000,000 Class D Senior Secured Deferrable Floating Rate Notes due 2032 (the "**Class D Notes**)", €20,000,000 Class E Senior Secured Deferrable Floating Rate Notes due 2032 (the "**Class E Notes**)", €11,800,000 Class F Senior Secured Deferrable Floating Rate Notes due 2032 (the "**Class F Notes**)" and, together with the Class X Notes, the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes, the Class E Notes, the "**Rated Notes**"), €16,500,000 Class M-1 Subordinated Notes due 2032 (the "**Class M-1 Subordinated Notes**"), €18,600,000 Class M-2 Subordinated Notes due 2032 (the "**Class M-2 Subordinated Notes**") and €100,000 Class M-3 Subordinated Notes due 2032 (the "**Class M-3 Subordinated Notes**" and, together with the Class M-1 Subordinated Notes and the Class M-2 Subordinated Notes, the "**Subordinated Notes**" and, together with the Rated Notes, the "**Notes**") of Aqueduct European CLO 4 - 2019 Designated Activity Company (the "**Issuer**") was authorised by resolution of the board of Directors of the Issuer dated on or about 1 July 2019. The Notes are constituted by a trust deed (together with any other security document entered into in respect of the Notes the "**Trust Deed**") dated on or about the Issue Date between (amongst others) the Issuer and Citibank N.A., London Branch 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 itself and for the Noteholders and security trustee for the Secured Parties.

These terms and conditions of the Notes (the "**Conditions**") include summaries of, and are subject to, the detailed provisions of the Trust Deed (which includes the forms of the certificates representing the Notes). The following agreements have been entered into in relation to the Notes: (a) an agency and account bank agreement dated on or about the Issue Date (the "**Agency and Account Bank Agreement**") between, amongst others, the Issuer, Citigroup Global Markets Europe AG as registrar (the "**Registrar**", which term shall include any successor or substitute registrars appointed pursuant to the terms of the Agency and Account Bank Agreement), Citibank N.A., London Branch as transfer agent (the "**Transfer Agent**" which term shall include any successor or substitute transfer agent), Citibank N.A., London Branch as principal paying agent, account bank, calculation agent, information agent and custodian (respectively, "**Principal Paying Agent**", "**Account Bank**", "**Calculation Agent**", "**Information 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 and Account Bank Agreement or, in the case of the Information Agent, the Collateral Management and Administration Agreement (as defined below) and the Trustee; (b) a collateral management and administration agreement dated on or about the Issue Date (the "**Collateral Management and Administration Agreement**") between the Issuer, the Trustee and HPS Investment Partners CLO (UK) LLP, as collateral manager in respect of the Portfolio (the "**Collateral Manager**", which term shall include any successor collateral manager appointed pursuant to the terms of the Collateral Management and Administration Agreement), the Custodian, Virtus Group, L.P. as collateral administrator (the "**Collateral Administrator**" which term shall include any successor collateral administrator appointed pursuant to the terms of the Collateral Management and Administration Agreement) and the Information Agent; and (c) a corporate services agreement dated 25 April 2018 between the Issuer and Maples Fiduciary Services (Ireland) Limited (the "**Corporate Services Provider**", which term shall include any successor or replacement corporate services provider of the Issuer appointed in accordance with the terms of the Trust Deed) (the "**Corporate Services Agreement**", which term shall include any subsequent corporate services agreement entered into between the Issuer and any such successor or replacement corporate services provider). Copies of the Trust Deed, the Agency and Account Bank Agreement, the Collateral Management and Administration Agreement and the Corporate Services Agreement are available for inspection during usual business hours at the registered office of the Issuer (presently at 32 Molesworth Street, Dublin 2, Ireland) and at the specified office of the Transfer Agent for the time being. The holders of each Class of Notes are entitled to the benefit of, are bound by and are deemed to have notice of all

the provisions of the Trust Deed, and are deemed to have notice of all the provisions of each other Transaction Document.

1. Definitions

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

"**Accounts**" means the Principal Account, the Custody Account, the Interest Account, the Unused Proceeds Account, the Payment Account, the Expense Reserve Account, the Supplemental Reserve Account, any Counterparty Downgrade Collateral Accounts, the Currency Accounts, the Hedge Termination Account, the First Period Reserve Account, the Interest Smoothing Account, the Unfunded Revolver Reserve Account, Principal Purchase Account and the Collection Account.

"**Accrual Period**" means, in respect of each Class of Notes, the period from and including the Issue Date (or in the case of a Class 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, provided that for the purposes of calculating an Interest Amount in respect of the Fixed Rate Notes the Payment Date shall be deemed not adjusted if the relevant Payment Date would have fallen on a day other than a Business Day and has been adjusted pursuant to the proviso in the definition of Payment Date.

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

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

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

(c) without duplication, the Balances standing to the credit of the Principal Account and the Unused Proceeds Account (only in respect of such amounts that are not designated as Interest Proceeds to be credited to the Interest Account), including Eligible Investments therein which represent Principal Proceeds, provided in each case that such amounts to be used to purchase Collateral Obligations in respect of which the Issuer has entered into a binding commitment to purchase, but which have not yet settled, shall be excluded as if such purchase had been completed and principal proceeds to be received from the sale of Collateral Obligations in respect of which the Issuer has entered into a binding commitment to sell, but which have not yet settled, shall be included as if such sale has been completed; plus

(d) in relation to a Deferring Security or a Defaulted Obligation the lesser of (i) its Moody's Collateral Value and (ii) its Fitch Collateral Value; provided that, in the case of a Defaulted Obligation, the value determined under this paragraph (d) of a Defaulted Obligation that has been a Defaulted Obligation for more than three years after the date on which it became a Defaulted Obligation and continues to be a Defaulted Obligation on such date shall be zero; plus

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

(f) the Excess CCC/Caa Adjustment Amount;

provided that:

(i) with respect to any Collateral Obligation that satisfies more than one of the definitions of Defaulted Obligation, Discount Obligation, Deferring Security and/or that falls into the Excess CCC/Caa Adjustment Amount, such Collateral Obligation shall, for the purposes of this definition, be treated as belonging to the category of Collateral Obligations which results in the lowest principal amount determined in accordance with the provisions of paragraphs (a) to (f) of this definition 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 (A) in the case of each Non-Euro Obligation which is subject to a Currency Hedge Agreement at the applicable Currency Hedge Transaction Exchange Rate for the related Currency Hedge Transaction and (B) in the case of each Non-Euro Obligation which is not subject to a Currency Hedge Agreement at the applicable Spot Rate.

"**Administrative Expenses**" means amounts due and payable by the Issuer in the following order of priority (in each case, other than where expressly set out below, together with any VAT thereon, 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 and Account Bank Agreement, (ii) the Collateral Administrator and the Information Agent pursuant to the Collateral Management and Administration Agreement; (iii) the Corporate Services Provider pursuant to the Corporate Services Agreement; and (iv) Euronext Dublin, or such other stock exchange or exchanges upon which the Notes are listed from time to time, in the case of (i), (ii) and (iii), including amounts by way of indemnity;

(b) on a *pro rata* and *pari passu* basis to each Reporting Delegate pursuant to any Reporting Delegation Agreement and (save to the extent payable pursuant to paragraph (a) above) any Person appointed by the Issuer pursuant to a Transaction Document to facilitate compliance by the Issuer with the EU Retention and Disclosure Requirements;

(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 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 Directors of the Issuer in respect of directors' fees (if any);

(iii) to the Collateral Manager pursuant to the Collateral Management and Administration Agreement (including, but not limited to, the indemnities provided for therein and all ordinary expenses (for the avoidance of doubt, including, without limitation, expenses for compliance-testing and other compliance costs, as reasonably determined by the Collateral Manager), costs, fees, out-of-pocket expenses or brokerage fees incurred by the Collateral Manager), but excluding any Collateral Management Fees and any VAT payable thereon and excluding any amounts in respect of Collateral Manager Advances;

(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 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 Payment, including, without limitation, amounts payable to any listing agent and an amount up to €25,000 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 amount 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 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 the Hedge Counterparty (if any) in relation to costs reasonably incurred in relation to the transfer of any collateral to or from any Counterparty Downgrade Collateral Account;

(x) to any person in connection with satisfying the requirements of Rule 17g-5;

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

(xii) to the extent not already described by any of the foregoing, the costs of providing information to Noteholders in accordance with the Transaction Documents in connection with the "passive foreign investment company" status of the Issuer for U.S. federal income tax purposes;

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

(i) on a *pro rata* basis to any other Person (including the Collateral Manager) in connection with satisfying the requirements of EMIR, CRA3, AIFMD, the Securitisation Regulation or the Dodd-Frank Act, in each case as applicable to the Issuer only;

(ii) on a *pro rata* basis to any Person (including the Collateral Manager) in connection with satisfying the EU Retention and Disclosure Requirements in connection with the transaction contemplated hereunder, including any costs or fees related to additional due diligence or reporting requirements;

(iii) FATCA Compliance Costs, CRS Compliance Costs and the aggregate cumulative costs of the Issuer in order to achieve compliance with each other regime for the automatic exchange of tax information to which it is subject; and

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

(e) any Refinancing Costs to the extent not paid under paragraph (a) above and to the extent not already paid as Trustee Fees and Expenses; and

(f) except to the extent already provided for above and to the extent not already paid as Trustee Fees and Expenses, on a *pro rata* basis payment of any indemnities payable to any Person as contemplated in these Conditions or the Transaction Documents,

provided that:

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

(y) the Collateral Manager, in its reasonable judgement may determine that a payment other than in the order required by paragraphs (a) to (e) above is required to ensure the delivery of certain accounting services and reports, but only if amounts due to be paid under paragraph (a) above on the Payment Date immediately following such payment have been provided for in full at the time of such payment.

"**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,

provided that, in relation to the Collateral Manager, Affiliates shall not include: (1) the Issuer, (2) any funds, accounts or investment vehicles managed or advised by the Collateral Manager or any of its affiliates, or (3) the direct or indirect portfolio companies of the investment funds described in clause (2) 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.

"**Affiliated Group**" means HPS Investment Partners CLO (UK) LLP, HPS Investment Partners (UK) LLP, HPS Investment Partners LLC and their Affiliates, principals and employees.

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

"**Aggregate Principal Balance**" means the aggregate of the Principal Balances of all the Collateral Obligations and, when used with respect to some portion of the Collateral Obligations, means the aggregate of the Principal Balances of such Collateral Obligations, in each case, as at the date of determination. For the purposes of determining satisfaction of the Originator Requirement, the Principal Balance of any Collateral Obligation shall be its Principal Balance determined without any adjustments for purchase price or the application of haircuts or other adjustments.

"**AIFMD**" means the European Union Directive 2011/61/EU on Alternative Investment Fund Managers.

"**Applicable Margin**" has the meaning given thereto in Condition 6(e)(i)(C) (*Floating Rate of Interest*).

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

"**Assigned Moody's Rating**" has the meaning given to it in the Collateral Management and Administration Agreement.

"**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 €1,000.

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

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

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

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

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

provided that (i) to the extent that the Hedging Condition has been satisfied and a Currency Hedge Agreement is in place, amounts standing to the credit of the Currency Accounts shall be converted into Euro at the relevant Currency Hedge Transaction Exchange Rate, (ii) to the extent that no Currency Hedge Agreement is in place, any balance which is denominated in a currency other than Euro shall be converted into Euro at the Spot Rate and (iii) in the event that a default as to payment of principal and/or interest has occurred and is continuing (disregarding any grace periods provided for pursuant to the terms thereof) in respect of any Eligible Investment or any material obligation of the obligor thereunder which is senior or equal in right of payment to such Eligible Investment such Eligible Investment shall have a value equal to the lesser of its Moody's Collateral Value and its Fitch Collateral Value (determined as if such Eligible Investment were a Collateral Obligation).

"**Benefit Plan Investor**" means:

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

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

(c) any entity whose underlying assets include plan assets by reason of such an employee benefit plan or plan's investment in such entity.

"**Bivariate Risk Table**" means the table set forth in the Collateral Management and Administration 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, Luxembourg and New York (other than a Saturday or a Sunday); and

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

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

"**CCC/Caa Excess**" means, in respect of any date of determination, the amount equal to the greater of:

(a) the excess of the Aggregate Principal Balance of all Caa Obligations over an amount equal to 7.5 per cent. of the Collateral Principal Amount (calculated for this purpose on the basis that the Principal Balance of each Defaulted Obligation is its Moody's Collateral Value) as of the current Determination Date; and

(b) the excess of the Aggregate Principal Balance of all CCC Obligations over an amount equal to 7.5 per cent. of the Collateral Principal Amount (calculated for this purpose on the basis that the Principal Balance of each Defaulted Obligation is its Fitch Collateral Value) as of the current Determination Date,

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

Value (expressed as a percentage of the Principal Balance of such Collateral Obligations as of the relevant date of determination) shall be deemed to constitute the CCC/Caa Excess.

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

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

(a) the Class X Notes;

(b) the Class A Notes;

(c) the Class B-1 Notes;

(d) the Class B-2 Notes;

(e) the Class C Notes;

(f) the Class D Notes;

(g) the Class E Notes;

(h) the Class F Notes;

(i) the Class M-1 Subordinated Notes;

(j) the Class M-2 Subordinated Notes; and

(k) the Class M-3 Subordinated Notes,

and "**Class of Noteholders**" and "**Class**" shall be construed accordingly. Notwithstanding that:

(i) the Class A CM Removal and Replacement Voting Notes, the Class A CM Removal and Replacement Exchangeable Non-Voting Notes and the Class A CM 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 in connection with any CM Removal Resolution or CM Replacement Resolution, as further described in the Conditions, the Trust Deed and the Collateral Management and Administration Agreement;

(ii) the Class B-1 CM Removal and Replacement Voting Notes, the Class B-1 CM Removal and Replacement Exchangeable Non-Voting Notes and the Class B-1 CM 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 in connection with any CM Removal Resolution or CM Replacement Resolution, as further described in the Conditions, the Trust Deed and the Collateral Management and Administration Agreement;

(iii) the Class B-2 CM Removal and Replacement Voting Notes, the Class B-2 CM Removal and Replacement Exchangeable Non-Voting Notes and the Class B-2 CM 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 in connection with any CM Removal Resolution or CM Replacement Resolution, as further described in the Conditions, the Trust Deed and the Collateral Management and Administration Agreement;

(iv) the Class C CM Removal and Replacement Voting Notes, the Class C CM Removal and Replacement Exchangeable Non-Voting Notes and the Class C CM 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 in connection with any CM Removal Resolution or CM Replacement Resolution, as further described in the Conditions, the Trust Deed and the Collateral Management and Administration Agreement;

(v) the Class D CM Removal and Replacement Voting Notes, the Class D CM Removal and Replacement Exchangeable Non-Voting Notes and the Class D CM 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 in connection with any CM Removal Resolution or CM Replacement Resolution, as further described in the Conditions, the Trust Deed and the Collateral Management and Administration Agreement;

(vi) notwithstanding that each of the Class B-1 Notes and the Class B-2 Notes are separate Classes, they shall be treated as a single Class for the purposes of (i) any consent, direction, objection, approval, vote or determination of quorum under the Trust Deed, except as expressly provided otherwise in the Trust Deed and (ii) determining the Retention Notes required to be purchased and retained by the Collateral Manager;

(vii) notwithstanding that the Class M-1 Subordinated Notes, the Class M-2 Subordinated Notes and the Class M-3 Subordinated Notes are separate Classes, they 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, except for the purposes of Extraordinary Resolutions (for the purposes of which they shall be treated as separate Classes) or as expressly provided otherwise in the Trust Deed, with each holder of Class M-1 Subordinated Notes, Class M-2 Subordinated Notes and Class M-3 Subordinated Notes voting based on the aggregate Principal Amount Outstanding of Subordinated Notes held by such holder and provided further that the Class M-1 Subordinated Notes, the Class M-2 Subordinated Notes and the Class M-3 Subordinated Notes shall be treated as separate Classes for purposes of ERISA.

For the avoidance of doubt, each Class of Notes described in paragraphs (a) through (j) above shall be treated as a single Class for all other purposes.

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

"**Class A/B Interest Coverage Ratio**" means, as of any Measurement Date occurring on and after the Determination Date immediately preceding the second Payment Date, the ratio (expressed as a percentage) obtained by dividing the Interest Coverage Amount by the scheduled interest payments due on the Class A Notes and the Class B Notes on the following Payment Date. For the purposes of calculating the Class A/B Interest Coverage Ratio, the expected interest income on Collateral Obligations, Eligible Investments and the Accounts (to the extent applicable) and the expected interest payable on the Class A Notes and the Class B Notes will be calculated using the then current interest rates applicable thereto as at the relevant Measurement Date.

"**Class A/B Interest Coverage Test**" means the test which will apply as of any Measurement Date occurring on and after the Determination Date immediately preceding the second Payment Date and which will be satisfied on such Measurement Date if the Class A/B Interest Coverage Ratio is at least equal to 120.00 per cent.

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

"**Class A/B Par Value Test**" means the test which will apply as of any Measurement Date on and after the Effective Date and which will be satisfied on such Measurement Date if the Class A/B Par Value Ratio is at least equal to 128.40 per cent.

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

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

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

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

"**Class B Noteholders**" means the holders of any Class B-1 Notes and the Class B-2 Notes from time to time.

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

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

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

"**Class B-1 Noteholders**" means the holders of any Class B-1 Notes from time to time.

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

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

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

"**Class B-2 Noteholders**" means the holders of any Class B-2 Notes from time to time.

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

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

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

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

"**Class C Interest Coverage Ratio**" means, as of any Measurement Date occurring on and after the Determination Date immediately preceding the second Payment Date, the ratio (expressed as a percentage) obtained by dividing the Interest Coverage Amount by the scheduled interest payments due on the Class A Notes, the Class B Notes and the Class C Notes (excluding Deferred Interest but including any interest on Deferred Interest) on the following Payment Date. For the purposes of calculating the Class C Interest Coverage Ratio, the expected interest income on Collateral Obligations, Eligible Investments and the Accounts (to the extent applicable) and the expected interest payable on the Class A Notes, the Class B Notes and the Class C Notes will be calculated using the then current interest rates applicable thereto as at the relevant Measurement Date.

"**Class C Interest Coverage Test**" means the test which will apply as of any Measurement Date occurring on and after the Determination Date immediately preceding the second Payment Date and which will be satisfied on such Measurement Date if the Class C Interest Coverage Ratio is at least equal to 115.00 per cent.

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

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

"**Class C Par Value Test**" means the test which will apply as of any Measurement Date on 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 120.10 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 scheduled interest payments due on the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes (excluding Deferred Interest but including any interest on Deferred Interest) on the following Payment Date. For the purposes of calculating the Class D Interest Coverage Ratio, the expected interest income on Collateral Obligations, Eligible Investments and the Accounts (to the extent applicable) and the expected interest payable on the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes will be calculated using the then current interest rates applicable thereto as at the relevant Measurement Date.

"**Class D Interest Coverage Test**" means the test which will apply as of any Measurement Date occurring on and after the Determination Date immediately preceding the second Payment Date and which will be satisfied on such Measurement Date if the Class D Interest Coverage Ratio is at least equal to 110.00 per cent.

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

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

"**Class D Par Value Test**" means the test which will apply as of any Measurement Date on 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 112.20 per cent.

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

"**Class E Interest Coverage Ratio**" means, as of any Measurement Date occurring on and after the Determination Date immediately preceding the second Payment Date, the ratio (expressed as a percentage) obtained by dividing the Interest Coverage Amount by the scheduled interest payments due on the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes (excluding Deferred Interest but including any interest on Deferred Interest) on the following Payment Date. For the purposes of calculating the Class E Interest Coverage Ratio, the expected interest income on Collateral Obligations, Eligible Investments and the Accounts (to the extent applicable) and the expected interest payable on the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes will be calculated using the then current interest rates applicable thereto as at the relevant Measurement Date.

"**Class E Interest Coverage Test**" means the test which will apply as of any Measurement Date occurring on and after the Determination Date immediately preceding the second Payment Date and which will be satisfied on such Measurement Date if the Class E Interest Coverage Ratio is at least equal to 105.00 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 106.60 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 104.10 per cent.

"**Class M-1 Subordinated Noteholders**" means the holders of any Class M-1 Subordinated Notes from time to time.

"**Class M-1 Subordinated Notes Reference Price Percentage**" means the issue price of the Class M-1 Subordinated Notes.

"**Class M-2 Distribution Percentage**" means, at any time, the Principal Amount Outstanding of Class M-1 Subordinated Notes and Class M-2 Subordinated Notes held by Collateral Manager Related Persons other than as Retention Notes divided by the Principal Amount Outstanding of all Class M-1 Subordinated Notes and Class M-2 Subordinated Notes excluding the Retention Notes.

"**Class M-2 Subordinated Noteholders**" means the holders of any Class M-2 Subordinated Notes from time to time.

"**Class M-3 Distribution Percentage**" means, at any time, a percentage equal to (i) 100 per cent. minus (ii) the Class M-2 Distribution Percentage minus (iii) the Collateral Manager Distribution Percentage.

"**Class M-3 Subordinated Noteholders**" means the holders of any Class M-3 Subordinated Notes from time to time.

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

"**Class X Principal Amortisation Amount**" mean, for each Payment Date upon which a Class X Principal Amortisation Amount is payable pursuant to these Conditions, beginning on (and including) the second Payment Date immediately following the Issue Date, the lesser of (i) the Principal Amount Outstanding of the Class X Notes; and (ii)(a) in respect of each such Payment Date prior to the occurrence of a Frequency Switch Event, €250,000 and (b) in respect of each such Payment Date following the occurrence of a Frequency Switch Event, €500,000.

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

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

"**CM 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 voting on a CM Removal Resolution or a CM Replacement Resolution but which do carry a right to vote on and be so counted in respect of all other matters in respect of which the CM Removal and Replacement Voting Notes have a right to vote and be so counted; and

(b) are exchangeable into:

(i) CM Removal and Replacement Non-Voting Notes at any time; or

(ii) CM 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.

"**CM 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 voting on a CM Removal Resolution or a CM Replacement Resolution but which do carry a right to vote on and be so counted in respect of all other matters in respect of which the CM Removal and Replacement Voting Notes have a right to vote and be so counted; and

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

"**CM 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 a CM Removal Resolution or a CM Replacement Resolution and all other matters as to which Noteholders are entitled to vote; and

(b) are, at any time, exchangeable into:

(i) CM Removal and Replacement Non-Voting Notes; or

(ii) CM Removal and Replacement Exchangeable Non-Voting Notes.

"**CM Removal Resolution**" means any Resolution, vote, written direction or consent of the Noteholders in relation to the removal of the Collateral Manager in accordance with the Collateral Management and Administration Agreement.

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

"**Code**" means the United States Internal Revenue Code of 1986.

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

"**Collateral Acquisition Agreements**" means each of the agreements entered into by the Issuer (or the Collateral Manager on behalf of the Issuer) in relation to the purchase by the Issuer of Collateral Obligations from time to time.

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

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

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

"**Collateral Manager Advance**" has the meaning given to that term in Condition 3(k) (*Collateral Manager Advances*).

"**Collateral Manager Distribution Percentage**" means, at any time, the Principal Amount Outstanding of Class M-1 Subordinated Notes and Class M-2 Subordinated Notes not held by Collateral Manager Related Persons divided by the Principal Amount Outstanding of all Class M-1 Subordinated Notes and Class M-2 Subordinated Notes, expressed as a percentage.

"**Collateral Manager Portfolio Companies**" means Persons in respect of which funds managed by (a) the Collateral Manager or its affiliates or (b) any replacement Collateral Manager or its affiliates directly or indirectly holds more than 50 per cent. of the voting capital or similar right of ownership.

"**Collateral Manager Related Person**" means the Collateral Manager, or its Affiliates, any director, officer or employee of such entities or any fund or account for which the Collateral Manager or its Affiliates exercises discretionary voting authority on behalf of such fund or account in respect of the Notes.

"**Collateral Obligation**" means any debt obligation or debt security purchased (including by way of a Participation) by or on behalf of the Issuer from time to time (or, if the context so requires, to be purchased by or on behalf of the Issuer), provided that:

(a) references to Collateral Obligations shall include Non-Euro Obligations but shall not include Collateral Enhancement Obligations, Eligible Investments or Exchanged Equity Securities;

(b) Obligations which are to constitute Collateral Obligations in respect of which the Issuer has entered into a binding commitment to purchase but which have not yet settled shall be included as Collateral Obligations in the calculation of the Portfolio Profile Tests, Collateral Quality Tests, Coverage Tests, Reinvestment Overcollateralisation Test and Principal Purchase Test at any time as if such purchase had been completed;

(c) each Collateral Obligation in respect of which (i) the Issuer has entered into a binding commitment to sell, but in respect of which such sale has not yet settled and/or (ii) the Eligibility Criteria were not satisfied 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) or, in respect of an Issue Date Collateral Obligation, on the Issue Date, shall be excluded from being Collateral Obligations solely for the purpose of the calculation of the Portfolio Profile Tests, Collateral Quality Tests, Coverage Tests, Reinvestment Overcollateralisation Test and Principal Purchase Test or the determination of the Aggregate Principal Balance (as if such sale had been completed in the case of (i) above or as if not held by the Issuer in the case of (ii) above);

(d) the failure of any obligation to satisfy the Eligibility Criteria at any time shall not cause such obligation not to constitute a Collateral Obligation save as otherwise provided above; and

(e) a Collateral Obligation which has been restructured (whether effected by way of an amendment to the terms of such Collateral Obligation (including but not limited to an extension of its maturity) or by way of substitution of new obligations and/or change of Obligor) may only constitute a Restructured Obligation if it satisfies the Restructured Obligation Criteria on the appropriate Restructuring Date.

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

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

(a) the Aggregate Principal Balance of all Collateral Obligations, provided however, for the purpose of calculating the Aggregate Principal Balance for the purposes only of (i) the Portfolio Profile Tests and Discretionary Sales, the Principal Balance of each Defaulted Obligation shall be multiplied by its Market Value, and (ii) the Collateral Quality Tests, the Principal Balance of each Defaulted Obligation shall be excluded;

(b) for the purpose solely of calculating Senior Distribution Amounts and Subordinated Distribution Amounts, (i) the aggregate amount of all accrued and unpaid interest purchased with Principal Proceeds (other than with respect to Defaulted Obligations) plus (ii) the Aggregate Principal Balance of obligations which are to constitute Collateral Obligations in respect of which the Issuer has entered into a binding commitment to purchase, but which have not yet settled, as if such purchase had been completed minus (iii) the Aggregate Principal Balance of obligations in respect of which the Issuer has entered into a binding commitment to sell, but in respect of which such sale has not yet settled, as if such sale had been completed; and

(c) the Balances standing to the credit of the Principal Account and the Unused Proceeds Account (only in respect of such amounts that are not designated as Interest Proceeds to be credited to the Interest Account), and including the principal amount of any Eligible Investments purchased with such Balance

but excluding, for the avoidance of doubt, any interest accrued on Eligible Investments, provided that, for the purposes of determining the Balances herein, Principal Proceeds to be used to purchase Collateral Obligations in respect of which the Issuer has entered into a binding commitment to purchase, but in respect of which has not yet settled, shall be excluded as if such purchase had been completed and principal proceeds to be received from the sale of Collateral Obligations in respect of which the Issuer has entered into a binding commitment to sell, but in respect of which sale has not yet settled, shall be included as if such sale has been completed.

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

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

(i) the Moody's Minimum Diversity Test;

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

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

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

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

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

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

(iii) the Maximum Obligor Concentration Test; and

(iv) the Fitch Minimum Weighted Average Spread Test;

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

each as defined in the Collateral Management and Administration Agreement.

"**Collateral Tax Event**" means at any time, as a result of (i) in the case of paragraph (a) below, FATCA; or (ii) in the case of either paragraph (a) or (b) below, the introduction of a new, or any change in, any statute, treaty, regulation, rule, ruling, practice, procedure or judicial decision or interpretation (whether proposed, temporary or final):

(a) interest payments, discount or premium due from the Obligors of any Collateral Obligations (or from Selling Institutions in the case of Participations) in relation to any Due Period to the Issuer becoming properly subject to the imposition of withholding tax (other than where (i) such withholding tax is compensated for by a "gross up" provision in the terms of the Collateral Obligation so that the Issuer receives the same amount on an after tax basis that it would have received had no withholding tax been imposed or (ii) such requirement to withhold is eliminated or compensated in full pursuant to a double taxation treaty or otherwise); or

(b) United Kingdom or U.S. state or federal or any other tax authority outside of Ireland imposing net income, profits, diverted profits or similar tax upon the Issuer, or the Issuer otherwise becoming liable to net income, profits, diverted profits or similar tax outside of Ireland,

so that the aggregate amount of such withholding tax (after taking into account the benefit of any partial gross-up and any reduction of or compensation for the withholding) and taxes falling within paragraph (b) in respect of all Collateral Obligations in relation to such Due Period is equal to or in excess of 6 per cent. of the aggregate interest payments due (for the avoidance of doubt, excluding any additional interest arising as a result of the operation of any gross up provision) on all Collateral Obligations in relation to such Due Period.

Notwithstanding the provisions of paragraph (a)(i) hereof, in the case of any tax arising in respect of FATCA, a Collateral Tax Event will occur if the aggregate of all prior taxes arising in respect of FATCA and all taxes arising in respect of FATCA expected to be due in the future exceed USD 750,000.

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

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

"**Conditional Sale Agreement**" means a conditional sale agreement dated 23 May 2019 between the Issuer as seller and the Collateral Manager as purchaser in respect of certain Collateral Obligations designated as Originated Assets.

"**Controlling Class**" means:

(a) the Class A Notes; or

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

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

the Class B Notes; or

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

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

the Class C Notes; or

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

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

the Class D Notes; or

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

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

the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes is held by or on behalf of the Collateral Manager or any Collateral Manager Related Person,

the Class E Notes; or

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

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

the Class F Notes; or

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

(ii) prior to the redemption and payment in full of the Rated Notes and solely in connection with a CM Removal Resolution or a CM Replacement Resolution, if 100 per cent. of the Principal Amount Outstanding of each of the Rated Notes is held by or on behalf of the Collateral Manager or any Collateral Manager Related Person,

the Subordinated Notes,

provided that, solely in connection with a CM Removal Resolution or a CM Replacement Resolution, no Notes held in the form of CM Removal and Replacement Non-Voting Notes or CM Removal and Replacement Exchangeable Non-Voting Notes and/or by or on behalf of the Collateral Manager or any Collateral Manager Related Person shall (A) constitute or form part of the Controlling Class, (B) be entitled to vote in respect of such CM Removal Resolution or CM Replacement Resolution or (C) be counted for the purposes of determining a quorum or the result of voting in respect of such CM Removal Resolution or CM Replacement Resolution. For the avoidance of doubt, the Class X Notes will not constitute the Controlling Class at any time.

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

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

(a) is an obligation of a debtor in possession as described in § 1107 of the United States Bankruptcy Code or a trustee (if appointment of such trustee has been ordered pursuant to § 1104 of the United States Bankruptcy Code) (a "**Debtor**") organised under the laws of the United States or any State therein, the terms of which have been approved by an order of the United States Bankruptcy Court, the United States District Court, or any other court of competent jurisdiction, the enforceability of which order is not subject to any pending contested matter or proceeding (as such terms are defined in the Federal Rules of Bankruptcy Procedure) and which order provides that (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 (zz) 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 the main proceedings outside of the United States which (i) constitutes the most senior secured obligations of the entity which is the borrower thereof and either (ii) ranks *pari passu* in all respects with the other senior secured debt of the borrower, provided that such facility is entitled to recover proceeds of enforcement of security shared with the other senior secured indebtedness (e.g. bond) of the borrower and its subsidiaries in priority to all such other senior secured indebtedness, or (iii) achieves priority over other senior secured obligations of the borrower otherwise than through the grant of security, such as pursuant to the operation of applicable insolvency legislation (including as an expense of the restructuring or insolvency process) or other applicable law.

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

"**Counterparty Downgrade Collateral Account**" means, in respect of each Hedge Counterparty and a Hedge Agreement to which it is a party, the account of the Issuer with the Custodian into which all Counterparty Downgrade Collateral (other than cash) is to be deposited or (as the case may be) each 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, the Class E Interest Coverage Test and the Class F Par Value Test.

"**Cov-Lite Loan**" means a Collateral Obligation, as determined by the Collateral Manager in its reasonable commercial judgement, that is an interest in a loan, the Underlying Instruments for which do not (i) contain any financial covenants or (ii) require the Obligor thereunder to comply with any maintenance covenant (regardless of whether compliance with one or more incurrence covenants is otherwise required by such Underlying Instruments); provided that for all purposes, if such a loan either contains a cross-default provision to, or is *pari passu* with, another loan of the underlying Obligor or a member of its borrowing group that requires compliance with one or more maintenance covenants it will be deemed not to be a Cov-Lite Loan, and for the avoidance of doubt, if the Underlying Instruments provide for covenants pursuant to paragraph (i) and/or (ii) above but such covenants only take effect after a specified period of no more than 6 months following the drawdown date of the relevant loan, then such loan shall not be considered a Cov-Lite Loan.

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

"**Credit Improved Obligation Criteria**" means the criteria that will be met in respect of a Collateral Obligation if any of the following apply to such Collateral Obligation, as determined by the Collateral Manager using reasonable commercial judgment (which judgment will not be called into question as a result of subsequent events):

(a) if such Collateral Obligation is a loan obligation or floating rate note, the price of such loan obligation or floating rate note has changed during the period from the date on which the Issuer or the Collateral Manager acting on behalf of the Issuer entered into a binding commitment to purchase such Collateral Obligation to the 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 or Eligible Bond Index (as applicable) selected by the Collateral Manager over the same period;

(b) if such Collateral Obligation is a Fixed Rate Collateral Obligation which is a bond or security, the price of such obligation has changed since the date the Issuer or the Collateral Manager acting on behalf of

the Issuer entered into a binding commitment to purchase such obligation by a percentage either at least 1.0 per cent. more positive or at least 1.0 per cent. less negative than the percentage change in the Eligible Bond Index over the same period;

(c) if such Collateral Obligation is a loan obligation or floating rate note, the spread over the applicable reference rate for such Collateral Obligation has been decreased in accordance with the applicable Underlying Instrument since the date the Issuer or the Collateral Manager acting on behalf of the Issuer entered into a binding commitment to purchase such obligation by (1) 0.25 per cent. or more (in the case of a loan obligation or floating rate note with a spread (prior to such decrease) less than or equal to 2.0 per cent.), (2) 0.375 per cent. or more (in the case of a loan obligation or floating rate note with a spread (prior to such decrease) greater than 2.0 per cent. but less than or equal to 4.0 per cent.) or (3) 0.5 per cent. or more (in the case of a loan obligation or floating rate note with a spread (prior to such decrease) greater than 4.0 per cent.) due, in each case, to an improvement in the Obligor's financial ratios or financial results;

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

(e) such Collateral Obligation has been upgraded by any Rating Agency at least one rating sub category or has been placed and remains on a watch list for possible upgrade or on positive outlook by the Rating Agency since it was acquired by the Issuer.

"**Credit Risk Criteria**" means the criteria that will be met in respect of a Collateral Obligation if any of the following apply to such Collateral Obligation, as determined by the Collateral Manager in its reasonable discretion (which determination will not be called into question as a result of subsequent events):

(a) if such Collateral Obligation is a loan obligation or floating rate note, the price of such Collateral Obligation has changed during the period from the date on which it was acquired by the Issuer to the date of determination by a percentage which is (i) in the case of Secured Senior Obligations, either at least 0.25 per cent. more negative or at least 0.25 per cent. less positive and (ii) in the case of Unsecured Senior Obligations, Second Lien Loans or Mezzanine Obligations, either at least 0.50 per cent. more negative or at least 0.50 per cent. less positive, in each case, than the percentage change in the average price of the Eligible Loan Index or Eligible Bond Index (as applicable) over the same period;

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

(c) if such Collateral Obligation is a loan obligation or floating rate note, the spread over the applicable reference rate for such Collateral Obligation has been increased in accordance with the applicable Underlying Instrument since the date the Issuer or the Collateral Manager acting on behalf of the Issuer entered into a binding commitment to purchase such obligation by (1) 0.25 per cent. or more (in the case of a loan obligation or floating rate note with a spread (prior to such increase) less than or equal to 2.0 per cent.), (2) 0.375 per cent. or more (in the case of a loan obligation with a spread (prior to such increase) greater than 2.0 per cent. but less than or equal to 4.0 per cent.) or (3) 0.50 per cent. or more (in the case of a loan obligation with a spread (prior to such increase) greater than 4.0 per cent.) due, in each case, to a deterioration in the Obligor's financial ratios or financial results; or

(d) such Collateral Obligation 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 Risk Obligation**" means any Collateral Obligation that, in the Collateral Manager's reasonable discretion (which determination will not be called into question as a result of subsequent events), has a risk of declining in credit quality or price or where the relevant underlying Obligor has failed to meet its other financial obligations; provided that during a Restricted Trading Period, a Collateral Obligation will qualify as a Credit Risk Obligation for purposes of sales of Collateral Obligations only if (a) the Credit Risk Criteria are satisfied

with respect to such Collateral Obligation or (b) the Controlling Class acting by Ordinary Resolution votes to treat such Collateral Obligation as a Credit Risk Obligation.

"**CRS**" means the common reporting standard more fully described as the Standard for Automatic Exchange of Financial Account Information in Tax Matters 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 Mandatory Automatic Exchange of Information and Administrative Corporation in the Field of Taxation (DAC II).

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

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

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

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

"**Currency Hedge Counterparty**" means any financial institution with which the Issuer has (pursuant to, and in accordance with, the terms of the Collateral Management and Administration Agreement) entered into a Currency Hedge Agreement or any permitted successor, transferee or assignee thereof pursuant to the terms of such Currency Hedge Agreement, which upon the date of entry into such agreement, in each case, is required to satisfy the applicable Rating Requirement or whose obligations are guaranteed by a guarantor which is required to satisfy the applicable Rating Requirement or in respect of which Rating Agency Confirmation has been obtained on such date.

"**Currency Hedge Counterparty Principal Exchange Amount**" means each initial, interim and final exchange amount (whether expressed as such or otherwise) scheduled to be paid by the Currency Hedge Counterparty to the Issuer under a Currency Hedge Transaction and excluding any Scheduled Periodic Hedge Counterparty Payments but including any amounts described as adjustment payments or termination payments in the relevant Currency Hedge Agreement which relate to payments to be made as a result of the relevant Currency Hedge Obligation being prepaid or sold or becoming subject to a credit event or debt restructuring.

"**Currency Hedge Issuer Principal Exchange Amount**" means each initial, interim and final exchange amount whether expressed as such or otherwise) scheduled to be paid to the Currency Hedge Counterparty by the Issuer under a Currency Hedge Transaction and excluding any Scheduled Periodic Hedge Issuer Payments but including any amounts described as termination payments in the relevant Currency Hedge Agreement which relate to payments to be made as a result of the relevant Currency Hedge Obligation being sold or becoming subject to a credit event or debt restructuring.

"**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, and excluding, for all purposes other than determining the amount payable by the Issuer to the Currency Hedge Counterparty thereto upon such termination or modification and the payment thereof pursuant to the Priorities of Payment, any due and unpaid Scheduled Periodic Currency Hedge Issuer Payments payable thereunder and any Currency Hedge Issuer Principal Exchange Amounts.

"**Currency Hedge Termination Receipt**" means the amount payable by a Currency Hedge Counterparty to the Issuer upon termination or modification of a Currency Hedge Transaction excluding, for purposes other than

payment to the applicable Account to which the Issuer shall credit such amounts, the portion thereof representing any due and unpaid Scheduled Periodic Hedge Counterparty Payments payable thereunder and any Currency Hedge Counterparty Principal Exchange Amounts.

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

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

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

(a) the Collateral Manager believes, in its reasonable business judgment, that the Obligor of such Collateral Obligation will continue to make scheduled payments of interest thereon in cash and will pay the principal thereof in cash by maturity or as otherwise contractually due;

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

(c) for so long as the Rated Notes are rated by Fitch, the Collateral Obligation has a Market Value of at least 80.0 per cent. of its current Principal Balance; and

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

(i) the Collateral Obligation has a Moody's Rating of at least "Caa1" and a Market Value of at least 80.0 per cent. of its current Principal Balance; or

(ii) the Collateral Obligation has a Moody's Rating of "Caa2" and its Market Value is at least 85.0 per cent. of its current Principal Balance,

Market Value in each case being determined without taking into account sub-paragraph (e) of the definition of Market Value.

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

"**Defaulted Currency Hedge Termination Payment**" means any amount payable by the Issuer to a Currency Hedge Counterparty upon termination of any Currency Hedge Transaction in respect of which the Currency Hedge Counterparty was (i) the "Defaulting Party" in respect of an "Event of Default" (each such term 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 by the Rating Agencies to below the applicable Rating Requirement 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 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" in respect of an "Event of Default" (each such term 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 by the Rating Agencies to below the applicable Rating Requirement 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 Obligation**" means a Collateral Obligation as determined by the Collateral Manager using reasonable commercial judgment (which judgment will not be called into question as a result of subsequent events):

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

(b) in respect of which (i) any bankruptcy, insolvency or receivership proceeding has been initiated in connection with the Obligor of such Collateral Obligation, whether initiated under the Obligor's local law or otherwise and, to the knowledge of the Collateral Manager, such proceedings have not been stayed or dismissed or (ii) the Issuer or others have instituted proceedings to have the Issuer adjudicated as bankrupt or insolvent or placed into receivership and such proceedings have not been stayed or dismissed or such Issuer has filed for protection under Chapter 11 of the United States Bankruptcy Code;

(c) in respect of which the Collateral Manager knows the Obligor thereunder is in default as to payment of principal and/or interest on another of its obligations (and such default has not been cured), but only if both such other obligation and the Collateral Obligation are either (A) both full recourse and unsecured obligations or (B) the other obligation ranks at least *pari passu* with the Collateral Obligation in right of payment, without regard to any grace period applicable thereto, or waiver or forbearance thereof, after the passage (other than in the case of a default that, in the Collateral Manager's reasonable judgment, is not due to credit-related causes) of five Business Days or seven calendar days, whichever is greater, but in no case beyond the passage of any grace period applicable thereto;

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

(e) which is a Participation in a loan with respect to which the Selling Institution has (x) an 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;

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

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

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

(i) which is a Deferring Security that has been deferring the payment of the current cash interest due thereon for a period of twelve or more consecutive months,

provided that (A) a Collateral Obligation shall not constitute a Defaulted Obligation pursuant to paragraphs (b) through (h) above if such Collateral Obligation (or, in the case of a Participation, the underlying Collateral Obligation) is a Current Pay Obligation (provided that the aggregate Principal Balance of Current Pay Obligations exceeding 2.5 per cent. of the Collateral Principal Amount (calculated for this purpose on the basis that the Principal Balance of each Defaulted Obligation shall be the lower of its Moody's Collateral Value and its Fitch Collateral Value) will be treated as Defaulted Obligations and, provided further, that in determining which of the Current Pay Obligations are to be treated as Defaulted Obligations under this proviso, the Current Pay Obligations with the lowest Moody's Collateral Value or Fitch Collateral Value expressed as a percentage of the Principal Balance of such Collateral Obligations as of the relevant date of determination shall be deemed to constitute the excess), (B) a Collateral Obligation shall not constitute a Defaulted Obligation pursuant to paragraphs (b) through (g) above if such Collateral Obligation (or, in the case of a Participation, the underlying obligation) is a Corporate Rescue Loan that has an Fitch Rating of "CCC-" or higher (provided that the aggregate principal balance of Corporate Rescue Loans exceeding 5.0 per cent. of the Collateral Principal Amount (calculated for this purpose on the basis that the Principal Balance of each Defaulted Obligation shall be the lower of its Moody's Collateral Value and its Fitch Collateral Value) will be treated as Defaulted Obligations and, provided further, that in determining which of the Corporate Rescue Loans are to be treated as Defaulted Obligations under this proviso, the Corporate Rescue Loans with the lowest Moody's Collateral Value or Fitch Collateral Value expressed as a percentage of the Principal Balance of such Collateral Obligations as of the relevant date of determination shall be deemed to constitute the excess), (C) any Collateral Obligation that is required to be treated as a Defaulted Obligation pursuant to the Collateral Management and Administration Agreement due to an excess over the Maturity Amendment Threshold shall be treated as a Defaulted Obligation, (D) any Collateral Obligation that is required to be treated as a Defaulted Obligation pursuant to the Collateral Management and Administration Agreement for contributing to a Restructured Obligation Excess shall be treated as a Defaulted Obligation for the purposes of the Coverage Tests and (E) any Collateral Obligation shall cease to be a Defaulted Obligation on the date such obligation no longer satisfies this definition of "Defaulted Obligation".

"**Defaulted Obligation Excess Amounts**" means, in respect of a Defaulted Obligation, the greater of (i) zero and (ii) the aggregate of all recoveries (including by way of sale proceeds) in respect of such Defaulted Obligation for so long as it is a Defaulted Obligation, minus the sum of the Principal Balance of such Defaulted Obligation immediately prior to receipt of such amounts plus any Purchased Accrued Interest related thereto.

"**Deferred Interest**" has the meaning given thereto in Condition 6(c) (*Deferral of Interest*).

"**Deferred Senior Class M-2 Amounts**" has the meaning given thereto in Condition 3(c)(i) (*Application of Interest Proceeds*).

"**Deferred Senior Class M-3 Amounts**" has the meaning given thereto in Condition 3(c)(i) (*Application of Interest Proceeds*).

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

"**Deferred Subordinated Class M-2 Amounts**" has the meaning given thereto in Condition 3(c)(i) (*Application of Interest Proceeds*).

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

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

"**Deferring Security**" means a Collateral Obligation (other than a Defaulted Obligation) that is deferring the payment of the current cash interest due thereon and has been so deferring the payment of such interest due thereon:

(a) with respect to Collateral Obligations that have a Moody's Rating of at least "Baa3", for the shorter of two consecutive accrual periods or one year; and

(b) with respect to Collateral Obligations that have a Moody's Rating of "Ba1" or below, for the shorter of one accrual period or six consecutive months, which deferred capitalised interest has not, as of the date of determination, been paid in cash,

provided that such Deferring Security will cease to be a Deferring Security at such time as it (i) ceases to defer or capitalise the payment of interest, (ii) commences payment of all current interest in cash and (iii) has paid in cash all accrued and unpaid interest that has accrued since the date of acquisition.

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

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

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

"**Directors**" means Michael Drew and Padraic Doherty or such other person(s) who may be appointed as director(s) of the Issuer from time to time.

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

(a) in the case of any Floating Rate Collateral Obligation, is acquired by the Issuer for a purchase price of less than 80.0 per cent. of the Principal Balance of such Collateral Obligation (or, if such obligation has a Moody's Rating below "B3", such obligation is acquired by the Issuer for a purchase price of less than 85.0 per cent. of its Principal Balance); provided that such Collateral Obligation shall cease to be a Discount Obligation at such time as the Market Value of such Collateral Obligation, as determined for any period of 22 Business Days (at least 17 Business Days of which were not determined pursuant to sub-paragraph (e) of the definition of Market Value) since the acquisition by the Issuer of such Collateral Obligation equals or exceeds 90.0 per cent.; or

(b) in the case of any Fixed Rate Collateral Obligation, is acquired by the Issuer for a purchase price of less than 75.0 per cent. of the Principal Balance of such Collateral Obligation (or, if such obligation has a Moody's Rating below "B3", such obligation is acquired by the Issuer for a purchase price of less than 80.0 per cent. of its Principal Balance); provided that such Collateral Obligation shall cease to be a Discount Obligation at such time as the Market Value of such Collateral Obligation, as determined for any period of 22 Business Days (at least 17 Business Days of which were not determined pursuant to sub-paragraph (e) of the definition of Market Value) since the acquisition by the Issuer of such Collateral Obligation, equals or exceeds 85.0 per cent.,

provided that (i) where the Principal Balance of a Collateral Obligation is partially composed of a Discount Obligation, any sale, repayment or prepayment in respect of such Collateral Obligation will be applied *pro rata* to (1) the discounted portion of such Collateral Obligation and (2) the non-discounted portion of such Collateral Obligation and (ii) if such interest is a Revolving Obligation or Delayed Drawdown Collateral Obligation, the purchase price of such Revolving Obligation or Delayed Drawdown Collateral Obligation for such purpose shall include an amount equal to the Unfunded Amount of such Revolving Obligation or Delayed Drawdown Collateral Obligation which is required to be deposited in the Unfunded Revolver Reserve Account.

"**Discretionary Sales**" has the meaning given to it in the Collateral Management and Administration Agreement.

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

"**Distribution Switch Event**" means the occurrence of:

(a) an event resulting in the Collateral Manager ceasing to be a member of the Affiliated Group (for the avoidance of doubt whether as a result of a change in the identity of the Collateral Manager to a person that is not a member of the Affiliated Group, as a result of the Collateral Manager ceasing to be a member of the Affiliated Group due to corporate events in respect of the Affiliated Group or otherwise); and

(b) notification by the Collateral Manager or the Issuer of such event to the Collateral Administrator.

"**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 Obligation:

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

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

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

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

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

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

(b) 15 December 2019 (or if such day is not a Business Day, the next following Business Day).

"**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 Obligations the Aggregate Principal Balance of which equals or exceeds the Target Par Amount by such date (provided that, for the purposes of determining the Aggregate Principal Balance as provided above, (a) any repayments or prepayments of any Collateral Obligations subsequent to the Issue Date which have not been reinvested shall be disregarded and (b) the Principal Balance of a Collateral Obligation which is a Defaulted Obligation will be the lower of its (i) Moody's Collateral Value and (ii) Fitch Collateral Value) provided further that, for so long as any of the Rated Notes are rated by Fitch and are Outstanding, such requirements shall only be deemed satisfied if they would also be satisfied if paragraph (a) above were to read "the Balances standing to the credit of the Principal Account and the Unused Proceeds Account (only in respect of such amounts that are not designated as Interest Proceeds to be credited to the Interest Account) shall be included in the determination of the Aggregate Principal Balance (provided that, for the purposes of determining such Balances, Principal Proceeds to be used to purchase Collateral Obligations in respect of which the Issuer has entered into a binding commitment to purchase, but in respect of which has not yet settled, shall be excluded as if such purchase had been completed and principal proceeds to be received from the sale of Collateral Obligations in respect of which the Issuer has entered into a binding commitment to sell, but in respect of which sale has not yet settled, shall be included as if such sale has been completed)".

"**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 Obligations purchased or committed to be purchased as at the Effective Date and the results of the Portfolio Profile Tests, the Collateral Quality Tests, the Coverage Tests (other than the Interest Coverage Tests) and the Reinvestment Overcollateralisation Test by reference to such Collateral Obligations; and

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

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

(a) the Effective Date Determination Requirements not having been satisfied as at the Effective Date unless Rating Agency Confirmation of the Initial Ratings of the Rated Notes is received from the Rating Agencies in respect of such failure;

(b) either the failure by the Collateral Manager (acting on behalf of the Issuer) to present a Rating Confirmation Plan to the Rating Agencies or Rating Agency Confirmation has not been obtained for the Rating Confirmation Plan that the Collateral Manager provides; or

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

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

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

"**Eligible Bond Index**" means Markit iBoxx EUR High Yield Index or any other internationally recognised, comparable index proposed by the Collateral Manager as is notified to the Trustee, the Collateral Administrator and each Rating Agency.

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

"**Eligible 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, the Collateral Manager, a Collateral Manager Related Person 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 Non-Emerging Market Country or any agency or instrumentality of a Non-Emerging Market Country, the obligations of which are fully and expressly guaranteed by a Non-Emerging Market Country which, in each case, have a rating of not less than the applicable Eligible Investment Minimum Rating (but excluding General Services Administration participation certificates; (ii) U.S. Maritime Administration guaranteed Title XI financings; (iii) Financing Corp. debt obligations; (iv) Farmers Home Administration Certificates; and (v) Washington Metropolitan Area Transit Authority guaranteed transit bonds);

(b) demand and time deposits in, certificates of deposit of and bankers' acceptances issued by any depository institution (including the Account Bank) or trust company incorporated under the laws of a Non-Emerging Market 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 provided that at the time of such investment or contractual commitment both (i) the depository institution or trust company; and (ii) 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) have ratings which are not less than the Eligible Investment Minimum Rating;

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

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

(ii) any other security issued or guaranteed by an agency or instrumentality of a Non-Emerging Market Country which has a rating of not less than the applicable Eligible Investment Minimum Rating,

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

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

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

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

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

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

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

and, in each case, such instrument or investment provides for payment of a pre-determined fixed amount of principal on maturity that is not subject to change, such instrument or investment has a Collateral Obligation Stated Maturity (giving effect to any applicable grace period) of no later than one year following the date of the Issuer's acquisition thereof and either (A) has a Collateral Obligation Stated Maturity (giving effect to any applicable grace period) no later than the Business Day immediately preceding the next following Payment Date, or, in respect of the Eligible Investments referred to in paragraph (d) above only, (B) is capable of being liquidated at par on demand without penalty; provided, however, that Eligible Investments shall not include:

(i) any mortgage backed security, interest only security rated with an "sf" subscript assigned by Moody’s or such other qualifying subscript published and assigned by Moody’s from time to time as may be applicable;

(ii) interest only security or security in which substantially all remaining payments are interest only;

(iii) security subject to withholding tax or similar taxes unless under such security the payor is obliged to “gross-up” such payments to cover the full extent of any such withholding tax or similar tax;

(iv) an obligation which is secured by real property;

(v) an obligation which is represented by a certificate of interest in a grantor trust;

(vi) security purchased at a price in excess of 100 per cent. of par or security whose repayment is subject to substantial non-credit related risk (as determined by the Collateral Manager in its discretion),

(vii) security subject to tender offer, voluntary redemption, exchange offer, conversion or other similar action; or

(viii) security that is a Structured Finance Security,

provided further that only assets which are "qualifying assets" within the meaning of Section 110 of the TCA and which do not give rise to Irish stamp duty (except to the extent that such stamp duty is taken into account in deciding whether to acquire the assets) may constitute Eligible Investments.

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

(a) for so long as any Notes rated by 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 from Moody's, 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; and

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

(i) in the case of Eligible Investments with a Collateral Obligation Stated Maturity of more than 30 calendar days:

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

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

(C) such other ratings as confirmed by Fitch;

(ii) in the case of Eligible Investments with a Collateral Obligation Stated Maturity of 30 calendar days or less:

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

(B) a short-term senior unsecured debt or issuer (as applicable) default 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 internationally recognised, comparable index proposed by the Collateral Manager as is notified to the Trustee, the Collateral Administrator and each Rating Agency.

"**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 as may be amended, replaced or supplemented, including any implementing and/or delegated regulation, technical standards and guidance related thereto.

"**Equity Security**" means any security (other than a debt) that by its terms does not provide for periodic payments of interest at a stated coupon rate and repayment of principal at a stated maturity and any other security that is not eligible for purchase by the Issuer as a Collateral Obligation; it being understood that Equity Securities do not include Collateral Enhancement Obligations and Equity Securities may not be purchased by the Issuer but may be received by the Issuer in exchange for a Collateral Obligation or a portion thereof in connection with an insolvency, bankruptcy, reorganisation, debt restructuring or workout of the issuer or obligor thereof.

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

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

(a) prior to the occurrence of a Frequency Switch Event, as applicable to 3-month Euro deposits;

(b) following the occurrence of a Frequency Switch Event, as applicable to 6-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 2032, as applicable to 3-month Euro deposits; and

(c) in the case of the initial Accrual Period, as determined pursuant to a straight line interpolation of the rates applicable to 6-month and 12-month Euro deposits.

"**EU Disclosure Requirements**" means Article 7 of the Securitisation Regulation, including any implementing regulation, technical standards and official guidance related thereto.

"**EU Retention and Disclosure Requirements**" means the EU Retention Requirements and the EU Disclosure Requirements.

"**EU Retention Requirements**" means Article 6 of the Securitisation Regulation, including any implementing regulation, technical standards and official guidance related thereto.

"**Euro**", "**euro**", "**€**" and "**EUR**" each mean the lawful currency of the member states of the European Union that have adopted and retain the single currency in accordance with the Treaty on the Functioning of the European Union, 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).

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

"**Euroclear**" means Euroclear Bank S.A./N.V., as operator of the Euroclear system.

"**Euronext Dublin**" means The Irish Stock Exchange plc trading as Euronext Dublin.

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

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

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

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

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

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

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

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

"**FATCA**" means Sections 1471 through 1474 of the Code, and any current or future regulations or official interpretations thereof, any agreements entered into pursuant to Section 1471(b)(1) of the Code, the intergovernmental agreement between the United States and Ireland entered into on 21 December 2012 and the Irish legislation, regulations and administrative practices implementing such intergovernmental agreement and other applicable intergovernmental agreements, and related legislation or official administrative regulations or practices with respect thereto (including any amendments to any of the foregoing).

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

"**FATCA Compliance Costs**" means aggregate cumulative costs of the Issuer in order to achieve FATCA Compliance including the fees and expenses of the Collateral Manager and any other agent or appointee appointed by or on behalf of the Issuer in respect of the Issuer's FATCA Compliance.

"**First Lien Last Out Loan**" means a Collateral Obligation that is an interest in a loan (i) the Underlying Instruments for which may by its terms become subordinate in right of payment to any other secured obligation of the Obligor of such loan solely upon the occurrence of a default or event of default by the Obligor of such loan and (ii) that is secured by a valid perfected first priority security interest or lien in, to or on specified collateral securing the Obligor's obligations under the loan. A First Lien Last Out Loan shall be treated in all cases as a Second Lien Loan.

"**First Period Reserve Account**" means the 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 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 IDR Equivalent**" has the meaning given to it in the Collateral Management and Administration Agreement.

"**Fitch Issuer Default Rating**" has the meaning given to it in the Collateral Management and Administration Agreement.

"**Fitch LTSR**" has the meaning given to it in the Collateral Management and Administration Agreement.

"**Fitch Maximum Weighted Average Rating Factor Test**" has the meaning given to it in the Collateral Management and Administration Agreement.

"**Fitch Minimum Weighted Average Recovery Rate Test**" has the meaning given to it in the Collateral Management and Administration Agreement.

"**Fitch Minimum Weighted Average Spread Test**" has the meaning given to it in the Collateral Management and Administration Agreement.

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

"**Fitch Rating Mapping Table**" has the meaning given to it in the Collateral Management and Administration Agreement.

"**Fitch Recovery Rate**" means, in respect of each Collateral Obligation, the recovery rate determined in accordance with the Collateral Management and Administration Agreement or as so advised by Fitch.

"**Fitch Test Matrices**" has the meaning given to it in the Collateral Management and Administration Agreement, and a "**Fitch Test Matrix**" means any one of the Fitch Test Matrices.

"**Fitch Weighted Average Rating Factor**" has the meaning given to it in the Collateral Management and Administration Agreement.

"**Fitch Weighted Average Recovery Rate Test**" has the meaning given to it in the Collateral Management and Administration Agreement.

"**Fixed Rate Collateral Obligation**" means any Collateral Obligation that bears a fixed rate of interest 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 Obligation but will be classified as a Floating Rate Collateral Obligation for so long as such obligation is subject to such Hedge Agreement.

"**Fixed Rate Notes**" means the Class B-2 Notes.

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

"**Floating Rate Notes**" means the Class X Notes, the Class A Notes, the Class B-1 Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes.

"**Form Approved Hedge**" means either (i) an Interest Rate Hedge Transaction the documentation for and structure of which conforms to a form for which Rating Agency Confirmation has been received by the Issuer or which has previously been approved by the Rating Agencies for the purposes of the transactions contemplated herein and in respect of which the Rating Agencies have not notified the Issuer or Collateral Manager that such approval has been withdrawn and (in each case save for the amount and timing of periodic payments, the name of the Collateral Obligation, the notional amount, the effective date, the termination date and other consequential and immaterial changes which have been notified in writing to the Rating Agencies); or (ii) a Currency Hedge Transaction the documentation for and structure of which conforms to a form for which Rating Agency Confirmation has been received by the Issuer or which has previously been approved by the Rating Agencies for the purposes of the transactions contemplated herein and in respect of which the Rating Agencies have not notified the Issuer or Collateral Manager that such approval has been withdrawn (in each case save for the amount and timing of periodic payments, the name of the Non-Euro Obligation, the notional amount, the effective date, the termination date and other consequential and immaterial changes which have been notified in writing to the Rating Agencies).

"**Frequency Switch Event**" means the occurrence of a Frequency Switch Measurement Date on which either the Collateral Manager declares in its sole discretion (subject to the satisfaction of paragraph (c) below) that a Frequency Switch Event has occurred or, for so long as any of the Class X Notes, the Class A Notes or the Class B Notes remain outstanding:

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

(b) the ratio (expressed as a percentage) obtained by dividing:

(i) the sum of:

(A) the aggregate of scheduled and projected interest (and any commitment fees in respect of any Revolving Obligations or Delayed Drawdown Collateral Obligations, but excluding any scheduled interest payments in respect of Defaulted Obligations as to which the Collateral Manager has actual knowledge that such payment will not be made) which will be due to be paid on each Collateral Obligation during the immediately following Due Period (which, for each Non-Euro Obligation subject to a related Currency Hedge Agreement, shall be converted into Euro at the applicable Currency Hedge Transaction Exchange Rate for the related Currency Hedge Transaction and, for each Non-Euro Obligation not subject to a related Currency Hedge Agreement, shall be converted into Euro at the Spot Rate); and

(B) an amount (which may be positive, negative or zero) equal to the Balance that will be standing to the credit of the Interest Smoothing Account on the first Payment Date immediately following such Frequency Switch Measurement Date minus the Balance projected to be standing to the credit of the Interest Smoothing Account on the second Payment Date scheduled to occur following such Frequency Switch Measurement Date (on the assumption that no Frequency Switch Event occurs, the composition of the Portfolio remains the same and no further Collateral Obligations become Frequency Switch Obligations during the period until such second Payment Date); by

(ii) all amounts scheduled to be payable in respect of paragraphs (A) to (I) of the Interest Priority of Payments on the second Payment Date following such Frequency Switch Measurement Date,

is less than 120.0 per cent.; and

(c) the sum of:

(i) the amount determined pursuant to paragraph (b)(i) above plus scheduled and projected principal payments which will be due in the immediately following Due Period; and

(ii) the aggregate of scheduled and projected interest payments (and any commitment fees in respect of Revolving Obligations or Delayed Drawdown Collateral Obligations) which will be accrued but not yet paid as at the Business Day being three months following such Frequency Switch Measurement Date in respect of each Frequency Switch Obligation (which, in the case of each Non-Euro Obligation subject to a related Currency Hedge Agreement shall be converted into Euro at the applicable Currency Hedge Transaction Exchange Rate for the related Currency Hedge Transaction and in the case of each Non-Euro Obligation not subject to a related Currency Hedge Agreement shall be converted into Euro at the Spot Rate),

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

with the projected interest amounts described above being calculated in respect of such Frequency Switch Measurement Date on the basis of the following assumptions:

(X) in respect of each Floating Rate Collateral Obligation, projected interest payable on such Floating Rate Collateral Obligation on each future payment date thereunder during the immediately following Due Period shall be determined based on the applicable base rate and applicable margin pursuant to the relevant Underlying Instrument as determined as at such Frequency Switch Measurement Date;

(Y) the frequency of interest payments on each Collateral Obligation shall not change following such Frequency Switch Measurement Date; and

(Z) EURIBOR for the purposes of calculating Interest Amounts at all times following such Determination Date shall be equal to EURIBOR as determined as at such Frequency Switch Measurement Date.

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

"**Frequency Switch Obligation**" means, in respect of a Determination Date, a Collateral Obligation which has become a Semi-Annual Obligation during the Due Period related to such Determination Date as a result of a switch in the frequency of interest payments on such Collateral Obligation occurring during such Due Period in accordance with the applicable Underlying Instrument.

"**FTT**" means a common financial transactions 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 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 Euronext Dublin.

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

"**Hedge Agreement**" means any Interest Rate Hedge Agreement or Currency Hedge Agreement (as applicable).

"**Hedge Counterparty**" means any Interest Rate Hedge Counterparty or Currency Hedge Counterparty (as applicable).

"**Hedge Counterparty Termination Payment**" means the amount payable by a Hedge Counterparty to the Issuer upon termination, expiry or modification of a Hedge Transaction, but excluding for all purposes other than determining the amount payable by the Hedge Counterparty thereto upon such termination, expiry or modification, any due and unpaid Scheduled Periodic Hedge Counterparty Payments payable thereunder and (if applicable) Currency Hedge Counterparty Principal Exchange Amounts.

"**Hedge Issuer Tax Credit Payments**" means any amounts payable by the Issuer to a Hedge Counterparty pursuant to the terms of a Hedge Agreement in connection with any credit against, relief or remission for, or repayment of, any tax that has been obtained or utilised by the Issuer and which is attributable to a grossed up payment made by that Hedge Counterparty as a result of or in connection with any required withholding or deduction for or on account of any tax (or to such withholding or deduction itself) (but excluding, for the avoidance of doubt, any Hedge Issuer Termination Payments).

"**Hedge Issuer Termination Payment**" means the amount payable by the Issuer to a Hedge Counterparty upon termination, expiry or modification of a Hedge Transaction, but excluding for all purposes other than determining the amount payable by the Issuer thereunder upon such termination, expiry or modification and Condition 3(j)(v) (*Counterparty Downgrade Collateral Accounts*), any due and unpaid Scheduled Periodic Hedge Issuer Payments payable thereunder and (if applicable) Currency Hedge Issuer Principal Exchange Amounts.

"**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 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 Currency Hedge Transaction (as applicable).

"**Hedging Agreement Eligibility Criteria**" means, in respect of a Hedge Agreement, each of the following requirements:

(a) the relevant Hedge Agreement is an interest rate swap or cross-currency swap transaction and is being entered into solely to hedge interest rate risk, timing mismatch or currency risk on the subject matter Collateral Obligation;

(b) the relevant Hedge Agreement relates to a single Collateral Obligation only although multiple Hedge Agreements with the same counterparty may be entered into under a single master hedge agreement;

(c) the relevant Hedge Agreement does not change the tenor of the subject matter Collateral Obligation;

(d) the relevant Hedge Agreement does not leverage exposure to the subject matter Collateral Obligation or otherwise inject leverage into the Issuer's exposure;

(e) other than with respect to introducing credit risk exposure to the counterparty on the Hedge Agreement, the relevant Hedge Agreement does not change the Issuer's credit risk exposure to the obligor on the subject matter Collateral Obligation;

(f) the relevant Hedge Agreement is documented pursuant to an ISDA Master Agreement, including pursuant to a confirmation for each "Transaction" thereunder;

(g) payment dates under the relevant Hedge Agreement correspond to Issuer Payment Dates or the relevant Collateral Obligation payment dates;

(h) the notional amount of the relevant Hedge Agreement will decline in line with the principal amount of the relevant Collateral Obligation;

(i) either (i) the relevant Hedge Transaction must terminate automatically in whole or in part (as applicable) when a Collateral Obligation is sold or matures; or (ii) the Issuer must have the right to terminate the relevant Hedge Transaction in whole or in part (as applicable) when a Collateral Obligation is sold or matures and at the time the relevant Hedge Transaction is entered into the Collateral Manager certifies that it will cause the Issuer to exercise such right; and

(j) the relevant Hedge Agreement contains language in substantially the same form as the limited recourse and non petition provisions of the Collateral Management and Administration Agreement.

"**Hedging Condition**" means, in respect of a Hedge Agreement or a Hedge Transaction, either (i) satisfaction of the Hedging Agreement Eligibility Criteria; or (ii) receipt by the Collateral Manager of legal advice from reputable legal counsel to the effect that the entry into such arrangements should not require any of the Issuer, its directors or officers or the Collateral Manager or its directors, officers or employees to register with the United States Commodity Futures Trading Commission as a commodity pool operator or a commodity trading advisor pursuant to the United States Commodity Exchange Act of 1936, as amended.

"**High Yield Bond**" means a debt security which, on acquisition by the Issuer, is a high yielding debt security as determined by the Collateral Manager, excluding any debt security which is secured directly on, or represents the ownership of, a pool of consumer receivables, auto loans, auto leases, equipment leases, home or commercial mortgages, corporate debt or sovereign debt obligations or similar assets, including, without limitation, collateralised bond obligations, collateralised loan obligations or any similar security and which is not a Secured Senior Bond.

"**Incentive Collateral Management Fee**" means the fee (exclusive of any VAT) payable to the Collateral Manager pursuant to the Collateral Management and Administration Agreement on each Payment Date for which the IRR Threshold has been met or surpassed, such Incentive Collateral Management Fee being an amount equal to the Collateral Manager Distribution Percentage of the Incentive Distribution Amount.

"**Incentive Distribution Amount**" means in respect of each Payment Date for which the IRR Threshold has been met or surpassed, an amount equal to 20 per cent. of any Interest Proceeds and Principal Proceeds that, if not distributed as an Incentive Collateral Management Fee, IRR Class M-2 Amount or IRR Class M-3 Amount would otherwise be available to distribute to the Class M-1 Subordinated Noteholders and the Class M-2 Subordinated Noteholders, in accordance with paragraph (CC) of the Interest Priority of Payments, paragraph (T) of the Principal Priority of Payments and paragraph (W) of the Post-Acceleration Priority of Payments.

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

"**Initial Purchaser**" means Morgan Stanley & Co. International plc.

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

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

"**Interest Amount**" means in respect of a Class of Notes:

(a) in respect of the Floating Rate Notes, the amount calculated by the Calculation Agent in accordance with Condition 6(e)(ii) (*Determination of Floating Rate of Interest and Calculation of Interest Amount*);

(b) in respect of the Fixed Rated Notes, the amount calculated by the Calculation Agent in accordance with Condition 6(h) (*Interest on Fixed Rate Notes*);

(c) in respect of the Class M-2 Subordinated Notes, the Senior Class M-2 Interest Amounts and the Subordinated Class M-2 Interest Amounts calculated by the Collateral Administrator in accordance with Condition 6(f) (*Determinations in respect of the Subordinated Notes*); and

(d) in respect of the Class M-3 Subordinated Notes, the Senior Class M-3 Interest Amounts and the Subordinated Class M-3 Interest Amounts calculated by the Collateral Administrator in accordance with Condition 6(f) (*Determinations in respect of the Subordinated Notes*).

"**Interest Coverage Amount**" means, on any particular Measurement Date (without double counting), the sum of:

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

(b) plus the sum of all scheduled interest payments (and any commitment fees due but not yet received in respect of any Revolving Obligations or Delayed Drawdown Collateral Obligations), all amendment and waiver fees, all late payment fees, all syndication fees, delayed compensation and all other fees and commissions due but not yet received in respect of Collateral Obligations and Eligible Investments but only to the extent not representing Principal Proceeds (in each case, regardless of whether the applicable due date has yet occurred) in the Due Period in which such Measurement Date occurs, excluding:

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

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

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

(iv) any amounts expected to be withheld at source or otherwise deducted in respect of taxes;

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

(vi) any Purchased Accrued Interest,

provided that, in respect of a Non-Euro Obligation (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 scheduled interest payments due but not yet received in respect of such Collateral Obligation (subject to the exclusions set out above), converted into Euro at the then prevailing Spot Rate;

(c) minus the amounts payable pursuant to paragraphs (A) through to (F) of the Interest Priority of Payments on the following Payment Date;

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

(e) plus any amounts that would be payable from the Expense Reserve Account (only in respect of amounts that are not designated for transfer to the Principal Account), the Interest Smoothing Account, the First Period Reserve Account and/or the Currency Accounts 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); and

(f) plus any Scheduled Periodic Hedge Counterparty Payments payable to the Issuer under any Interest Rate Hedge Transaction or Currency Hedge Transaction (as determined by the Issuer with the reasonable assistance of the Collateral Manager) to the extent not already included in accordance with paragraph (b) above.

For the purposes of calculating any Interest Coverage Amount, (i) the expected or scheduled interest income on Floating Rate Collateral Obligations and Eligible Investments and the expected or scheduled interest payable on any Class of Notes and on any relevant Account shall be calculated using then current interest rates applicable thereto, (ii) for the avoidance of doubt, any amounts that will be withheld because of tax reasons and which is neither to be grossed up nor recoverable under any applicable double tax treaty will be disregarded and (iii) such amounts, to the extent not denominated in or converted into Euro, shall be converted into Euro at the Spot Rate.

"**Interest Coverage Ratio**" means the Class A/B Interest Coverage Ratio, the Class C Interest Coverage Ratio, the Class D Interest Coverage Ratio and the Class E Interest Coverage Ratio. For the purposes of calculating an Interest Coverage Ratio, the expected interest income on Collateral Obligations, Eligible Investments and the Accounts (to the extent applicable) and the expected interest payable on the relevant Rated Notes will be calculated using the then current interest rates applicable thereto.

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

"**Interest Determination Date**" means the second Business Day prior to the commencement of each Accrual Period. For the avoidance of doubt, in respect of the Issue Date, the Calculation Agent will determine the offered rate pursuant to a straight line interpolation of the rates applicable to 6-month and 12-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 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 Proceeds**" means all amounts paid or payable into the Interest Account from time to time and, with respect to any Payment Date, means any Interest Proceeds received or receivable by the Issuer during the related Due Period to be disbursed pursuant to the Interest Priority of Payments on such Payment Date, together with

any other amounts to be disbursed out of the Payment Account as Interest Proceeds on such Payment Date pursuant to Condition 3(i) (*Accounts*) and Condition 11(b) (*Enforcement*).

"**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 relating thereto which is entered into between the Issuer and an Interest Rate Hedge Counterparty, including any guarantee thereof and any credit support annex entered into pursuant to the terms thereof and together with each confirmation entered into thereunder from time to time in respect of an Interest Rate Hedge Transaction, as amended or supplemented from time to time and including any Replacement Interest Rate Hedge Agreement entered into in replacement thereof.

"**Interest Rate Hedge Counterparty**" means each financial institution with which the Issuer enters into an Interest Rate Hedge Agreement or any permitted assignee, transferee or successor under any Interest Rate Hedge Agreement which, in each case, is required to satisfy the applicable Rating Requirement or whose obligations are guaranteed by a guarantor which is required to satisfy the applicable Rating Requirement upon the date of entry into such agreement (or in respect of which Rating Agency Confirmation has been obtained on such date).

"**Interest Rate Hedge Issuer Termination Payment**" means any amount payable by the Issuer to an Interest Rate Hedge Counterparty upon termination of the applicable Interest Rate Hedge Agreement (in whole) or Interest Rate Hedge Transaction (in whole or in part of a group thereof) or in connection with a modification of the applicable Interest Rate Hedge Agreement or Interest Rate Hedge Transaction.

"**Interest Rate Hedge Transaction**" means each interest rate protection transaction entered into under an Interest Rate Hedge Agreement which may be an interest rate swap, an interest rate cap or an interest rate floor transaction.

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

"**Interest Smoothing Amount**" means, in respect of each Determination Date on or following the occurrence of a Frequency Switch Event, zero and, in respect of each other Determination Date and for so long as any Rated Notes are Outstanding, an amount equal to the product of:

(a) 0.5; multiplied by

(b) an amount equal to:

(i) 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 but excluding Semi-Annual Obligations that are Defaulted Obligations (other than Defaulted Obligation Excess Amounts)); minus

(ii) the sum of all payments of interest scheduled to be received during the immediately following Due Period in respect of each Semi-Annual Obligation (that was a Semi-Annual Obligation at all times during such Due Period but excluding Semi-Annual Obligations that are Defaulted Obligations (other than Defaulted Obligation Excess Amounts)),

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 is less than or equal to 5.0 per cent. of the Collateral Principal Amount (for such purpose, the Principal Balance of all Defaulted Obligations shall be their Fitch Collateral Value), 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.

"**Investor Report**" means a report containing certain information prescribed by Article 7(1)(e) of the Securitisation Regulation, which is to be made available on a quarterly basis after the occurrence of the Securitisation Regulation Reporting Effective Date.

"**IRR Class M-2 Amount**" means the amount payable to the Class M-2 Subordinated Noteholders on each Payment Date for which the IRR Threshold has been met or surpassed, such IRR Class M-2 Amount being an amount equal to the Class M-2 Distribution Percentage of the Incentive Distribution Amount.

"**IRR Class M-3 Amount**" means the amount payable to the Class M-3 Subordinated Noteholders on each Payment Date for which the IRR Threshold has been met or surpassed, such IRR Class M-3 Amount being an amount equal to the Class M-3 Distribution Percentage of the Incentive Distribution Amount.

"**IRR Threshold**" means the threshold which will have been reached on the relevant Payment Date (after giving effect to all payments in respect of the Class M-1 Subordinated Notes to be made on such Payment Date) if the Outstanding Class M-1 Subordinated Notes have received an annualised internal rate of return (computed using the "XIRR" function in Microsoft® Excel or an equivalent function in another software package) of at least 12 per cent. on the Principal Amount Outstanding of the Class M-1 Subordinated Notes on the Issue Date (on the basis that all Class M-1 Subordinated Notes were purchased on the Issue Date at a price equal to the Class M-1 Subordinated Notes Reference Price Percentage of the principal amount thereof), provided that any additional issuances of the Class M-1 Subordinated Notes pursuant to Condition 17 (*Additional Issuances*) shall be included for the purpose of calculating the IRR Threshold at their issue price (which, for the avoidance of doubt, shall be treated as negative cashflows) and issue date and not the Class M-1 Subordinated Notes Reference Price Percentage.

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

"**Issue Date**" means 5 July 2019 (or such other date as may shortly follow such date as may be agreed between the Issuer, the Initial Purchaser and the Collateral Manager and is notified to the Noteholders and Euronext Dublin in accordance with Condition 16 (*Notices*)).

"**Issue Date Collateral Obligation**" means an obligation for which the Issuer (or the Collateral Manager, acting on behalf of the Issuer) has entered into a binding commitment to purchase on or prior to the Issue Date, including pursuant to the Warehouse Arrangements.

"**Issue Date Interest Rate Hedge Transactions**" means any interest rate cap Interest Rate Hedge Transactions entered into by the Issuer on or around the Issue Date.

"**Issuer Profit Account**" means the account in the name of the Issuer maintained from time to time for the purposes of, *inter alia*, holding the proceeds of the issued share capital of the Issuer and any fees received by the Issuer in connection with the issue of the Notes.

"**Issuer Profit Amount**" means the payment on each Payment Date, prior to the occurrence of a Frequency Switch Event, of €250, and following the occurrence of a Frequency Switch Event, of €500, subject always to an aggregate maximum amount of €1,000 per annum, to the Issuer as a fee for entering into the transactions contemplated by the Notes and the Transaction Documents.

"**Letter of Credit**" means a contract under which a bank, at the request of a buyer on the sale of specific goods, agrees to pay the beneficiary on the sale contract (such party being the seller in connection with the sale of specific goods), a certain amount against the presentation of specified documents relating to those goods.

"**Mandatory Redemption**" means a redemption of the Notes pursuant to and in accordance with Condition 7(c) (*Mandatory Redemption upon Breach of Coverage Tests*).

"**Market Value**" means, in respect of a Collateral Obligation (expressed as a percentage of the Principal Balance in respect thereof) on any date of determination and as provided by the Collateral Manager to the Collateral Administrator:

(a) the bid price of such Collateral Obligation determined by an independent recognised pricing service; or

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

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

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

(e) if the determinations of such broker-dealers or independent recognised pricing service are not available, then the lower of (i) 70 per cent. of such Collateral Obligation's Principal Balance and (ii) the fair market value thereof determined by the Collateral Manager on a best efforts basis in a manner consistent with reasonable and customary market practice and consistent with any determination the Collateral Manager applies with respect to any other similar obligation managed by the Collateral Manager, in each case, as notified to the Collateral Administrator on the date of determination thereof,

provided however that:

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

(ii) if the Collateral Manager is not subject to Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 (or other comparable regulation), where the Market Value is determined by the Collateral Manager in accordance with paragraph (e) above, such Market Value shall only be valid for 30 days, after which time if the Market Value cannot be ascertained by a third party the Market Value shall be deemed to be zero.

"**Maturity Amendment**" means, with respect to any Collateral Obligation, any waiver, modification, amendment or variance that would extend or have the effect of extending the Collateral Obligation Stated Maturity of such Collateral Obligation (whether by way of amendment and restatement of the existing facility or novation or substitution on substantially the same terms save for the maturity amendment). For the avoidance of doubt, a waiver, modification, amendment or variance that would extend the Collateral Obligation Stated Maturity of the credit facility of which a Collateral Obligation is part, but would not extend the Collateral Obligation Stated Maturity of the Collateral Obligation held by the Issuer, does not constitute a Maturity Amendment.

"**Maturity Amendment Threshold**" means 30 per cent. of the Target Par Amount.

"**Maturity Date**" means 15 July 2032, provided that if such date would otherwise fall on a day which is not a Business Day, it shall be postponed to the next day that is a Business Day (unless it would thereby fall in the following month, in which case it shall be brought forward to the immediately preceding Business Day).

"**Measurement Date**" means:

(a) the Effective Date;

(b) for the purposes of determining satisfaction of the Reinvestment Criteria, any Business Day after the Effective Date on which such criteria are required to be determined;

(c) the date of acquisition of any additional Collateral Obligation following the Effective Date;

(d) each Determination Date;

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

(f) following the Effective Date, with reasonable (and not less than five Business Days') notice, any Business Day requested by any Rating Agency then rating any Class of Notes Outstanding; and

(g) in respect of the Principal Purchase Test, any Business Day following the expiry of the Non-Call Period on which the Principal Purchase Test is required to be satisfied in accordance with the Conditions.

"**Mezzanine Obligation**" means a mezzanine loan obligation or other comparable debt 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 Secured Senior Bonds), as determined by the Collateral Manager in its reasonable business judgment, or a Participation therein.

"**Minimum Denomination**" means:

(a) in the case of the Regulation S Notes of each Class, €100,000; and

(b) in the case of the Rule 144A Notes of each Class, €250,000.

"**Minimum Weighted Average Spread Tests**" means each of the Fitch Minimum Weighted Average Spread Test and the Moody's Minimum Weighted Average Spread Test.

"**Monthly Report**" means the monthly report defined as such in the Collateral Management and Administration Agreement which is prepared by the Collateral Administrator (in consultation with the Collateral Manager) on behalf of the Issuer on such dates as are set forth in the Collateral Management and Administration Agreement, is made available via a secured website currently located at https://sf.citidirect.com (or such other website as may be notified in writing by the Collateral Administrator to the Issuer, Initial Purchaser, Trustee, Hedge Counterparties, Collateral Manager, Rating Agencies and the Noteholders from time to time) to the Issuer, the Initial Purchaser, the Trustee, the Hedge Counterparties, the Collateral Manager, the Rating Agencies, (upon request therefor in accordance with Condition 4(f) (*Information Regarding the Collateral*)) any Noteholder, a competent authority (as determined under the Securitisation Regulation) and to any person that certifies to the Collateral Administrator (such certification to be in the form set out in the Collateral Management and Administration Agreement) that it is a potential investor in the Notes and which shall include information regarding the status of certain of the Collateral pursuant to the Collateral Management and Administration Agreement.

"**Moody's**" means Moody's Investors Service Ltd. and any successor or successors thereto.

"**Moody's Collateral Value**" means, in the case of any Collateral Obligation or Eligible Investment, the lower of:

(a) its prevailing Market Value multiplied by its Principal Balance; and

(b) the relevant Moody's Recovery Rate, multiplied by its Principal Balance.

"**Moody's Minimum Weighted Average Spread Test**" has the meaning given to it in the Collateral Management and Administration Agreement.

"**Moody's Rating**" has the meaning given to it in the Collateral Management and Administration Agreement.

"**Moody's Recovery Rate**" means, in respect of each Collateral Obligation, the recovery rate determined in accordance with the Collateral Management and Administration Agreement or as so advised by Moody's.

"**Moody's Test Matrices**" and "**Moody's Test Matrix**" have the meanings given to them in the Collateral Management and Administration Agreement.

"**Non-Call Period**" means the period from and including the Issue Date up to, but excluding 15 July 2021, provided that if such 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).

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

"**Non-Eligible Issue Date Collateral Obligation**" has the meaning given thereto in the Collateral Management and Administration Agreement.

"**Non-Emerging Market Country**" means any of Australia, Austria, Belgium, Bermuda, Canada, the Channel Islands, Croatia, Czech Republic, Denmark, Finland, France, Germany, Iceland, Ireland, the Isle of Man, Israel, Italy, Japan, Jersey, Liechtenstein, Luxembourg, The Netherlands, New Zealand, Norway, Poland, Portugal, Singapore, Spain, Sweden, Switzerland, United Kingdom or United States and any other country, the foreign currency government bond rating of which is rated, at the time of acquisition of the relevant Collateral 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 Obligation, at least "BBB-" by Fitch (provided that Rating Agency Confirmation is received in respect of any such other country which is not in the Euro zone) or any other country in respect of which, at the time of acquisition of the relevant Collateral Obligation, Rating Agency Confirmation is received.

"**Non-Euro Obligation**" means a Collateral Obligation or part thereof, as applicable, denominated in a Qualifying Currency other than Euro.

"**Non-Participating FFI**" and "**non-Participating FFI**" means a "foreign financial institution" as defined under FATCA that, unless exempted or deemed compliant, does not enter into an agreement with the IRS as described in section 1471(b)(1) of the Code.

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

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

(b) *secondly*, to the redemption of the Class B Notes (on a *pro rata* basis and *pari passu* basis and for which purposes the Class B-1 Notes and the Class B-2 Notes shall be treated as a single Class) 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 and *pari passu* 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 and *pari passu* 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 and *pari passu* 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 and *pari passu* 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.

"**Non-Recourse Obligation**" means a Collateral Obligation that falls into one of the following types of specialised lending:

(a) *Project Finance*: a method of funding in which the lender looks primarily to the revenues generated by a single project, both as the source of repayment and as security for the exposure. Repayment depends primarily on the project's cash flow and on the collateral value of the project's assets, such as power plants, chemical processing plants, mines, transportation infrastructure, environment and telecommunications infrastructure.

(b) *Object Finance*: a method of funding the acquisition of physical assets (e.g. ships, aircrafts, satellites, railcars and fleets) where the repayment of the exposure is dependent on the cash flows generated by the specific assets that have been financed and pledged or assigned to the lender. A primary source of these cash flows might be rental or lease contracts with one or several third parties.

(c) *Commodities Finance*: a structured short-term lending to finance reserves, inventories, or receivables of exchange-traded commodities (e.g. crude oil, metals or crops), where the exposure will be repaid from the proceeds of the sale of the commodity and the borrower has no independent capacity to repay the exposure. This is the case when the borrower has no other activities and no other material assets on its balance sheet.

(d) *Income-producing real estate*: a method of providing funding to real estate (such as, office buildings to let, retail space, multifamily residential buildings, industrial or warehouse space, and hotels) where the prospects for repayment and recovery on the exposure depend primarily on the cash flows generated by the asset. The primary source of these cash flows would generally be lease or rental payments or the sale of the asset.

(e) *High-volatility commercial real estate*: a financing any of the land acquisition, development and construction phases for properties of those types in such jurisdictions, where the source of repayment at origination of the exposure is either the future uncertain sale of the property or cash flows whose source of repayment is substantially uncertain (e.g. the property has not yet been leased to the occupancy rate prevailing in that geographic market for that type of commercial real estate).

"**Note Tax Event**" means, at any time the introduction of a new, or any change in any, 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 by or on behalf of the Issuer of principal or interest on any one or more Classes of Notes becoming properly subject to any withholding tax other than:

(a) a payment in respect of Deferred Interest becoming subject to any withholding tax;

(b) withholding tax in respect of FATCA; and

(c) withholding tax which arises by reason of the failure by the relevant Noteholder or beneficial owner to comply with any applicable procedures required to establish non-residence or other similar claim for exemption from such tax or to provide information concerning nationality, residency or connection with Ireland, the United States or other applicable taxing authority.

"**Noteholders**" means the several persons in whose name the Notes are registered from time to time in accordance with and subject to their terms and the terms of the Trust Deed, and "**holder**" (in respect of the Notes) shall be construed accordingly.

"**Obligor**" means, in respect of a Collateral Obligation, the borrower thereunder or issuer thereof or, in either case, the guarantor thereof (as determined by the Collateral Manager on behalf of the Issuer).

"**Offer**" means, with respect to any Collateral Obligation, (a) any offer by the Obligor under such obligation or by any other Person made to all of the creditors of such Obligor in relation to such obligation to purchase or otherwise acquire such obligation (other than pursuant to any redemption in accordance with the terms of the related Underlying Instruments) or to convert or exchange such obligation into or for cash, securities or any other type of consideration (whether by way of amendment and restatement of the existing facility, novation or substitution), (b) any solicitation by the Obligor of such obligation or any other Person to amend, modify or waive any provision of such obligation or any related Underlying Instrument or (c) any offer or consent request with respect to a Maturity Amendment.

"**Optional Redemption**" means a redemption pursuant to and in accordance with Condition 7(b) (*Optional Redemption*).

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

"**Originated Assets**" means Collateral Obligations which the Collateral Manager has undertaken to acquire from the Issuer pursuant to the Conditional Sale Agreement in the event that any such Collateral Obligation becomes a Defaulted Obligation during the relevant Seasoning Period for such Collateral Obligation.

"**Originator Requirement**" means the requirement which will be satisfied if, on the Issue Date:

(a) the Aggregate Principal Balance of all Originated Assets; divided by

(b) the Target Par Amount,

is greater than or equal to 5 per cent.

"**Other Plan Law**" means any federal, state, local or non-U.S. law or regulation that is substantially similar to the prohibited transaction provisions of Section 406 of ERISA and/or Section 4975 of the Code.

"**Outstanding**" means, in relation to the Notes of a Class as of any date of determination, all of the Notes of such Class issued, as further defined in the Trust Deed.

"**Par Value Ratio**" means the Class A/B Par Value Ratio, the Class C Par Value Ratio, the Class D Par Value Ratio, the Class E Par Value Ratio or the Class F Par Value Ratio (as applicable).

"**Par Value Test**" means the Class A/B Par Value Test, the Class C Par Value Test, the Class D Par Value Test, the Class E Par Value Test or the Class F Par Value Test (as applicable).

"**Participation**" means an interest in a Collateral Obligation (other than a Collateral Obligation which is itself a Participation) acquired 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 Collateral Management and Administration Agreement, Intermediary Obligations.

"**Participation Agreement**" means an agreement between the Issuer and a Selling Institution in relation to the purchase by the Issuer of a Participation.

"**Payment Account**" means the account described as such in the name of the Issuer held with the Account Bank to which amounts shall be transferred by the Account Bank on the instructions of the Collateral Administrator on the Business Day prior to each Payment Date out of certain of the other Accounts in accordance with Condition 3(i) (*Accounts*) and out of which the amounts required to be paid on each Payment Date pursuant to the Priorities of Payment shall be paid.

"**Payment Date**" means:

(a) 15 January, 15 April, 15 July and 15 October at any time prior to the occurrence of a Frequency Switch Event; and

(b) 15 January and 15 July (where the Payment Date immediately following the occurrence of a Frequency Switch Event falls in either January or July) or 15 April and 15 October (where the Payment Date immediately following the occurrence of a Frequency Switch Event falls in either April or October), following the occurrence of a Frequency Switch Event,

in each case, in each year commencing on 15 January 2020 up to and including the Maturity Date and any Redemption Date provided that, if any Payment Date would otherwise fall on a day which is not a Business Day, it shall be postponed to the next day that is a Business Day (unless it would thereby fall in the following month, in which case it shall be brought forward to the immediately preceding Business Day).

"**Payment Date Report**" means the report defined as such in the Collateral Management and Administration Agreement which is prepared by the Collateral Administrator (in consultation with the Collateral Manager) on behalf of the Issuer and made available via a secured website currently located at https://sf.citidirect.com (or such other website as may be notified in writing by the Collateral Administrator to the Issuer, Initial Purchaser, Trustee, Hedge Counterparties, Collateral Manager, Rating Agencies and Noteholders from time to time) to the Issuer, the Initial Purchaser, the Trustee, the Collateral Manager, the Hedge Counterparties, any holder of a beneficial interest in the Notes (upon written request of such holder), each Rating Agency, a competent

authority (as determined under the Securitisation Regulation) and any person that certifies to the Collateral Administrator (such certification to be in the form set out in the Collateral Management and Administration Agreement) that it is a potential investor in the Notes not later than the Business Day preceding the related Payment Date.

"**Permitted Use**" has the meaning ascribed to it in Condition 3(j)(vi) (*Supplemental Reserve Account*).

"**Person**" means an individual, corporation (including a business trust), partnership, joint venture, association, joint stock company, trust (including any beneficiary thereof), unincorporated association or government or any agency or political subdivision thereof.

"**PIK Security**" means any Collateral Obligation which is a security, the terms of which permit the deferral of the payment of interest thereon, including without limitation by way of capitalising interest thereon provided that, for the avoidance of doubt, Mezzanine Obligations shall not constitute PIK Securities.

"**Plan Asset Regulation**" means 29 C.F.R. Section 2510.3-101, as modified by Section 3(42) of ERISA, as they may be amended or modified.

"**Portfolio**" means the Collateral Obligations, Collateral Enhancement Obligations, Exchanged Equity Securities, Eligible Investments and other similar obligations or securities held by or on behalf of the Issuer from time to time.

"**Portfolio Profile Tests**" means the Portfolio Profile Tests each as defined in the Collateral Management and Administration Agreement.

"**Portfolio Report**" means a report containing certain information on the Collateral Obligations which is, pursuant to Article 7(1)(a) of the Securitisation Regulation, required to be made available on a quarterly basis after the occurrence of the Securitisation Regulation Reporting Effective Date.

"**Post-Acceleration Priority of Payments**" means the priority of payments set out in Condition 11 (*Enforcement*).

"**Presentation Date**" means a day which (subject to Condition 12 (*Prescription*)):

(a) is a Business Day;

(b) is or falls after the relevant due date or, if the due date is not or was not a Business Day in the place of presentation, is or falls after the next following Business Day which is a Business Day in the place of presentation; and

(c) is a Business Day in the place in which the account specified by the payee is located.

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

"**Principal Amount Outstanding**" means, in relation to any Class of Notes and at any time, the aggregate principal amount outstanding under such Class of Notes at that time, including, in the case of the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes, Deferred Interest which has been capitalised pursuant to Condition 6(c) (*Deferral of Interest*) save that Deferred Interest shall not be included for the purposes of determining voting rights attributable to the Class C Notes, Class D Notes, 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 Obligation, Eligible Investment, Collateral Enhancement Obligation, Equity Security or Exchanged Equity Security, as of any date of determination, the outstanding principal amount thereof (excluding any interest capitalised pursuant to the terms of such instrument other than, with respect to a Mezzanine Obligation, any such interest capitalised pursuant to the terms thereof which is paid for on the date of acquisition of such Mezzanine Obligation), provided however that:

(a) the Principal Balance of any Revolving Obligation and Delayed Drawdown Collateral Obligation as of any date of determination shall be the outstanding principal amount of such Revolving Obligation or

Delayed Drawdown Collateral Obligation, plus any undrawn commitments that have not been irrevocably cancelled with respect to such Revolving Obligation or Delayed Drawdown Collateral Obligation;

(b) the Principal Balance of each Equity Security, Exchanged Equity Security and each Collateral Enhancement Obligation shall be deemed to be zero;

(c) the Principal Balance of:

(i) any Non-Euro Obligation subject to a Currency Hedge Transaction shall be an amount equal to the 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 Euro equivalent of the outstanding principal amount of such Non-Euro Obligation, converted into Euro at the Spot Rate;

(d) solely for the purposes of calculations the Collateral Quality Tests, the Principal Balance of Defaulted Obligations shall be zero;

(e) the Principal Balance of any Corporate Rescue Loan in respect of which:

(i) so long as Moody's is rating any of the Notes and no Assigned Moody's Rating is available, shall be 50 per cent. of the outstanding principal amount thereof (excluding any interest capitalised pursuant to the terms of such instrument) unless and until an Assigned Moody's Rating or credit estimate is available or assigned thereto by Moody's (unless any other provision of this definition sets a lower value) or, if no Assigned Moody's Rating continues to be available after 90 days following the Issuer entering into a binding commitment to acquire such Corporate Rescue Loan, zero;

(ii) so long as Moody's is rating any of the Notes and an Assigned Moody's Rating is available at a level below "Caa3", shall be 50 per cent. of the outstanding principal amount thereof (excluding any interest capitalised pursuant to the terms of such instrument);

(iii) so long as Fitch is rating any of the Notes (x) no Fitch Rating is available or (y) no credit estimate assigned to it by Fitch, shall be its Fitch Collateral Value (or, if such clauses (x) and (y) continue to apply after 90 days following the Issuer entering into a binding commitment to acquire such Corporate Rescue Loan, zero) unless and until a Fitch Rating or credit estimate is available or assigned by Fitch; and

(iv) so long as Fitch is rating any of the Notes, a Fitch Rating is available or credit estimate is assigned by Fitch, in either case of below "CCC-", shall be its Fitch Collateral Value,

provided that if more than one of the above paragraphs applies the Principal Balance of such Corporate Rescue Loan shall be determined based on the paragraph that would result in the lowest Principal Balance; and

(f) the Principal Balance of any cash shall be the amount of such cash (converted into Euro at the Spot Rate if applicable).

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

"**Principal Proceeds**" means all amounts payable out of, paid out of, payable into or paid into the Principal Account from time to time and, with respect to any Payment Date, means Principal Proceeds received or receivable by the Issuer during the related Due Period and any other amounts to be disbursed as Principal Proceeds on such Payment Date pursuant to Condition 3(c)(ii) (*Application of Principal Proceeds*) or Condition 11(b) (*Enforcement*). For the avoidance of doubt, amounts received as principal proceeds in connection with an Offer for the exchange of a Collateral Obligation for a new or novated obligation or substitute obligation will not constitute Principal Proceeds and will not be deposited into the Principal Account to the extent such

principal proceeds are required to be applied as consideration for the new or novated obligation or substitute obligation (subject to the Restructured Obligation Criteria being satisfied).

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

"**Principal Purchase Test**" means the test which will apply as of any Business Day following the expiry of the Non-Call Period which will be satisfied if the Class E Interest Coverage Ratio is greater than or equal to 105.0 per cent.

"**Priorities of Payment**" means:

(a) save for (i) in connection with any optional redemption of the Notes in whole but not in part pursuant to Condition 7(b) (*Optional Redemption*), (ii) in connection with a redemption in whole pursuant to Condition 7(g) (*Redemption Following Note Tax Event*) or (iii) following the delivery (whether actual or deemed) of an Acceleration Notice 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 Priority of Payments and, in the case of Principal Proceeds, the Principal Priority of Payments; and

(b) in the event of any optional redemption of the Notes in whole but not in part pursuant to Condition 7(b) (*Optional Redemption*) or Condition 7(g) (*Redemption Following Note Tax Event*) or following the delivery (whether actual or deemed) of an Acceleration Notice which has not subsequently been rescinded and annulled in accordance with Condition 10(c) (*Curing of Default*), the Post-Acceleration Priority of Payments.

"**Purchased Accrued Interest**" means, with respect to any Due Period, all payments of interest and proceeds of sale received during such Due Period in relation to any Collateral Obligation, including any interest which is paid for using the proceeds from the issuance of the Notes upon the redemption of the Warehouse Arrangements, in each case, to the extent that such amounts represent accrued and/or capitalised interest in respect of such Collateral Obligation (including, in respect of a Mezzanine Obligation, any accrued interest which, as at the time of purchase, had been capitalised and added to the principal amount of such Mezzanine Obligation in accordance with its terms), which was purchased at the time of the acquisition thereof with Principal Proceeds and/or amounts paid out of the Unused Proceeds Account.

"**QIB**" means a Person who is a "qualified institutional buyer" as defined in Rule 144A.

"**QIB/QP**" means a Person who is both a QIB and a QP.

"**Qualified Purchaser**" and "**QP**" mean a Person who is a "qualified purchaser" as defined in Section 2(a)(51)(A) of the Investment Company Act.

"**Qualifying Currency**" means Sterling, U.S. Dollars, Norwegian Krone, Danish Krone, Swedish Krona, Swiss Francs, Australian Dollars, Canadian Dollars and Japanese Yen, or such other currency in respect of which Rating Agency Confirmation is received.

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

"**Rated Notes**" means the Class X 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.

"**Rating Agencies**" means Fitch and Moody's, provided that if at any time Fitch and/or Moody's ceases to provide rating services, "Rating Agencies" shall mean any other nationally recognised investment rating agency or rating agencies (as applicable) selected by the Issuer and satisfactory to the Trustee (a "**Replacement Rating Agency**") and "**Rating Agency**" means any such rating agency. In the event that at any time a Rating Agency is replaced by a Replacement Rating Agency, references to rating categories of the original Rating Agency in these Conditions, the Trust Deed and the Collateral Management and Administration Agreement shall be deemed instead to be references to the equivalent categories of the relevant Replacement Rating Agency as of the most recent date on which such other rating agency published ratings for the type of security in respect of which such Replacement Rating Agency is used and all references herein to "**Rating Agencies**" shall be construed

accordingly. Any rating agency shall cease to be a Rating Agency if, at any time, it ceases to assign a rating in respect of any Class of Rated Notes.

"**Rating Agency Confirmation**" means, with respect to any specified action, determination or appointment, receipt by the Issuer and/or the Trustee of written confirmation (which may take the form of a bulletin, press release, email or other written communication) by each Rating Agency which has, as at the relevant date assigned ratings to any Class of the Rated Notes that are Outstanding (or, if applicable, the Rating Agency specified in respect of any such action or determination, provided that such Rating Agency has, as at the relevant date assigned ratings to any Class of the Rated Notes) that such specified action, determination or appointment will not result in the reduction or withdrawal of any of the ratings currently assigned to the Rated Notes by such Rating Agency. Notwithstanding anything to the contrary in any Transaction Document and these Conditions, no Rating Agency Confirmation shall be required from a Rating Agency in respect of any action, determination or appointment if (i) such Rating Agency has declined a request from the Trustee, the Collateral Manager or the Issuer to review the effect of such action, determination or appointment or (ii) such Rating Agency announces (publicly or otherwise) or confirms to the Trustee, the Collateral Manager or the Issuer that Rating Agency Confirmation from such Rating Agency is not required, or that its practice is to not give such confirmations for such type of action, determination or appointment or (iii) such Rating Agency has ceased to engage in the business of providing ratings or has made a public statement in writing to the effect that it will no longer review events or circumstances of the type requiring a Rating Agency Confirmation under any Transaction Document or these Conditions for purposes of evaluating whether to confirm the then-current ratings (or initial ratings) of obligations rated by such Rating Agency.

"**Rating Confirmation Plan**" means a plan provided by the Collateral Manager (acting on behalf of the Issuer) to the Rating Agencies setting forth the intended timing and manner of acquisition of additional Collateral Obligations and/or any other intended action which will cause confirmation of the Initial Ratings, as further described and as defined in the Collateral Management and Administration Agreement.

"**Rating Event**" means, at any time, the reduction or withdrawal of any of the ratings then assigned to the Rated Notes by a Rating Agency.

"**Rating Requirement**" means:

(a) in the case of the Account Bank:

(i) a long-term issuer default rating of at least "A" or a short-term issuer default rating of at least "F1" by Fitch; and

(ii) a long-term senior unsecured issuer credit rating of at least "A2" by Moody's and a short-term senior unsecured issuer credit rating of at least "P-1" by Moody's;

(b) in the case of the Custodian or any sub-custodian appointed thereby:

(i) a long-term issuer default rating of at least "A" or a short-term issuer default rating of at least "F1" by Fitch; and

(ii) a long-term senior unsecured issuer credit rating of at least "A2" by Moody's and a short-term senior unsecured issuer credit rating of at least "P-1" by Moody's;

(c) in the case of any Hedge Counterparty, the ratings requirement(s) as set out in the relevant Hedge Agreement;

(d) in the case of a Selling Institution with regards to a Participation only, a counterparty which satisfies the ratings set out in the Bivariate Risk Table; 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, as applicable, 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,

or in each case, (x) such other rating or ratings as may be agreed by the relevant Rating Agency as would maintain the then rating of the Rated Notes and (y) if any of the requirements are not satisfied by any of the parties referred to herein, Rating Agency Confirmation from the relevant Rating Agency is received in respect of such party.

"**Record Date**" means (a) in respect of a Note represented by a Definitive Certificate, the fifteenth day before the relevant due date for payment of principal and interest in respect of such Note and (b) in respect of a Note represented by a Global Certificate, the close of business on the Clearing System business day before the relevant due date for payment of principal and interest in respect of such Note.

"**Redemption Date**" means 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 the Transfer Agent which has been duly completed by a Noteholder and which specifies, amongst other things, the applicable Redemption Date.

"**Redemption Price**" means, when used with respect to:

(a) any Subordinated Note, the greater of (1) 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 (2) such Subordinated Note's pro rata share (calculated in accordance with paragraph (DD) of the Interest Priority of Payments, paragraph (U) of the Principal Priority of Payments and paragraph (X) of the Post-Acceleration Priority of Payments) of the aggregate proceeds of liquidation of the Collateral, or realisation of the security thereover in such circumstances, remaining following application thereof in accordance with the Priorities of Payment together with, in the case of any Class M-2 Subordinated Note, any accrued and unpaid Interest Amounts and any Deferred Senior Class M-2 Amounts or Deferred Subordinated Class M-2 Amounts or, in the case of any Class M-3 Subordinated Note, any accrued and unpaid Interest Amounts and any Deferred Senior Class M-3 Amounts or Deferred Subordinated Class M-3 Amounts; and

(b) any Rated Note, 100 per cent. of the Principal Amount Outstanding thereof (if any), together with any accrued and unpaid interest in respect thereof to the relevant day of redemption and, in respect of the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes, any Deferred Interest.

"**Redemption Threshold Amount**" means the aggregate of all amounts which would be due and payable by the Issuer on redemption of the Rated Notes on the scheduled Redemption Date (to the extent such amounts are ascertainable by the Collateral Administrator or have been provided to the Collateral Administrator by the relevant Secured Party and, for the avoidance of doubt, not taking into account for this purpose any reduction in the Issuer's payment obligations pursuant to the Conditions or any other Transaction Document as a result of any limited recourse provisions) which rank in priority to payments in respect of the Subordinated Notes in accordance with the Post-Acceleration Priority of Payments.

"**Reference Bank**" means a major bank in the Euro zone interbank market acting in each case through its principal Euro zone office.

"**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 (including any Trustee Fees and Expenses and/or Administrative Expenses relating thereto) incurred by or on behalf of the Issuer in respect of a Refinancing including VAT thereon, provided that such fees, costs, charges and expenses have been incurred as a direct result of a Refinancing, as determined by the Collateral Manager.

"**Refinancing Proceeds**" means the cash proceeds from a Refinancing.

"**Register**" means the register of holders of the legal title to the Notes kept by the Registrar pursuant to the terms of the Agency and Account Bank Agreement.

"**Regulation S**" means Regulation S under the Securities Act.

"**Regulation S Notes**" means the Notes offered for sale to non-U.S. persons (as defined in Regulation S) outside of the United States in reliance on Regulation S.

"**Reinvesting Noteholder**" means each Subordinated Noteholder that elects to make a Reinvestment Amount and whose Reinvestment Amount is accepted, in each case, in accordance with Condition 3(c)(iv) (*Reinvestment Amounts*).

"**Reinvestment Amount**" means:

(a) all or the relevant portion of any Incentive Collateral Management Fee which the Collateral Manager designates as a Reinvestment Amount pursuant to paragraph (CC) of the Interest Priority of Payments or paragraph (T) of the Principal Priority of Payments;

(b) a cash contribution or designation of Interest Proceeds or Principal Proceeds which a Subordinated Noteholder designates as a Reinvestment Amount pursuant to Condition 3(c)(iv) (*Reinvestment Amounts*); and

(c) an additional issuance of Subordinated Notes pursuant to Condition 17(b) (*Additional Issuances*).

"**Reinvestment Criteria**" has the meaning given to it in the Collateral Management and Administration Agreement.

"**Reinvestment Overcollateralisation Test**" means the test which will apply as of any Measurement Date on and after the Effective Date and during the Reinvestment Period only which will be satisfied if the Class F Par Value Ratio is at least equal to 104.6 per cent.

"**Reinvestment Period**" means the period from and including the Issue Date up to and including the earliest of: (i) 15 January 2024; (ii) the date of the acceleration of the Notes pursuant to Condition 10(b) (*Acceleration*) (provided that such Acceleration Notice (whether actual or deemed) has not been rescinded or annulled in accordance with Condition 10(c) (*Curing of Default*)); and (iii) the date on which the Collateral Manager reasonably believes and notifies the Issuer, the Rating Agencies and the Trustee that it can no longer reinvest in additional Collateral Obligations in accordance with the Reinvestment Criteria.

"**Reinvestment Target Par Balance**" means, as of any date of determination, the Target Par Amount minus: (i) the amount of any reduction in the Principal Amount Outstanding of the Notes (other than the Class X Notes and the repayment of any Deferred Interest) and plus (ii) the Principal Amount Outstanding of any additional Notes issued pursuant to Condition 17 (*Additional Issuances*) or, if greater, the aggregate amount of Principal Proceeds that result from the issuance of such additional Notes.

"**Replacement Currency Hedge Agreement**" means any Currency Hedge Agreement entered into by the Issuer upon termination of an existing Currency Hedge Agreement on substantially the same terms as such existing Currency Hedge Agreement that preserves for the Issuer the economic effect of the terminated Currency Hedge Agreement and all Currency Hedge Transactions thereunder, subject to such amendments as may be agreed by the Trustee and in respect of which Rating Agency Confirmation is obtained.

"**Replacement Hedge Agreement**" means each Replacement Currency Hedge Agreement and each Replacement Interest Rate Hedge Agreement.

"**Replacement Hedge Transaction**" means any replacement Interest Rate Hedge Transaction or Currency Hedge Transaction entered into under a Replacement Interest Rate Hedge Agreement or Replacement Currency Hedge Agreement (as applicable) (or under another existing Interest Rate Hedge Agreement or Currency Hedge Agreement with another Hedge Counterparty) in respect of the relevant terminated Interest Rate Hedge

Transactions or Currency Hedge Transactions under the relevant terminated Interest Rate Hedge Agreement or Currency Hedge Agreement (as applicable).

"**Replacement Interest Rate Hedge Agreement**" means any Interest Rate Hedge Agreement entered into by the Issuer upon termination of an existing Interest Rate Hedge Agreement in full on substantially the same terms as the original Interest Rate Hedge Agreement that preserves for the Issuer the economic equivalent of the terminated Interest Rate Hedge Transactions outstanding thereunder, subject to such amendments as may be agreed by the Trustee and in respect of which Rating Agency Confirmation is obtained.

"**Report**" means each Monthly Report and Payment Date Report, and, after the occurrence of the Securitisation Regulation Reporting Effective Date only, each Investor Report and Portfolio 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 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 Period**" means the period that ends 40 days after the later of the Issue Date and the commencement of the offering of the Notes.

"**Restricted Trading Period**" means the period during which either:

(a) the Fitch Rating and the Moody's Rating of the Class X Notes or the Class A Notes are one sub category below the rating on the Issue Date, provided the Class X Notes or the Class A Notes, as applicable, are Outstanding; or

(b) the Fitch Rating and/or the Moody's Rating of the Class X Notes, the Class A Notes, the Class B Notes, the Class C Notes or the Class D Notes is withdrawn (and not reinstated) or is two or more sub categories below its rating on the Issue Date, provided such Classes of Notes are Outstanding,

provided further that, in each case, such period will not be a Restricted Trading Period:

(i) if:

(A) the sum of: (1) the Aggregate Principal Balance of all Collateral Obligations (excluding the Collateral Obligation being sold but including, without duplication, any related reinvestment and the anticipated cash proceeds, if any, of such sale), and (2) Balances 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 equal to or greater than the Reinvestment Target Par Balance;

(B) each of the Coverage Tests is satisfied; and

(C) each of the Collateral Quality Tests is satisfied (other than, following the expiry of the Reinvestment Period and the Moody's Minimum Diversity Test); or

(ii) upon the direction of the Issuer with the consent of the Controlling Class acting by Ordinary Resolution,

provided further that no Restricted Trading Period shall restrict any sale of a Collateral Obligation entered into by the Issuer at a time when a Restricted Trading Period is not in effect, regardless of whether such sale has settled.

"**Restructured Obligation**" means a Collateral Obligation which has been restructured (whether effected by way of an amendment to the terms of such Collateral Obligation (including but not limited to an extension of its

maturity) or by way of substitution of new obligations and/or change of Obligor) and which satisfies the Restructured Obligation Criteria as at its applicable Restructuring Date provided that the failure of a Restructured Obligation to satisfy the Restructured Obligation Criteria at any time after the applicable Restructuring Date shall not cause such obligation to cease to be a Restructured Obligation unless it is subsequently restructured again, in which case such obligation shall constitute a Restructured Obligation provided that it satisfies the Restructured Obligation Criteria as at its Restructuring Date.

"**Restructured Obligation Criteria**" means the restructured obligation criteria specified in the Collateral Management and Administration Agreement which are required to be satisfied in respect of each Restructured Obligation at the applicable Restructuring Date.

"**Restructuring Date**" means the date a restructuring of a Collateral Obligation becomes binding on the holders thereof provided, if an obligation satisfies the Restructured Obligation Criteria at a later date, such later date shall be deemed to be the Restructuring Date for the purposes of determining whether such obligation shall constitute a Restructured Obligation.

"**Retention Holder**" means HPS Investment Partners CLO (UK) LLP in its capacity as initial Retention Holder and any successor, assign or transferee to the extent permitted under the Collateral Management and Administration Agreement and the EU Retention Requirements.

"**Retention Notes**" has the meaning given to that term in the Collateral Management and Administration Agreement.

"**Revolving Obligation**" means any Collateral Obligation (other than a Delayed Drawdown Collateral Obligation) that is a loan (including, without limitation, revolving loans, funded and unfunded portions of revolving credit lines, unfunded commitments under specific facilities and other similar loans and investments) denominated in Euro that pursuant to the terms of its Underlying Instruments may require one or more future advances to be made to the borrower by the Issuer; but any such Collateral Obligation will be a Revolving Obligation only until all commitments to make advances to the borrower expire or are terminated or reduced to zero.

"**Rule 144A**" means Rule 144A under the Securities Act.

"**Rule 144A Notes**" means Notes offered for sale within the United States or to U.S. persons (as defined in Regulation S) in reliance on Rule 144A.

"**Rule 17g-5**" means Rule 17g-5 under the Exchange Act.

"**Rule 17g-10**" means Rule 17g-10 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 Obligation (other than any Non-Euro Obligation with a related a Currency Hedge Transaction) excluding any sale proceeds representing accrued interest designated as Interest Proceeds by the Collateral Manager, provided that no such designation may be made in respect of: (i) Purchased Accrued Interest; or (ii) proceeds representing accrued interest received in respect of any Defaulted Obligation unless and until such amounts represent Defaulted Obligation Excess Amounts;

(b) in the case of any Non-Euro Obligation with a related Currency Hedge Transaction, all amounts in Euro (or other currencies, if applicable) received by the Issuer from the applicable Currency Hedge Counterparty in exchange for payment by the Issuer of the sale proceeds of any Collateral Obligation as described in paragraph (a) above, under the related Currency Hedge Transaction; and

(c) in the case of any Collateral Enhancement Obligation or Equity Security, all proceeds and any fees received upon the sale of such Collateral Enhancement Obligation or Equity Security,

in each case net of any amounts expended by or payable by the Issuer or the Collateral Administrator (on behalf of the Issuer) in connection with the sale, disposition or termination of such Collateral Obligation, Collateral Enhancement Obligation or Equity Security.

"**Scheduled Periodic Currency Hedge Counterparty Payment**" means, with respect to any Currency Hedge Agreement, all amounts to be paid by the Currency Hedge Counterparty to the Issuer pursuant to the terms of such Currency Hedge Agreement, excluding any Currency Hedge Counterparty Principal Exchange Amounts and Hedge Counterparty Termination Payments.

"**Scheduled Periodic Currency Hedge Issuer Payment**" means, with respect to any Currency Hedge Agreement, all amounts 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 Principal Exchange Amounts and 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 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 Currency Hedge Counterparty Principal Exchange Amounts 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 Account into the Principal Account and any amounts transferred from a Counterparty Downgrade Collateral Account to the Principal Account in accordance with Condition 3(j)(v) (*Counterparty Downgrade Collateral Accounts*).

"**Seasoning Period**" means, with respect to a Collateral Obligation subject to the Conditional Sale Agreement, a period of 15 Business Days occurring prior to the Issue Date.

"**Second Lien Loan**" means a loan obligation (other than a Secured Senior Loan) with a junior contractual claim on tangible or intangible property (which property is subject to a prior lien (other than customary permitted liens, such as, but not limited to, any tax liens)) to secure payment of a debt or the fulfilment of a contractual obligation, as determined by the Collateral Manager in its reasonable commercial judgment and includes a First Lien Last Out Loan.

"**Secured Obligations**" has the meaning given to it in the Trust Deed.

"**Secured Party**" means each of the Class X Noteholders, 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 Reinvesting Noteholders (if any), the Initial Purchaser, the Collateral Manager, the Trustee, any Receiver, any Appointee of the Trustee under the Trust Deed, the Agents, each Reporting

Delegate, the Corporate Services Provider and each Hedge Counterparty and "**Secured Parties**" means any two or more of them as the context so requires.

"**Secured Senior Bond**" means a Collateral Obligation that is a senior secured debt security in the form of, or represented by, a bond, note, certificated debt security or other debt security (that is not a Secured Senior Loan) as determined by the Collateral Manager in its reasonable business judgment or a Participation therein, provided that:

(a) it is secured (i) by assets of the Obligor thereof if and to the extent that the provision of security over assets is permissible under applicable law (save in the case of assets where the failure to take such security is consistent with reasonable secured lending practices), and otherwise (ii) by 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.

"**Secured Senior Loan**" means a Collateral Obligation (which may be a Revolving Obligation or a Delayed Drawdown Collateral Obligation) that is a senior secured loan obligation as determined by the Collateral Manager in its reasonable business judgment or a Participation therein, provided that:

(a) it is secured (i) by assets of the Obligor thereof if and to the extent that the provision of security over assets is permissible under applicable law (save in the case of assets where the failure to take such security is consistent with reasonable secured lending practices), and otherwise (ii) by at least 80 per cent. of the equity interests in the shares of an entity owning, either directly or indirectly, such assets; and

(b) no other obligation of the Obligor has any higher priority security interest in such assets or shares referred to in (a) above provided that a revolving loan of the Obligor that, pursuant to its terms, may require one or more future advances to be made to the borrower may have a higher priority security interest in such assets or shares in the event of an enforcement in respect of such loan representing up to the Secured Senior RCF Percentage of the Obligor's senior debt.

"**Secured Senior Obligation**" means a Secured Senior Bond or a Secured Senior Loan.

"**Secured Senior RCF Percentage**" means, in relation to a Secured Senior Bond or a Secured Senior Loan, 15 per cent.

"**Securities Act**" means the United States Securities Act of 1933, as amended.

"**Securitisation Regulation**" means Regulation EU 2017/2402 of the European Parliament and the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, including any implementing regulation, technical standards and official guidance related thereto.

"**Securitisation Regulation Reporting Effective Date**" means the date on which the regulatory technical standards relating to disclosure requirements under Article 7 of the Securitisation Regulation are adopted and implemented by the European Commission.

"**Selling Institution**" means an institution from whom (i) a Participation is taken and satisfies the applicable Rating Requirement or (ii) an Assignment is acquired.

"**Semi-Annual Obligations**" means Collateral Obligations which, at the relevant date of measurement, pay interest less frequently than quarterly.

"**Senior Class M-2 Interest Amount**" means the amount calculated by the Collateral Administrator in accordance with Condition 6(f) (*Determinations in respect of the Subordinated Notes*).

"**Senior Class M-3 Interest Amount**" means the amount calculated by the Collateral Administrator in accordance with Condition 6(f) (*Determinations in respect of the Subordinated Notes*).

"**Senior Expenses Cap**" means, in respect of each Payment Date, the sum of:

(a) €300,000 per annum (pro-rated for the Due Period for the related Payment Date on the basis of (i) in respect of the first Payment Date, a 360 day year and the actual number of days elapsed in the related Due Period and (ii) in respect of any other Payment Date, a 360 day year comprised of twelve 30-day months); and

(b) 0.025 per cent. per annum (pro-rated for the Due Period for the related Payment Date on the basis of a 360 day year and the actual number of days elapsed in such Due Period) of the Collateral Principal Amount as at the Determination Date immediately preceding the Payment Date in respect of such Due Period,

provided that any irrecoverable VAT on any expenses expressed to be subject to the Senior Expenses Cap shall be treated as utilising the Senior Expenses Cap and provided further that if the amount of Trustee Fees and Expenses and Administrative Expenses paid on any of the three immediately preceding Payment Dates or, if a Frequency Switch has occurred, the immediately preceding Payment Date or during the related Due Period(s) is less than the stated Senior Expenses Cap on any of the three immediately preceding Payment Dates or, if a Frequency Switch has occurred, on the immediately preceding Payment Date or during the previous Due Period(s), the aggregate excess may be added to the Senior Expenses Cap with respect to the then current Payment Date. Notwithstanding the foregoing, any such excess may not at any time result in an increase of the Senior Expenses Cap on a per annum basis.

"**Senior Distribution Amount**" means , in respect of a Payment Date and the immediately preceding Due Period thereto, an amount determined by the Collateral Administrator equal to 0.15 per cent. per annum (calculated on the basis of a 360 day year and the actual number of days elapsed in such Due Period) of the Collateral Principal Amount as at the first day of the Due Period (or, if such day is not a Business Day, the next day which is a Business Day) relating to the applicable Payment Date.

"**Senior Management Fee**" means the fee (exclusive of any VAT) payable to the Collateral Manager in arrear on each Payment Date in respect of each Due Period pursuant to the Collateral Management and Administration Agreement payable in accordance with the Priorities of Payment in an amount, as determined by the Collateral Administrator, equal to the Collateral Manager Distribution Percentage of the Senior Distribution Amount, provided that if a Distribution Switch Event has occurred prior to the time of determination of the Senior Management Fee, the Senior Management Fee shall be 100 per cent. of the Senior Distribution Amount.

"**Senior Obligation**" means a Collateral Obligation that is a Secured Senior Obligation, an Unsecured Senior Obligation or a Second Lien Loan.

"**Similar Law**" means any federal, state, local, non-U.S. or other law or regulation that could cause the underlying assets of the Issuer to be treated as assets of the investor in any Note (or any interest therein) by virtue of its interest and thereby subject the Issuer or the Collateral Manager (or other persons responsible for the investment and operation of the Issuer's assets) to Other Plan Law.

"**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 asset-backed security.

"**Subordinated Class M-2 Interest Amount**" means the amount calculated by the Collateral Administrator in accordance with Condition 6(f) (*Determinations in respect of the Subordinated Notes*).

"**Subordinated Class M-3 Interest Amount**" means the amount calculated by the Collateral Administrator in accordance with Condition 6(f) (*Determinations in respect of the Subordinated Notes*).

"**Subordinated Distribution Amount**" means, in respect of a Payment Date and the immediately preceding Due Period thereto, an amount determined by the Collateral Administrator equal to 0.35 per cent. per annum (calculated on the basis of a 360 day year and the actual number of days elapsed in such Due Period) of the Collateral Principal Amount as at the first day of the Due Period (or, if such day is not a Business Day, the next day which is a Business Day).

"**Subordinated Management Fee**" means the fee payable to the Collateral Manager in arrear on each Payment Date in respect of the immediately preceding Due Period, pursuant to the Collateral Management and Administration Agreement payable in accordance with the Priorities of Payment in an amount as determined by the Collateral Administrator equal to the Collateral Manager Distribution Percentage (on the date of determination of the Subordinated Management Fee) of the Subordinated Distribution Amount, provided that if a Distribution Switch Event has occurred prior to the time of determination of the Subordinated Management Fee, the Subordinated Management Fee shall be 100 per cent. of the Subordinated Distribution Amount.

"**Subordinated Noteholders**" means the holders of any Class M-1 Subordinated Notes, Class M-2 Subordinated Notes or Class M-3 Subordinated Notes from time to time.

"**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 the Issue Date.

"**Substitute Collateral Obligation**" means a Collateral Obligation purchased in substitution for a previously held Collateral Obligation pursuant to the terms of the Collateral Management and Administration Agreement and which satisfies both the Eligibility Criteria and the Reinvestment Criteria.

"**Supplemental Reserve Account**" means an account in the name of the Issuer, so entitled and held with the Account Bank.

"**Supplemental Reserve Amount**" means, with respect to any Payment Date during the Reinvestment Period, the amount of Interest Proceeds deposited to the Supplemental Reserve Account on such Payment Date in accordance with paragraph (BB) of the Interest Priority of Payments, at the sole discretion of the Collateral Manager, which amounts shall not exceed €4,000,000 in the aggregate for any Payment Date or an aggregate amount for all applicable Payment Dates of €12,000,000.

"**Swapped Non-Discount Obligation**" means any Collateral Obligation that would otherwise be considered a Discount Obligation, but that is purchased with the Sale Proceeds of a Collateral Obligation (the "**Original Obligation**") that was not a Discount Obligation at the time of its purchase, and will not be considered a Discount Obligation so long as such purchased Collateral Obligation:

(a) is purchased or committed to be purchased within 20 Business Days of such sale;

(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 65 per cent. of the Principal Balance thereof; and

(d) the Moody's Rating and the Fitch Rating thereof is equal to or higher than the Moody's Rating and the Fitch Rating, as applicable, of the Original Obligation,

provided that:

(i) to the extent the aggregate Principal Balance of Swapped Non-Discount Obligations exceeds 5.0 per cent. of the Collateral Principal Amount, such excess will not constitute Swapped Non-Discount Obligations;

(ii) to the extent the aggregate Principal Balance of all Swapped Non-Discount Obligations acquired by the Issuer after the Issue Date exceeds 10.0 per cent. of the Target Par Amount, such excess will not constitute Swapped Non-Discount Obligations;

(iii) in the case of a Collateral Obligation that is an interest in a Floating Rate Collateral Obligation, such Collateral Obligation will cease to be a Swapped Non-Discount Obligation at such time as the Market Value (expressed as a percentage of its Principal Balance) for such Collateral Obligation on each day during any period of 22 Business Days (at least 17 Business Days of which were not determined pursuant to sub-paragraph (e) of the definition of Market Value) since the acquisition of such Collateral Obligation equals or exceeds 90.0 per cent.; and

(iv) in the case of any Collateral Obligation that is an interest in a Fixed Rate Collateral Obligation, such Collateral Obligation will cease to be a Swapped Non-Discount Obligation at such time as the Market Value (expressed as a percentage of its Principal Balance) for such Collateral Obligation on each day during any period of 22 Business Days (at least 17 Business Days of which were not determined pursuant to sub-paragraph (e) of the definition of Market Value) since the acquisition of such Collateral Obligation equals or exceeds 85.0 per cent.

"**Target Par Amount**" means €400,000,000.

"**TARGET2**" means the Trans-European Automated Real-time Gross Settlement Express Transfer system (or, if such system ceases to be operative, such other system (if any) determined by the Trustee to be a suitable replacement).

"**TCA**" means Taxes Consolidation Act 1997 of Ireland, as amended.

"**Trading Gains**" means, in respect of any Collateral Obligation which is repaid, prepaid, redeemed or sold, any excess of (a) the Principal Proceeds or Sale Proceeds received in respect thereof over (b) the greater of (i) the Principal Balance thereof and (ii) the product of the purchase price paid by or on behalf of the Issuer for such Collateral Obligation and the Principal Balance thereof; in each case net of (i) any expenses incurred in connection with any such repayment, prepayment, redemption or sale thereof, and (ii) in the case of a sale of such Collateral Obligation, any interest accrued but not paid thereon which has not been capitalised as principal and included in the sale price thereof.

"**Transaction Documents**" means the Trust Deed (including the Notes and these Conditions), the Agency and Account Bank Agreement, the Subscription Agreement, the Collateral Management and Administration Agreement, each Hedge Agreement, each Collateral Acquisition Agreement, the Participation Agreements, the Corporate Services Agreement, the Warehouse Termination Agreement, any Reporting Delegation Agreement and any document supplemental thereto or issued in connection therewith.

"**Third Party Indemnity Receipts**" has the meaning given in Condition 3(j)(x)(C) (*Expense Reserve Account*).

"**Trustee Fees and Expenses**" means the fees and expenses (including, without limitation, legal fees) and all other amounts (including by way of indemnity) payable to the Trustee (or any Receiver or other Appointee of the Trustee pursuant to the Trust Deed) pursuant to the Trust Deed or any other Transaction Document from time to time plus any applicable VAT thereon payable under the Trust Deed or any other Transaction Document, including any fees, costs, charges and expenses (including, without limitation, legal fees) properly incurred by the Trustee in respect of any Refinancing.

"**U.S. Risk Retention Rules**" means Section 941 of Dodd-Frank amended the Exchange Act.

"**UCITS Directive**" means Directive 2009/65/EC on Undertakings for Collective Investment in Transferable Securities (as amended from time to time) including any implementing and/or delegated regulations, technical standards and guidance related thereto.

"**Underlying Instrument**" means the agreements or instruments pursuant to which a Collateral Obligation has been issued or created and each other agreement that governs the terms of, or secures the obligations represented by, such Collateral Obligation or under which the holders or creditors under such Collateral Obligation are the beneficiaries.

"**Unfunded Amount**" means, with respect to any Revolving Obligation or Delayed Drawdown Collateral Obligation, the excess, if any, of (i) the Commitment Amount under such Revolving Obligation or Delayed Drawdown Collateral Obligation, as the case may be, at such time over (ii) the Funded Amount thereof at such time.

"**Unfunded Revolver Reserve Account**" means the account described as such in the name of the Issuer established and maintained with the Account Bank pursuant to the Agency and Account Bank Agreement, amounts standing to the credit of which, subject to certain conditions, may be used to fund in full the amount of any unfunded commitments or unfunded liabilities from time to time, in relation to Delayed Drawdown Collateral Obligations and Revolving Obligations.

"**Unpaid Class X Principal Amortisation Amount**" means, for any Payment Date, the aggregate amount of all or any portion of the Class X Principal Amortisation Amount for any prior Payment Dates that were deferred on such prior Payment Dates.

"**Unsaleable Assets**" means (a)(i) a Defaulted Obligation, (ii) an Equity Security or (iii) an obligation received in connection with an Offer, in a restructuring or plan of reorganisation with respect to the obligor, in each case, in respect of which the Issuer has not received a payment in cash during the preceding 12 months or (b) any Collateral Obligation or Eligible Investment identified in an officer's certificate of the Collateral Manager as having 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 Collateral Manager certifies to the Trustee that (x) it has made commercially reasonable endeavours to dispose of such obligation for at least 90 days and (y) in its commercially reasonable judgment such obligation is not expected to be saleable in the foreseeable future.

"**Unscheduled Principal Proceeds**" means:

(a) with respect to any Collateral Obligation (other than a Non-Euro Obligation with a related Currency Hedge Transaction), principal proceeds received by the Issuer prior to the Collateral Obligation Stated Maturity thereof as a result of optional redemptions, prepayments (including any acceleration) or Offers (excluding any premiums or make whole amounts in excess of the principal amount of such Collateral Obligation); or

(b) with respect to any Non-Euro Obligation with a related Currency Hedge Transaction, the Currency Hedge Counterparty Principal Exchange Amount payable in respect of the amounts referred to in (a) above pursuant to the related Currency Hedge Transaction, together with:

  (i) any related Currency Hedge Termination Receipts but less any related Currency Hedge Issuer Termination Payment (to the extent any are payable and in each case determined without regard to the exclusions of unpaid amounts and Currency Hedge Counterparty Principal Exchange Amounts or (as applicable) Currency Hedge Issuer Principal Exchange Amounts set forth in the definitions thereof) and only to the extent not required for application towards the cost of entry into a Replacement Hedge Transaction; and

  (ii) any related Hedge Replacement Receipts but only to the extent not required for application towards any related Currency Hedge Issuer Termination Payments.

"**Unsecured Senior Bond**" means a Collateral Obligation that is a senior unsecured debt security in the form of or represented by a bond, note, certificated debt security or other debt security (that is not an Unsecured Senior Loan) as determined by the Collateral Manager in its reasonable business judgment, provided that it:

(a) is senior to any Subordinated Obligation of the Obligor as determined by the Collateral Manager in its reasonable business judgment; and

(b) is not secured (i) by fixed assets of the Obligor or guarantor thereof if and to the extent that the granting of security over such 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.

"**Unsecured Senior Loan**" means a Collateral Obligation that:

(a) is a loan obligation senior to any Subordinated Obligation of the Obligor as determined by the Collateral Manager in its reasonable business judgment; and

(b) is not secured (i) by fixed assets of the Obligor or guarantor thereof if and to the extent that the granting of security over such 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.

"**Unsecured Senior Obligation**" means an Unsecured Senior Bond or an Unsecured Senior Loan.

"**Unused Proceeds Account**" means an account described as such 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*).

"**VAT**" means any tax, interest or penalties imposed in compliance with the Council Directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112) and any other tax of a similar nature, whether imposed in a member state of the European Union in substitution for, or levied in addition to, each tax referred to above, or imposed elsewhere.

"**Warehouse Arrangements**" means the warehouse financing and related arrangements entered into by the Issuer prior to the Issue Date to, *inter alia*, finance the acquisition of certain Collateral Obligations prior to the Issue Date.

"**Warehouse Termination Agreement**" means the deed of release dated on or about the Issue Date relating to the termination of the Warehouse Arrangements.

"**Weighted Average Fixed Coupon**" has the meaning given to it in the Collateral Management and Administration Agreement.

"**Weighted Average Life Test**" has the meaning given to it in the Collateral Management and Administration Agreement.

"**Weighted Average Spread**" has the meaning given to it in the Collateral Management and Administration 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 may be issued in (i) global, certificated, fully registered form, without interest coupons, talons and principal receipts attached; or (ii) definitive, certificated, fully registered form, without interest coupons, talons and principal receipts attached, in each case in the applicable Minimum Denomination and integral multiples of any Authorised Integral Amount in excess thereof. A Global Certificate or Definitive Certificate (as applicable) will be issued to each Noteholder in respect of its registered holding of Notes. Each Definitive Certificate will be numbered serially with an identifying number which will be recorded in the Register which the Issuer shall procure to be kept by the Registrar outside 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 and Account Bank Agreement and the Trust Deed. Notes will be transferable only on the books of the Issuer and its agents. The registered holder of any Note will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it, any writing on it, or its theft or loss) and no person will be liable for so treating the holder.

(c) *Transfer*

In respect of Notes represented by a Definitive Certificate, one or more Notes may be transferred in whole or in part in nominal amounts of the applicable Authorised Denomination only upon the surrender, at the specified office of the Registrar or the Transfer Agent, of the Definitive Certificate representing such Note(s) to be transferred, with the form of transfer endorsed on such Definitive Certificate duly completed and executed and together with such other evidence as the Registrar or Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Notes represented by one Definitive Certificate, a new Definitive Certificate will be issued to the transferee in respect of the part transferred and a further new Definitive Certificate in respect of the balance of the holding not transferred will be issued to the transferor.

Interests in Global Certificates will be transferable in accordance with the rules and procedures for the time being of the relevant Clearing System.

(d) *Delivery of New Certificates*

Each new Definitive Certificate to be issued pursuant to Condition 2(c) (*Transfer*) will be available for delivery within five Business Days of receipt of such form of transfer or of surrender of an existing certificate upon partial redemption. Delivery of new Definitive Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar, as the case may be, to whom delivery or surrender shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the form of transfer or otherwise in writing, shall be sent by courier, at the risk of the holder entitled to the new Definitive Certificate, to such address as may be so specified. In this Condition 2(d) (*Delivery of New Certificates*), "Business Day" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified offices of the Transfer Agent and the Registrar.

(e) *Transfer Free of Charge*

Transfer of Notes and Definitive Certificates representing such Notes in accordance with these Conditions on registration or transfer will be effected without charge to the Noteholders by or on behalf of the Issuer, the Registrar or the Transfer Agent, except that the Issuer may require payment of a sum to it (or the giving of such indemnity as the Issuer, the Registrar or the Transfer Agent may require in respect thereof) to cover any stamp duty, tax or other governmental charges which may be imposed in relation to the registration.

(f) *Closed Periods*

No Noteholder may require the transfer of a Note represented by a Definitive Certificate to be registered (i) during the period of 15 calendar days ending on the due date for redemption (in full) of that Note or (ii) during the period of seven calendar days ending on (and including) any Record Date.

(g) *Regulations Concerning Transfer and Registration*

All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning the transfer of Notes scheduled to the Trust Deed, including without limitation, that a transfer of Notes in breach of certain of such regulations will result in such transfer being void *ab initio*. The regulations may be changed by the Issuer in any manner which is reasonably required by the Issuer (after consultation with the Trustee) to reflect changes in legal or regulatory requirements or in any other manner which, in the opinion of the Issuer (after consultation with the Trustee and subject to not less than 60 days' notice of any such change having been given to the Noteholders in accordance with Condition 16 (*Notices*)), is not prejudicial to the interests of the holders of the relevant Class of

Notes. A copy of the current regulations may be inspected at the offices of the Transfer Agent during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) for the term of the Notes and will be sent by the Registrar to any Noteholder who so requests.

(h) *Forced Transfer of Rule 144A Notes*

If the Issuer determines at any time that a holder of Rule 144A Notes is a U.S. person (as defined in Regulation S) and is not a QIB/QP (any such person, a "**Non-Permitted Noteholder**"), the Issuer shall promptly after determination that such person is a Non-Permitted Noteholder by the Issuer, send notice to such Non-Permitted Noteholder demanding that such holder transfer its Notes outside the United States to a non-U.S. person (as defined in Regulation S) or within the United States to a U.S. person (as defined in Regulation S) that is a QIB/QP within 30 days of the date of such notice. If such holder fails to effect the transfer of its Rule 144A Notes within such period, (a) the Issuer or the Collateral Manager on its behalf and at the expense of the Issuer shall cause such Rule 144A Notes to be transferred in a sale to a person or entity that certifies to the Issuer, in connection with such transfer, that such person or entity either is not a U.S. person (as defined in Regulation S) or is a QIB/QP and (b) pending such transfer, no further payments will be made in respect of such Rule 144A Notes. The Issuer may select the purchaser by soliciting one or more bids from one or more brokers or other market professionals that regularly deal in securities similar to the Rule 144A Notes and selling such Rule 144A Notes to the highest such bidder. However, the Issuer may select a purchaser by any other means determined by it in its sole discretion. Each Noteholder and each other person in the chain of title from the permitted Noteholder to the Non-Permitted Noteholder by its acceptance of an interest in the Rule 144A Notes agrees to co-operate with the Issuer to effect such transfers. The proceeds of such sale, net of any commissions, expenses and taxes due in connection with such sale shall be remitted to the selling Noteholder. The terms and conditions of any sale hereunder shall be determined in the sole discretion of the Issuer, subject to the transfer restrictions set out herein, and none of the Issuer, the Trustee and the Registrar shall be liable to any person having an interest in the Notes sold as a result of any such sale or the exercise of such discretion. The Issuer reserves the right to require any holder of Notes to submit a written certification substantiating that it is a QIB/QP or a non-U.S. person (as defined in Regulation S). If such holder fails to submit any such requested written certification on a timely basis, the Issuer has the right to assume that the holder of the Notes from whom such a certification is requested is not a QIB/QP or a non-U.S. person (as defined in Regulation S). Furthermore, the Issuer reserves the right to refuse to honour a transfer of beneficial interests in a Rule 144A Note to any Person who is not either a non-U.S. person or a U.S. person (in each case, as defined in Regulation S) that is a QIB/QP.

(i) *Forced Transfer pursuant to ERISA*

If any Noteholder is determined by the Issuer to be a Noteholder who has made or is deemed to have made a prohibited transaction, Benefit Plan Investor, Controlling Person, Other Plan Law, Similar Law or other ERISA representation that is subsequently shown to be false or misleading, or whose beneficial ownership otherwise causes a violation of the 25 per cent. limitation set out in the Plan Asset Regulation (any such Noteholder a "**Non-Permitted ERISA Noteholder**"), the Non-Permitted ERISA Noteholder may be required by the Issuer to sell or otherwise transfer its Notes (or its interest therein) to an eligible purchaser at a price to be agreed between the Issuer 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 such Notes (or an interest therein), agrees to cooperate with the Issuer to the extent required to effect such transfers. None of the Issuer, the Trustee and the Registrar shall be liable to any Noteholder having an interest in the Notes sold or otherwise transferred as a result of any such sale or transfer. The Issuer shall be entitled to deduct from the sale or transfer price an amount equal to all the expenses and costs incurred and any loss suffered by the Issuer as a result of such forced transfer. The Non-Permitted ERISA Noteholder will receive the balance, if any.

(j) *Forced Transfer pursuant to FATCA*

Other than the Collateral Manager in relation to the Retention Notes, if any Noteholder (which, for the purposes of this Condition 2(j) (Forced Transfer pursuant to FATCA) may include a nominee or beneficial owner of a Note) is determined by the Issuer to be a Noteholder who (i) is a Non-Participating FFI or has failed to provide any information requested by the Issuer in connection with

the Issuer complying with its obligations under FATCA or (ii) otherwise prevents the Issuer from complying with FATCA (any such Noteholder, a "**Non-Permitted FATCA Noteholder**"), the Non-Permitted FATCA Noteholder may be required by the Issuer to sell or otherwise transfer its Notes to an eligible purchaser (selected by the Issuer) at a price to be agreed between the Issuer (exercising its sole discretion) and such eligible purchaser at the time of sale, subject to the transfer restrictions set out in the Trust Deed. Each Noteholder and each other Person in the chain of title from the Noteholder, by its acceptance of an interest in such Notes, agrees to cooperate with the Issuer to the extent required to effect such transfers. None of the Issuer, the Trustee and the Registrar shall be liable to any Noteholder having an interest in the Notes sold or otherwise transferred as a result of any such sale or transfer. The Issuer shall be entitled to deduct from the sale or transfer price an amount equal to all the expenses and costs incurred and any loss suffered by the Issuer as a result of such forced transfer. The Non-Permitted FATCA Noteholder will receive the balance, if any. For the avoidance of doubt, the Issuer shall have the right to sell a beneficial owner's interest in a Note in its entirety notwithstanding that the sale of a portion of such an interest would permit the Issuer to comply with FATCA.

(k) *Forced Transfer mechanics*

In order to effect the forced transfer provisions set out in Conditions 2(h) (*Forced Transfer of Rule 144A Notes*), 2(i) (*Forced Transfer pursuant to ERISA*) and 2(j) (*Forced Transfer pursuant to FATCA*), the Issuer may repay any affected Notes and issue replacement Notes and the Issuer, the Trustee and the Agents shall work with the Clearing Systems to take such action as may be necessary to effect such repayment and issue of replacement Notes.

Each Noteholder and each other Person in the chain of title from the Noteholder, by its acceptance of an interest in such Notes, authorises the Trustee, the Agents and the Clearing Systems to take such action as may be necessary to effect the forced transfer provisions set out in Conditions 2(h) (*Forced Transfer of Rule 144A Notes*), 2(i) (*Forced Transfer pursuant to ERISA*) and 2(j) (*Forced Transfer pursuant to FATCA*) without the need for further express instruction from any affected Noteholder. Each Noteholder and each other Person in the chain of title from the Noteholder, by its acceptance of an interest in such Notes, agrees that it shall be bound by any such action taken by the Issuer, the Trustee, the Agents and the Clearing Systems. For the avoidance of doubt, none of the Issuer, the Trustee and the Agents 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.

(l) *Registrar authorisation*

The Noteholders hereby authorise the Agents and the Clearing Systems to take such actions as are necessary in order to effect the forced transfer provisions set out in Conditions 2(h) (*Forced Transfer of Rule 144A Notes*), 2(i) (*Forced Transfer pursuant to ERISA*) and 2(j) (*Forced Transfer pursuant to FATCA*) above without the need for any further express instruction from any affected Noteholder. The Noteholders shall be bound by any actions taken by the Agents, the Clearing Systems or any other party taken pursuant to the above-named Conditions.

(m) *Exchange of Voting/Non-Voting Notes*

Each Class A Note, Class B Note, Class C Note and Class D Note may be in the form of a CM Removal and Replacement Voting Notes, a CM Removal and Replacement Exchangeable Non-Voting Note or a CM Removal and Replacement Non-Voting Note.

A Noteholder holding Notes in the form of CM Removal and Replacement Voting Notes may request by the delivery to the Registrar or the Transfer Agent of a written request that such Notes be exchanged for Notes in the form of CM Removal and Replacement Exchangeable Non-Voting Notes or CM Removal and Replacement Non-Voting Notes at any time.

A Noteholder holding Notes in the form of CM 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 CM 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 CM Removal and Replacement Exchangeable Non-Voting Notes shall not be exchanged for Notes in the form of CM Removal and Replacement Voting Notes in any other circumstances.

Notes in the form of CM Removal and Replacement Non-Voting Notes shall not be exchangeable at any time for Notes in the form of CM Removal and Replacement Voting Notes or CM Removal and Replacement Exchangeable Non-Voting Notes.

For the avoidance of doubt, Class X Notes shall not carry any rights in respect of, or be counted for the purposes of determining a quorum, and the result of voting, on any CM Removal Resolution or CM Replacement Resolution.

3. Status

(a) *Status*

The Notes of each Class constitute direct, general, secured, unconditional obligations of the Issuer, recourse in respect of which is limited in the manner described in Condition 4(c) (*Limited Recourse and Non-Petition*). The Notes of each Class are secured in the manner described in Condition 4(a) (*Security*) and, within each Class, shall at all times rank *pari passu* and without any preference amongst themselves.

(b) *Relationship Among the Classes*

The Notes of each Class are constituted by the Trust Deed and are secured on the Collateral as further described in the Trust Deed. Payments of Senior Class M-2 Interest Amounts on the Class M-2 Subordinated Notes and Senior Class M-3 Interest Amounts on the Class M-3 Subordinated Notes will be rank pari passu as amongst themselves and rank senior to payments of interest on each Payment Date in respect of each other Class. Payments of interest on the Class X Notes and the Class A Notes will be subordinated in right of payment to payments of Senior Class M-2 Interest Amounts in respect of the Class M-2 Subordinated Notes and payments of Senior Class M-3 Interest Amounts on the Class M-3 Subordinated Notes but will rank senior in right of payment to payments of interest on each Payment Date in respect of the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and (save in respect of Senior Class M-2 Interest Amounts and Senior Class M-3 Interest Amounts) the Subordinated Notes; payment of interest on the Class B Notes will be subordinated in right of payment to payments of Senior Class M-2 Interest Amounts on the Class M-2 Subordinated Notes, payments of Senior Class M-3 Interest Amounts on the Class M-3 Subordinated Notes and payments of interest in respect of the Class X Notes and 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 (save in respect of Senior Class M-2 Interest Amounts and Senior Class M-3 Interest Amounts) Subordinated Notes; payment of interest on the Class C Notes will be subordinated in right of payment to payments of Senior Class M-2 Interest Amounts on the Class M-2 Subordinated Notes, payments of Senior Class M-3 Interest Amounts on the Class M-3 Subordinated Notes, payments of interest in respect of the Class X Notes, 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 (save in respect of Senior Class M-2 Interest Amounts and Senior Class M-3 Interest Amounts) the Subordinated Notes; payment of interest on the Class D Notes will be subordinated in right of payment to payments of Senior Class M-2 Interest Amounts on the Class M-2 Subordinated Notes, payments of Senior Class M-3 Interest Amounts on the Class M-3 Subordinated Notes, payments of interest in respect of the Class X Notes, 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 (save in respect of Senior Class M-2 Interest Amounts and Senior Class M-3 Interest Amounts) the Subordinated Notes; payment of interest on the Class E Notes will be subordinated in right of payment to payments of Senior Class M-2 Interest Amounts on the Class M-2 Subordinated Notes, payments of Senior Class M-3 Interest Amounts on the Class M-3 Subordinated Notes, payments of interest in respect of the Class X Notes, 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 (save in respect of Senior Class M-2 Interest Amounts and Senior Class M-3 Interest Amounts) the Subordinated Notes; payment of interest on the Class F Notes will be subordinated in right of payment to payments of Senior Class M-2 Interest Amounts on the Class M-2 Subordinated

Notes, payments of Senior Class M-3 Interest Amounts on the Class M-3 Subordinated Notes, payments of interest in respect of the Class X Notes, the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, but senior in right of payment to payments of interest on (save in respect of Senior Class M-2 Interest Amounts and Senior Class M-3 Interest Amounts) the Subordinated Notes. Payment of interest on the Subordinated Notes will be subordinated in right of payment to payment of interest in respect of the Rated Notes save as described above. Subordinated Class M-2 Interest Amounts on the Class M-2 Subordinated Notes and Subordinated Class M-3 Interest Amounts on the Class M-3 Subordinated Notes shall be paid pari passu and shall be senior in right of payment to payment of IRR Class M-2 Amounts on the Class M-2 Subordinated Notes, IRR Class M-3 Amounts on the Class M-3 Subordinated Notes and residual distributions on the Class M-1 Subordinated Notes and the Class M-2 Subordinated Notes. Provided the IRR Threshold has been met or surpassed, IRR Class M-2 Amounts on the Class M-2 Subordinated Notes and IRR Class M-3 Amounts on the Class M-3 Subordinated Notes shall rank paid pari passu as amongst themselves and shall rank senior in right of payment to payment of residual distributions on the Class M-1 Subordinated Notes and on the Class M-3 Subordinated Notes. Residual distributions on the Class M-1 Subordinated Notes and the Class M-2 Subordinated Notes shall be paid pari passu and without any preference amongst themselves. Notwithstanding the foregoing, on one occasion at any time on or after the Issue Date, the Issuer may, at the discretion of the Collateral Manager, distribute up to €100,000 in aggregate from the Expense Reserve Account (to the extent funds are available) in aggregate to the Class M-3 Subordinated Noteholders (on a pro rata basis) in respect of the Class M-3 Subordinated Notes.

No amount of principal in respect of the Class B Notes shall become due and payable until the payment of Senior Class M-2 Interest Amounts on the Class M-2 Subordinated Notes and Senior Class M-3 Interest Amounts on the Class M-3 Subordinated Notes and redemption and payment in full of the Class X Notes and the Class A Notes. No amount of principal in respect of the Class C Notes shall become due and payable until the payment of Senior Class M-2 Interest Amounts on the Class M-2 Subordinated Notes and Senior Class M-3 Interest Amounts on the Class M-3 Subordinated Notes and redemption and payment in full of the Class X Notes, 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 the payment of Senior Class M-2 Interest Amounts on the Class M-2 Subordinated Notes and Senior Class M-3 Interest Amounts on the Class M-3 Subordinated Notes and redemption and payment in full of the Class X Notes, 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 the payment of Senior Class M-2 Interest Amounts on the Class M-2 Subordinated Notes and Senior Class M-3 Interest Amounts on the Class M-3 Subordinated Notes and redemption and payment in full of the Class X Notes, 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 the payment of Senior Class M-2 Interest Amounts on the Class M-2 Subordinated Notes and Senior Class M-3 Interest Amounts on the Class M-3 Subordinated Notes and redemption and payment in full of the Class X Notes, 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. Save for payments of Senior Class M-2 Interest Amounts on the Class M-2 Subordinated Notes and Senior Class M-3 Interest Amounts on the Class M-3 Subordinated Notes, 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.

Payments of principal on the Class X Notes shall rank *pari passu* with payments of interest on the Class X Notes and the Class A Notes in accordance with the Interest Proceeds Priority of Payments.

For the purposes of the foregoing, each of the Class B-1 Notes and the Class B-2 Notes together shall be treated as a single Class and rank *pari passu* without any preference amongst themselves.

(c) *Priorities of Payment*

The Collateral Administrator shall (on the basis of the Payment Date Report prepared by the Collateral Administrator in consultation with the Collateral Manager pursuant to the terms of the Collateral

Management and Administration Agreement on each Determination Date), on behalf of the Issuer (i) on each Payment Date prior to the acceleration of the Notes in accordance with Condition 10(b) (*Acceleration*); (ii) following acceleration of the Notes 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), instruct the Account Bank to disburse Interest Proceeds and Principal Proceeds transferred to the Payment Account, in each case, in accordance with the following Priorities of Payment:

(i) *Application of Interest Proceeds*

Subject as further provided below, Interest Proceeds in respect of a Due Period shall be paid on the Payment Date immediately following such Due Period in the following order of priority:

(A) to the payment of (i) firstly taxes owing by the Issuer to any tax authority accrued in respect of the related Due Period (other than any Irish corporate income tax payable in relation to the Issuer Profit Amount referred to in (ii) below) as certified by an Authorised Officer of the Issuer to the Collateral Administrator, if any, (save for any VAT payable in respect of any Collateral Management Fee); and (ii) secondly the Issuer Profit Amount to be retained by the Issuer, for deposit into the Issuer Profit 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 and the Balance of the Expense Reserve Account as at the date of transfer of any amounts from the Expense Reserve Account pursuant to paragraph (4) of Condition 3(j)(x) (*Expense Reserve Account*) (after taking into account all payments to be made out of the Expense Reserve Account on such date), provided that upon the occurrence of an Event of Default which is continuing, the Senior Expenses Cap shall not apply to any Trustee Fees and Expenses incurred whilst such an Event of Default is continuing;

(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 and the Balance of the Expense Reserve Account as at the date of transfer of any amounts from the Expense Reserve Account pursuant to paragraph (4) of Condition 3(j)(x) (*Expense Reserve Account*) (after taking into account all payments to be made out of the Expense Reserve Account on such date) less any amounts paid pursuant to paragraph (B) above;

(D) to the Expense Reserve Account at the Collateral Manager's discretion up to an amount equal to the Senior Expenses Cap in respect of the related Due Period less (i) any amounts paid pursuant to paragraph (B) and (C) above and (ii) any amounts paid out of the Expense Reserve Account in respect of the related Due Period;

(E) to the payment:

(1) *firstly*, on a pro rata and pari passu basis to:

(a) the Collateral Manager of the Senior Management Fee due and payable on such Payment Date and any VAT in respect thereof (whether payable to the Collateral Manager or directly to the relevant taxing authority) (save for any Deferred Senior Collateral Management Amounts and Deferred Subordinated Collateral Management Amounts) except that the Collateral Manager may, in its sole discretion, elect to (x) irrevocably waive, (y) designate for reinvestment or (z) defer payment of some or all of the amounts that would have been payable to the Collateral Manager (and, if applicable, the relevant tax authority) under this paragraph (E) (any

such amounts pursuant to (z) being "**Deferred Senior Collateral Management Amounts**") on any Payment Date;

(b) the Class M-2 Subordinated Noteholders of the Senior Class M-2 Interest Amount (if any) due and payable on the Class M-2 Subordinated Notes in respect of the Accrual Period ending on such Payment Date (save for any Deferred Senior Class M-2 Amounts and Deferred Subordinated Class M-2 Amounts) except that (i) a Class M-2 Subordinated Noteholder may, in its discretion, elect to (x) irrevocably waive or (y) designate for reinvestment payment of some or all of the amounts that would have been payable in respect of such Class M-2 Subordinated Notes under this paragraph (E) on any Payment Date or (ii) all of the Class M-2 Subordinated Noteholders may, in their discretion, elect to defer payment of some or all of the amounts that would have been payable to the Class M-2 Subordinated Noteholders under this paragraph (E) (any such amounts pursuant to (z) being "**Deferred Senior Class M-2 Amounts**") on any Payment Date;

(c) the Class M-3 Subordinated Noteholders of the Senior Class M-3 Interest Amount (if any) due and payable on the Class M-3 Subordinated Notes in respect of the Accrual Period ending on such Payment Date (save for any Deferred Senior Class M-3 Amounts and Deferred Subordinated Class M-3 Amounts) except that (i) a Class M-3 Subordinated Noteholder may, in its discretion, elect to (x) irrevocably waive or (y) designate for reinvestment payment of some or all of the amounts that would have been payable in respect of such Class M-3 Subordinated Notes under this paragraph (E) on any Payment Date or (ii) all of the Class M-3 Subordinated Noteholders may, in their discretion, elect to defer payment of some or all of the amounts that would have been payable to the Class M-3 Subordinated Noteholders under this paragraph (E) (any such amounts pursuant to (ii) being "**Deferred Senior Class M-3 Amounts**") on any Payment Date,

provided that any such Deferred Senior Collateral Management Amounts and Deferred Senior Class M-2 Amounts shall not be treated as unpaid for the purposes of this paragraph (E), paragraph (X) or paragraph (CC) below, provided that any such amount in the case of (a)(y), (b)(i)(y) or (c)(i)(y) shall (i) be used to purchase Substitute Collateral Obligations or (ii) be deposited in the Principal Account pending reinvestment in Substitute Collateral Obligations or, in the case of (a)(x), (a)(z), (b)(i)(x), (b)(ii), (c)(i)(x) or (c)(ii), shall be applied to the payment of amounts in accordance with paragraphs (F) through (W) and (Y) through (DD) below, subject to the Collateral Manager having notified the Collateral Administrator in writing not later than one Business Day prior to the relevant Determination Date of any amounts to be so applied; and

(2) *secondly*, on a pro rata and pari passu basis to:

(a) the Collateral Manager, any previously due and unpaid Senior Management Fees (other than Deferred Senior Collateral Management Amounts and Deferred Subordinated Collateral Management Amounts) together with any interest accrued thereon and any VAT in respect thereof (whether payable to the Collateral Manager or directly to the relevant taxing authority);

(b) the Class M-2 Subordinated Noteholders, any previously due and unpaid Senior Class M-2 Interest Amounts (other than Deferred Senior Class M-2 Amounts or Deferred Subordinated Class M-2 Amounts) together with any interest accrued thereon; and

(c) the Class M-3 Subordinated Noteholders, any previously due and unpaid Senior Class M-3 Interest Amounts (other than Deferred Senior Class M-3 Amounts or Deferred Subordinated Class M-3 Amounts) together with any interest accrued thereon,

for the avoidance of doubt, in each case irrespective of whether or not a Distribution Switch Event has occurred;

(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 Accounts, the relevant Counterparty Downgrade Collateral Account or the Hedge Termination Account and other than Defaulted Currency Hedge Termination Payments) and (iii) any Interest Rate Hedge Issuer Termination Payments (to the extent not paid out of the Interest Account, the relevant Counterparty Downgrade Collateral Account or the Hedge Termination Accounts and other than Defaulted Interest Rate Hedge Termination Payments); and

(2) *secondly*, on a *pro rata* basis, any Hedge Replacement Payments (to the extent not paid out of the Hedge Termination Account or the relevant Counterparty Downgrade Collateral Account);

(G) to the payment on a *pro rata* basis of (1)(a) all Interest Amounts due and payable on the Class X Notes in respect of the Accrual Period ending on such Payment Date, (b) the Class X Principal Amortisation Amount due and payable on such Payment Date and (c) any Unpaid Class X Principal Amortisation Amount previously deferred in accordance with Condition 7(n) (*Redemption of the Class X Notes*) as of such Payment Date and (2) 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 (for which purposes the Class B-1 Notes and the Class B-2 Notes shall be treated as a single Class) 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, in the case of the Class A/B Par Value Test, on any Determination Date on and after the Effective Date or, in the case of the Class A/B Interest Coverage Test, on the Determination Date preceding the second Payment Date or any Determination Date thereafter, to the redemption of the Notes in accordance with the Note Payment Sequence to the extent necessary to cause each Class A/B Coverage Test to be satisfied if recalculated 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) if either of the Class C Coverage Tests is not satisfied, in the case of the Class C Par Value Test, on any Determination Date on and after the Effective Date or, in the case of the Class C Interest Coverage Test, on the Determination Date preceding the second Payment Date or any Determination Date thereafter, to the redemption of the Notes in accordance with the Note Payment Sequence to the extent necessary to

cause each Class C Coverage Test to be met if recalculated following such redemption;

(L) 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*);

(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) if either of the Class D Coverage Tests is not satisfied, in the case of the Class D Par Value Test, on any Determination Date on and after the Effective Date or, in the case of the Class D Interest Coverage Test, on the Determination Date preceding the second Payment Date or any Determination Date thereafter, to the redemption of the Notes in accordance with the Note Payment Sequence to the extent necessary to cause each Class D Coverage Test to be met if recalculated following such redemption;

(O) 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*);

(P) to the payment on a *pro rata* basis of 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) if either of the Class E Coverage Tests is not satisfied, in the case of the Class E Par Value Test, on any Determination Date on and after the Effective Date or, in the case of the Class E Interest Coverage Test, on the Determination Date preceding the second Payment Date or any Determination Date thereafter, to the redemption of the Notes in accordance with the Note Payment Sequence to the extent necessary to cause each Class E Coverage Test to be met if recalculated following such redemption;

(R) 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*);

(S) to the payment on a *pro rata* basis of 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) if the Class F Par Value Test is not satisfied on any Determination Date on and 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;

(U) 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*);

(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) during the Reinvestment Period only, if on the Determination Date immediately preceding such Payment Date, 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 in an amount (such amount, the "**Required Diversion Amount**") equal to the lesser of (1) 50.0 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, at the discretion of the Collateral Manager (acting on behalf of the Issuer):

(1) into the Principal Account for the acquisition of additional Collateral Obligations; or

(2) to pay the Rated Notes in accordance with the Note Payment Sequence;

(X) to the payment:

(1) *firstly*, on a pro rata and pari passu basis to:

(a) the Collateral Manager of the Subordinated Management Fee due and payable on such Payment Date and any VAT in respect thereof (whether payable to the Collateral Manager or directly to the relevant taxing authority) (save for any Deferred Senior Collateral Management Amounts and Deferred Subordinated Collateral Management Amounts) until such amount has been paid in full, except that the Collateral Manager may, in its sole discretion, elect to (i) irrevocably waive, (ii) designate for reinvestment or (iii) defer payment of some or all of the amounts that would have been payable to the Collateral Manager (and, if applicable, the relevant taxing authority) under this paragraph (X) (any such amounts pursuant to (iii) being "**Deferred Subordinated Collateral Management Amounts**") on any Payment Date;

(b) the Class M-2 Subordinated Noteholders of the Subordinated Class M-2 Interest Amounts (if any) due and payable on the Class M-2 Subordinated Notes in respect of the Accrual Period ending on such Payment Date (save for any Deferred Senior Class M-2 Amounts and Deferred Subordinated Class M-2 Amounts) until such amount has been paid in full except that (i) a Class M-2 Subordinated Noteholder may, in its discretion, elect to (x) irrevocably waive or (y) designate for reinvestment payment of some or all of the amounts that would have been payable in respect of such Class M-2 Subordinated Notes under this paragraph (X) on any Payment Date or (ii) all of the Class M-2 Subordinated Noteholders may, in their discretion, elect to defer payment of some or all of the amounts that would have been payable to the Class M-2 Subordinated Noteholders under this paragraph (X) (any such amounts pursuant to (ii) being "**Deferred Subordinated Class M-2 Amounts**") on any Payment Date; and

(c) the Class M-3 Subordinated Noteholders of the Subordinated Class M-3 Interest Amounts (if any) due and payable on the Class M-3 Subordinated Notes in respect of the Accrual Period ending on such Payment Date (save for any Deferred Senior Class M-3 Amounts and Deferred Subordinated Class M-3 Amounts) until such amount has been paid in full except that (i) a Class M-3 Subordinated Noteholder may, in its discretion, elect to (x) irrevocably waive or (y) designate for reinvestment payment of some or all of the amounts that would have been payable in respect of such Class M-3 Subordinated Notes under this paragraph (X) on any Payment Date or (ii) all of the Class M-3 Subordinated Noteholders may, in their discretion, elect to defer payment of

some or all of the amounts that would have been payable to the Class M-3 Subordinated Noteholders under this paragraph (X) (any such amounts pursuant to (ii) being "**Deferred Subordinated Class M-3 Amounts**") on any Payment Date,

provided that any such Deferred Subordinated Collateral Management Amounts, Deferred Subordinated Class M-2 Amounts or Deferred Subordinated Class M-3 Amounts shall not be treated as unpaid for the purposes of paragraph (E) above, this paragraph (X) or paragraph (CC) below, provided that any such amount in the case of (a)(ii), (b)(i)(y) or (c)(i)(y) shall (i) be used to purchase Substitute Collateral Obligations or (ii) be deposited in the Principal Account pending reinvestment in Substitute Collateral Obligations or, in the case of (a)(i), (a)(iii), (b)(i)(x), (b)(ii), (c)(i)(x) or (c)(ii) shall be applied to the payment of amounts in accordance with paragraphs (Y) through (DD) below, subject to the Collateral Manager having notified the Collateral Administrator in writing not later than one Business Day prior to the relevant Determination Date of any amounts to be so applied;

(2) *secondly*, on a pro rata and pari passu basis to:

(a) the Collateral Manager of any previously due and unpaid Subordinated Management Fee (other than Deferred Senior Collateral Management Amounts and Deferred Subordinated Collateral Management Amounts) together with any interest accrued thereon and any VAT in respect thereof (whether payable to the Collateral Manager or directly to the relevant taxing authority);

(b) the Class M-2 Subordinated Noteholders of any previously due and unpaid Subordinated Class M-2 Interest Amounts (other than Deferred Senior Class M-2 Amounts and Deferred Subordinated Class M-2 Amounts) together with any interest accrued thereon; and

(c) the Class M-3 Subordinated Noteholders of any previously due and unpaid Subordinated Class M-3 Interest Amounts (other than Deferred Senior Class M-3 Amounts and Deferred Subordinated Class M-3 Amounts) together with any interest accrued thereon,

for the avoidance of doubt, in each case irrespective of whether or not a Distribution Switch Event has occurred;

(3) *thirdly*, on a pro rata and pari passu basis at the election of:

(a) the Collateral Manager (in its sole discretion) to the Collateral Manager (and, if applicable, the relevant taxing authority) in payment of any previously Deferred Senior Collateral Management Amounts and Deferred Subordinated Collateral Management Amounts and, in each case, any VAT in respect thereof (whether payable to the Collateral Manager or directly to the relevant taxing authority);

(b) all of the Class M-2 Subordinated Noteholders (in their sole discretion) in payment of any previously Deferred Senior Class M-2 Amounts and Deferred Subordinated Class M-2 Amounts; and

(c) all of the Class M-3 Subordinated Noteholders (in their sole discretion) in payment of any previously Deferred Senior Class M-3 Amounts and Deferred Subordinated Class M-3 Amounts; and

(4) *fourthly*, to the repayment of any Collateral 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 Account or any relevant Counterparty Downgrade Collateral Account);

(BB) during the Reinvestment Period at the direction and in the discretion of the Collateral Manager, to transfer to the Supplemental Reserve Account any Supplemental Reserve Amount;

(CC) subject to the IRR Threshold having been reached (after taking into account all prior distributions to the Class M-1 Subordinated Noteholders and any distributions to be made to Class M-1 Subordinated Noteholders on such Payment Date, including pursuant to paragraph (DD) below and paragraph (U) of the Principal Priority of Payments and including for such purpose any such distributions designated as Reinvestment Amounts):

(1) *firstly*, on a pro rata and pari passu basis:

(a) to the payment to the Collateral Manager of the Incentive Collateral Management Fee, provided however that the Collateral Manager may, in its sole discretion, elect to (x) irrevocably waive or (y) designate for reinvestment payment of some or all of the amounts that would have been payable to the Collateral Manager under this paragraph (CC) on any Payment Date;

(b) to the payment to the Class M-2 Subordinated Noteholders on a pari passu basis of the IRR Class M-2 Amount, provided however that a Class M-2 Subordinated Noteholder may, in its sole discretion, elect to (x) irrevocably waive or (y) designate for reinvestment payment of some or all of the amounts that would have been payable in respect of such Class M-2 Subordinated Notes under this paragraph (CC) on any Payment Date; and

(c) to the payment to the Class M-3 Subordinated Noteholders on a pari passu basis of the IRR Class M-3 Amount, provided however that a Class M-3 Subordinated Noteholder may, in its sole discretion, elect to (x) irrevocably waive or (y) designate for reinvestment payment of some or all of the amounts that would have been payable in respect of such Class M-3 Subordinated Notes under this paragraph (CC) on any Payment Date,

provided that any such amount in the case of (a)(y), (b)(y) or (c)(y) shall (i) be used to purchase Substitute Collateral Obligations or (ii) be deposited in the Principal Account pending reinvestment in Substitute Collateral Obligations or, in the case of (a)(x), (b)(x) or

(c)(x) shall be applied to the payment of amounts in accordance with paragraph (DD) below, subject to the Collateral Manager having notified the Collateral Administrator in writing not later than one Business Day prior to the relevant Determination Date of any amounts to be so applied; and

(2) *secondly*, to the payment of any VAT in respect of the Incentive Collateral Management Fee referred to in (1)(a) above (whether payable to the Collateral Manager or directly to the relevant taxing authority);

(DD) any remaining Interest Proceeds to the payment of interest on the Class M-1 Subordinated Notes and the Class M-2 Subordinated Notes (other than, during the Reinvestment Period, any Reinvesting Noteholder that has directed that a Reinvestment Amount in respect of its Class M-1 Subordinated Notes or Class M-2 Subordinated Notes be deposited on such Payment Date into the Supplemental Reserve Account and whose Reinvestment Amount is accepted subject to the provisions of Condition 3(c)(iv) (*Reinvestment Amounts*)) on a *pro rata* basis (determined upon redemption in full thereof by reference to the proportion that the principal amount of the Class M-1 Subordinated Notes or the Class M-2 Subordinated Notes held by the Class M-1 Subordinated Noteholders and the Class M-2 Subordinated Noteholders, as applicable, bore to the Principal Amount Outstanding of the Class M-1 Subordinated Notes or Class M-2 Subordinated Notes, as applicable, immediately prior to such redemption).

(ii) *Application of Principal Proceeds*

Principal Proceeds in respect of a Due Period shall be paid on the Payment Date immediately following such Due Period in the following order of priority:

(A) to the payment on a sequential basis of the amounts referred to in paragraphs (A) through (I) (inclusive) of the Interest 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 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 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;

(D) to the payment of the amounts referred to in paragraph (L) of the Interest Priority of Payments but only to the extent not paid in full thereunder and only to the extent that the Class C Notes are the Controlling Class;

(E) to the payment of the amounts referred to in paragraph (M) of the Interest Priority of Payments but only to the extent not paid in full thereunder and only to the extent that the Class D Notes are the Controlling Class;

(F) to the payment of the amounts referred to in paragraph (N) of the Interest Priority of Payments but only to the extent not paid in full thereunder and 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;

(G) to the payment of the amounts referred to in paragraph (O) of the Interest Priority of Payments but only to the extent not paid in full thereunder and only to the extent that the Class D Notes are the Controlling Class;

(H) to the payment of the amounts referred to in paragraph (P) of the Interest Priority of Payments but only to the extent not paid in full thereunder and only to the extent that the Class E Notes are the Controlling Class;

(I) to the payment of the amounts referred to in paragraph (Q) of the Interest Priority of Payments but only to the extent not paid in full thereunder and only to the extent necessary to cause the Class E Coverage Tests that are applicable on such Payment Date with respect to the Class E Notes to be met as of the related Determination Date;

(J) to the payment of the amounts referred to in paragraph (R) of the Interest Priority of Payments but only to the extent not paid in full thereunder and only to the extent that the Class E Notes are the Controlling Class;

(K) to the payment of the amounts referred to in paragraph (S) of the Interest Priority of Payments but only to the extent not paid in full thereunder and 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 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;

(M) to the payment of the amounts referred to in paragraph (U) of the Interest Priority of Payments but only to the extent not paid in full thereunder and only to the extent that the Class F Notes are the Controlling Class;

(N) to the payment of the amounts referred to in paragraph (V) of the Interest Priority of Payments, but only to the extent not paid in full thereunder;

(O) if such Payment Date is a Special Redemption Date, at the election of the Collateral Manager to make payments in an amount equal to the Special Redemption Amount (if any) applicable to such Payment Date in accordance with the Note Payment Sequence;

(P) (1) during the Reinvestment Period, at the discretion of the Collateral Manager, either to the purchase of Substitute Collateral Obligations or to the Principal Account pending reinvestment in Substitute Collateral Obligations at a later date in each case in accordance with the Collateral Management and Administration Agreement;

(2) after the Reinvestment Period in the case of Principal Proceeds representing Unscheduled Principal Proceeds and Sale Proceeds from the sale of Credit Risk Obligations and Credit Improved Obligations at the discretion of the Collateral Manager, either to the purchase of Substitute Collateral Obligations or to the Principal Account pending reinvestment in Substitute Collateral Obligations within 45 calendar days following such Payment Date in each case in accordance with the Collateral Management and Administration Agreement;

(Q) after the Reinvestment Period, to redeem the Rated Notes in accordance with the Note Payment Sequence;

(R) after the Reinvestment Period, to the payment on a sequential basis of the amounts referred to in paragraphs (X) through (AA) (inclusive) of the Interest Priority of Payments, but only to the extent not paid in full thereunder;

(S) to any Reinvesting Noteholder (whether or not any applicable Reinvesting Noteholder continues on the date of such payment to hold all or any portion of such Subordinated Notes) of any Reinvestment Amounts accrued and not previously paid

pursuant to this paragraph (S) with respect to their respective Subordinated Notes, *pro rata* in accordance with the respective aggregate Reinvestment Amounts with respect to the Subordinated Notes;

(T) subject to the IRR Threshold having been reached (after taking into account all prior distributions to the Class M-1 Subordinated Noteholders and any distributions to be made to the Class M-1 Subordinated Noteholders on such Payment Date, including pursuant to paragraph (U) below and paragraph (DD) of the Interest Priority of Payments and including for such purpose any such distributions designated as Reinvestment Amounts):

(1) firstly, on a pro rata and pari passu basis to:

(a) the payment to the Collateral Manager of the Incentive Collateral Management Fee, provided however that the Collateral Manager may, in its sole discretion, elect to (x) irrevocably waive or (y) designate for reinvestment payment of some or all of the amounts that would have been payable to the Collateral Manager under this paragraph (T) on any Payment Date;

(b) the payment to the Class M-2 Subordinated Noteholders on a pari passu basis of the IRR Class M-2 Amount, provided however that a Class M-2 Subordinated Noteholder may, in its sole discretion, elect to (x) irrevocably waive or (y) designate for reinvestment payment of some or all of the amounts that would have been payable in respect of such Class M-2 Subordinated Notes under this paragraph (T) on any Payment Date; and

(c) the payment to the Class M-3 Subordinated Noteholders on a pari passu basis of the IRR Class M-3 Amount, provided however that a Class M-3 Subordinated Noteholder may, in its sole discretion, elect to (x) irrevocably waive or (y) designate for reinvestment payment of some or all of the amounts that would have been payable in respect of such Class M-3 Subordinated Notes under this paragraph (T) on any Payment Date,

provided that any such amounts in the case of (a)(y), (b)(y) or (c)(y) (i) be used to purchase Substitute Collateral Obligations or (ii) be deposited in the Principal Account pending reinvestment in Substitute Collateral Obligations or, in the case of (a)(x), (b)(x) or (c)(x), shall be applied to the payment of amounts in accordance with paragraph (U) below, subject to the Collateral Manager having notified the Collateral Administrator in writing not later than one Business Day prior to the relevant Determination Date of any amounts to be so applied; and

(2) secondly, to the payment of any VAT in respect of the Incentive Collateral Management Fee referred to in (1)(a) above (whether payable to the Collateral Manager or directly to the relevant taxing authority);

(U) any remaining Principal Proceeds to the payment of principal and, thereafter, interest on the Class M-1 Subordinated Notes and the Class M-2 Subordinated Notes on a *pro rata* basis (determined upon redemption in full thereof by reference to the proportion that the principal amount of the Class M-1 Subordinated Notes or Class M-2 Subordinated Notes held by the Class M-1 Subordinated Noteholders and the Class M-2 Subordinated Noteholders, as applicable, bore to the Principal Amount Outstanding of the Class M-1 Subordinated Notes or the Class M-2 Subordinated Notes, as applicable, immediately prior to such redemption).

(iii) *Withholding Taxes*

Where the payment of any amount in accordance with the Priorities of Payment set out above is subject to any deduction or withholding for or on account of any tax, 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.

(iv) *Reinvestment Amounts*

At any time during the Reinvestment Period, any holder of Subordinated Notes may notify the Issuer, the Trustee and the Collateral Manager that it proposes to (i) make a cash contribution to the Issuer, (ii) designate as a contribution to the Issuer all or a specified portion of Interest Proceeds and/or Principal Proceeds that would otherwise be distributed on a Payment Date to such holder pursuant to paragraph (DD) of the Interest Priority of Payments or paragraph (U) of the Principal Priority of Payments or (iii) subscribe for additional Subordinated Notes issued pursuant to Condition 17(b) (*Additional Issuances*), as applicable. Any such proposed Reinvestment Amount is subject to the condition that:

(1) no more than a total of three Reinvestment Amounts may be effected in aggregate in respect of all Subordinated Notes; and

(2) each Reinvestment Amount is in an amount no less than €1,000,000.

The Collateral Manager, in consultation with such holder (but in the Collateral Manager's sole discretion), will determine (A) whether to accept any proposed Reinvestment Amount and (B) the Permitted Use to which such proposed Reinvestment Amount would be applied. The Collateral Manager will provide written notice of such determination to the applicable Reinvesting Noteholder(s) thereof and such Reinvestment Amount will be accepted by the Issuer. If such Reinvestment Amount is accepted by the Collateral Manager, it will be deposited by the Issuer into the Supplemental Reserve Account and applied to a Permitted Use determined by the Collateral Manager. Amounts deposited pursuant to clause (ii) above will be deemed to constitute payment of the amounts designated thereunder for purposes of all distributions from the Payment Account to be made on such Payment Date. Any amount so deposited shall not earn interest and shall not increase the principal balance of the Subordinated Notes held by such holder. Unless retained as directed by the applicable Reinvesting Noteholder, Reinvestment Amounts will be paid to any applicable Reinvesting Noteholder on the first subsequent Payment Date Principal Proceeds are available therefor as provided in paragraph (S) of the Principal Priority of Payments or that Interest Proceeds and Principal Proceeds are available therefor as provided in the Post-Acceleration Priority of Payments, as applicable. Any request of any Reinvesting Noteholder under clause (ii) above shall specify the percentage(s) of the amount(s) that such Reinvesting Noteholder is entitled to receive on the applicable Payment Date in respect of distributions pursuant to paragraphs (DD) of the Interest Priority of Payments or (U) of the Principal Priority of Payments, as applicable (such Reinvesting Noteholder's "**Distribution Amount**") that such Reinvesting Noteholder wishes the Issuer to deposit in the Supplemental Reserve Account. The Collateral Administrator or the Collateral Manager on behalf of the Issuer will provide each such Reinvesting Noteholder with an estimate of such Reinvesting Noteholder's Distribution Amount not later than two Business Days prior to any subsequent Payment Date.

(d) *Non-payment of Amounts*

Failure on the part of the Issuer to pay the Interest Amounts on the Class X Notes, the Class A Notes or the Class B Notes (or the Class C Notes, the Class D Notes, the Class E Notes or the Class F Notes if such Class of Notes is the Controlling Class and a Frequency Switch Event has occurred) pursuant to Condition 6 (*Interest*) in accordance with the Priorities of Payment 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 such failure continues for a period of at least five Business Days (or ten Business Days in the case of an administrative error or omission as described in Condition 10(a)(i) (*Non-payment of interest*)), save in each case as the result of any deduction therefrom or the imposition of withholding thereon as set forth in Condition 9 (*Taxation*). Pursuant to, inter alia, the terms of Condition 6(c) (*Deferral of Interest*), non-payment of amounts due and payable on the Class C Notes, the Class D

Notes, the Class E Notes, the Class F Notes and the Subordinated Notes as a result of the insufficiency of available Interest Proceeds will not constitute an Event of Default unless and until, in respect Class C Notes, the Class D Notes, the Class E Notes or the Class F Notes (but not the Subordinated Notes) (i) such Class of Notes is the Controlling Class and a Frequency Switch Event has occurred and (ii) the relevant grace period specified in Condition 10(a)(i) (*Non-payment of interest*) as referenced above has expired.

Non-payment of Interest Amounts on the Class M-2 Subordinated Notes or the Class M-3 Subordinated Notes shall not be an Event of Default at any time unless and until such non-payment gives rise to an Event of Default under Condition 10(a)(iii) (*Default under Priorities of Payment*).

Subject to the terms of Condition 6(c) (*Deferral of Interest*) in the case of Interest Amounts payable in respect of the Class C Notes, Class D Notes, Class E Notes and the Class F Notes, Condition 6(f) (*Determinations in respect of the Subordinated Notes*) in the case of Interest Amounts payable in respect of the Class M-2 Subordinated Notes and the Class M-3 Subordinated Notes and save as otherwise provided in respect of any unpaid Collateral Management Fees (and VAT payable in respect thereof) or Reinvestment Amounts to Reinvesting Noteholders, in the event of non-payment of any amounts referred to in the Interest Priority of Payments or the Principal Priority of Payments on any Payment Date, such amounts shall remain due and shall be payable on each subsequent Payment Date in the orders of priority provided for in this Condition 3 (*Status*). References to the amounts referred to in the Interest Priority of Payments and the Principal Priority of Payments of this Condition 3 (*Status*) shall include any amounts thereof not paid when due in accordance with this Condition 3 (*Status*) on any preceding Payment Date.

(e) *Determination and Payment of Amounts*

The Collateral Administrator will, in consultation with the Collateral Manager, on the Business Day immediately following each Determination Date, calculate the amounts payable on the applicable Payment Date pursuant to the Priorities of Payment and will notify the Issuer and the Trustee of such amounts. The Account Bank (acting in accordance with the instructions of the Collateral Administrator with the Payment Date Report compiled by the Collateral Administrator on behalf of the Issuer) shall, on behalf of the Issuer not later than 12.00 noon (London time) on the Business Day preceding each Payment Date, cause the amounts standing to the credit of the Principal Account, the Unused Proceeds Account and if applicable the Interest Account and the Supplemental Reserve Account (together with, to the extent applicable, amounts standing to the credit of any other Account, but excluding any amounts in respect of Hedge Issuer Tax Credit Payments received by the Issuer and payable to a Hedge Counterparty, any Counterparty Downgrade Collateral and any interest or distributions thereon or any liquidation proceeds thereof) to the extent required to pay the amounts referred to in the Interest Priority of Payments and the Principal Priority of Payments which are payable on such Payment Date to be transferred to the Payment Account in accordance with Condition 3(j) (*Payments to and from the Accounts*).

(f) *De Minimis Amounts*

The Collateral Administrator on behalf of the Issuer may, in consultation with the Collateral Manager, adjust the amounts required to be applied in payment of principal on the Notes from time to time pursuant to the Priorities of Payment so that the amount to be so applied in respect of each Note is a whole amount, not involving any fraction of a 0.01 Euro or, at the discretion of the Collateral Administrator, any fraction of a Euro.

(g) *Publication of Amounts*

The Collateral Administrator on behalf of the Issuer will cause details of the amounts of interest and principal to be paid, and any amounts of interest payable but not paid, on each Payment Date in respect of the Notes to be notified at the expense of the Issuer to the Issuer, the Trustee, the Principal Paying Agent, the Registrar and Euronext Dublin by no later than 11.00 am (London time) on the Business Day prior to the applicable Payment Date in the Payment Date Report.

(h) *Notifications to be Final*

All notifications, opinions, determinations, certificates, quotations and decisions given, expressed, made or obtained or discretions exercised for the purposes of the provisions of this Condition 3 (*Status*) will (in the absence of manifest error) be binding on the Issuer, the Collateral Administrator, the Collateral Manager, the Trustee, the Registrar, the Principal Paying Agent, the Transfer Agent and all Noteholders and (in the absence of fraud, negligence or wilful misconduct 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 Supplemental Reserve Account;
- the Expense Reserve Account;
- the Unfunded Revolver Reserve Account;
- the Currency Accounts;
- the Custody Account;
- the Collection Account;
- the First Period Reserve Account;
- any Counterparty Downgrade Collateral Account(s);
- the Hedge Termination Account(s);
- the Interest Smoothing Account; and
- the Principal Purchase Account.

The Account Bank, the Custodian and the Principal Paying Agent shall at all times be a financial institution satisfying the Rating Requirement applicable thereto, which is not resident or which is acting through an office which is not situated, in Ireland. If the Account Bank, the Custodian or the Principal Paying Agent at any time fails to satisfy the Rating Requirement, the Issuer shall use reasonable endeavours to procure that a replacement, which satisfies the Rating Requirement, is appointed in accordance with the provisions of the Agency and Account Bank Agreement.

Amounts standing to the credit of the Accounts (other than the Unfunded Revolver Reserve Account, any Counterparty Downgrade Collateral Accounts, the Collection Account and the Payment Account) from time to time may be invested by the Collateral Manager on behalf of the Issuer in Eligible Investments.

All interest accrued (if any) on any of the Accounts (other than any Counterparty Downgrade Collateral Accounts) from time to time shall be paid into the Interest Account, save to the extent that the Issuer is contractually bound to pay such amounts to a third party. All principal amounts received in respect of Eligible Investments standing to the credit of any Account from time to time shall be credited to that Account upon maturity, save to the extent that the Issuer is contractually bound to pay such amounts to a third party. All interest accrued on such Eligible Investments (including capitalised interest received upon the sale, maturity or termination of any such investment) shall be paid to the Interest Account as, and to the extent provided, above.

To the extent that any amounts required to be paid into any Account pursuant to the provisions of this Condition 3 (*Status*) are denominated in a currency other than Euro, the Collateral Manager, acting on behalf of the Issuer, may (other than in the case of any Counterparty Downgrade Collateral Accounts) convert such amounts into the currency of the Account at the direction of the Collateral Manager at the spot rates of exchange available to the Issuer pursuant to the Agency and Account Bank Agreement.

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 Accounts, (ii) the Payment Account, (iii) the Expense Reserve Account, (iv) the Supplemental Reserve Account, (v) any interest accrued on the Accounts, (vi) any Counterparty Downgrade Collateral Account, (vii) the First Period Reserve Account, (viii) the Interest Smoothing Account and (ix) the Currency Accounts 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 Payment) shall be transferred to the Payment Account and shall constitute Principal Proceeds on the Business Day prior to any redemption of the Notes in full, and all amounts standing to the credit of each of the Interest Account, the Expense Reserve Account, the Supplemental Reserve Account, the Interest Smoothing Account, 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.

Following the end of the Reinvestment Period, the Issuer (or the Collateral Manager acting on its behalf) may open additional ledgers in the Principal Account to separate payments of Scheduled Principal Proceeds and Unscheduled Principal Proceeds.

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 Payment.

(j) *Payments to and from the Accounts*

(i) *Principal Account*

The Issuer will procure that the following Principal Proceeds are paid into the Principal Account promptly upon receipt thereof but in each case, if applicable, excluding any Trading Gains which are paid or payable into the Interest Account in accordance with Condition 3(j)(ii)(O) (*Interest Account*) below:

(A) all principal payments received in respect of any Collateral Obligation including, without limitation:

(1) Scheduled Principal Proceeds;

(2) amounts received in respect of any maturity, scheduled amortisation, mandatory prepayment or mandatory sinking fund payment on a Collateral Obligation;

(3) Unscheduled Principal Proceeds; and

(4) any other principal payments with respect to Collateral Obligations or Eligible Investments (to the extent not included in the Sale Proceeds);

but excluding (i) any such payments received in respect of any Revolving Obligation or Delayed Drawdown Collateral Obligation, to the extent required to be paid into the Unfunded Revolver Reserve Account, (ii) principal proceeds on any Non-Euro Obligation to the extent required to be paid into a Currency Account, (iii) any such payments received in respect of any Hedge Replacement Receipts or Hedge Counterparty Termination Payments to the extent required to be paid into the Hedge Termination Account and (iv) any Trading Gains required to be paid into the Interest Account in accordance with Condition 3(j)(ii)(O) (*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 (save for Defaulted Obligation Excess Amounts);

(C) all premiums (including prepayment premiums) receivable upon redemption of any Collateral Obligation at maturity or otherwise or upon exercise of any put or call option in respect thereof which is above the outstanding principal amount of any Collateral Obligation;

(D) all fees and commissions received in connection with the purchase or sale of any Collateral Obligations or Eligible Investments or work out or restructuring of any Defaulted Obligations or Collateral Obligations as determined by the Collateral Manager in its reasonable discretion;

(E) all Sale Proceeds (save for Trading Gains which are required to be paid into the Interest Account in accordance with Condition 3(j)(ii)(O) (*Interest Account*) below) received in respect of a Collateral Obligation;

(F) all Distributions and Sale Proceeds received in respect of Exchanged Equity Securities;

(G) all Collateral Enhancement Obligation Proceeds;

(H) all Purchased Accrued Interest;

(I) amounts transferable to the Principal Account from any other Account as required below;

(J) all proceeds received from any additional issuance of the Notes that are not invested in Collateral Obligations or required to be paid into the Supplemental Reserve Account;

(K) any other amounts received in respect of the Collateral which are not required to be paid into another Account;

(L) all amounts transferable from a Counterparty Downgrade Collateral Account to the Principal Account in accordance with Condition 3(j)(v) (*Counterparty Downgrade Collateral Accounts*) below;

(M) all amounts transferable from the Supplemental Reserve Account;

(N) all amounts transferable from the Expense Reserve Account;

(O) all principal payments received in respect of any Non-Eligible Issue Date Collateral Obligation or any other asset which did not satisfy the Eligibility Criteria on the date it was required to do so and which have not been sold by the Collateral Manager in accordance with the Collateral Management and Administration Agreement;

(P) all net proceeds of issuance of any Refinancing Obligations issued in accordance with Condition 7(b) (*Optional Redemption*);

(Q) all amounts transferable to the Principal Account from a Currency Account pursuant to paragraph (B) of Condition 3(j)(ix) (*Currency Accounts*) following exchange of such amounts into Euro (to the extent not already in Euro) by the Issuer following consultation with the Collateral Manager;

(R) all amounts payable into the Principal Account pursuant to paragraph (W) of the Interest Priority of Payments upon the failure to meet the Reinvestment Overcollateralisation Test on any Determination Date during the Reinvestment Period;

(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*);

(T) any amount transferred from the First Period Reserve Account; and

(U) at the discretion of the Collateral Manager, all amendment and waiver fees, all late payment fees, all commitment fees, participation fees, syndication fees, delayed compensation and other fees and commissions received in connection with any Collateral Obligations and Eligible Investments as determined by the Collateral Manager in its reasonable discretion (other than fees and commissions received in connection with the purchase or sale of any Collateral Obligations or Eligible Investments or work out or restructuring of any Defaulted Obligations or Collateral Obligations which fees and commissions shall constitute Principal Proceeds and be paid into the Principal Account in accordance with paragraph (D) above).

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, provided in each case that amounts deposited in the Principal Account pursuant to paragraph (P) above shall only be applied in accordance with sub-paragraph (3) below unless, after such application on the relevant Payment Date, there is a surplus of such proceeds:

(1) on the Business Day prior to each Payment Date, all Principal Proceeds standing to the credit of the Principal Account to the Payment Account to the extent required for disbursement pursuant to the Principal Priority of Payments, save for: (a) amounts deposited after the end of the related Due Period; and (b) any Principal Proceeds deposited prior to the end of the related Due Period to the extent such Principal Proceeds are permitted to be and have been designated for reinvestment by the Collateral Manager (on behalf of the Issuer) pursuant to the Collateral Management and Administration Agreement for a period beyond such Payment Date, provided that (i) if the Coverage Tests are not satisfied, Principal Proceeds from Defaulted Obligations may not be designated for reinvestment by the Collateral Manager (on behalf of the Issuer) until the date on which the Coverage Tests are satisfied and (ii) no such payment shall be made to the extent that such amounts are not required to be distributed pursuant to the Principal Priority of Payments on such Payment Date;

(2) at any time at the discretion of the Collateral Manager, acting on behalf of the Issuer, in accordance with the terms of, and to the extent permitted under, the Collateral Management and Administration Agreement, in the acquisition of Collateral Obligations including amounts equal to the Unfunded Amounts of any Revolving Obligations or Delayed Drawdown Collateral Obligations which are required to be deposited in the Unfunded Revolver Reserve Account and including any Currency Hedge Issuer Principal Exchange Amounts pursuant to any Currency Hedge Transaction in connection with funding the acquisition of Non-Euro Obligations;

(3) on any Business Day on which a Refinancing has occurred, all amounts credited to the Principal Account pursuant to sub-paragraph (P) 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 or after the Effective Date but prior to the first Payment Date after the Effective Date, at the discretion of the Collateral Manager, acting on behalf of the Issuer, an amount not exceeding 1.0 per cent. of the Target Par Amount may be transferred to the Interest Account in aggregate and without duplication, from the Principal Account and/or the Unused Proceeds Account, provided that as at such date after giving effect to such transfer, (A) the Collateral Principal Amount equals or exceeds the Target Par Amount (provided that, for such purposes the Principal Balance of each Defaulted Obligation will be the lower of its Moody's Collateral Value and Fitch Collateral Value) and (B) each of the Portfolio Profile Tests, the Collateral Quality Tests and the Coverage Tests (save for the Interest Coverage Tests, which shall apply only on and after the Determination Date falling immediately prior to the second Payment Date) is satisfied.

(ii) *Interest Account*

The Issuer will procure that the following Interest Proceeds are credited to the Interest Account promptly upon receipt thereof:

(A) all cash payments of interest in respect of the Collateral Obligations other than any Purchased Accrued Interest, together with all amounts received by the Issuer by way of gross up in respect of such interest and in respect of a claim under any applicable double taxation treaty but excluding (i) interest proceeds on any Non-Euro Obligation to the extent required to be paid into a Currency Account and (ii) any interest received in respect of any Defaulted Obligations and Mezzanine Obligation for so long as it is a Defaulted Obligation other than Defaulted Obligation Excess Amounts;

(B) any interest accrued on the Balance standing to the credit of the Interest Account from time to time and any 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) at the discretion of the Collateral Manager, all amendment and waiver fees, all late payment fees, all commitment fees, participation fees, syndication fees, delayed compensation and all other fees and commissions received in connection with any Collateral Obligations and Eligible Investments as determined by the Collateral Manager in its reasonable discretion (other than fees and commissions received in connection with the purchase or sale of any Collateral Obligations or Eligible Investments or work out or restructuring of any Defaulted Obligations or Collateral Obligations which fees and commissions shall be payable into the Principal Account and shall constitute Principal Proceeds);

(D) all accrued interest included in the proceeds of sale of any other Collateral Obligation that are designated by the Collateral Manager as Interest Proceeds pursuant to the Collateral Management and Administration Agreement (provided that no such designation may be made in respect of (i) any Purchased Accrued Interest or (ii) a Defaulted Obligation save for Defaulted Obligation Excess Amounts);

(E) all amounts representing the element of deferred interest (other than Purchased Accrued Interest) in any payments received in respect of any Mezzanine Obligation for so long as it is not a Defaulted Obligation and which by its contractual terms provides for the deferral of interest;

(F) amounts transferable 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 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 Obligation in an account established pursuant to an ancillary facility;

(I) all amounts transferable from the Supplemental Reserve Account;

(J) all amounts transferable from the Expense Reserve Account;

(K) any amounts payable to the Issuer under any Hedge Transaction in respect of interest save for any Hedge Counterparty Termination Payments, Hedge Replacement Receipts or Counterparty Downgrade Collateral;

(L) any reimbursements received by the Issuer in respect of any withholding tax which has been previously withheld;

(M) all cash payments of interest in respect of any Non-Eligible Issue Date Collateral Obligations or any other asset which did not satisfy the Eligibility Criteria on the date it was required to do so and that have not been sold by the Collateral Manager, other than any Purchased Accrued Interest, together with all amounts received by the Issuer by way of gross up in respect of such interest and in respect of a claim under any applicable double taxation treaty in accordance with the Collateral Management and Administration Agreement;

(N) all amounts transferable from the First Period Reserve Account; and

(O) any Trading Gains realised in respect of any Collateral Obligation, for the avoidance of doubt at the discretion of the Collateral Manager, if (after giving effect to the transfer of such Trading Gains to the Interest Account) the following conditions are satisfied:

(1) the Collateral Principal Amount is greater than or equal to the Reinvestment Target Par Balance;

(2) the Class F Par Value Ratio is greater than 108.1%;

(3) the Moody's Maximum Weighted Average Rating Factor Test is satisfied;

(4) neither the Moody's Rating nor the Fitch Rating of the Class A Notes has been withdrawn (and not reinstated) nor is one or more sub categories below its rating on the Issue Date;

(5) the aggregate amount (on a cumulative basis) of Trading Gains that have been paid into the Interest Account pursuant to this paragraph (O) after the Issue Date has not exceeded 1.0 per cent.; and

(6) not more than 7.5 per cent. of the Collateral Principal Amount shall consist of obligations which are Caa Obligations and not more than 7.5 per cent. of the Collateral Principal Amount shall consist of obligations which are CCC Obligations.

(P) any Interest Smoothing Amounts which are required to be transferred from the Interest Smoothing Account.

The Issuer shall procure payment of the following amounts (and shall ensure that payment of no other amount is made, save to the extent otherwise permitted above) out of the Interest Account:

(1) on the Business Day prior to each Payment Date, all Interest Proceeds standing to the credit of the Interest Account shall be transferred to the Payment Account to the extent required for disbursement pursuant to the Interest Priority of Payments save for amounts deposited after the end of the related Due Period 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 Collateral Management and Administration Agreement, in the acquisition of Collateral 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;

(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) any Determination Date on or following the occurrence of a Frequency Switch Event, any Interest Smoothing Amount required to be transferred to the Interest Smoothing Account; and

(5) at the discretion of the Collateral Manager at any time following the expiry of the Non-Call Period and provided that the Principal Purchase Test will be satisfied immediately following such payment, to the payment of amounts into the Principal Purchase Account.

(iii) *Unused Proceeds Account*

The Issuer will procure that the following amounts are credited to the Unused Proceeds Account:

(A) an amount transferred from the Collection Account equal to the net proceeds of issue of the Notes remaining after (1) the payment of certain fees and expenses due and payable by the Issuer on the Issue Date; (2) amounts payable into the Expense Reserve Account; (3) amounts payable into the First Period Reserve Account; and (4) amounts repaid pursuant to the Warehouse Arrangements; and

(B) all proceeds received during the Initial Investment Period from any additional issuance of Notes that are not invested in Collateral Obligations or paid into the Supplemental Reserve Account.

The Issuer shall procure payment of the following amounts (and shall ensure that payment of no other amount is made, save to the extent otherwise permitted above) out of the applicable sub-ledger of the Unused Proceeds Account:

(1) on or about the Issue Date, such amounts equal to the aggregate of:

(a) the purchase price for certain Collateral Obligations on or prior to the Issue Date, including pursuant to the Warehouse Arrangements;

(b) any premium payable by the Issuer in connection with the Issue Date Interest Rate Hedge Transactions; and

(c) amounts required for repayment of any amounts borrowed by the Issuer (together with interest thereon) in order to finance the acquisition of certain Collateral Obligations on or prior to the Issue Date;

(2) at any time up to and including the last day of the Initial Investment Period, in accordance with the terms of, and to the extent permitted under, the Collateral Management and Administration Agreement, in the acquisition of Collateral Obligations;

(3) in the event of the occurrence of an Effective Date Rating Event, the Balance standing to the credit of the Unused Proceeds Account, on the Business Day prior to the Payment Date falling immediately after the Effective Date, to the extent required, to the Payment Account for application as Principal Proceeds in accordance with the Priorities of Payment, in redemption of the Notes in accordance with the Note Payment Sequence or, if earlier, until an Effective Date Rating Event is no longer continuing; and

(4) on or after the Effective Date but prior to the first Payment Date after the Effective Date, at the discretion of the Collateral Manager, acting on behalf of the Issuer, an amount not exceeding 1.0 per cent. of the Target Par Amount may be transferred to the Interest Account in aggregate and without duplication, from the Principal Account and/or the Unused Proceeds Account, provided that as at such date after giving effect to such transfer, (A) the Collateral Principal Amount equals or exceeds the Target Par Amount (provided that, for such purposes the Principal Balance of each Defaulted Obligation will be the lower of its Moody's Collateral Value and Fitch Collateral Value) and (B) each of the Portfolio Profile Tests, the Collateral Quality Tests and the Coverage Tests (save for the Interest Coverage Tests, which shall apply only on and after the Determination Date falling immediately prior to the second Payment Date) is satisfied.

(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 instruct the Account Bank (acting on the basis of the Payment Date Report), to disburse such amounts in accordance with the Priorities of Payment. No amounts shall be transferred to or withdrawn from the Payment Account at any other time or in any other circumstances.

(v) *Counterparty Downgrade Collateral Accounts*

The Issuer will procure that all Counterparty Downgrade Collateral transferred pursuant to a Hedge Agreement shall be deposited in a separate Counterparty Downgrade Collateral Account in respect of each Hedge Counterparty. 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 any Counterparty Downgrade Collateral Account and any interest or distributions thereon or liquidation proceeds thereof are held separate from and do not form part of Principal Proceeds, Interest Proceeds or 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 cash amounts standing to the credit of the applicable Counterparty

Downgrade Collateral Account shall be segregated on the Account Bank's or the Custodian's (as applicable) books and records from 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);

(2) any "Interest Amounts" and "Distributions" (if applicable and each as defined in such Hedge Agreement); 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 thereto, in each case in accordance with the terms of such Hedge Agreement);

(B) following the designation of an "Early Termination Date" (as defined in the relevant Hedge Agreement) in respect of all "Transactions" under and as defined in the relevant Hedge Agreement pursuant to which all "Transactions" under such Hedge Agreement are terminated early where (A) an "Event of Default" (as defined in such Hedge Agreement) in respect of the relevant Hedge Counterparty or an "Additional Termination Event" (as defined in such Hedge Agreement) in relation to which the relevant Hedge Counterparty is the sole "Affected Party" (as defined in such Hedge Agreement) has occurred and (B) the Issuer enters into one or more Replacement Hedge Agreements or any novation of the relevant Hedge Counterparty's obligations to a replacement Hedge Counterparty, in the following order of priority:

(1) first, in or towards payment of any Hedge Replacement Payments in respect of Replacement Hedge Transactions relating to such terminated "Transactions" (to the extent not funded from the relevant Hedge Termination Account);

(2) second, in or towards payment of any Hedge Issuer Termination Payments relating to such terminated "Transactions" (to the extent not funded from the relevant Hedge Termination Account); and

(3) third, the surplus amount standing to the credit of such Counterparty Downgrade Collateral Account (if any) to the Principal Account;

(C) following the designation of an "Early Termination Date" (as defined in the relevant Hedge Agreement) in respect of all "Transactions" under and as defined in the relevant Hedge Agreement pursuant to which all "Transactions" under such Hedge Agreement are terminated early (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 standing to the credit of such Counterparty Downgrade Collateral Account (if any) to the Principal Account,

(D) following the designation of an "Early Termination Date" (as defined in the relevant Hedge Agreement) in respect of all "Transactions" under and as defined in the relevant Hedge Agreement pursuant to which all "Transactions" under such Hedge Agreement are terminated early and if the Issuer, or the Collateral Manager on its behalf, determines not to replace such terminated "Transactions" and Rating Agency Confirmation is received in respect of such determination or termination of such "Transactions" occurs on a Redemption Date or if for any reason the Issuer is unable to enter into one or more Replacement Hedge Agreements or any novation of the relevant Hedge Counterparty's obligations to a replacement Hedge Counterparty, in the following order of priority:

(1) first, in or towards payment of any Hedge Issuer Termination Payments relating to such terminated "Transactions" (to the extent not funded from the relevant Hedge Termination Account); and

(2) second, the surplus amount standing to the credit of such Counterparty Downgrade Collateral Account (if any) to the Principal Account.

(vi) *Supplemental Reserve Account*

The Issuer will procure that, on each Payment Date, any Supplemental Reserve Amount and each Reinvestment Amount, in each case, in respect of such Payment Date, shall be deposited into the Supplemental Reserve Account.

The Issuer will procure payment of the following amounts (and shall ensure that payment of no other amount is made, save to the extent otherwise permitted above) out of the Supplemental Reserve Account:

(A) at any time, to the Principal Account for either (x) during the Reinvestment Period to reinvest in Substitute Collateral Obligations or (y) otherwise for distribution on the next following Payment Date in accordance with the Priorities of Payment;

(B) at any time, at the direction of the Issuer (or the Collateral Manager acting on its behalf), to the Interest Account for distribution in accordance with the Priorities of Payment;

(C) at any time, in the acquisition of, or in respect of any exercise of any option or warrant comprised in, Collateral Enhancement Obligations, in accordance with the terms of the Collateral Management and Administration Agreement;

(D) at any time, at the direction of the Issuer (or the Collateral Manager acting on its behalf), to purchase any Rated Notes in accordance with Condition 7(l) (*Purchase*);

(E) on the occurrence of an Effective Date Rating Event, on the Business Day prior to the Payment Date falling immediately after the Effective Date, to the extent required, to the Payment Account for application as Principal Proceeds in accordance with the Priorities of Payment, in redemption of the Notes in accordance with the Note Payment Sequence or, if earlier, until an Effective Date Rating Event is no longer continuing; and

(F) the Balance standing to the credit of the Supplemental Reserve Account to the Payment Account for distribution on such Payment Date in accordance with the Principal Priority of Payments or the Post-Acceleration Priorities of Payment (as applicable) (1) at the direction of the Collateral Manager at any time prior to an Event of Default or (2) automatically upon an acceleration of the Notes in accordance with Condition 10(b) (*Acceleration*),

each of the foregoing being a "**Permitted Use**".

(vii) *Unfunded Revolver Reserve Account*

The Issuer shall procure the following amounts are paid into the Unfunded Revolver Reserve Account:

(A) upon the acquisition by or on behalf of the Issuer of any Revolving Obligation or Delayed Drawdown Collateral Obligation, an amount equal to the amount which would cause the Balance standing to the credit of the Unfunded Revolver Reserve Account to be at least equal to the combined aggregate principal amounts of the Unfunded Amounts under each of the Revolving Obligations and Delayed Drawdown Collateral Obligations (which Unfunded Amounts will be treated as part of the purchase price for the related Revolving Obligation or Delayed Drawdown Collateral Obligation) less amounts posted thereafter as collateral (which do not constitute Funded Amounts), in each case, pursuant to paragraph (2) or (3) below, as applicable;

(B) all principal payments received by the Issuer in respect of any Revolving Obligation or Delayed Drawdown Collateral Obligation, if and to the extent that the amount of such principal payments may be re-borrowed under such Revolving Obligation or Delayed Drawdown Collateral Obligation or otherwise by the Collateral Manager, acting on behalf of the Issuer; and

(C) all repayments of collateral to the Issuer originally paid by the Issuer pursuant to (2) below.

The Issuer shall procure payment of the following amounts (and shall ensure that no other amounts are paid) out of the Unfunded Revolver Reserve Account:

(1) all amounts required to fund any drawings under any Delayed Drawdown Collateral Obligation or Revolving Obligation;

(2) in respect of Delayed Drawdown Collateral Obligations or Revolving Obligations, all amounts required to be deposited in the Issuer's name with any third party which satisfies the Rating Requirement applicable to an Account Bank (or if the third party does not satisfy the Rating Requirement applicable to an Account Bank, subject to receipt of Rating Agency Confirmation) as collateral for any reimbursement or indemnification obligations of the Issuer owed to any other lender under such Revolving Obligation or Delayed Drawdown Collateral Obligation (subject to such security documentation as may be agreed between such lender, the Collateral Manager acting on behalf of the Issuer and the Trustee);

(3) (x) at any time at the direction of the Collateral Manager (acting on behalf of the Issuer) to the Principal Account; or (y) upon the sale (in whole or in

part) of a Revolving Obligation or the reduction, cancellation or expiry of any commitment of the Issuer to make future advances or otherwise extend credit thereunder, any excess of (a) the amount standing to the credit of the Unfunded Revolver Reserve Account over (b) the sum of the Unfunded Amounts of all Revolving Obligations and Delayed Drawdown Collateral Obligations after taking into account such sale or such reduction, cancellation or expiry of such commitment or notional amount, to the Principal Account; and

(4) any interest accrued on the Balance standing to the credit of the Unfunded Revolver Reserve Account from time to time (including capitalised interest received upon the sale, maturity or termination of any Eligible Investment) to the Interest Account.

(viii) *Hedge Termination Accounts*

The Issuer will procure that all Hedge Counterparty Termination Payments and Hedge Replacement Receipts are paid into the appropriate Hedge Termination Account promptly upon receipt thereof.

The Issuer will procure payment of the following amounts (and shall ensure that payment of no other amount is made save to the extent otherwise permitted) out of the relevant Hedge Termination Account in payment as provided below:

(A) at any time, in the case of any Hedge Replacement Receipts paid into the relevant Hedge Termination Account, in payment of any Interest Rate Hedge Issuer Termination Payment or Currency Hedge Issuer Termination Payment, as applicable, due and payable to a Hedge Counterparty under the Hedge Transaction being replaced or, to the extent not required to make such payment, in payment of such amount to the Principal Account;

(B) at any time, in the case of any Hedge Counterparty Termination Payments paid into the relevant Hedge Termination Account, in payment of any Hedge Replacement Payment and any other amounts payable by the Issuer upon entry into a Replacement Hedge Transaction in accordance with the Collateral Management and Administration Agreement; and

(C) in the case of any Hedge Counterparty Termination Payments paid into the relevant Hedge Termination Account, in the event that:

(1) the Issuer, or the Collateral Manager on its behalf, determines not to replace the Hedge Transaction (or part thereof) and Rating Agency Confirmation is received in respect of such determination (other than where such determination is made in connection with a Currency Hedge Transaction which has been terminated 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.

(ix) *Currency Accounts*

The Issuer will procure that all amounts received in respect of any Non-Euro Obligations (including Sale Proceeds and including any initial Currency Hedge Counterparty 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 the Principal Account are paid into the applicable Currency Account. A separate Currency Account will be established in respect of each applicable currency (to the extent that the Account Bank is able to hold such 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 Accounts:

(A) at any time, all amounts payable by the Issuer to the Currency Hedge Counterparty under any Currency Hedge Transaction save for:

(1) 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);

(2) Hedge Replacement Payments; and

(3) any initial Currency Hedge Issuer Principal Exchange Amounts 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 Accounts 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 by the Collateral Administrator on behalf of the Issuer at the spot rates of exchange available to the Issuer pursuant to the Agency and Account Bank Agreement following consultation with the Collateral Manager and transferred to the Principal Account; and

(C) at any time, in the amount of any initial Currency Hedge Counterparty Principal Exchange Amounts 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 Collateral Management and Administration Agreement.

(x) *Expense Reserve Account*

The Issuer shall procure that the following amounts are paid into the Expense Reserve Account:

(A) on the Issue Date, an amount determined on the Issue Date for the payment of amounts due or accrued in connection with the issue of the Notes, in accordance with (1) below plus €100,000;

(B) any amount applied in payment into the Expense Reserve Account pursuant to paragraph (D) of the Interest Priority of Payments; and

(C) any amounts received by the Issuer by way of indemnity from any Secured Party ("**Third Party Indemnity Receipts**").

The Issuer shall procure payment of the following amounts (and shall procure that no other amounts are paid) out of the Expense Reserve Account:

(1) other than Third Party Indemnity Receipts, amounts due or accrued with respect to actions taken on or in connection with the Issue Date with respect to the issue of Notes and the entry into the Transaction Documents;

(2) other than Third Party Indemnity Receipts, amounts standing to the credit of the Expense Reserve Account may be transferred to the Principal Account and/or the Interest Account in the sole discretion of the Issuer (or the Collateral Manager acting on its behalf);

(3) other than Third Party Indemnity Receipts, at any time, the amount of any Trustee Fees and Expenses and Administrative Expenses which have accrued and become payable prior to the immediately following Payment Date, upon receipt of invoices therefor from the relevant creditor, provided that any such payments, in aggregate and together with any other payments out of the Expense Reserve Account on the relevant date, shall not cause the balance of the Expense Reserve Account to fall below zero;

(4) other than Third Party Indemnity Receipts, on the second Business Day prior to each Payment Date, any amounts to be paid pursuant to paragraphs (B) and (C) of the Interest Priority of Payments in excess of the Senior Expenses Cap to the Interest Account, provided that any such payments, in aggregate and together with any other payments to be made out of the Expense Reserve Account on such date, shall not cause the balance of the Expense Reserve Account to fall below zero;

(5) other than Third Party Indemnity Receipts, on one occasion at any time on or after the Issue Date, at the discretion of the Collateral Manager, up to €100,000 in aggregate (to the extent funds are available) to the Class M-3 Subordinated Noteholders (on a pro rata basis) in respect of the Class M-3 Subordinated Notes; and

(6) at any time, any Third Party Indemnity Receipts due and payable by the Issuer to the Trustee, in an amount which shall not at any time exceed the lesser of (i) the amount paid into the Expense Reserve Account in accordance with paragraph (C) above and (ii) the amount of any indemnity payments payable by the Issuer to the Trustee. Any such amount so paid shall not be taken into account for the purposes of the application of the Senior Expenses Cap; and

(7) any Third Party Indemnity Receipts in excess of those described in paragraph (6) above shall be transferred to the Payment Account on the Business Day prior to each Payment Date for application in accordance with the Priorities of Payment on such Payment Date.

(xi) *Collection Account*

The Issuer will procure that the following amounts are credited to the Collection Account:

(A) on the Issue Date, the net proceeds of issue of the Notes; and

(B) all amounts received in respect of any Collateral (other than as otherwise provided in Condition 3(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 Expenses Reserve Account;

(c) to repay the relevant lender under the Warehouse Arrangements in respect of the funding provided by it to finance the purchase of Collateral Obligations prior to the Issue Date;

(d) to pay all other amounts due under the Warehouse Arrangements;

(e) amounts payable into the First Period Reserve Account; and

(f) any remaining amounts to the Unused Proceeds Account; and

(2) subject to the prior payment of all amounts in Condition 3(j)(xi)(B)(1) (*Collection Account*) above, in transfer to the other Accounts as required in accordance with Condition 3(i) (*Accounts*) and the other provisions of this Condition 3(j) (*Payments to and from the Accounts*) on a daily basis, such that the balance standing to the credit of the Collection Account at the end of each Business Day is zero.

(xii) *First Period Reserve Account*

The Issuer shall direct the Account Bank to deposit a minimum of €1,500,000 in the First Period Reserve Account on the Issue Date.

At any time up to and including the last day of the Initial Investment Period, the Collateral Manager, in its sole discretion (acting on behalf of the Issuer), may direct some or all amounts standing to the credit of the First Period Reserve Account to be used for (A) the acquisition of Collateral Obligations or (B) to the Principal Account pending such acquisition, subject to and in accordance with the Collateral Management and Administration Agreement. Following the Initial Investment Period, all of the funds in the First Period Reserve Account (save for amounts transferred to the Principal Account) (including any interest accrued thereon) shall be transferred to the Interest Account for distribution pursuant to the Interest Priority of Payments.

(xiii) *Interest Smoothing Account*

On the Business Day following each Determination Date save for:

(A) the first Determination Date following the Issue Date;

(B) a Determination Date following the occurrence of an Event of Default which is continuing;

(C) the Determination Date immediately prior to any redemption of the Notes in full; and

(D) any Determination Date on or following the occurrence of a Frequency Switch Event,

the Interest Smoothing Amount (if any) shall be credited to the Interest Smoothing Account from the Interest Account.

The Issuer shall procure, on the Business Day falling after 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

(xiv) *Principal Purchase Account*

The Issuer shall procure that all amounts transferable to the Principal Purchase Account from the Interest Account in the circumstance described under Condition 3(j)(ii)(P)(5) (*Interest Account*) above are paid into the Principal Purchase Account.

The Issuer shall procure payment of the following amounts (and shall procure that no other amounts are paid) out of the Principal Purchase Account:

(A) at any time at the discretion of the Collateral Manager, acting on behalf of the Issuer, in accordance with the terms of, and to the extent permitted under, the Collateral Management and Administration Agreement, in the acquisition of Collateral Obligations; and

(B) at the discretion of the Collateral Manager, to the Interest Account.

(k) *Collateral Manager Advances*

To the extent that there are insufficient sums standing to the credit of the Supplemental Reserve Account from time to time to purchase or exercise rights under Collateral Enhancement Obligations which the Collateral Manager determines on behalf of the Issuer should be purchased or exercised, the Collateral Manager may, at its discretion, pay amounts required in order to fund such purchase or exercise (such amount, a "**Collateral Manager Advance**") to such account pursuant to the terms of the Collateral Management and Administration Agreement. Each Collateral Manager Advance may bear interest as agreed between the Issuer and the Collateral Manager and notified in writing to the Collateral Administrator, provided that such rate of interest shall not exceed a rate of EURIBOR plus 2.0 per cent. per annum. All such Collateral Manager Advances shall be repaid out of Interest Proceeds and Principal Proceeds on each Payment Date pursuant to the Priorities of Payment. The aggregate amount outstanding of all Collateral Manager Advances shall not, at any time, exceed €8,400,000 or such greater number as the Subordinated Noteholders may approve, acting by way of an Ordinary Resolution. Each Collateral Manager Advance must be in a minimum amount of €1,000,000 and no more than three Collateral Manager Advances may be made in total.

(l) *Deferral, Waiver or Designation for Reinvestment on the Class M-2 Subordinated Notes and the Class M-3 Subordinated Notes*

Any election by a Class M-2 Subordinated Noteholder or Class M-3 Subordinated Noteholder to irrevocably waive, designate for reinvestment or defer payment of some or all of the amounts that would have been payable to it under the Interest Priority of Payments or the Principal Priority of Payments must be made in writing and the relevant Class M-2 Subordinated Noteholder or Class M-3 Subordinated Noteholder, as applicable, must provide evidence in writing, together with evidence of its holding and authority to the satisfaction of the Issuer, Trustee and the Collateral Administrator, not later than two Business Days prior to the relevant Determination Date of any amounts to be so applied. No Deferred Senior Class M-2 Amounts, Deferred Subordinated Class M-2 Amounts, Deferred Senior Class M-3 Amounts or Deferred Subordinated Class M-3 Amounts shall accrue interest.

4. Security

(a) *Security*

Pursuant to the Trust Deed, the obligations of the Issuer under the Notes, the Trust Deed, the Agency and Account Bank Agreement, the Collateral Management and Administration Agreement and the Subscription Agreement (together with the obligations owed by the Issuer to the other Secured Parties) are secured in favour of the Trustee for the benefit of the Secured Parties by:

(i) an assignment by way of security of all the Issuer's present and future rights, title and interest (and all entitlements or other benefits relating thereto) in respect of all Collateral Obligations,

Exchanged Equity Securities, Collateral Enhancement Obligations, Eligible Investments standing to the credit of each of the Accounts (other than any Counterparty Downgrade Collateral Accounts) and any other investments (other than any Counterparty Downgrade Collateral), in each case held by the Issuer from time to time (where such rights are contractual rights (other than contractual rights the assignment of which would require the consent of a third party or the entry into an agreement or deed) and where such contractual rights arise other than under securities), including, without limitation, moneys received in respect thereof, all dividends and distributions paid or payable thereon, all property paid, distributed, accruing or offered at any time on, to or in respect of or in substitution therefor and the proceeds of sale, repayment and redemption thereof;

(ii) a first fixed charge and first priority security interest granted over all the Issuer's present and future rights, title and interest (and all entitlements or other benefits relating thereto) in respect of all Collateral Obligations, Exchanged Equity Securities, Collateral Enhancement Obligations, Eligible Investments standing to the credit of each of the Accounts (other than any Counterparty Downgrade Collateral Accounts) and any other investments (other than any 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 any Counterparty Downgrade Collateral Accounts) and all moneys from time to time standing to the credit of such Accounts and the debts represented thereby and including, without limitation, any interest accrued and other moneys received in respect thereof;

(iv) a first fixed charge and first priority security interest (where the applicable assets are securities) over, or an assignment by way of security (where the applicable rights are contractual obligations) of, all present and future rights of the Issuer in respect of any Counterparty Downgrade Collateral standing to the credit of any Counterparty Downgrade Collateral Account, including, without limitation, all moneys received in respect thereof, all dividends and distributions paid or payable thereon, all property paid, distributed, accruing or offered at any time on, to or in respect of or in substitution therefor and the proceeds of sale, repayment and redemption thereof and over any Counterparty Downgrade Collateral Accounts and all moneys from time to time standing to the credit of any Counterparty Downgrade Collateral Accounts and the debts represented thereby and including, without limitation, all interest accrued and other moneys received in respect thereof, subject, in each case, to the rights of any Hedge Counterparty to Counterparty Downgrade Collateral pursuant to the terms of the relevant Hedge Agreement, Condition 3(j)(v) (*Counterparty Downgrade Collateral Accounts*) and any prior ranking security interest granted by the Issuer to any Hedge Counterparty;

(v) an assignment by way of security of all the Issuer's present and future rights against the Custodian under the Agency and Account Bank Agreement (to the extent each relates to the Custody Account) and a first fixed charge over all of the Issuer's right, title and interest in and to the Custody Account (including each cash account relating to the Custody Account) and any cash held therein and the debts represented thereby;

(vi) an assignment by way of security of all the Issuer's present and future rights under each Currency Hedge Agreement and each Interest Rate Hedge Agreement and each Currency Hedge Transaction and Interest Rate Hedge Transaction entered into thereunder (including the Issuer's rights under any guarantee or credit support annex entered into pursuant to any Currency Hedge Agreement or Interest Rate Hedge Agreement, provided that such assignment by way of security is without prejudice to, and after giving effect to, any contractual netting or set-off provision contained in the relevant Hedge Agreement and shall not in any way restrict the release of collateral granted thereunder in whole or in part at any time pursuant to the

terms thereof or any security interest entered into by the Issuer for the benefit of the relevant Hedge Counterparty);

(vii) a first fixed charge over all moneys held from time to time by the Principal Paying Agent and any other Agent for payment of principal, interest or other amounts on the Notes (if any);

(viii) an assignment by way of security of all the Issuer's present and future rights under the Collateral Management and Administration Agreement, the Agency and Account Bank Agreement, the Subscription Agreement, each Collateral Acquisition Agreement, each other Transaction Document and each Reporting Delegation Agreement, and, in each case, all sums derived therefrom; and

(ix) a floating charge over the whole of the Issuer's undertaking and assets to the extent that such undertaking and assets are not subject to any other security created pursuant to the Trust Deed,

excluding for the purpose of (i) to (ix) above, (A) the Issuer's rights under the Corporate Services Agreement; and (B) amounts standing to the credit of the Issuer Profit Account.

The security created pursuant to paragraphs (i) to (ix) above is granted to the Trustee for itself and as trustee for the Secured Parties as continuing security for the payment of the Secured Obligations provided that the security granted by the Issuer over any collateral provided to the Issuer pursuant to a Hedge Agreement will only be available to the Secured Parties (other than with respect to the collateral provided to the relevant Hedge Counterparty pursuant to such Hedge Agreement and Condition 3(j)(v) (*Counterparty Downgrade Collateral Accounts*)) when such collateral is expressed to be available to the Issuer and (if a title transfer arrangement) to the extent that no equivalent amount is owed to the Hedge Counterparty pursuant to the relevant Hedge Agreement and/or Condition 3(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 charges over, the property, assets, rights and/or benefits described above is found to be ineffective in respect of any such property, assets, rights and/or benefits (together, the "**Affected Collateral**"), the Issuer shall hold to the fullest extent permitted under Irish or any other mandatory law the benefit of the Affected Collateral and any sums received in respect thereof or any security interest, guarantee or indemnity or undertaking of whatever nature given to secure such Affected Collateral (together, the "**Trust Collateral**") on trust for the Trustee for the benefit of the Secured Parties and shall (i) account to the Trustee for or otherwise apply all sums received in respect of such Trust Collateral as the Trustee may direct (provided that, subject to the Conditions and the terms of the Collateral Management and Administration Agreement, if no Event of Default has occurred and is continuing, the Issuer shall be entitled to apply the benefit of such Trust Collateral and such sums in respect of such Trust Collateral received by it and held on trust under this paragraph without prior direction from the Trustee), (ii) exercise any rights it may have in respect of the Trust Collateral at the direction of the Trustee and (iii) at its own cost take such action and execute such documents as the Trustee may in its sole discretion require.

The Issuer may from time to time grant security:

(1) by way of a first priority security interest to a Hedge Counterparty over a Counterparty Downgrade Collateral Account and any Counterparty Downgrade Collateral deposited by such Hedge Counterparty in the relevant Counterparty Downgrade Collateral Account as security for the Issuer's obligations to make any payment and/or delivery to the relevant Hedge Counterparty pursuant to the terms of the applicable Hedge Agreement and Condition 3(j)(v) (*Counterparty Downgrade Collateral Accounts*) (subject to such security documentation as may be agreed between such third party, the Collateral Manager acting on behalf of the Issuer); and/or

(2) by way of first priority security interest over amounts representing all or part of the Unfunded Amount of any Revolving Obligation or Delayed Drawdown Collateral Obligation and deposited in its name with a third party as security for any reimbursement or indemnification

obligation of the Issuer owed to any other lender under such Revolving Obligation or Delayed Drawdown Collateral Obligation, subject to the terms of Condition 3(j)(vii) (*Unfunded Revolver Reserve Account*) (including Rating Agency Confirmation).

All deeds, documents, assignments, instruments, bonds, notes, negotiable instruments, papers and any other instruments comprising, evidencing, representing and/or transferring the Portfolio will be deposited with or held by or on behalf of the Custodian until the security over such obligations is irrevocably discharged in accordance with the provisions of the Trust Deed. 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 on substantially the same terms of the Agency and Account Bank Agreement.

Pursuant to the terms of the Trust Deed, the Trustee is exempted from any liability in respect of any loss or theft or reduction in value of the Collateral, from any obligation to insure the Collateral and from any claim arising from the fact that the Collateral is held in a clearing system or in safe custody by the Custodian, a bank or other custodian. The Trustee has no responsibility 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 Collateral Manager or to supervise the administration of the Portfolio by the Collateral Administrator or by any other party and is entitled to rely on the certificates or notices of any relevant party without enquiry or liability. The Trust Deed also provides that the Trustee shall accept without investigation, requisition or objection such right, benefit, title and interest, if any, as the Issuer may have in and to any of the Collateral and is not bound to make any investigation into the same or into the Collateral in any respect.

(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 payment set out in Condition 11 (*Enforcement*).

(c) *Limited Recourse and Non-Petition*

The obligations of the Issuer to pay amounts due and payable in respect of the Notes and to the other Secured Parties at any time shall be limited to the proceeds available at such time to make such payments in accordance with the Priorities of Payment. Notwithstanding anything to the contrary in these Conditions or any other Transaction Document, if the net proceeds of realisation of the security constituted by the Trust Deed upon enforcement thereof in accordance with Condition 11 (*Enforcement*) and the provisions of the Trust Deed or otherwise are less than the aggregate amount payable in such circumstances by the Issuer in respect of the Notes and to the other Secured Parties (such negative amount being referred to herein as a "**shortfall**"), the obligations of the Issuer in respect of the Notes of each Class and its obligations to the other Secured Parties and in such circumstances will be limited to such net proceeds, which in respect of the proceeds of enforcement of the security constituted by the Trust Deed shall be applied in accordance with the Priorities of Payment. In such circumstances, the other assets (including the Issuer Profit Account and its rights under the Corporate Services Agreement) of the Issuer will not be available for payment of such shortfall which shall be borne by the Noteholders, the Reinvesting Noteholders (if any) and the other Secured Parties in accordance with the Priorities of Payment (applied in reverse order). In such circumstances the rights of the Secured Parties to receive any further amounts in respect of such obligations shall be extinguished and none of the Noteholders of each Class or the other Secured Parties may take any further action to recover such amounts. None of the Noteholders of any Class, the Trustee, the other Secured Parties (or any other person acting on behalf of any of them) shall be entitled at any time to institute against the Issuer, or join in any institution against the Issuer of, any bankruptcy, reorganisation, arrangement, insolvency, examinership, winding up or liquidation proceedings or other proceedings under any applicable bankruptcy or similar law in connection with any obligations of the Issuer relating to the Notes of any Class, the Trust Deed or otherwise owed to the Secured Parties, save for lodging a claim in the liquidation of the Issuer which is initiated by another non-Affiliated party or taking proceedings to obtain a declaration as to the obligations of the Issuer and without limitation to the Trustee's right to

enforce and/or realise the security constituted by the Trust Deed (including by appointing a receiver or an administrative receiver).

In addition, none of the Noteholders or any of the other Secured Parties shall have any recourse against any director, shareholder or officer of the Issuer in respect of any obligations, covenants or 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 Directors, the Initial Purchaser, the Collateral Manager, the Retention Holder, the Corporate Services Provider and any Agent has any obligation to any Noteholder of any Class for payment of any amount by the Issuer in respect of the Notes of any Class.

(d) *Acquisition and Sale of Portfolio*

Prior to the Issue Date, the Issuer acquired certain Collateral Obligations, including pursuant to the Warehouse Arrangements. The Collateral Manager is required to manage the Portfolio and to act in specific circumstances in relation to the Portfolio on behalf of the Issuer pursuant to the terms of, and subject to the parameters set out in, the Collateral Management and Administration Agreement and subject to the overall supervision and control of the Issuer. The duties of the Collateral Manager, subject to the standard of care in, and the other provisions of, the Collateral Management and Administration Agreement with respect to the Portfolio include (amongst others) the use of reasonable endeavours to:

(i) purchase Collateral Obligations 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 any Counterparty Downgrade Collateral Account, the Unfunded Revolver Reserve Account, the Collection Account and the Payment Account) in Eligible Investments; and

(iii) sell certain of the Collateral Obligations and reinvest the Principal Proceeds received in Substitute Collateral Obligations in accordance with the criteria set out in the Collateral Management and Administration Agreement.

The Collateral Manager is required to monitor the Collateral Obligations with a view to seeking to determine whether any Collateral Obligation has converted into, or been exchanged for, an Exchanged Equity Security or Defaulted Obligation, provided that, if it fails to do so, it will not have any liability to the Issuer except as provided in the Collateral Management and Administration Agreement. No Noteholder shall have any recourse against any of the Issuer, the Collateral Manager, the Collateral Administrator, any other Agent or the Trustee for any loss suffered as a result of such failure.

Under the Collateral Management and Administration Agreement, the Issuer, the Controlling Class (provided such Notes are not in the form of CM Removal and Replacement Non-Voting Notes or CM Removal and Replacement Exchangeable Non-Voting Notes) and the Subordinated Noteholders have certain rights in respect of the removal of the Collateral Manager and appointment of a replacement Collateral Manager.

(e) *Exercise of Rights in Respect of the Portfolio*

Pursuant to the Collateral Management and Administration Agreement, the Issuer authorises the Collateral Manager, prior to enforcement of the security over the Collateral, to exercise all rights and remedies of the Issuer in its capacity as a holder of, or person beneficially entitled to, the Portfolio. In particular, the Collateral Manager is authorised, subject to any specific direction given by the Issuer, to attend and vote at any meeting of holders of, or other persons interested or participating in, or entitled to the rights or benefits (or a part thereof) under, the Portfolio and to give any consent, waiver, indulgence, time or notification, make any declaration or agree any composition, compounding or other similar arrangement with respect to any obligations forming part of the Portfolio.

(f) *Information Regarding the Collateral*

The Issuer shall procure that a copy of:

(i) each Monthly Report and any Payment Date Report is made available to any person that certifies (such certification to be in the form set out in the Collateral Management and Administration Agreement) to the Collateral Administrator that it is:

(A) the Trustee, the Collateral Manager, the Initial Purchaser, a Hedge Counterparty, a Rating Agency or a Noteholder; and

(B) a potential investor in the Notes or a competent authority (as determined under the Securitisation Regulation); and

(ii) following the Securitisation Regulation Reporting Effective Date only, each Portfolio Report and Investor Report is made available to each person that certifies (such certification to be in the form set out in the Collateral Management and Administration Agreement) that it is the Trustee, the Collateral Manager, the Initial Purchaser, a Hedge Counterparty, a Rating Agency, a Noteholder, a potential investor in the Notes or a competent authority (as determined under the Securitisation Regulation),

in each case, within two Business Days of publication thereof in accordance with the terms of the Collateral Management and Administration Agreement.

(g) *Securitisation Regulation*

Pursuant to the Collateral Management and Administration Agreement, the Issuer has agreed to be designated as the entity required to fulfil the EU Disclosure Requirements. The Issuer will assume all costs of complying with the EU Disclosure Requirements (including the properly incurred costs and expenses (including legal fees) of all parties incurred in connection with any amendment of the Transaction Documents for this purpose) and shall reimburse each of the Collateral Manager and the Collateral Administrator for any such costs incurred by the Collateral Manager or the Collateral Administrator in connection with the preparation and filing of such information and reports required pursuant to the provisions of the Securitisation Regulation, such costs to be paid as Administrative Expenses and/or Trustee Fees and Expenses, as applicable.

5. Covenants of and Restrictions on the Issuer

(a) *Covenants of the Issuer*

Unless otherwise provided in the Transaction Documents, the Issuer covenants to the Trustee on behalf of the holders of the Notes that, for so long as any Note remains Outstanding, that the Issuer will:

(i) take such steps as are reasonable to enforce all its rights:

(A) under the Trust Deed;

(B) in respect of the Collateral;

(C) under the Agency and Account Bank Agreement;

(D) under the Collateral Management and Administration Agreement;

(E) under the Corporate Services Agreement;

(F) under each Collateral Acquisition Agreement;

(G) under any Hedge Agreement; and

(H) under the other Transaction Documents.

(ii) comply with its obligations under the Notes, the Trust Deed, the Agency and Account Bank Agreement, the Collateral Management and Administration Agreement and each other Transaction Document to which it is a party;

(iii) keep proper books of account and records at its registered office (and maintain the same separate from those of any other Person or entity);

(iv) at all times maintain its accounts and its financial statements separate from the accounts and financial statements of any other Person or entity;

(v) at all times maintain its tax residence outside the United Kingdom and the United States and will not establish a branch, agency (other than the appointment of the Collateral Manager and the Collateral Administrator pursuant to the Collateral Management and Administration Agreement), place of business or other permanent establishment (save for the activities conducted by the Collateral Manager on its behalf) or register as a company in the United Kingdom or the United States, or elsewhere outside of Ireland, and shall not do or permit anything within its control which might result in its residence being considered to be outside Ireland for tax purposes;

(vi) maintain its central management and control and its place of effective management only in Ireland and in particular shall not be treated or deemed to be treated under any of the double taxation treaties entered into by Ireland as being resident in any other jurisdiction;

(vii) conduct its business and affairs such that, at all times:

(A) it shall maintain its registered office in Ireland;

(B) it shall hold all meetings of its board of directors in Ireland and ensure that all of its directors are resident in Ireland for tax purposes, that they will exercise their control over the business of the Issuer independently and that those directors (acting independently) exercise their authority only from and within Ireland by taking all key decisions relating to the Issuer in Ireland;

(C) it shall not open any office or branch or place of business outside of Ireland;

(D) shall ensure that its "centre of main interest" (as that term is described the European Insolvency Regulation 2015/848 (the "**Insolvency Regulation**")) is and remains at all times in Ireland and the Issuer has not and will not take any action which has caused or will cause its "centre of main interests" for the purposes of the Insolvency Regulation to be located in any jurisdiction other than Ireland and the Issuer has not and will not establish any offices, branches or other establishments or register as a company in any jurisdiction other than Ireland;

(viii) pay its debts generally as they fall due;

(ix) do all such things as are necessary to maintain its corporate existence, to conduct its own business in its own name, to hold itself out as a separate entity and to correct any known misunderstanding regarding its separate identity;

(x) use its best endeavours to obtain and maintain the listing and admission to trading on the Global Exchange Market of Euronext Dublin 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 and admission to trading for such Notes on such other stock exchange(s) as it may (with the approval of the Trustee) decide provided that any such other stock exchange is a recognised stock exchange for the purposes of Section 64 of the TCA and that the Notes will be treated as "listed on a recognised stock exchange" for the purposes of section 1005 of the Income Tax Act 2007 of the United Kingdom;

(xi) supply such information to the Rating Agencies as they may reasonably request;

(xii) ensure that its tax residence is and remains at all times only in Ireland; and

(xiii) ensure an agent is appointed to assist in creating and maintaining the Issuer's website to enable the Rating Agencies to comply with Rule 17g-5.

(b) *Restrictions on the Issuer*

Unless otherwise provided 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, that the Issuer will not:

(i) sell, factor, discount, transfer, assign, lend or otherwise dispose of any of its right, title or interest in or to the Collateral, other than in accordance with the Collateral Management and Administration Agreement, nor will it create or permit to be outstanding any mortgage, pledge, lien, charge, encumbrance or other security interest over the Collateral except in accordance with the Trust Deed, 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 the holding or managing or both the holding and managing, in each case in Ireland, of "qualifying assets" within the meaning of Section 110 of the TCA as amended of Ireland and in connection therewith shall not engage in any business other than:

(A) acquiring and holding any property, assets or rights that are capable of being effectively charged in favour of the Trustee or that are capable of being held on trust by the Issuer in favour of the Trustee under the Trust Deed;

(B) issuing and performing its obligations under the Notes;

(C) entering into, exercising its rights and performing its obligations under or enforcing its rights under the Trust Deed, the Agency and Account Bank Agreement, the Collateral Management and Administration Agreement, each Reporting Delegation 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 or agree to any amendment to any term or Condition of the Notes of any Class (save in accordance with these Conditions and the Trust Deed);

(v) agree to any amendment to any provision of, or grant any waiver or consent under, the Trust Deed, the Agency and Account Bank Agreement, the Collateral Management and Administration Agreement, the Corporate Services Agreement or any other Transaction Document to which it is a party (save in accordance with these Conditions and the Trust Deed and, in the case of the Collateral Management and Administration Agreement, the terms thereof);

(vi) guarantee or incur any indebtedness for borrowed money, other than in respect of:

(A) the Notes (including the issuance of additional Notes pursuant to Condition 17 (*Additional Issuances*)) or any document entered into in connection with the Notes or the sale thereof or any additional Notes or the sale thereof;

(B) any Refinancing; or

(C) as otherwise contemplated or permitted pursuant to the Trust Deed or the Collateral Management and Administration Agreement;

(vii) amend its constitution;

(viii) have any subsidiaries or establish any offices, branches or other "establishment" (as that term is used in article 2(h) of the Insolvency Regulations outside of Ireland;

(ix) have any employees (for the avoidance of doubt the Directors of the Issuer do not constitute employees);

(x) enter into any reconstruction, amalgamation, merger or consolidation;

(xi) convey or transfer all or a substantial part of its properties or assets (in one or a series of transactions) to any person, otherwise than as contemplated in these Conditions;

(xii) issue any shares (other than such shares as are in issue as at the Issue Date) nor redeem or purchase any of its issued share capital;

(xiii) enter into any material agreement or contract with any Person (other than an agreement on customary market terms which for the avoidance of doubt will include agreements to buy and sell obligations and documentation relating to restructurings (including steering committee indemnity letters) and any agreement with the Issuer's independent accountant), unless such contract or agreement contains "limited recourse" and "non-petition" provisions and such Person agrees that, prior to the date that is two years and one day after all the related obligations of the Issuer have been paid in full (or, if longer, the applicable preference period under applicable insolvency law), such Person shall not take any action or institute any proceeding against the Issuer under any insolvency law applicable to the Issuer or which would reasonably be likely to cause the Issuer to be subject to or seek protection of any such insolvency law; provided that such Person shall be permitted to become a party to and to participate in any proceeding or action under any such insolvency law that is initiated by any other Person other than one of its Affiliates;

(xiv) otherwise than as contemplated in the Transaction Documents, release from or terminate the appointment of the Custodian or the Account Bank under the Agency and Account Bank Agreement or the Collateral Manager or the Collateral Administrator under the Collateral Management and Administration Agreement (including, in each case, any transactions entered into thereunder) or, in each case, any executory obligation thereunder;

(xv) comingle its assets with those of any other Person or entity;

(xvi) make any election within the meaning of Section 110(6) of the TCA without the prior written consent of the Trustee;

(xvii) take any action, or permit any action to be taken, which would cause it to cease to be a "qualifying company" within the meaning of Section 110 of the TCA;

(xviii) enter into any lease in respect of, or own, premises;

(xix) enter into any transaction or arrangement otherwise than by way of a bargain made at arm's length;

(xx) have any Affiliates or, if it does have any Affiliates, enter into any transactions or arrangements with any of such Affiliates on anything other than arm's length terms; or

(xxi) make an election to change its classification for U.S. federal income tax purposes.

6. Interest

(a) *Payment Dates*

(i) *Rated Notes*

The Rated Notes each bear interest from (and including) the Issue Date and such interest will be payable (A) in the case of interest accrued during the initial Accrual Period, for the period from (and including) the Issue Date to (but excluding) the Payment Date falling on or about 15 January 2020, (B) thereafter, at any time prior to the occurrence of a Frequency Switch Event, quarterly and (C) at any time following the occurrence of a Frequency Switch Event, semi-annually, in each case, for the period from (and including) the preceding Payment Date (or in the case of the first Payment Date, the Issue Date) to (but excluding) the following Payment Date and in each case in arrear on each Payment Date.

(ii) *Subordinated Notes*

Senior Class M-2 Interest Amounts and Subordinated Class M-2 Interest Amounts shall accrue in respect of the Class M-2 Subordinated Notes and Senior Class M-3 Interest Amounts and Subordinated Class M-3 Interest Amounts shall accrue in respect of the Class M-3 Subordinated Notes, in each case 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 on or about 15 January 2020, (B) thereafter, at any time prior to the occurrence of a Frequency Switch Event, quarterly; and (C) at any time following the occurrence of a Frequency Switch Event, semi-annually, in each case in arrear on each Payment Date. Notwithstanding the foregoing, if a Distribution Switch Event occurs, Senior Class M-2 Interest Amounts, Subordinated Class M-2 Interest Amounts, Senior Class M-3 Interest Amounts and the Subordinated Class M-3 Interest Amounts shall cease to accrue and be payable, as set out in Condition 6(f) (*Determinations in respect of the Subordinated Notes*).

The Class M-2 Subordinated Noteholders and the Class M-3 Subordinated Noteholders will also be entitled to an IRR Class M-2 Amount or an IRR Class M-3 Amount, respectively, on each Payment Date on which the IRR Threshold has been met or surpassed in accordance with paragraph (CC) of the Interest Priority of Payments, paragraph (T) of the Principal Priority of Payments and paragraph (W) of the Post-Acceleration Priority of Payments (as applicable).

Residual distributions shall be payable on the Class M-1 Subordinated Notes and the Class M-2 Subordinated Notes to the extent funds are available in accordance with paragraph (DD) of the Interest Priority of Payments, paragraph (U) of the Principal Priority of Payments and paragraph (X) of the Post-Acceleration Priority of Payments on each Payment Date or other relevant payment date and shall continue to be payable in accordance with this Condition 6 (*Interest*) notwithstanding redemption in full of any Subordinated Note at its applicable Redemption Price.

Notwithstanding any other provision of these Conditions or the Trust Deed, all references herein and therein to the Subordinated Notes being redeemed in full or at their Principal Amount Outstanding shall be deemed to be amended to the extent required to ensure that a minimum of €1 principal amount of each such Class of Notes remains Outstanding at all times and any amounts which are to be applied in redemption of each such Class of Notes pursuant hereto which are in excess of the Principal Amount Outstanding thereof minus €1 shall constitute interest payable in respect of such Notes and shall not be applied in redemption of the Principal Amount Outstanding thereof, provided always however that such €1 principal shall no longer remain Outstanding and each such Class of Notes shall be redeemed in full on the date on which all of the Collateral securing the Notes has been realised and is to be finally distributed to the Noteholders.

If the aggregate of income and gains earned by the Issuer during an accounting period exceeds the costs and expenses accrued for that period, such excess shall accrue as additional interest on the Subordinated Notes but shall only be payable on any Payment Date or other payment

date following payment in full of amounts payable pursuant to the Priorities of Payment on such Payment Date or other payment date.

(b) *Interest Accrual*

(i) *Rated Notes*

Each Rated Note (or, as the case may be, the relevant part thereof due to be redeemed) will cease to bear interest from the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused. In such event, it shall continue to bear interest in accordance with this Condition 6 (*Interest*) (both before and after judgment) until whichever is the earlier of (A) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (B) the day following seven days after the Trustee or the Principal Paying Agent has notified the Noteholders of such Class of Notes in accordance with Condition 16 (*Notices*) of receipt of all sums due in respect of all the Notes of such Class up to that seventh day (except to the extent that there is failure in the subsequent payment to the relevant holders under these Conditions).

(ii) *Subordinated Notes*

Interest Amounts, IRR Class M-2 Amounts, IRR Class M-3 Amounts and residual distributions on the Class M-1 Subordinated Notes and the Class M-2 Subordinated Notes will cease to be payable in respect of each Subordinated Note upon the date that all of the Collateral has been realised and no Interest Proceeds or Principal Proceeds or, where applicable, other net proceeds of enforcement of the security over the Collateral remain available for distribution in accordance with the Priorities of Payment.

(c) *Deferral of Interest*

The Issuer shall, and shall only be obliged to, pay any Interest Amount payable in respect of the Rated Notes in full on any Payment Date in each case to the extent that there are Interest Proceeds or Principal Proceeds available for payment thereof in accordance with the Priorities of Payment.

In the case of the Class C Notes, the Class D Notes, the Class E Notes or the Class F Notes, unless such Class of Notes is the Controlling Class and a Frequency Switch Event has occurred an amount of interest equal to any shortfall in payment of the Interest Amount which would, but for the first paragraph of this Condition 6(c) (*Deferral of Interest*) otherwise be due and payable in respect of such Class of Notes on any Payment Date (each such amount being referred to as "**Deferred Interest**") will not be payable on such Payment Date, but will be added to the Principal Amount Outstanding of such Class of Notes 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 Class of Notes will not be an Event of Default until the Maturity Date or any earlier date on which the Notes are to be redeemed in full. If the relevant Class of Notes is the Controlling Class and a Frequency Switch Event has occurred such unpaid interest will not be added to the Principal Amount Outstanding of such Class of Notes and shall remain payable as interest, and the failure to pay such interest shall be an Event of Default upon the expiry of the relevant grace period specified 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 relevant paragraphs of the Interest Priority of Payments, the Principal Priority of Payments and the Post-Acceleration Priority of Payments and under the Note Payment Sequence in each place specified in the Priorities of Payment, to the extent that Interest Proceeds or Principal Proceeds, as applicable, or, where applicable, other net proceeds of enforcement of the security over the Collateral, are available to make such payment in accordance with the Priorities of Payment (and, if applicable, the Note Payment Sequence). Deferred Interest on the Class C Notes, the Class D Notes, the Class E Notes and/or the Class F Notes, as applicable, will be added to the Principal Amount Outstanding of the relevant Class. An amount equal to any such Deferred Interest so paid shall be subtracted from the principal amount of the Class C Notes, the Class D Notes, the Class E Notes and/or the Class F Notes, as applicable.

(e) *Interest on the Rated Notes*

(i) Floating Rate of Interest

The rate of interest (each a "**Rate of Interest**") from time to time in respect of the Class X Notes (the "**Class X Rate of Interest**"), the Class A Notes (the "**Class A Rate of Interest**"), the Class B-1 Notes (the "**Class B-1 Rate of Interest**"), the Class C Notes (the "**Class C Rate of Interest**"), the Class D Notes (the "**Class D Rate of Interest**"), the Class E Notes (the "**Class E Rate of Interest**") and the Class F Notes (the "**Class F Rate of Interest**") will be determined by the Calculation Agent on the following basis:

(A) On each Interest Determination Date

(1) in the case of the initial Accrual Period, the Calculation Agent will determine a straight line interpolation of the offered rate for 6-month and 12-month Euro deposits;

(2) in the case of an Accrual Period prior to the occurrence of a Frequency Switch Event, the Calculation Agent will determine the offered rate for 3-month Euro deposits; and

(3) in the case of an Accrual Period following the occurrence of a Frequency Switch Event, the Calculation Agent will determine the offered rate for 6-month Euro deposits or, in the case of the Accrual Period from, and including, the final Payment Date before the Maturity Date to, but excluding, the Maturity Date, if such first mentioned Payment Date falls in April 2032, the Calculation Agent will determine the offered rate for 3-month Euro deposits,

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 X Rate of Interest, the Class A Rate of Interest, the Class B-1 Rate of Interest, the Class C Rate of Interest, the Class D Rate of Interest, the Class E Rate of Interest and the Class F Rate of Interest for each Accrual Period shall be the aggregate of the Applicable Margin (as defined below) and the applicable rate referred to in paragraph (A) above, in each case as determined by the Calculation Agent.

If the offered rate so appearing is replaced by the corresponding rates of more than one bank then paragraph (A) shall be applied, with any necessary consequential changes, to the arithmetic mean (rounded, if necessary, to the nearest one hundred thousandth of a percentage point (with 0.000005 being rounded upwards)) of the rates (being at least two) which so appear, as determined by the Calculation Agent. If for any other reason such offered rate does not so appear, or if the relevant page is unavailable, the Calculation Agent will request each of four Reference Banks (selected by the Issuer) to provide the Calculation Agent with its offered quotation to leading banks for Euro deposits:

(1) in the case of the initial Accrual Period, for a straight line interpolation of the offered quotation for 6-month and 12-month Euro deposits;

(2) in the case of an Accrual Period prior to the occurrence of a Frequency Switch Event, for a period of 3 months; and

(3) in the case of an Accrual Period following the occurrence of a Frequency Switch Event, for a period of 6 months or, in the case of the Accrual Period from, and including, the final Payment Date before the Maturity Date to, but excluding, the Maturity Date, if such first mentioned Payment Date falls in

April 2032, for a period of 3 months (as determined by the Calculation Agent),

in each case, as at 11.00 am (Brussels time) on the Interest Determination Date in question. The Class X Rate of Interest, the Class A Rate of Interest, the Class B-1 Rate of Interest, the Class C Rate of Interest, the Class D Rate of Interest, the Class E Rate of Interest and the Class F Rate of Interest for such Accrual Period shall be the aggregate of the Applicable Margin (if any) and the arithmetic mean, in each case, (rounded, if necessary, to the nearest one hundred thousandth of a percentage point (with 0.000005 being rounded upwards)) of, in respect of (i) the initial Accrual Period; the quotations referred to in paragraph (1) above, (ii) each 3-month Accrual Period, the quotations referred to in paragraph (2) above or paragraph (3) above (as applicable) or (iii) each 6-month Accrual Period, the quotations referred to in paragraph (3) above, all as determined by the Calculation Agent.

(B) If on any Interest Determination Date one only or none of the Reference Banks provides such quotations in respect of a EURIBOR determination, the Class X Rate of Interest, the Class A Rate of Interest, the Class B-1 Rate of Interest, the Class C Rate of Interest, the Class D Rate of Interest, the Class E Rate of Interest and the Class F Rate of Interest for the next Accrual Period shall remain the Class X Rate of Interest, the Class A Rate of Interest, the Class B-1 Rate of Interest, the Class C Rate of Interest, the Class D Rate of Interest, the Class E Rate of Interest and the Class F Rate of Interest, as applicable, in each case in effect as at the immediately preceding Accrual Period.

(C) Where:

"**Applicable Margin**" means:

(a) in respect of the Class X Notes, 0.60 per cent. per annum;

(b) in respect of the Class A Notes, 1.11 per cent. per annum;

(c) in respect of the Class B-1 Notes, 1.80 per cent. per annum;

(d) in respect of the Class C Notes, 2.40 per cent. per annum;

(e) in respect of the Class D Notes., 3.55 per cent. per annum;

(f) in respect of the Class E Notes, 5.55 per cent. per annum;

(g) in respect of the Class F Notes, 7.90 per cent. per annum.

(D) Notwithstanding paragraphs (A) and (B) above if in relation to any Interest Determination Date EURIBOR in respect of any Class of Rated Notes as determined in accordance with paragraphs (A) and (B) above would yield a rate less than zero, such EURIBOR rate shall be deemed to be zero for the purposes of determining the floating rate of interest pursuant to this Condition 6(e)(i) (Floating Rate of Interest).

(ii) *Determination of Floating Rate of Interest and Calculation of Interest Amount*

The Calculation Agent will, as soon as practicable after 11.00 am (Brussels time) on each Interest Determination Date, but in no event later than the Business Day after such date, determine the Rates of Interest to be determined on such Interest Determination Date and calculate the interest amount payable in respect of original principal amounts of the Floating Rate Notes equal to the Authorised Integral Amount applicable thereto for the relevant Accrual Period. The Interest Amount payable in respect of each Authorised Integral Amount applicable to any such Floating Rate Notes shall be calculated by applying the relevant Rate of Interest 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 Rated Note remains Outstanding:

(1) 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

(2) in the event that the Class X Rate of Interest, the Class A Rate of Interest, the Class B-1 Rate of Interest, the Class C Rate of Interest, the Class D Rate of Interest, the Class E Rate of Interest and the Class F Rate of Interest are to be calculated by Reference Banks pursuant to paragraph (B) of Condition 6(e)(i) (*Floating Rate of Interest*), that the number of Reference Banks required pursuant to such paragraph (B) are requested to provide a quotation.

If the Calculation Agent is unable or unwilling to continue to act as the Calculation Agent for the purpose of calculating interest hereunder or fails duly to establish any 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) *Determinations in respect of the Subordinated Notes*

In respect of the Class M-2 Subordinated Notes and the Class M-3 Subordinated Notes, the Collateral Administrator will calculate (i) each Interest Amount payable in accordance with paragraph (E) of the Interest Priority of Payments or paragraph (D) of the Post-Acceleration Priority of Payments (in respect of the Class M-2 Subordinated Notes, a "**Senior Class M-2 Interest Amount**" and, in respect of the Class M-3 Subordinated Notes, a "**Senior Class M-3 Interest Amount**") and (ii) each Interest Amount payable in accordance with paragraph (X) of the Interest Priority of Payments or paragraph (R) of the Post-Acceleration Priority of Payments (in respect of the Class M-2 Subordinated Notes, a "**Subordinated Class M-2 Interest Amount**" and, in respect of the Class M-3 Subordinated Notes, a "**Subordinated Class M-3 Interest Amount**"being

(i) in the case of the Senior Class M-2 Interest Amount, an amount equal to the Class M-2 Distribution Percentage (on the date of determination of the Senior Class M-2 Interest Amount) of the Senior Distribution Amount, provided that if a Distribution Switch Event has occurred prior to the time of determination the Senior Class M-2 Interest Amount shall be zero;

(ii) in the case of the Senior Class M-3 Interest Amount, an amount equal to the Class M-3 Distribution Percentage of the Senior Distribution Amount, provided that if a Distribution Switch Event has occurred prior to the time of determination the Senior Class M-3 Interest Amount shall be zero;

(iii) in the case of the Subordinated Class M-2 Interest Amount, its pro rata share of an amount equal to the Class M-2 Distribution Percentage of the Subordinated Distribution Amount, provided that if a Distribution Switch Event has occurred prior to the time of determination the Subordinated Class M-2 Interest Amount shall be zero; and

(iv) in the case of the Subordinated Class M-3 Interest Amount, its pro rata share of an amount equal to the Class M-3 Distribution Percentage of the Subordinated Distribution Amount, provided that if a Distribution Switch Event has occurred prior to the time of determination the Subordinated Class M-3 Interest Amount shall be zero,

in each case, rounding the resultant figure to the nearest €0.01 (€0.005 being rounded upwards) and with each Class M-2 Subordinated Note or Class M-3 Subordinated Note entitled to its pro rata share of any such amount, as applicable.

The Class M-2 Subordinated Noteholders will be entitled to an IRR Class M-2 Amount and the Class M-3 Subordinated Noteholders will be entitled to an IRR Class M-3 Amount, in each case on each Payment Date for which the IRR Threshold has been met or surpassed.

In respect of Class M-1 Subordinated Notes and the Class M-2 Subordinated Notes, the Collateral Administrator will as of each Determination Date calculate the Interest Proceeds payable to the extent of available funds in respect of an original principal amount of Subordinated Notes equal to the Authorised Integral Amount applicable thereto for the relevant Accrual Period. The Interest Proceeds payable on each Payment Date in respect of an original principal amount of Subordinated Notes equal to the Authorised Integral Amount applicable thereto shall be calculated by multiplying the amount of Interest Proceeds to be applied on the Subordinated Notes on the applicable Payment Date pursuant to paragraph (DD) of the Interest Priority of Payments, paragraph (U) of the Principal Priority of Payments and paragraph (X) 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 the Subordinated Notes.

Any due and unpaid Interest Amounts in respect of the Class M-2 Subordinated Notes or the Class M-3 Subordinated Notes (excluding any Deferred Senior Class M-2 Amounts, Deferred Senior Class M-3 Amounts, Deferred Subordinated Class M-2 Amounts or Deferred Subordinated Class M-3 Amounts) shall accrue interest at a rate per annum equal to three-month EURIBOR or, if a Frequency Switch Event has occurred, six-month EURIBOR (in each case calculated on the basis of a 360 day year consisting of twelve 30 day months from the date due and payable to the date of actual payment).

(g) *Publication of Rates of Interest, Interest Amounts and Deferred Interest*

The Calculation Agent (and, in respect of the Class M-2 Subordinated Notes and the Class M-3 Subordinated Notes, upon receipt of such information from the Collateral Administrator) will cause the Rate of Interest or the Interest Amounts payable in respect of each Class of Rated Notes, the Class M-2 Subordinated Notes and the Class M-3 Subordinated 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 Collateral 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 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. Interest Amounts or the Payment Date in respect of any Class so published may subsequently be amended (or appropriate alternative arrangements made with the consent of the Trustee by way of adjustment) without notice in the event of an extension or shortening of the Accrual Period. If any of the Notes become due and payable under Condition 10 (*Events of Default*), interest shall nevertheless continue to be calculated as previously by the Calculation Agent in accordance with this Condition 6 (*Interest*) but no publication of the applicable Interest Amounts shall be made unless the Trustee so determines.

(h) *Interest on Fixed Rate Notes*

The Class B-2 Notes bear interest at the rate of 2.45 per cent. per annum (the "**Fixed Rate of Interest**"). The amount of interest ("**Interest Amount**") payable in respect of each Authorised Integral Amount applicable to any such Notes shall be calculated by applying the Fixed Rate of Interest to an amount equal to such Authorised Integral Amount, multiplying the product by the actual number of days in the Accrual Period concerned (the number of days to be calculated on the basis of a year of 360 days with 12 months of 30 days each) divided by 360 and rounding the resultant figure to the nearest €0.01 (€0.005 being rounded upwards).

(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, in respect of the Subordinated Notes, the Collateral Administrator, 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 no liability to the Issuer or the Noteholders of any Class shall attach to the Reference Banks, the Calculation Agent or the Collateral Administrator 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 (U) of the Principal Priority of Payments. Notes may not be redeemed other than in accordance with this Condition 7 (*Redemption and Purchase*).

(b) *Optional Redemption*

(i) *Optional Redemption in Whole – Subordinated Noteholders*

Subject to the provisions of Condition 7(b)(iv) (*Terms and Conditions of an Optional Redemption*) and Condition 7(b)(v) (*Optional Redemption effected in whole or in part through Refinancing*) and Condition 7(b)(vi) (*Optional Redemption effected through Liquidation only*), the Rated Notes may be redeemed in whole but not in part by the Issuer at the applicable Redemption Prices:

(A) on any Business Day falling on or after expiry of the Non-Call Period at the option of the holders of the Subordinated Notes acting by way of Ordinary Resolution (with duly completed Redemption Notices); 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 – Collateral Manager / Subordinated Noteholders*

Subject to the provisions of Condition 7(b)(iv) (*Terms and Conditions of an Optional Redemption*) and Condition 7(b)(v) (*Optional Redemption effected in whole or in part through Refinancing*), 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 (A) at the direction of the Subordinated Noteholders (acting by Ordinary Resolution) or (B) at the written direction of the Collateral Manager, in either case at least 30 days prior to the Redemption Date, to redeem such Class of Rated Notes subject to the consent of the Collateral Manager. No such Optional Redemption may occur unless the Rated Notes to be redeemed represent the entire Class of such Rated Notes.

(iii) *Optional Redemption in Whole - Clean-up Call*

Subject to the provisions of Conditions 7(b)(iv) (*Terms and Conditions of an Optional Redemption*) and 7(b)(vi) (*Optional Redemption effected through Liquidation only*), the Rated Notes shall be redeemed in whole but not in part by the Issuer, at the applicable Redemption Prices, from Sale Proceeds on any Business Day falling on or after expiry of the Non-Call

Period if, upon or at any time following the expiry of the Non-Call Period, the Aggregate Principal Balance is less than 20 per cent. of the Target Par Amount if so directed in writing by the Collateral Manager.

(iv) *Terms and Conditions of an Optional Redemption*

In connection with any Optional Redemption:

(A) the Issuer shall procure that at least 30 days' prior written notice of such Optional Redemption (but stating that such redemption is subject to satisfaction of the conditions set out in this Condition 7 (*Redemption and Purchase*), including the applicable Redemption Date, and the relevant Redemption Price therefor, is given to the Trustee, each Hedge Counterparty and the Noteholders in accordance with Condition 16 (*Notices*));

(B) the Rated Notes to be redeemed shall be redeemed at their applicable Redemption Prices (subject, in the case of an Optional Redemption of the Rated Notes in whole, to the right of holders of 100 per cent. of the aggregate Principal Amount Outstanding of any Class of Rated Notes to elect to receive less than 100 per cent. of the Redemption Price that would otherwise be payable to the holders of such Class of Rated Notes). Such right shall be exercised by delivery by each holder of the relevant Class of Rated Notes of a written direction confirming such holder's election to receive less than 100 per cent. of the Redemption Price that would otherwise be payable to it, together with evidence of their holding to the Issuer and the Collateral Manager no later than 30 days (or such shorter period of time as may be agreed by the Trustee and the Collateral Manager) 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 – Collateral Manager / Subordinated Noteholders*) 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 either (A) receipt of, or, as the case may be, confirmation from the Principal Paying Agent of receipt of, a direction in writing from the Subordinated Noteholders (acting by way of Ordinary Resolution) to exercise any right of optional redemption pursuant to Condition 7(b)(i) (*Optional Redemption in Whole – Subordinated Noteholders*) or Condition 7(b)(ii) (*Optional Redemption in Part – Collateral Manager / Subordinated Noteholders*), or (B) the written direction from the Collateral Manager to exercise any right of optional redemption pursuant to Condition 7(b)(ii) (*Optional Redemption in Part – Collateral Manager / Subordinated Noteholders*), the Issuer may:

(A) in the case of a redemption in whole of all Classes of Rated Notes (1), enter into a loan (as borrower thereunder) with one or more financial institutions; or (2) issue replacement notes; and

(B) in the case of a redemption in part of the entire Class of a Class of Rated Notes, issue replacement notes (each, a "**Refinancing Obligation**"),

whose terms in each case will be negotiated by the Collateral Manager on behalf of the Issuer (any such refinancing, a "**Refinancing**"). Subject to Condition 14 (*Meetings of Noteholders, Modification, Waiver and Substitution*), the terms of any Refinancing in whole (including, but not limited to, any extension of the Maturity Date of the Subordinated Notes, any extension or reinstatement of the Non-Call Period and any extension to the Weighted Average Life Test, and any consequential amendments) are subject to the prior written consent of the Collateral Manager and the Subordinated Noteholders (acting by Ordinary Resolution) and each

Refinancing is required to satisfy the conditions described in this Condition 7(b)(v) (*Optional Redemption effected in whole or in part through Refinancing*).

Refinancing Proceeds may be applied in addition to (or in place of) Sale Proceeds in the redemption of the Rated Notes in whole pursuant to Condition 7(b)(i) (*Optional Redemption in Whole – Subordinated Noteholders*). In addition, Refinancing Proceeds may be applied in the redemption of the Rated Notes in part by Class pursuant to Condition 7(b)(ii) (*Optional Redemption in Part – Collateral Manager / Subordinated Noteholders*).

(C) Refinancing in relation to a Redemption in Whole

In the case of a Refinancing in relation to the redemption of the Rated Notes in whole but not in part pursuant to Condition 7(b)(i) (*Optional Redemption in Whole – Subordinated Noteholders*) as described above, such Refinancing will be effective only if:

(1) the Issuer provides prior written notice thereof to Moody's, Fitch and each Hedge Counterparty;

(2) all Refinancing Proceeds, all Sale Proceeds, if any, from the sale of Collateral Obligations and Eligible Investments and all other available funds will be at least sufficient to pay any Refinancing Costs (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 to the Subordinated Notes pursuant to the Priorities of Payment (subject to any election to receive less than 100 per cent. of the Redemption Price) on such Redemption Date when applied in accordance with the Post-Acceleration Priority of Payments;

(3) all Principal Proceeds, Refinancing Proceeds, Sale Proceeds, if any, and other available funds are used (to the extent necessary) to make such redemption;

(4) each agreement entered into by the Issuer in respect of such Refinancing contains limited recourse and non-petition provisions substantially the same as those contained in the Trust Deed; and

(5) all Refinancing Proceeds and all Sale Proceeds, if any, from the sale of Collateral Obligations and Eligible Investments are received by (or on behalf of) the Issuer on or prior to the applicable Redemption Date,

in each case, as confirmed in writing to the Issuer and the Trustee by the Collateral Manager (upon which confirmation the Trustee shall be entitled to rely absolutely and without enquiry or liability).

(D) Refinancing in relation to a Redemption in Part

In the case of a Refinancing in relation to a redemption of the Rated Notes in part by Class pursuant to Condition 7(b)(ii) (*Optional Redemption in Part – Collateral Manager / Subordinated Noteholders*), such Refinancing will be effective only if:

(1) the Issuer provides prior written notice thereof to Moody's, Fitch and each Hedge Counterparty;

(2) the Refinancing Obligations are in the form of notes;

(3) any redemption of a Class of Notes is a redemption of the entire Class which is subject to the redemption;

(4) the sum of (A) the Refinancing Proceeds and (B) the amount of Interest Proceeds standing to the credit of the Interest Account in excess of the aggregate amount of Interest Proceeds which would be applied in accordance with the Interest Priority of Payments prior to paying any amount in respect of the Subordinated Notes, will be at least sufficient to pay in full: (a) the aggregate Redemption Prices of the entire Class or Classes of Rated Notes subject to the Optional Redemption; plus (b) accrued and unpaid Trustee Fees and Expenses and Administrative Expenses in connection with such Refinancing;

(5) the Refinancing Proceeds are used (to the extent necessary) to make such redemption;

(6) each agreement entered into by the Issuer in respect of such Refinancing contains limited recourse and non-petition provisions substantially the same as those contained in the Trust Deed;

(7) the aggregate principal amount of the Refinancing Obligations for each Class is equal to the aggregate Principal Amount Outstanding of such Class of Notes being redeemed with the Refinancing Proceeds;

(8) the maturity date of each class of Refinancing Obligation is the same as the Maturity Date of the Class or Classes of Notes being redeemed with the Refinancing Proceeds;

(9) the interest rate of any Refinancing Obligations may be different to but will not be greater than the interest rate of the Class of Rated Notes subject to such Optional Redemption in respect of the Refinancing;

(10) payments in respect of the Refinancing Obligations are subject to the Priorities of Payment and rank at the same priority pursuant to the Priorities of Payment as the relevant Class or Classes of Rated Notes being redeemed;

(11) the voting rights, consent rights, redemption rights (other than any modification to remove the right of the Subordinated Noteholders or any other party to direct the Issuer to redeem by financing the Refinancing Obligations) and all other rights of the Refinancing Obligations are the same as the rights of the corresponding Class of Rated Notes being redeemed; and

(12) all Refinancing Proceeds are received by (or on behalf of) the Issuer on or prior to the applicable Redemption Date,

in each case, as confirmed in writing to the Issuer and the Trustee by the Collateral Manager (upon which confirmation the Trustee shall be entitled to rely absolutely and without enquiry or liability).

If, in relation to a proposed optional redemption of the Notes (in part or in whole, as applicable), any of the relevant conditions specified in this Condition 7(b)(v) (*Optional Redemption effected in whole or in part through Refinancing*) are not satisfied, the Issuer shall cancel the relevant redemption of the Notes and shall give notice of such cancellation to the Trustee, the Collateral Manager, the Rating Agencies and the Noteholders in accordance with Condition 16 (*Notices*).

None of the Issuer, the Collateral Manager, the Collateral Administrator or the Trustee shall be liable to any party, including the Subordinated Noteholders, for any failure to obtain a Refinancing.

(E) Consequential Amendments

Following a Refinancing, the Trustee shall, subject always to the provisions of Condition 14(c) (*Modification and Waiver*), agree to the modification of the Trust Deed and the other Transaction Documents to the extent which the Issuer (or the Collateral Manager on its behalf) certifies (upon which certification the Trustee shall be entitled to rely absolutely and without enquiry or liability) is necessary to reflect the terms of, or in order to facilitate or otherwise in connection with, the Refinancing (including any modification to remove the right of the Subordinated Noteholders or any other party to direct the Issuer to redeem by refinancing the Class(es) of Notes subject to a Refinancing). No further consent for such amendments shall be required from the holders of Notes.

The Trustee will not be obliged to enter into any modification that, in its opinion, would (i) have the effect of exposing the Trustee to any liability against which it has not been indemnified and/or secured and/or prefunded to its satisfaction or (ii) add to or increase the obligations, liabilities, duties or decrease the rights, powers, discretions, authorisations, indemnities or protections of the Trustee in respect of any Transaction Document, and the Trustee will be entitled to conclusively rely upon an officer's certificate 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 (or the Collateral Manager on its behalf) to the effect that such amendment meets the requirements specified above and is permitted under the Trust Deed without the consent of the holders of the Notes (except that such officer or counsel will have no obligation to certify or opine as to the sufficiency of the Refinancing Proceeds).

(vi) *Optional Redemption effected through Liquidation only*

Following receipt of notice from the Issuer or, as the case may be, of confirmation from the Principal Paying Agent of (i) a direction in writing from the Subordinated Noteholders (acting by way of Ordinary Resolution (with duly completed Redemption Notices)), (ii) a direction in writing from the Controlling Class (acting by way of Ordinary Resolution (with duly completed Redemption Notices)) and/or (iii) direction from the Collateral Manager, as applicable as the case may be, to exercise any right of optional redemption pursuant to this Condition 7(b) (*Optional Redemption*) or Condition 7(g) (*Redemption Following Note Tax Event*) to be effected solely through the liquidation or realisation of the Collateral, the Collateral Administrator shall, as soon as practicable, and in any event not later than 15 Business Days prior to the scheduled Redemption Date (the "**Redemption Determination Date**"), provided that the Collateral Administrator has received such notice or confirmation at least 20 Business Days prior to the scheduled Redemption Date, calculate the Redemption Threshold Amount in consultation with the Collateral Manager. The Collateral Manager or any Collateral Manager Related Person will be permitted to purchase Collateral Obligations in the Portfolio where the Noteholders exercise their right of early redemption pursuant to this Condition 7(b) (*Optional Redemption*) or Condition 7(g) (*Redemption Following Note Tax Event*).

The Notes shall not be optionally redeemed where such Optional Redemption is to be effected solely through the liquidation or realisation of the Portfolio unless:

(A) at least five Business Days before the scheduled Redemption Date (or such shorter date as agreed between the Collateral Manager and the Issuer and for the avoidance of doubt, no consent in respect of a shorter period shall be required from the Trustee) the Collateral Manager shall have furnished to the Trustee a certificate signed by an officer of the Collateral Manager (upon which the Trustee may rely absolutely and without enquiry or liability) that the Collateral Manager on behalf of the Issuer has entered into a binding agreement or agreements with either (i) 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" (in the case of a financial institution) or "A+" (in the case of a non-financial institution) by Fitch or, if it does not have a long-term issuer credit rating by Fitch, a short-term issuer credit rating of at least "F1" by Fitch, or if it does not have such short-term rating, a long-term issuer credit rating or at least "A+" by Fitch, or (y) in respect of which a Rating Agency Confirmation from Fitch has been obtained) or (ii) subject to the receipt of Rating Agency Confirmation from Fitch, a bankruptcy remote special purpose vehicle that is a fund, account, collateralised loan obligation issuer or warehouse entity managed by the Collateral Manager or its Affiliates, in each case with sufficient available funding capacity 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 and, without double counting, amounts standing to the credit of the Accounts that will be available for payment in accordance with the Post-Acceleration Priority of Payments on the scheduled Redemption Date, to meet the Redemption Threshold Amount;

(B) at least the Business Day before the scheduled Redemption Date, the Issuer shall have received proceeds of disposition of all or part of the Portfolio at least sufficient, together with the Eligible Investments maturing, redeemable or putable to the issuer thereof at par on or prior to the scheduled Redemption Date and, without double counting, amounts standing to the credit of the Accounts that will be available for payment in accordance with the Post-Acceleration Priority of Payments on the scheduled Redemption Date, to meet the Redemption Threshold Amount, provided that, if the Issuer has received funds from a purchaser of one or more Collateral Obligations (in whole or in part), but such Collateral Obligations have not yet been disposed of by transfer of legal title, such funds will be included within the calculation of whether the Redemption Threshold Amount has been met; and

(C) prior to selling any Collateral Obligations and/or Eligible Investments, the Collateral Manager confirms in writing to the Trustee that, in its judgment, the aggregate sum of (A) expected proceeds from the sale of Eligible Investments, (B) for each Collateral Obligation, the product of its Principal Balance and its Market Value and (C) without double counting, amounts standing to the credit of the Accounts that will be available for payment in accordance with the Post-Acceleration Priority of Payments on the scheduled Redemption Date, shall meet or exceed the Redemption Threshold Amount.

Any certification delivered by the Collateral Manager pursuant to this Condition 7(b)(vi) (*Optional Redemption effected through Liquidation only*) must include (1) the prices of, and expected proceeds from, the sale (directly or by participation or other arrangement) of any Collateral Obligations and/or Eligible Investments, (2) amounts standing to the credit of the Accounts which would be applied in accordance with the Post-Acceleration Priority of Payments if the Notes fell due for redemption in full and (3) all calculations required by this Condition 7(b) (*Optional Redemption*) or Condition 7(g) (*Redemption Following Note Tax Event*) (as applicable). Any Noteholder, the Collateral Manager or any Collateral Manager Related Person shall have the right, subject to the same terms and conditions afforded to other bidders, to bid on Collateral Obligations to be sold as part of an Optional Redemption pursuant to this Condition 7(b)(vi) (*Optional Redemption effected through Liquidation only*).

If any of the conditions (A) to (C) above are not satisfied, the Issuer shall cancel the redemption of the Notes and shall give notice of such cancellation to the Trustee, the Collateral Manager, the Rating Agencies and the Noteholders in accordance with Condition 16 (*Notices*). Such cancellation shall not constitute an Event of Default.

The Trustee shall rely absolutely and without enquiry or liability on any confirmation or certificate of the Issuer or the Collateral Manager furnished by it pursuant to or in connection with this Condition 7(b) (*Optional Redemption*).

(vii) *Mechanics of Redemption*

Following calculation by the Collateral Administrator of the relevant Redemption Threshold Amount (in consultation with the Collateral Manager), if applicable, the Collateral Administrator shall make such other calculations as it is required to make pursuant to the Collateral Management and Administration Agreement and shall notify the Issuer, the Trustee, the Collateral Manager and the Principal Paying Agent (who shall notify the Noteholders in accordance with Condition 16 (*Notices*) of such amounts).

The option of the Subordinated Noteholders and the Controlling Class pursuant to Condition 7(b) (*Optional Redemption*) and Condition 7(g) (*Redemption Following Note Tax Event*) may be exercised by the Subordinated Noteholders or the Controlling Class (as applicable) giving notice to the Principal Paying Agent of the principal amount of Subordinated Notes or Notes representing the Controlling Class (as applicable) in respect of which the option is exercised and presenting the relevant Definitive Certificate(s) and/or Global Certificate(s) for endorsement of exercise within the time limit specified in Condition 7(b) (*Optional Redemption*).

Any exercise of a right of Optional Redemption by the Subordinated Noteholders pursuant to this Condition 7(b) (*Optional Redemption*) or the Controlling Class or the Subordinated Noteholders pursuant to Condition 7(g) (*Redemption Following Note Tax Event*) shall, in each case be effected by way of Ordinary Resolution and delivery to the Principal Paying Agent, by the requisite amount of Subordinated Noteholders or the requisite amount of Notes comprising the Controlling Class (as applicable) held thereby of duly completed Redemption Notices not less than 30 days (or such shorter period of time as the Trustee and the Collateral Manager find acceptable) prior to the proposed Redemption Date. No Redemption Notice so delivered or any direction given by the Collateral Manager may be withdrawn without the prior consent of the Issuer. The Registrar shall copy each Redemption Notice or any direction given by the Collateral Manager received to each of the Issuer, the Trustee, each Hedge Counterparty, the Collateral Administrator and the Collateral Manager.

The Collateral Manager shall notify the Issuer, the Trustee, the Collateral Administrator, each Hedge Counterparty and the Principal Paying Agent upon satisfaction of all of the conditions set out in this Condition 7(b) (*Optional Redemption*) and Condition 7(g) (*Redemption Following Note Tax Event*) and shall use commercially reasonable endeavours to arrange for liquidation and/or realisation of the Portfolio in whole or in part as necessary, on behalf of the Issuer in accordance with the Collateral Management and Administration Agreement. The Issuer shall deposit, or cause to be deposited, the funds required for an optional redemption of the Notes in accordance with this Condition 7(b) (*Optional Redemption*) and/or Condition 7(g) (*Redemption Following Note Tax Event*) in the Payment Account on or prior to the applicable Redemption Date in the case of a Refinancing or on or prior to the Business Day prior to the applicable Redemption Date in all other cases. Principal Proceeds and Interest Proceeds received in connection with a redemption in whole of the Rated Notes shall be payable in accordance with the Post-Acceleration Priority of Payments. In the case of any redemption in whole of a Class of Rated Notes, the relevant Refinancing Proceeds (other than a redemption in whole of all Classes of Rated Notes) shall be paid to the Noteholders of such Class of Notes subject to payment of amounts in priority in accordance with the Priorities of Payment.

(viii) *Optional Redemption of Subordinated Notes*

The Subordinated Notes may be redeemed at their Redemption Price, in whole but not in part, on any Payment Date on or after the redemption or repayment in full of the Rated Notes at the direction of the Subordinated Noteholders (acting by Ordinary Resolution with duly completed Redemption Notices), such Subordinated Notes to be redeemed at their applicable Redemption Prices.

(c) *Mandatory Redemption upon Breach of Coverage Tests*

(i) *Class X Notes, Class A Notes and Class B Notes*

If the Class A/B Par Value Test is not met on any Determination Date on and after the Effective Date or if the Class A/B Interest Coverage Test is not met on the Determination Date immediately preceding the second Payment Date or any Determination Date thereafter, Interest Proceeds and thereafter Principal Proceeds will be applied in redemption of the Class X Notes, the Class A Notes and the Class B Notes in accordance with the Note Payment Sequence, on the related Payment Date in accordance with and subject to the Priorities of Payment (including payment of all prior ranking amounts) until each such Coverage Test is satisfied if recalculated following such redemption.

(ii) *Class C Notes*

If the Class C Par Value Test is not met on any Determination Date on and after the Effective Date or if the Class C Interest Coverage Test is not met on the Determination Date immediately preceding the second Payment Date or any Determination Date thereafter, Interest Proceeds and thereafter Principal Proceeds will be applied in redemption of the Class X Notes, the Class A Notes, the Class B Notes and the Class C Notes in accordance with the Note Payment Sequence, on the related Payment Date in accordance with and subject to the Priorities of Payment (including payment of all prior ranking amounts) until each such Coverage Test is satisfied if recalculated following such redemption.

(iii) *Class D Notes*

If the Class D Par Value Test is not met on any Determination Date on and after the Effective Date or if the Class D Interest Coverage Test is not met on the Determination Date immediately preceding the second Payment Date or any Determination Date thereafter, Interest Proceeds and thereafter Principal Proceeds will be applied in redemption of the Class X Notes, the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes in accordance with the Note Payment Sequence, on the related Payment Date in accordance with and subject to the Priorities of Payment (including payment of all prior ranking amounts) until each such Coverage Test is satisfied if recalculated following such redemption.

(iv) *Class E Notes*

If the Class E Par Value Test is not met on any Determination Date on and after the Effective Date or if the Class E Interest Coverage Test is not satisfied on the Determination Date preceding the second Payment Date or any Determination Date thereafter, Interest Proceeds and thereafter Principal Proceeds will be applied in redemption of the Class X Notes, the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes in accordance with the Note Payment Sequence, on the related Payment Date in accordance with and subject to the Priorities of Payment (including payment of all prior ranking amounts) until each such Coverage Test is satisfied if recalculated following such redemption.

(v) *Class F Notes*

If the Class F Par Value Test is not met on any Determination Date on and after the Effective Date, Interest Proceeds and thereafter Principal Proceeds will be applied in redemption of the Class X 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 in accordance with the Note Payment Sequence, on the related Payment Date in accordance with and subject to the Priorities of Payment (including payment of all prior ranking amounts) until each such Coverage Test is satisfied if recalculated following such redemption.

(d) *Special Redemption*

Principal payments on the Notes shall be made in accordance with the Principal Priority of Payments at the sole and absolute discretion of the Collateral Manager (acting on behalf of the Issuer) on any Payment Date during the Reinvestment Period if either (A) at any time during the Reinvestment Period, the Collateral Manager (acting on behalf of the Issuer) certifies (upon which the Trustee may rely absolutely and without enquiry and without liability) to the Trustee that, using commercially reasonable endeavours, it has been unable, for a period of 20 consecutive Business Days, to identify

additional Collateral Obligations or Substitute Collateral Obligations that are deemed appropriate by the Collateral Manager in its sole discretion which meet the Eligibility Criteria or, to the extent applicable, the Reinvestment Criteria, in sufficient amounts to permit the investment or reinvestment of all or a portion of the funds then in the Principal Account that are to be invested in additional Collateral Obligations or Substitute Collateral Obligations, or (B) at any time after the Effective Date but during the Reinvestment Period, the Collateral Manager (acting on behalf of the Issuer) notifies the Trustee that, as determined by the Collateral Manager acting in a commercially reasonable manner, a redemption is required in order to avoid a Rating Event (a "**Special Redemption**"). On the first Payment Date following the Due Period in which such notification is given (a "**Special Redemption Date**") (A) the funds in the Principal Account representing Principal Proceeds which, using commercially reasonable endeavours, cannot be reinvested in additional Collateral Obligations or Substitute Collateral Obligations by the Collateral Manager or (B) such minimum amount of funds in the Principal Account as the Collateral Manager determines, acting in a commercially reasonable manner, is required to avoid the occurrence of a Rating Event (each amount under (A) and (B), a "**Special Redemption Amount**") will be applied in accordance with paragraph (O) of the Principal Priority of Payments. Notice of payments pursuant to this Condition 7(d) (*Special Redemption*) shall be given by the Issuer in accordance with Condition 16 (*Notices*) not less than three Business Days prior to the applicable Special Redemption Date to each Noteholder affected thereby and to each Rating Agency. For the avoidance of doubt, the exercise of a Special Redemption shall be at the sole and absolute discretion of the Collateral Manager (acting on behalf of the Issuer) and the Collateral Manager shall be under no obligation to, or have any responsibility to, any Noteholder or any other person for the exercise or non-exercise (as applicable) of such Special Redemption.

(e) *Redemption upon Effective Date Rating Event*

In the event that as at the Business Day prior to the Payment Date following the Effective Date, an Effective Date Rating Event has occurred and is continuing, the Rated Notes shall be redeemed in accordance with the Note Payment Sequence on such Payment Date and thereafter on each Payment Date (to the extent required) out of Interest Proceeds and thereafter out of Principal Proceeds subject to the Priorities of Payment, 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 Payment.

(g) *Redemption Following Note Tax Event*

Upon the occurrence of a Note Tax Event, the Issuer shall, subject to and in accordance with the terms of the Trust Deed, use all reasonable efforts to cure the Note Tax Event (which may include changing the territory in which it is resident for tax purposes to another jurisdiction which, at the time of such change, would not give rise to a Note Tax Event). Upon the earlier of (a) the date upon which the Issuer certifies to the Trustee (upon which the Trustee may rely absolutely and without enquiry or liability) and the Noteholders that it is not able to cure the Note Tax Event and (b) the date which is 90 days from the date upon which the Issuer first becomes aware of such Note Tax Event (provided that such 90 day period shall be extended by a further 90 days in the event that during the former period the Issuer has notified (or procured the notification of) the Noteholders in accordance with Condition 16 (*Notices*) that, based on advice received by it, it expects that it shall have cured the Note Tax Event by the end of the latter 90 day period) (i) the Controlling Class or (ii) the Subordinated Noteholders, in each case acting by way of Ordinary 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 (if such Class elected that the Notes be redeemed) or, as the case may be, the Subordinated Notes (if such Class elected that the Notes be redeemed) (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 subject to and in accordance with the procedures set out in Condition 7(b) (*Optional Redemption*) (including, for the avoidance of doubt, Condition 7(b)(vi) (*Optional Redemption effected through Liquidation only*).

(h) *Redemption*

Unless otherwise specified in this Condition 7 (*Redemption and Purchase*), all Notes in respect of which any notice of redemption is given shall be redeemed on the Redemption Date at their applicable Redemption Prices and to the extent specified in such notice and in accordance with the requirements of this Condition 7 (*Redemption and Purchase*).

(i) *Cancellation and Purchase*

All Notes redeemed in full by the Issuer will be cancelled and may not be reissued or resold.

No Note may be surrendered (including in connection with any abandonment, donation, gift, contribution or other event or circumstance) except for payment as provided herein or for cancellation pursuant to Condition 7(l) (*Purchase*) below, for registration of transfer, exchange or redemption, or for replacement in connection with any Note mutilated, defaced or deemed lost or stolen.

In respect of Notes represented by a Global Certificate cancellation of any Note required by the Conditions to be cancelled will be effected by reduction in the principal amount of the Notes on the Register, with a corresponding notation made on the applicable Global Certificate.

(j) *Notice of Redemption*

The Issuer shall procure that notice of any redemption in accordance with this Condition 7 (*Redemption and Purchase*) (which notice shall be irrevocable) is given to the Trustee and Noteholders in accordance with Condition 16 (*Notices*) and promptly in writing to the Rating Agencies and each Hedge Counterparty.

(k) *Reinvestment Overcollateralisation Test*

On any Determination Date on and after the Effective Date and during the Reinvestment Period, at the discretion of the Collateral Manager, acting on behalf of the Issuer, in accordance with and subject to the terms of the Collateral Management and Administration Agreement, if the Reinvestment Overcollateralisation Test is not satisfied, on the related Payment Date, the Issuer may redeem the Notes subject to and in accordance with the Priorities of Payment.

(l) *Purchase*

On any Payment Date, at the discretion of the Collateral Manager, acting on behalf of the Issuer, in accordance with and subject to the terms of the Collateral Management and Administration Agreement, the Issuer may, subject to the conditions below, purchase any of the Rated Notes (in whole or in part), using amounts standing to the credit of the Supplemental Reserve Account.

No purchase of Rated Notes by the Issuer may occur unless each of the following conditions is satisfied:

(A) such purchase of Rated Notes shall occur in the following sequential order of priority: *first*, the Class X Notes and the Class A Notes (on a *pari passu* basis) until the Class X Notes and 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; *forth*, 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 amount of Supplemental Reserve Amounts that will be used to effect such purchase and the length of the period during which such offer will be open for acceptance;

(2) 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 Supplemental Reserve Amounts 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 and in the case of the Class X Notes and the Class A Notes, on a *pari passu* basis between the relevant holders of the Class X Notes and the Class A Notes;

(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 (and subsequent cancellation pursuant to this Condition 7(l) (*Purchase*));

(F) no Event of Default shall have occurred and be continuing;

(G) any Rated Notes to be purchased shall be surrendered to the Registrar for cancellation and may not be reissued or resold; and

(H) each such purchase will otherwise be conducted in accordance with applicable law (including the laws of Ireland).

Upon instruction by the Issuer, the Registrar shall cancel any such purchased Rated Notes surrendered to it for cancellation. The cancellation (and/or decrease, as applicable) of any such surrendered Rated Notes shall be taken into account for purposes of all relevant calculations. The Issuer shall procure that notice of any such purchase of Rated Notes by it is given promptly in writing to the Rating Agencies and the Trustee.

(m) *Redemption of Notes in part - Collateral Manager*

The Notes of a Class (excluding the Class X Notes) shall be partially redeemed on *pro rata* basis (such Class of Notes, "the **Partially Redeemed Notes**") by the Issuer on any Business Day at the written direction of the Collateral Manager ("**Partial Redemption**") in order to comply with the EU Retention Requirements, provided that the following conditions are met:

(A) the maximum cumulative Principal Amount Outstanding of each Class of Notes (excluding the Class X Notes) that may be redeemed under this Condition 7(m) (*Redemption of Notes in part - Collateral Manager*) shall not exceed 5.1% of the Principal Amount Outstanding of such Class of Notes as of the Issue Date;

(B) the Issuer shall procure that at least 10 days' prior written notice of such Partial Redemption (but stating that such redemption is subject to satisfaction of the conditions set out in this Condition 7(m) (*Redemption of Notes in part - Collateral Manager*), including the proposed date of Partial Redemption (being the Redemption Date)), is given to the Trustee and the Noteholders in accordance with Condition 16 (*Notices*);

(C) the Issuer must provide written notice thereof to Moody's and Fitch;

(D) the redemption shall be funded by the issuance of new notes (the "**New Notes**") to the Collateral Manager;

(E) the terms (other than the date of issuance and the issue price but including the identifiers, amortisation factor and the date from which interest will accrue) of the New Notes are to be identical to the terms of the Partially Redeemed Notes of the applicable Class of Notes immediately following the Partial Redemption;

(F) the subscription amount in respect of the New Notes ("**Subscription Monies**") is equal to the principal amount and accrued interest payable by the Issuer to redeem the Partially Redeemed Notes;

(G) the Subscription Monies are received by (or on behalf of) the Issuer on or prior to the applicable Redemption Date;

(H) the Principal Amount Outstanding of each Class of New Notes issued in accordance with this Condition 7(m) (*Redemption of Notes in part - Collateral Manager*) shall be equal to the related reduction in the Principal Amount Outstanding of the Partially Redeemed Notes; and

(I) each agreement entered into by the Issuer in respect of such Partial Redemption contains limited recourse and non-petition provisions substantially the same as those contained in the Trust Deed.

(n) *Redemption of the Class X Notes*

The Class X Notes shall be subject to mandatory redemption in part beginning on (and including) the second Payment Date immediately following the Issue Date, in each case in an amount equal to the relevant Class X Principal Amortisation Amount in accordance with and subject to the Priorities of Payment until the Principal Amount Outstanding of the Class X Notes is reduced to zero.

In the event of the insufficiency of available Interest Proceeds and/or Principal Proceeds to pay the Class X Principal Amortisation Amount in full on a relevant Payment Date, any unpaid portion of the Class X Principal Amortisation Amount shall be deferred and added to the Class X Principal Amortisation Amount payable at the immediately following Payment Date.

Non payment of any Class X Principal Amortisation Amount (or any the Unpaid Class X Principal Amortisation Amount as the case may be) shall not constitute an Event of Default.

8. Payments

(a) *Method of Payment*

Payments of principal upon final redemption in respect of each Note will be made against presentation and surrender (or, in the case of part payment only, endorsement) of such Note at the specified office of the Principal Paying Agent by wire transfer. Payments of interest 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 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 an account maintained by the payee in the currency of the relevant payment with a bank in Western Europe.

(b) Payments of principal and interest in respect of Notes represented by a Global Certificate will be made to the registered holder and, if no further payment falls to be made in respect of the relevant Notes, upon surrender of such Global Certificate to or to the order of the Principal Paying Agent or the 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.

(c) *Payments*

All payments are subject in all cases to (i) any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Condition 9 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to FATCA. No commission shall be charged to the Noteholders.

(d) *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.

(e) *Principal Paying Agent and Transfer Agent*

The names of the initial Principal Paying Agent and Transfer Agent 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 the Transfer Agent and appoint additional or other Agents, provided that it will maintain a Principal Paying Agent, as approved in writing by the Trustee and shall procure that it shall at all times maintain a Custodian, Account Bank, Collateral Manager and Collateral Administrator. Notice of any change in any Agent or their specified offices or in the Collateral Manager or Collateral Administrator will promptly be given to the Noteholders by the Issuer in accordance with Condition 16 (*Notices*).

9. Taxation

All payments of principal and interest in respect of the Notes shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Ireland or the United States, or any other jurisdiction, or any political sub-division or any authority therein or thereof or anywhere else in the world having power to tax, unless such withholding or deduction is required by law. For the avoidance of doubt, the Issuer shall not be required to gross up any payments made to Noteholders of any Class and shall withhold or deduct from any such payments any amounts on account of such tax where so required by law or any such relevant taxing authority or in connection with FATCA. Any 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 (upon which certification the Trustee may rely without further enquiry) to the Trustee that it has or will on the occasion of the next payment due in respect of the Notes of any Class become obliged to withhold or deduct an amount in respect of tax so that it would be unable to make payment of the full amount that would otherwise be due but for the imposition of such tax, the Issuer (save as provided below) shall use all reasonable endeavours to take such steps as are available to it to eliminate the imposition of such tax, including by arranging 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 by changing its tax residence to another jurisdiction approved by the Trustee, subject to receipt of Rating Agency Confirmation in relation to such steps, provided that the Trustee's approval shall be subject to confirmation of tax counsel (at the cost of the Issuer) that such steps would be effective in eliminating the imposition of such tax.

Notwithstanding the above, if any taxes referred to in this Condition 9 (*Taxation*) arise:

(a) due to any present or former connection of any Noteholder (or between a fiduciary, settlor, beneficiary, member or shareholder of such Noteholder if such Noteholder is an estate, a trust, a partnership, or a corporation) with the jurisdiction in which the tax is imposed (including without limitation, such Noteholder (or such fiduciary, settlor, beneficiary, member or shareholder) being or having been a citizen or resident thereof or being or having been engaged in a trade or business or present therein or having had a permanent establishment therein) otherwise than by reason only of the holding of any Note or receiving principal or interest in respect thereof;

(b) by reason of the failure by the relevant Noteholder to comply with any applicable procedures required to establish non-residence or other similar claim for exemption from such tax or to provide information concerning nationality, residency or connection with such jurisdiction or other applicable taxing authority;

(c) in connection with FATCA; or

(d) any combination of the preceding clauses (a) through (c) inclusive,

the requirement to take steps to eliminate the imposition of such tax shall not apply.

10. Events of Default

(a) *Events of Default*

Any of the following events shall constitute an "**Event of Default**":

(i) *Non-payment of interest*

the Issuer fails to pay any interest in respect of the Class X Notes, the Class A Notes or the Class B Notes (or the Class C Notes, the Class D Notes, the Class E Notes or the Class F Notes if such Class of Notes is the Controlling Class and a Frequency Switch Event has occurred) when the same becomes due and payable and the failure to pay such interest in such circumstances continues for a period of at least five Business Days provided that, in the case of a failure to disburse due to an administrative error or omission, such failure continues for a period of at least ten Business Days after the Issuer, the Collateral Administrator or the Principal Paying Agent receives written notice of, or has actual knowledge of, such administrative error or omission (save, in each case, as the result of any deduction therefrom or the imposition of any withholding thereon in the circumstances described in Condition 9 (*Taxation*)); provided further that the failure to effect any Optional Redemption or redemption following a Note Tax Event for which notice is withdrawn in accordance with these Conditions or, in the case of an Optional Redemption with respect to which a Refinancing fails, will not constitute an Event of Default;

(ii) *Non-payment of principal*

the Issuer fails to pay any principal when the same becomes due and payable on any Rated Note on the Maturity Date or any Redemption Date and such failure to pay such 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 by the Collateral Administrator or the Principal Paying Agent, such failure continues for a period of at least ten Business Days after the Collateral Administrator or the Principal Paying Agent receives written notice of, or has actual knowledge of, such administrative error or omission and provided further that failure to effect any Optional Redemption or redemption following a Note Tax Event for which notice is withdrawn in accordance with the Conditions or, in the case of an Optional Redemption with respect to which a Refinancing fails, will not constitute an Event of Default;

(iii) *Default under Priorities of Payment*

the failure on any Payment Date to disburse amounts (other than (i) or (ii) above) available in the Payment Account in excess of €1,000 and payable in accordance with the Priorities of

Payment and continuation of such failure for a period of five Business Days or, in the case of a failure to disburse due to an administrative error or omission or another non-credit-related reason (as determined by the Collateral Manager acting in a commercially reasonable manner and certified in writing to the Trustee (upon which the Trustee may rely absolutely without enquiry or liability), but without liability as to such determination), such failure continues for ten Business Days after the Issuer, the Collateral Administrator or the Principal Paying Agent receives written notice of, or has actual knowledge of, such administrative error or omission;

(iv) *Collateral Obligations*

on any Measurement Date after the Effective Date, failure of the percentage equivalent of a fraction, (i) the numerator of which is equal to (1) the Aggregate Principal Balance of all Collateral Obligations other than Defaulted Obligations plus (2) the aggregate in respect of each Defaulted Obligation of its Market Value multiplied by its Principal Balance on such date plus (3) any Principal Proceeds standing to the credit of the Principal Account or other Accounts on such Measurement Date and (ii) the denominator of which is equal to the Principal Amount Outstanding of the Class A Notes, to equal or exceed 102.5 per cent.;

(v) *Breach of Other Obligations*

except as otherwise provided in this definition of "Event of Default", a default in a material respect in the performance by, or breach in a material respect of any material covenant of, the Issuer under the Trust Deed and/or these Conditions (provided that any failure to meet any Portfolio Profile Test, Collateral Quality Test, Coverage Test, the Reinvestment Overcollateralisation Test or the Principal Purchase Test is not an Event of Default and any failure to satisfy the Effective Date Determination Requirements is not an Event of Default, except in either case to the extent provided in paragraph (iv) above) or the failure of any material representation, warranty, undertaking or other agreement of the Issuer made in the Trust Deed and/or these Conditions or in any certificate or other writing delivered pursuant thereto or in connection therewith to be correct in each case in all material respects when the same shall have been made, and the continuation of such default, breach or failure for a period of 30 days after the earlier of (a) the Issuer having actual knowledge of such default, breach or failure or (b) notice being given to the Issuer and the Collateral Manager by registered or certified mail or courier from the Trustee, the Issuer or the Collateral Manager, or to the Issuer and the Collateral Manager from the Controlling Class acting pursuant to an Ordinary Resolution, in each case copied to the Trustee (as applicable), specifying such default, breach or failure and requiring it to be remedied and stating that such notice is a "**Notice of Default**" under the Trust Deed; provided that if the Issuer (as notified to the Trustee by the Collateral Manager in writing) has commenced curing such default, breach or failure during the 30 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 45 days (rather than, and not in addition to, such 30 day period specified above) after the earlier of the Issuer having actual knowledge thereof or notice thereof in accordance herewith. For the purposes of this paragraph, the materiality of such default, breach, covenant, representation or warranty shall be determined by the Trustee;

(vi) *Insolvency Proceedings*

proceedings are initiated against the Issuer under any applicable liquidation, examinership, insolvency, bankruptcy, composition, reorganisation or other similar laws (together, "**Insolvency Law**"), or a receiver, administrative receiver, trustee, administrator, custodian, conservator, liquidator, examiner, curator or other similar official (other than any party, including without limitation the Trustee and the Custodian, appointed or otherwise acting pursuant to or in connection with the Transaction Documents) (a "**Receiver**") is appointed in relation to such proceedings and 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*

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) give notice to the Issuer, the Collateral Manager and each Hedge Counterparty that all the Notes are immediately due and repayable (such notice, an "**Acceleration Notice**"), whereupon the Notes shall become immediately due and repayable at their applicable Redemption Prices, provided that upon the occurrence of an Event of Default described in paragraph (vi) of the definition thereof, an Acceleration Notice shall be deemed to have been given and all the Notes shall automatically become immediately due and repayable.

(c) *Curing of Default*

At any time after a notice of acceleration of maturity of the Notes has been given pursuant to Condition 10(b) (*Acceleration*) following the occurrence of an Event of Default (other than with respect to an Event of Default occurring under paragraph (vi) of the definition thereof) and prior to enforcement of the security pursuant to Condition 11 (*Enforcement*), the Trustee, subject to receipt of consent from the Controlling Class, may and shall, if so requested by the Controlling Class, in each case, acting by Ordinary Resolution (and subject, in each case, to the Trustee being indemnified and/or secured and/or prefunded to its satisfaction) rescind and annul such notice of acceleration under paragraph (b) 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 (without regard to the Senior Expenses Cap) and Trustee Fees and Expenses (without regard to the Senior Expenses Cap); and

(D) all amounts due and payable by the Issuer under any Currency Hedge Agreement or Interest Rate Hedge Agreement; and

(ii) the Trustee has determined that all Events of Default, other than the non-payment of the interest in respect of, or principal of, the Notes that have become due solely as a result of the acceleration thereof under paragraph (b) above due to such Events of Default, have been cured or waived.

Any previous rescission and annulment of a notice of acceleration pursuant to this paragraph (c) shall not prevent the subsequent acceleration of the Notes if the Trustee, at its discretion or as subsequently requested, accelerates the Notes or if the Notes are automatically accelerated in accordance with paragraph (b) above.

All amounts received in respect of this Condition 10(c) (*Curing of Default*) shall be distributed two Business Days following receipt by the Trustee of written notice from the Issuer confirming that the Issuer has received such amounts, in accordance with the Post-Acceleration Priority of Payments.

(d) *Restriction on Acceleration*

No acceleration of the Notes shall be permitted by any Class of Noteholders, other than the Controlling Class as provided in Condition 10(b) (*Acceleration*).

(e) *Notification and Confirmation of No Default*

The Issuer shall immediately notify the Trustee, the Collateral Manager, the Noteholders, each Hedge Counterparty and the Rating Agencies upon becoming aware of the occurrence of an Event of Default. The Trust Deed contains provision for the Issuer to provide written confirmation to the Trustee and the Rating Agencies on an annual basis that no Event of Default has occurred and that no condition, event or act has occurred which, with the lapse of time and/or the issue, making or giving of any notice, certification, declaration and/or request and/or the taking of any similar action and/or the fulfilment of any similar condition would constitute an Event of Default and that no other matter which is required (pursuant thereto) to be brought to the Trustee's attention has occurred.

11. Enforcement

(a) *Security Becoming Enforceable*

Subject as provided in paragraph (b) below, the security constituted by the Trust Deed over the Collateral shall become enforceable upon an acceleration of the maturity of the Notes pursuant to Condition 10(b) (*Acceleration*).

(b) *Enforcement*

At any time after the Notes become due and repayable and the security under the Trust Deed becomes enforceable, the Trustee may, at its discretion (but subject always to Condition 4(c) (*Limited Recourse and Non-Petition*)), and shall, if so directed by the Controlling Class acting by Ordinary Resolution (subject as provided in Condition 11(b)(ii) (*Enforcement*)), institute such proceedings or take such other action against the Issuer or take any other action as it may think fit to enforce the terms of the Trust Deed and the Notes and, pursuant and subject to the terms of the Trust Deed and the Notes, realise and/or otherwise liquidate or sell the Collateral in whole or in part and/or take such other action as may be permitted under applicable laws against any Obligor in respect of the Collateral and/or take any other action to enforce or realise the security over the Collateral in accordance with the Trust Deed (such actions together, "**Enforcement Actions**"), in each case without any liability as to the consequences of such action and without having regard (save to the extent provided in Condition 14(e) (*Entitlement of the Trustee and Conflicts of Interest*)) to the effect of such action on the individual Noteholders of any Class or any other Secured Party provided however that:

(i) no such Enforcement Action may be taken by the Trustee unless:

(A) subject to being indemnified and/or 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 and allowing for 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, but other than any residual amounts due and payable on the Subordinated Notes) and all amounts payable in priority to the Subordinated Notes pursuant to the Post-Acceleration Priority of Payments (such amount the "**Enforcement Threshold**" and such determination being an "**Enforcement Threshold Determination**") and the Controlling Class agrees with such determination by an Ordinary Resolution, subject to consultation by the Trustee with the Collateral Manager (in which case the Enforcement Threshold will be met); or

(B) if the Enforcement Threshold will not have been met then, 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 directs the Trustee by Extraordinary Resolution 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.

(ii) the Trustee shall not be bound to institute any Enforcement Action or take any other action unless, subject to the above, it is directed to do so by the Controlling Class acting by Ordinary Resolution or by Extraordinary Resolution (as applicable) and in each case the Trustee is indemnified and/or secured and/or prefunded to its satisfaction. Following redemption and payment in full of the Rated Notes (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), the Trustee shall (provided it is indemnified and/or secured and/or prefunded to its satisfaction) act upon the directions of the Subordinated Noteholders acting by Extraordinary Resolution; and

(iii) for the purposes of determining issues relating to the execution of a sale or liquidation of the Portfolio, the anticipated proceeds to be realised from any Enforcement Action and whether the Enforcement Threshold will be met, the Trustee may appoint an independent investment banking firm or other appropriate advisor to advise it and may obtain and rely on an opinion and/or advice of such independent investment banking firm or other appropriate advisor (the cost of which shall be payable as Trustee Fees and Expenses) and shall be exempted from any liability arising directly or indirectly from any action taken or not taken by the Trustee in connection with such opinion and/or advice.

The Trustee shall notify the Noteholders, the Issuer, the Agents, the Collateral Manager, each Hedge Counterparty and the Rating Agencies in the event that it makes an Enforcement Threshold Determination at any time or takes any Enforcement Action at any time (such notice an "**Enforcement Notice**"). Following the effectiveness of an Acceleration Notice which has not been rescinded and annulled in accordance with Condition 10(c) (*Curing of Default*) or, as the case may be, following automatic acceleration of the Notes or pursuant to an Optional Redemption in whole in accordance with Condition 7(b) (*Optional Redemption*) or 7(g) (*Redemption Following Note Tax Event*), Interest Proceeds, Principal Proceeds and the net proceeds of enforcement of the security over the Collateral (other than with respect to any Counterparty Downgrade Collateral, any amounts standing to the credit of the Currency Account which represent Sale Proceeds, prepayments or repayments in respect of Non-Euro Obligations or amounts standing to the credit of the Interest Account which represent Hedge Issuer Tax Credit Payments which, in each case, are required to be paid or returned to a Hedge Counterparty outside the Priorities of Payment in accordance with the Hedge Agreement and/or Condition 3(j)(v) (*Counterparty Downgrade Collateral Accounts*) or amounts standing to the credit of the Currency Accounts which represent Sale Proceeds, prepayment proceeds or redemption proceeds in respect of Non-Euro Obligations, which in each case are required to be paid to the relevant Hedge Counterparty subject to and in accordance with the terms of a Currency Hedge Transaction outside the Priorities of Payment), shall be credited to the Payment Account and shall be distributed in accordance with the following order of priority but in each case only to the extent that all payments of a higher priority have been made in full (the "**Post-Acceleration Priority of Payments**"):

(A) to the payment of taxes owing by the Issuer to any tax authority accrued (other than any Irish corporate income tax in relation to the Issuer Profit Amount referred to below), as certified by an Authorised Officer of the Issuer to the Trustee, if any, (save for any VAT payable in respect of any Collateral Management Fee); and to the payment of the Issuer Profit Amount, for deposit into the Issuer Profit 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, provided that following the occurrence of an Event of Default which is continuing or following an acceleration of the Notes in accordance with Condition 10(b) (*Acceleration*), 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, provided that, upon an acceleration of the Notes in accordance with Condition 10(b) (*Acceleration*), the Senior Expenses Cap shall not apply in respect of (i) amounts payable under paragraph (a) of the definition of Administrative Expenses or (ii) other Administrative Expenses to the extent necessary to allow the Issuer to be wound up on a solvent basis (but only to such extent);

(D) to the payment:

(1) *firstly*, on a pro rata and pari passu basis to:

(a) the Collateral Manager of the Senior Management Fee due and payable on such Payment Date and any VAT in respect thereof (whether payable to the Collateral Manager or directly to the relevant taxing authority) (save for any Deferred Senior Collateral Management Amounts and Deferred Subordinated Collateral Management Amounts which shall not be paid pursuant to this paragraph);

(b) the Class M-2 Subordinated Noteholders of the Senior Class M-2 Interest Amount due and payable on the Class M-2 Subordinated Notes save for any Deferred Senior Class M-2 Amounts which shall not be paid pursuant to this paragraph; and

(c) the Class M-3 Subordinated Noteholders of the Senior Class M-3 Interest Amount due and payable on the Class M-3 Subordinated Notes save for any Deferred Senior Class M-3 Amounts which shall not be paid pursuant to this paragraph

(2) *secondly*, on a pro rata and pari passu basis to:

(a) the Collateral Manager, any previously due and unpaid Senior Management Fees (other than Deferred Senior Collateral Management Amounts and Deferred Subordinated Collateral Management Amounts) together with any interest accrued thereon and any VAT in respect thereof (whether payable to the Collateral Manager or directly to the relevant taxing authority);

(b) the Class M-2 Subordinated Noteholders of any previously due and unpaid Senior Class M-2 Interest Amount (other than Deferred Senior Class M-2 Amounts and Deferred Subordinated Class M-2 Amounts) together with any interest accrued thereon; and

(c) the Class M-3 Subordinated Noteholders of any previously due and unpaid Senior Class M-3 Interest Amount (other than Deferred Senior Class M-3 Amounts and Deferred Subordinated Class M-3 Amounts) together with any interest accrued thereon,

for the avoidance of doubt, in each case irrespective of whether or not a Distribution Switch Event has occurred;

(E) to the payment, on a *pro rata* and *pari passu* basis, of (i) any Scheduled Periodic Hedge Issuer Payments, (ii) any Currency Hedge Issuer Termination Payments (to the extent not paid out of any Counterparty Downgrade Collateral Account, the Currency Accounts or the Hedge Termination Account and other than Defaulted Currency Hedge Termination Payments) and (iii) any Interest Rate Hedge Issuer Termination Payments (to the extent not paid out of the Interest Account or the Hedge Termination Accounts 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 X Notes and the Class A Notes;

(G) to the redemption on a *pro rata* basis of the Class X Notes and the Class A Notes, until the Class X Notes and the Class A Notes have been redeemed in full;

(H) to the payment on a *pro rata* basis of all Interest Amounts due and payable on the Class B Notes (where the Class B-1 Notes and the Class B-2 Notes together shall be treated as a single Class);

(I) to the redemption on a *pro rata* basis of the Class B Notes, until the Class B Notes have been redeemed in full (where the Class B-1 Notes and the Class B-2 Notes together shall be treated as a single Class);

(J) to the payment on a *pro rata* basis of all Interest Amounts (including any Deferred Interest and interest on Deferred Interest) due and payable on the Class C Notes;

(K) to the redemption on a *pro rata* basis of the Class C Notes, until the Class C Notes have been redeemed in full;

(L) to the payment on a *pro rata* basis of all Interest Amounts (including any Deferred Interest and interest on Deferred Interest) due and payable on the Class D Notes;

(M) to the redemption on a *pro rata* basis of the Class D Notes, until the Class D Notes have been redeemed in full;

(N) to the payment on a *pro rata* basis of all Interest Amounts (including any Deferred Interest and interest on Deferred Interest) due and payable on the Class E Notes;

(O) to the redemption on a *pro rata* basis of the Class E Notes, until the Class E Notes have been redeemed in full;

(P) to the payment on a pro rata basis of all Interest Amounts (including any Deferred Interest and interest on Deferred Interest) due and payable on the Class F Notes;

(Q) to the redemption on a pro rata basis of the Class F Notes, until the Class F Notes have been redeemed in full;

(R) to the payment:

(1) *firstly*, on a pro rata and pari passu basis to:

(a) the Collateral Manager of the Subordinated Management Fee due and payable on such Payment Date and any VAT in respect thereof (whether payable to the Collateral Manager or directly to the relevant taxing authority);

(b) the Class M-2 Subordinated Noteholders of any Subordinated Class M-2 Interest Amount due and payable on such Payment Date; and

(c) the Class M-3 Subordinated Noteholders of any Subordinated Class M-3 Interest Amount due and payable on such Payment Date;

(2) *secondly*, on a pro rata and pari passu basis to:

(a) the Collateral Manager of any previously due and unpaid Subordinated Management Fee (other than Deferred Senior Collateral Management Amounts and Deferred Subordinated Collateral Management Amounts) together with any interest

accrued thereon and any VAT in respect thereof (whether payable to the Collateral Manager or directly to the relevant taxing authority);

(b) the Class M-2 Subordinated Noteholders of any previously due and unpaid Subordinated Class M-2 Interest Amounts (other than Deferred Senior Class M-2 Interest Amounts and Deferred Subordinated Class M-2 Interest Amounts) together with any interest accrued thereon; and

(c) the Class M-3 Subordinated Noteholders of any previously due and unpaid Subordinated Class M-3 Interest Amounts (other than Deferred Senior Class M-3 Interest Amounts and Deferred Subordinated Class M-3 Interest Amounts) together with any interest accrued thereon,

for the avoidance of doubt, in each case irrespective of whether or not a Distribution Switch Event has occurred;

(3) *thirdly*, on a pro rata and pari passu basis to:

(a) the Collateral Manager (and, if applicable the relevant taxing authority) in payment of any Deferred Senior Collateral Management Amounts and Deferred Subordinated Collateral Management Amounts and, in each case, any VAT in respect thereof (whether payable to the Collateral Manager or directly to the relevant taxing authority);

(b) the Class M-2 Subordinated Noteholders in payment of any Deferred Senior Class M-2 Amounts and Deferred Subordinated Class M-2 Amounts; and

(c) the Class M-3 Subordinated Noteholders in payment of any Deferred Senior Class M-3 Amounts and Deferred Subordinated Class M-3 Amounts,

for the avoidance of doubt, in each case irrespective of whether or not a Distribution Switch Event has occurred;

(4) *fourthly*, to the repayment of any Collateral Manager Advances and any interest thereon;

(S) to the payment of Trustee Fees and Expenses not paid by reason of the Senior Expenses Cap (if any);

(T) to the payment of Administrative Expenses not paid by reason of the Senior Expenses Cap (if any), in the order of priority set out 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;

(U) 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 Account or any relevant Counterparty Downgrade Collateral Account);

(V) to any Reinvesting Noteholder (whether or not any applicable Reinvesting Noteholder continues on the date of such payment to hold all or any portion of such Subordinated Notes) of any Reinvestment Amounts accrued and not previously paid

pursuant to this paragraph (V) with respect to their respective Subordinated Notes, *pro rata* in accordance with the respective aggregate Reinvestment Amounts with respect to the Subordinated Notes;

(W) subject to the IRR Threshold having been reached (after taking into account all prior distributions to Class M-1 Subordinated Noteholders and any distributions to be made to Class M-1 Subordinated Noteholders on such Payment Date, including pursuant to paragraph (X) below, paragraph (DD) of the Interest Priority of Payments and paragraph (U) of the Principal Priority of Payments),

(1) firstly, on a pro rata and pari passu basis to:

(a) the payment to the Collateral Manager of the Incentive Collateral Management Fee;

(b) the payment to the Class M-2 Subordinated Noteholders of any remaining proceeds in payment of any accrued but unpaid IRR Class M-2 Amount; and

(c) the payment to the Class M-3 Subordinated Noteholders of any remaining proceeds in payment of any accrued but unpaid IRR Class M-3 Amount

(2) secondly, to the payment of any VAT in respect of the Incentive Collateral Management Fee referred to in (1)(a) above (whether payable to the Collateral Manager or directly to the relevant taxing authority); and

(X) any remaining proceeds to the payment of principal and, thereafter, interest on the Class M-1 Subordinated Notes and the Class M-2 Subordinated Notes on a *pro rata* basis (determined upon redemption in full thereof by reference to the proportion that the principal amount of the Class M-1 Subordinated Notes or Class M-2 Subordinated Notes held by the Class M-1 Subordinated Noteholders and the Class M-2 Subordinated Noteholders, as applicable, bore to the Principal Amount Outstanding of the Class M-1 Subordinated Notes or Class M-2 Subordinated Notes, as applicable, immediately prior to such redemption).

Where the payment of any amount in accordance with the Priorities of Payment set out above is subject to any deduction or withholding for or on account of any tax, 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.

(c) *Only Trustee to Act*

Only the Trustee may pursue the remedies available under the Trust Deed to enforce the rights of the Noteholders or, in respect of the Collateral, of any of the other Secured Parties under the Trust Deed and the Notes and no Noteholder or other Secured Party may proceed directly against the Issuer or any of its assets unless the Trustee, having become bound to proceed in accordance with the terms of the Trust Deed, fails or neglects to do so within a reasonable period after having received notice of such failure and such failure or neglect continues for at least 30 days following receipt of such notice by the Trustee. Any proceeds received by a Noteholder or other Secured Party pursuant to any such proceedings brought by a Noteholder or other Secured Party shall be paid promptly following receipt thereof to the Trustee for application pursuant to the terms of the Trust Deed. After realisation of the security which has become enforceable and distribution of the net proceeds in accordance with the Priorities of Payment, no Noteholder or other Secured Party may take any further steps against the Issuer to recover any sum still unpaid in respect of the Notes or the Issuer's obligations to such Secured Party and all claims against the Issuer to recover any sum still unpaid in respect of the Notes or the Issuer's obligations to such Secured Party and all claims against the Issuer in respect of such sums unpaid shall be extinguished. In particular, none of the Trustee, any Noteholder or any other Secured

Party shall be entitled in respect thereof to petition or take any other step for the winding up of the Issuer except to the extent permitted under the Trust Deed.

(d) *Purchase of Collateral by Noteholders or Collateral Manager*

Upon any sale of any part of the Collateral following the acceleration of the Notes under Condition 10(b) (*Acceleration*), whether made under the power of sale under the Trust Deed or by virtue of judicial proceedings, any Noteholder, the Collateral Manager or any Collateral 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 Payment, had the purchase price been paid in cash, is equal to or exceeds such purchase price.

12. Prescription

Claims in respect of principal and interest payable on redemption in full of the relevant 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 in respect of such Notes is received by the Principal Paying Agent.

Notwithstanding the above, claims against the Issuer in respect of principal and interest on the Notes while the Notes are represented by a Global Certificate will become void unless presented for payment within a period of ten years (in the case of principal) and five years (in the case of interest) from the date on which any payment first becomes due.

13. Replacement of Notes

If any Note is lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Transfer Agent, subject in each case to all applicable laws and Euronext Dublin 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 for passing Written Resolutions) to consider matters affecting the interests of the Noteholders including, without limitation, modifying or waiving certain of the provisions of these Conditions, the other Transaction Documents 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 (iv) 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. of the Principal Amount Outstanding of the Notes of a particular Class, subject to certain conditions including minimum notice periods.

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.

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 the Rating Agencies in writing.

The Class B-1 Notes and the Class B-2 Notes together 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, except as expressly provided otherwise in the Trust Deed, notwithstanding that they are each separate Classes of Notes.

Notwithstanding that the Class M-1 Subordinated Notes, the Class M-2 Subordinated Notes and the Class M-3 Subordinated Notes are separate Classes, they 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, except for the purposes of Extraordinary Resolutions (for the purposes of which they shall be treated as separate Classes) or as expressly provided otherwise in the Trust Deed, with each holder of Class M-1 Subordinated Notes, the Class M-2 Subordinated Notes and Class M-3 Subordinated Notes voting based on the aggregate Principal Amount Outstanding of Subordinated Notes held by such holder and provided further that the Class M-1 Subordinated Notes, the Class M-2 Subordinated Notes and the Class M-3 Subordinated Notes shall be treated as separate Classes for purposes of ERISA.

(ii) *Quorum*

The quorum required for any meeting convened to consider a Resolution 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 $66^{2}/_{3}$ per cent. of the aggregate Principal Amount Outstanding of the Notes (or the Notes of the relevant Class or Classes only, if applicable)	One or more persons holding or representing not less than 25 per cent. of the aggregate Principal Amount Outstanding of the Notes (or the Notes of the relevant Class or Classes only, if applicable)

Ordinary Resolution of all Noteholders (or a certain Class or Classes only)	One or more persons holding or representing not less than 50 per cent. of the aggregate Principal Amount Outstanding of the Notes (or the Notes of the relevant Class or Classes only, if applicable)	One or more persons holding or representing not less than 25 per cent. of the aggregate Principal Amount Outstanding of the Notes (or the Notes of the relevant Class or Classes only, if applicable)

The Trust Deed does not contain any provision for higher quorums in any circumstances.

(iii) *Class X Note Voting Rights*

For the avoidance of doubt, the Class X Notes shall have no voting rights in respect of, and shall not be counted for the purposes of determining a quorum and the result of voting on any CM Removal Resolutions or any CM Replacement Resolutions.

(iv) *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 entitled, 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)	Not less than $66^{2}/_{3}$ per cent.
Ordinary Resolution of all Noteholders (or of a certain Class or Classes only)	More than 50 per cent.

(v) *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 Resolution may be passed by way of a Written Resolution.

(vi) *All Resolutions Binding*

Subject to Condition 14(e) (*Entitlement of the Trustee and Conflicts of Interest*) and in accordance with the Trust Deed, any Resolution of the Noteholders (including any resolution of a specified Class or Classes of Noteholders, where the resolution of one or more other Classes is not required) duly passed shall be binding on all Noteholders (regardless of Class and regardless of whether or not a Noteholder was present at the meeting at which such Resolution was passed).

(vii) *Extraordinary Resolution*

Any Resolution to sanction any of the following items will be required to be passed by an Extraordinary Resolution (in each case, subject to anything else specified in the Trust Deed, the Collateral Management and Administration Agreement or the relevant Transaction Document, as applicable):

(A) 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 the relevant 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 redemption and issuance pursuant to Condition 7(m) (*Redemption of Notes in part - Collateral Manager*), a further issue of Notes pursuant to Condition 17 (*Additional Issuances*) or a purchase and cancellation of Notes pursuant to Condition 7(i) (*Cancellation and Purchase*));

(E) a change in the currency of payment of the Notes of a Class;

(F) any change in the Priorities of Payment or of any payment items in the Priorities of Payment;

(G) the modification of the provisions concerning the quorum required at any meeting of Noteholders to consider a Resolution or the minimum percentage required to pass a Resolution;

(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*) or the provisions of the Trust Deed relating to the convening meetings of the Noteholders or any Class thereof (and for passing Written Resolutions),

provided however that any such modification, adjustment or change that would otherwise require an Extraordinary Resolution of the Subordinated Noteholders may be passed by an Ordinary Resolution of the Subordinated Noteholders if being effected contemporaneously with a Refinancing in whole.

(viii) *Ordinary Resolution*

Any meeting of the Noteholders shall, subject to these Conditions and the Trust Deed, have power by Ordinary Resolution to approve any other matter relating to the Notes not referred to in paragraph (vii) (*Extraordinary Resolution*) above.

(ix) *Matters affecting not all Classes of Notes*

Matters affecting the interests of one or more (but not all) Classes (in the opinion of the Trustee) shall only be considered by and voted upon at a meeting of Noteholders of that Class or those Classes or by Written Resolution of the holders of that Class or those Classes.

(c) *Modification and Waiver*

Without the consent of the Noteholders (other than as otherwise provided in paragraph (xii) below), the Issuer may amend, modify, supplement and/or waive the relevant provisions of the Trust Deed and/or the Collateral Management and Administration Agreement and/or any other Transaction Document (subject to the consent of the other parties thereto) (as applicable) and the Trustee shall consent to (without the consent of the Noteholders (subject as provided below)) such amendment, supplement, modification or waiver, subject as provided below (other than in the case of an amendment, modification, supplement or waiver pursuant to paragraphs (xi) or (xiii) below, which shall be subject to the prior written consent of the Trustee in accordance with the relevant paragraph), for any of the following purposes:

(i) to add to the covenants of the Issuer for the benefit of the Noteholders;

(ii) to charge, convey, transfer, assign, mortgage or pledge any property to or with the Trustee;

(iii) to correct or amplify the description of any property at any time subject to the security of the Trust Deed, or to better assure, convey and confirm unto the Trustee any property subject or required to be subject to the security of the Trust Deed (including, without limitation, any and all actions necessary or desirable as a result of changes in law or regulations) or to subject to the security of the Trust Deed any additional property;

(iv) to evidence and provide for the acceptance of appointment under the Trust Deed by a successor Trustee subject to and in accordance with the terms of the Trust Deed and to add to or change any of the provisions of the Trust Deed as shall be necessary to facilitate the administration of the trusts under the Trust Deed by more than one Trustee, pursuant to the requirements of the relevant provisions of the Trust Deed;

(v) to make such changes as shall be necessary or advisable in order for the Notes of each Class to be (or to remain) listed and admitted to trading on the Global Exchange Market of Euronext Dublin or any other exchange;

(vi) to amend, modify, enter into, accommodate the execution or facilitate the transfer by the relevant Hedge Counterparty of any Hedge Agreement or any Hedge Transaction(s) upon terms satisfactory to the Collateral Manager (and subject to receipt of Rating Agency Confirmation unless, for the purposes of receiving such Rating Agency Confirmation, any such amended or modified Hedge Agreement constitutes a Form Approved Hedge);

(vii) save as contemplated in paragraph (d) (*Substitution*) below, to take any action advisable to prevent the Issuer from becoming subject to withholding or other taxes, fees or assessments;

(viii) to take any action advisable to prevent the Issuer from being, or reduce the risk that the Issuer will be, treated as resident in the UK for UK tax purposes, as trading in the United Kingdom, as not entitled to relief from UK taxes under the UK/Irish double tax treaty, as subject to diverted profit tax or as responsible for UK VAT in respect of any Collateral Management Fees;

(ix) to take any action advisable to prevent the Issuer from being treated as engaged in a United States trade or business or otherwise be subject to United States federal, state or local income tax on a net income basis;

(x) to enter into any additional agreements not expressly prohibited by the Trust Deed or the Collateral Management and Administration Agreement (as applicable), provided that any such additional agreements include customary limited recourse and non-petition provisions;

(xi) to make any other modification of any of the provisions of the Trust Deed, the Collateral Management and Administration Agreement or any other Transaction Document which, in the opinion of the Trustee, is of a formal, minor or technical nature or is made to correct a manifest error;

(xii) subject to Condition 14(c)(xvii) below, subject to Rating Agency Confirmation and the consent of each of the Controlling Class and, with respect to the Weighted Average Life Test if the Controlling Class comprises the Class A Noteholders, the Class B Noteholders, in each case acting by Ordinary Resolution, to make any modifications to the Collateral Quality Tests, Portfolio Profile Tests, Reinvestment Overcollateralisation Test, Principal Purchase Test, Reinvestment Criteria or Eligibility Criteria and all related definitions (including in order to reflect changes in the methodology applied by the Rating Agencies), provided that, in respect of any change to the date specified in the definition of "Weighted Average Life Test" to a date that is more than 18 months after the original date specified in such definition as of the Issue Date, instead of the consent of Controlling Class and, if applicable, the Class B Noteholders, in each case acting by Ordinary Resolution being required as described above the consent of each Class of Notes acting separately by Ordinary Resolution shall be required (for which purpose the Class B-1 Notes and the Class B-2 Notes together shall be treated as a single Class and the Class M-1 Subordinated Notes, the Class M-2 Subordinated Notes and the Class M-3 Subordinated Notes shall be treated as a single Class);

(xiii) to make any other modification (save as otherwise provided in the Trust Deed, the Collateral Management and Administration Agreement or the relevant Transaction Document), and/or give any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed or any other Transaction Document which in the opinion of the Trustee is not materially prejudicial to the interests of the Noteholders of any Class;

(xiv) to amend the name of the Issuer;

(xv) to amend the constitution of the Issuer;

(xvi) to make any amendments to the Trust Deed or any other Transaction Document to enable the Issuer to comply with FATCA, CRS or any other automatic exchange of tax information regime to which it is subject;

(xvii) notwithstanding Condition 14(c)(xii) above, to modify or amend any components of the Fitch Test Matrices or the Moody's Test Matrices in order that they may be consistent with the criteria of the Rating Agencies, subject to receipt of Rating Agency Confirmation (or such other confirmation as the relevant Rating Agency is willing to provide from time to time that such modifications or amendments will not result in the reduction or withdrawal of any of the ratings currently assigned to the Rated Notes by such Rating Agency) from Fitch or Moody's, as applicable;

(xviii) to make any changes necessary (x) to reflect any additional issuances of Notes in accordance with Condition 17 (*Additional Issuances*) or (y) to issue any replacement notes in accordance with Condition 7(b)(v) (*Optional Redemption effected in whole or in part through Refinancing*) and Condition 7(b)(v)(E) (*Consequential Amendments*);

(xix) to modify the Transaction Documents in order to comply with Rule 17g-5 or Rule 17g-10 under the Exchange Act;

(xx) to modify the terms of the Transaction Documents in order that they may be consistent with the requirements of the Rating Agencies, including to address any change in the rating methodology employed by either Rating Agency, in a manner that an officer of the Collateral Manager certifies to the Trustee would not materially adversely affect the interests of the holders of the Notes of any Class, subject to receipt by the Trustee of Rating Agency Confirmation (or such other confirmation as the relevant Rating Agency is willing to provide (and the Trustee is willing to accept) from time to time that such modifications or amendments will not result in the reduction or withdrawal of any of the ratings currently assigned to the Rated Notes by such Rating Agency) in respect of the Rated Notes from each Rating Agency then rating the Rated Notes (upon which certification and confirmation the Trustee shall be entitled to rely absolutely and without enquiry or liability) and subject further to the Controlling Class not objecting (by way of Ordinary Resolution, for which purpose the Class B-1 Notes and the Class B-2 Notes together shall be treated as a single Class and the Class M-1 Subordinated Notes, the Class M-2 Subordinated Notes and the Class M-3 Subordinated

Notes shall be treated as a single Class (if applicable)) to such modification or amendment within 25 days of the Issuer proposing it to the Controlling Class (in accordance with Condition 16 (*Notices*));

(xxi) 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 or CRA3 (including any implementing regulations, technical standards and guidance respectively related thereto), subject to receipt by the Trustee of a certificate of the Issuer certifying to the Trustee that the requested amendments are required for the purpose of enabling the Issuer to satisfy its requirements under EMIR, AIFMD, the Dodd-Frank Act or CRA3 (including any implementing regulations, technical standards and guidance respectively related thereto);

(xxii) to make any other modification of any of the provisions of the Trust Deed, the Collateral Management and Administration Agreement or any other Transaction Document or to enter into any additional agreement (as a Transaction Document) on customary limited recourse and non-petition terms to comply with the EU Retention and Disclosure Requirements (whether as a result of a change or otherwise) or which result from the implementation of technical standards relating thereto or any subsequent risk retention legislation (including in connection with the preparation of Portfolio Reports and Investor Reports following the Securitisation Regulation Reporting Effective Date), including for the avoidance of doubt to facilitate the appointment by the Issuer of a third party service provider;

(xxiii) to make such changes as shall be necessary to reflect the terms of, or in order to facilitate or otherwise in connection with, a Refinancing as contemplated by Condition 7(b)(v)(E) (*Consequential Amendments*);

(xxiv) 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;

(xxv) subject to Rating Agency Confirmation (other than to the extent otherwise permitted pursuant to Condition 14(c)(xx) (*Modification and Waiver*) above) or such Hedge Agreement being a Form Approved Hedge following such amendment, 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;

(xxvi) to make any other modification of any of the provisions of any Transaction Document to facilitate compliance by the Issuer with the FTT or any other financial transaction tax that it is or becomes subject to;

(xxvii) to make any changes necessary to prevent the Issuer from becoming an investment company or being required to register as an investment company under the Investment Company Act;

(xxviii) to conform the provisions of the Trust Deed or any other Transaction Documents or other document delivered in connection with the Notes to the Offering Circular; and

(xxix) 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 Floating Rate 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 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 Obligation to the extent that no such equivalent is available; and

(D) to make such other amendments as are necessary or advisable in the reasonable judgment of the Collateral Manager to facilitate the foregoing changes,

provided that:

(1) each of the Controlling Class and the Subordinated Noteholders (each acting by Ordinary Resolution) consent to such supplemental trust deed or other modification, authorisation or waiver; and

(2) 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 reasonable expectation of the Collateral Manager that any of the events specified in (x), (y) or (z) will occur).

Any such modification, authorisation or waiver shall be binding upon the Noteholders and shall be notified by the Issuer as soon as reasonably practicable following the execution of any supplemental trust deed or any other modification, authorisation or waiver pursuant to this Condition 14(c) (*Modification and Waiver*) to:

(A) each Rating Agency, so long as any of the Rated Notes remain Outstanding; and

(B) the Noteholders in accordance with Condition 16 (*Notices*).

Notwithstanding anything to the contrary herein and in the Trust Deed, the Issuer shall not agree to amend, modify or supplement any provisions of the Transaction Documents if such change shall have a material adverse effect on the rights or obligations of a Hedge Counterparty without the Hedge Counterparty's prior written consent or on the Collateral Manager without the Collateral Manager's 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.

For the avoidance of doubt, the Trustee shall, without the consent or sanction of any of the Noteholders (other than as otherwise provided in paragraph (xii) (above) or any other Secured Party, concur with the Issuer in making any modification, amendment, waiver or authorisation which the Issuer certifies to the Trustee (upon which certification the Trustee is entitled to rely absolutely and without enquiry or liability) is required pursuant to the paragraphs above (other than a modification, waiver or authorisation pursuant to paragraphs (xi) or (xiii) above in which the Trustee may, without the consent or sanction of any of the Noteholders or any other Secured Party, concur with the Issuer) to the Transaction Documents, provided that the Trustee shall not be obliged to agree to any modification or any other matter which, in the opinion of the Trustee, would have the effect of (i) exposing the Trustee to any liability against which it has not been indemnified and/or secured and/or pre-funded to its

satisfaction or (ii) adding to or increasing the obligations, liabilities or duties, or decreasing the rights, powers, authorisation, indemnities, discretions or protections, of the Trustee in respect of the Transaction Documents.

In the case of a request for consent to a modification, amendment, waiver or authorisation pursuant to paragraphs (xi) and (xiii) 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 expert advice, at the expense of the Issuer, and rely on such advice in connection with determining whether or not to give such consent (if applicable or required) as it sees fit.

(d) *Substitution*

The Trust Deed contains provisions permitting the Trustee to agree, subject to such amendment of the Trust Deed and such other conditions as the Trustee may require (without the consent of the Noteholders of any Class), to the substitution of any other company in place of the Issuer, or of any previous substituted company, as principal debtor under the Trust Deed and the Notes of each Class, if required for taxation purposes, provided that such substitution would not in the opinion of the Trustee be materially prejudicial to the interests of the Noteholders of any Class. In the case of such a substitution the Trustee may agree, without the consent of the Noteholders, but subject to receipt of Rating Agency Confirmation (subject to receipt of such information and/or opinions as the Rating Agency may require), to a change of the law governing the Notes and/or the Trust Deed, provided that such change would not in the opinion of the Trustee be materially prejudicial to the interests of the Noteholders of any Class. Any substitution agreed by the Trustee pursuant to this Condition 14(d) (*Substitution*) shall be binding on the Noteholders, and shall be notified by the Issuer to the Noteholders as soon as practicable in accordance with Condition 16 (*Notices*).

The Trustee may, subject to the satisfaction of certain conditions specified in the Trust Deed, including receipt of Rating Agency Confirmation, agree to a change in the place of residence of the Issuer for taxation purposes without the consent of the Noteholders of any Class, provided the Issuer does all such things as the Trustee may 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 direct.

The Issuer shall procure that, so long as the Notes are listed on the Global Exchange Market of Euronext Dublin, any material amendments or modifications to the Conditions, the Trust Deed or such other conditions made pursuant to Condition 14 (*Meetings of Noteholders, Modification, Waiver and Substitution*) shall be notified to Euronext Dublin.

(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*).

In considering the interests of Noteholders while the Global Certificates are held on behalf of a clearing system, the Trustee may have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its account holders with entitlements to each Global Certificate and may consider such interests as if such account holders were the holders of any Global Certificate.

The Trust Deed provides that in the event of any conflict of interest between or among the holders of the Class X Notes, 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) 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, provided that in the case of any conflict of interest involving the Class X Notes, the interests of the interested next most senior Class of Notes Outstanding shall prevail. If the Trustee receives conflicting or inconsistent requests from two or more groups of holders of a Class, given priority as described in this paragraph, each representing less than the majority by principal amount of such Class, the Trustee shall give priority to the group which holds the greater amount of Notes Outstanding of such Class. The Trust Deed provides further that, except as expressly provided otherwise in any applicable Transaction Document or these Conditions, the Trustee will act upon the directions of the holders of the Controlling Class (or other Class where the holders of the Class or Classes having priority over such other Class do not have an interest in the subject matter of such directions) (in each case acting by Extraordinary Resolution) subject to being indemnified and/or secured and/or prefunded to its satisfaction, 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 or reduction in value of the Collateral, from any obligation to insure, or to monitor the provisions of any insurance arrangements in respect of, the Collateral (for the avoidance of doubt, under the Trust Deed the Trustee is under no such obligation) and from any claim arising from the fact that the Collateral is held by the Custodian or is otherwise held in safe custody by a bank or other custodian. The Trustee shall not be responsible for the performance by the Custodian of any of its duties under the Agency and Account Bank Agreement or for the performance by the Collateral Manager of any of its duties under the Collateral Management and Administration Agreement, for the performance by the Collateral Administrator of its duties under the Collateral Management and Administration Agreement or for the performance by any other person appointed by the Issuer in relation to the Notes or by any other party to any Transaction Document. The Trustee shall not have any responsibility for the administration, management or operation of the Collateral including the request by the Collateral Manager to release any of the Collateral from time to time.

The Trust Deed contains provisions for the retirement of the Trustee and the removal of the Trustee by Extraordinary Resolution of the Controlling Class, but no such retirement or removal shall become effective until a successor trustee is appointed.

16. Notices

Notices to Noteholders will be valid if posted to the address of such Noteholder appearing in the Register at the time of publication of such notice by pre-paid, first class mail (or any other manner approved by the Trustee which may be by electronic transmission) and (for so long as the Notes are listed on the Global Exchange Market of Euronext Dublin and the rules of Euronext Dublin so require) shall be sent to the Company Announcements Office of Euronext Dublin or such other process as Euronext Dublin 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 Euronext Dublin, when such notice is filed in the Company Announcements Office of Euronext Dublin or such other process as Euronext Dublin may require.

The Trustee shall be at liberty to sanction some other method of giving notice to the Noteholders (or a category of them) if, in its opinion, such other method is reasonable having regard to market practice then prevailing and to the rules of the stock exchange on which the Notes are then listed and provided that notice of such other method is given to the Noteholders in such manner as the Trustee shall require.

Notwithstanding the above, so long as any Notes are represented by a Global Certificate and such Global Certificate is held on behalf of a clearing system, notices to Noteholders may be given by delivery of the relevant notice to that clearing system for communication by it to entitled account holders in substitution for delivery thereof as required by the Conditions of such Notes provided that such notice is also made to the Company Announcements Office of 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

17. Additional Issuances

(a) The Issuer may at any time during the Reinvestment Period with respect to the Rated Notes and from time to time with respect to the Subordinated Notes, subject to the approval of the Subordinated Noteholders acting by Extraordinary Resolution and the prior written approval of the Retention Holder and, in respect of additional issuances of Class A Notes only, the approval of the Controlling Class acting by Ordinary Resolution, create and issue further Notes (other than the Class X Notes) having the same terms and conditions as existing Classes of Notes (subject as provided below) and which shall be consolidated and form a single series with the Outstanding Notes of such Class (unless otherwise provided), and will use the proceeds of sale thereof to purchase additional Collateral Obligations and, if applicable, enter into additional Hedge Transactions in connection with the Issuer's issuance of, and making payments on, the Notes and ownership of and disposition of the Collateral Obligations, provided that the following conditions are met:

(i) such additional issuances in relation to the applicable Class of Notes may not exceed 100.0 per cent. in the aggregate of the original aggregate principal amount of such Class of Notes;

(ii) such additional Notes must be issued for a cash sale price and the net proceeds invested in Collateral Obligations or, pending such investment, during the Initial Investment Period deposited in the Unused Proceeds Account or, thereafter, deposited in the Principal Account and, in each case, invested in Eligible Investments;

(iii) such additional Notes must be of each Class of Notes (other than the Class X Notes) and issued in a proportionate amount among the Classes (for such purpose excluding the Class X Notes) so that the relative proportions of aggregate principal amount of the Classes of Notes (other than the Class X Notes) existing immediately prior to such additional issuance remain unchanged immediately following such additional issuance (save with respect to Subordinated Notes as described in paragraph (b) below);

(iv) the terms (other than the date of issuance, the issue price and the date from which interest will accrue) of such Notes must be identical to the terms of the previously issued Notes of the applicable Class of Notes;

(v) the Issuer must notify the Rating Agencies then rating any Notes of such additional issuance and obtain Rating Agency Confirmation from each Rating Agency in respect of such additional issuance;

(vi) the Par Value Tests are satisfied immediately prior to such additional issuance of Notes and will be satisfied immediately after giving effect to such additional issuance of Notes;

(vii) the Interest Coverage Tests will be satisfied or, if not satisfied, will be maintained or improved after giving effect to such additional issuance of Notes compared to what they were immediately prior to such additional issuance of Notes;

(viii) the holders of the relevant Class of Notes in respect of which further Notes are issued shall have been notified in writing 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;

(ix) (so long as the existing Notes of the Class of Notes to be issued are listed on the Global Exchange Market of Euronext Dublin) the additional Notes of such Class to be issued are in accordance with the requirements of Euronext Dublin and are listed on the Global Exchange Market of Euronext Dublin (for so long as the rules of Euronext Dublin so requires);

(x) such additional issuances are in accordance with all applicable laws including, without limitation, the securities and banking laws and regulations of Ireland and do not adversely affect the Irish tax position of the Issuer;

(xi) any issuance of additional Notes would not result in non-compliance by the Collateral Manager with the EU Retention Requirements;

(xii) an opinion of counsel of nationally recognised experience in such matter has been delivered to the Issuer and the Trustee confirming that neither the Issuer nor the Portfolio will be required to register under the Investment Company Act as a result of such additional issuance

(xiii) the Issuer and the Trustee will have received advice of tax counsel of nationally recognised standing in the United States experienced in such matters to the effect that any additional Class A Notes, Class B Notes, Class C Notes, and Class D Notes will be treated, and any additional Class E Notes should be treated, as indebtedness for U.S. federal income tax purposes, provided, however, that the advice of tax counsel described in this clause (xiii) will not be required with respect to any additional Notes that bear a different securities identifier from the Notes of the same Class that were issued on the Issue Date and are Outstanding at the time of the additional issuance; and

(xiv) 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).

Any additional Notes that are not fungible with an existing Class of Notes for U.S. federal income tax purposes will be issued with a separate securities identifier.

(b) Notwithstanding paragraph (a) above and subject to the provisions of Condition 7(m) (*Redemption of Notes in part - Collateral Manager*) (including, for the avoidance of doubt, the provision that such creation and issuance is required in order to comply with the EU Retention Requirements), the Issuer may at any time, with respect to the Notes, create and issue further Notes which shall be consolidated and form a single series with the Outstanding Notes of such Class (unless otherwise provided) provided that the conditions set out in paragraph (v), (ix), (x), (xi) and (xii) of Condition 17(a) (*Additional Issuances*) above are met.

(c) The Issuer may also issue and sell additional Subordinated Notes (without issuing Notes of any other Class) having the same terms and conditions as existing Subordinated Notes (subject as provided below) and subject to the approval of the Subordinated Noteholders acting by Extraordinary Resolution and the prior written approval of the Retention Holder, 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, with the net proceeds to be deposited into the Supplemental Reserve Account to be applied for the purposes of a Permitted Use;

(iv) the conditions set out in Condition 3(c)(iv) (*Reinvestment Amounts*) are satisfied;

(v) the Issuer must notify the Rating Agencies then rating any Notes of such additional issuance;

(vi) the holders of the Subordinated Notes shall have been notified in writing 30 days prior to such issuance and shall have been afforded the opportunity to purchase additional Subordinated Notes in an amount not to exceed the Anti-Dilution Percentage of such additional Subordinated Notes and on the same terms offered to investors generally;

(vii) such additional issuance is in accordance with all applicable laws including, without limitation, the securities and banking laws and regulations of Ireland and do not adversely affect the Irish tax position of the Issuer;

(viii) (so long as the existing Subordinated Notes are listed on the Global Exchange Market of Euronext Dublin) the additional Subordinated Notes to be issued are in accordance with the requirements of Euronext Dublin and are listed on the Global Exchange Market of Euronext Dublin (for so long as the rules of Euronext Dublin so requires); and

(ix) any issuance of additional Subordinated Notes would not result in non-compliance by the Collateral Manager with the EU Retention Requirements; and

(x) an opinion of counsel of nationally recognised experience in such matter has been delivered to the Issuer and the Trustee confirming that neither the Issuer nor the Portfolio will be required to register under the Investment Company Act as a result of such additional issuance.

References in these Conditions to the "Notes" include (unless the context requires otherwise) any other securities issued pursuant to this Condition 17 (*Additional Issuances*) and forming a single series with the Notes. Any further notes forming a single series with Notes constituted by the Trust Deed or any deed supplemental to it shall be constituted by a deed supplemental to the Trust Deed.

18. Third Party Rights

No person shall have any right to enforce any term or Condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

19. Governing Law

(a) *Governing Law*

The Trust Deed and each Class of Notes and any dispute, controversy, proceedings or claim of whatever nature (whether contractual or non-contractual) arising out of or in any way relating to the Trust Deed or any Class of Notes are governed by and shall be construed in accordance with English law.

(b) *Jurisdiction*

The courts of England are to have exclusive jurisdiction to settle any disputes (whether contractual or non-contractual) which may arise out of or in connection with the Notes and accordingly any legal

action or proceedings arising out of or in connection with the Notes ("**Proceedings**") may be brought in such courts. The Issuer has in the Trust Deed irrevocably submitted to the jurisdiction of such courts and waives any objection to Proceedings in any such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is made for the benefit of each of the Noteholders and the Trustee and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

(c) *Agent for Service of Process*

The Issuer appoints Maples and Calder (having an office, at the date hereof, at 11th floor, 200 Aldersgate Street, London, EC1A 4HD) as its agent in England to receive service of process in any Proceedings in England based on any of the Notes. If for any reason the Issuer does not have such agent in England, it will promptly appoint a substitute process agent and notify the Trustee and the Noteholders of such appointment. Nothing herein shall affect the right to service of process in any other manner permitted by law.

USE OF PROCEEDS

The estimated net proceeds of the issue of the Notes after payment of fees and expenses payable on or about the Issue Date (including, without duplication, amounts deposited into the Expense Reserve Account) are expected to be approximately €401,060,000. Such proceeds will be used by the Issuer for the repayment of any amounts borrowed by the Issuer (together with any interest thereon) and all other amounts due in order to finance the acquisition of warehoused Collateral Obligations purchased by the Issuer prior to the Issue Date and to fund the First Period Reserve Account on the Issue Date. The remaining proceeds shall be deposited into 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 the Class E Notes, the Class F Notes or the Subordinated Notes) will be represented on issue by a Regulation S Global Certificate deposited with, and registered in the name of, a common depositary for Euroclear and Clearstream, Luxembourg, provided that all Class M-1 Subordinated Notes and Class M-2 Subordinated Notes may be held by way of Definitive Certificates only. 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 (as defined in Regulation S) 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 (as defined in Regulation S), and that, if in the future it determines to transfer such beneficial interest, it will transfer such interest only to a person (a) whom the seller reasonably believes to be a non-U.S. person (as defined in Regulation S) 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 (or, in the case of the Class E Notes, the Class F Notes or the Subordinated Notes and if applicable, a Rule 144A Definitive Certificate). See "*Transfer Restrictions*".

The Rule 144A Notes of each Class (other than in certain circumstances the Class E Notes, the Class F Note or the Subordinated Notes) will be represented on issue by a Rule 144A Global Certificate deposited with, and registered in the name of, a common depositary for Euroclear and Clearstream, Luxembourg, provided that all Class M-1 Subordinated Notes and Class M-2 Subordinated Notes may be held by way of Definitive Certificates only. Beneficial interests in a Rule 144A Global Certificate may only be held at any time through Euroclear or Clearstream, Luxembourg. See "*Book Entry Clearance Procedures*". By acquisition of a beneficial interest in a Rule 144A Global Certificate, the purchaser thereof will be deemed to represent, amongst other things, that it is a QIB/QP and that, if in the future it determines to transfer such beneficial interest, it will transfer such interest in accordance with the procedures and restrictions contained in the Trust Deed. See "*Transfer Restrictions*".

Beneficial interests in Global Certificates will be subject to certain restrictions on transfer set forth therein and in the Trust Deed and as set forth in Rule 144A and Regulation S, and the 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 in an offshore transaction to a non-U.S. person (as defined in Regulation S) 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.

CM Removal and Replacement Voting and Non-Voting Notes

A beneficial interest in a Rule 144A Global Certificate in the form of CM 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 CM 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 CM 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 CM 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 CM Removal and Replacement Non-Voting Notes or CM 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 CM 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 CM 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 CM 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 CM 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 CM Removal and Replacement Non-Voting Notes or CM 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 CM 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 CM 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 CM 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 CM Removal and Replacement Voting Notes in any other circumstances.

Beneficial interests in a Global Certificate representing Notes in the form of CM 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 CM Removal and Replacement Voting Notes or CM 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. An initial investor and a transferee of a Class E Note, a Class F Note or a Subordinated Note in the form of a Global Certificate will be deemed to represent (among other things) that it is not, and is not acting on behalf of (and for so long as it holds such Note or an interest therein it will not be, and will not be acting on behalf of) a Benefit Plan Investor or a Controlling Person. If an initial investor or transferee is unable to make such deemed representation, such initial investor or transferee may not acquire such Class E Note, Class F Note or Subordinated Note unless such initial investor or transferee: (i) obtains the written consent of the Issuer; (ii) provides an ERISA certificate to the Issuer as to its status as a Benefit Plan Investor or Controlling Person (substantially in the form of Annex B); and (iii) unless the written consent of the Issuer to the contrary is obtained with respect to securities purchased by an initial investor on the Issue Date, holds such Class E Note, Class F Note or Subordinated Note in the form of a

Definitive Certificate. Any Class E Note, Class F Note or Subordinated Note in the form of a Definitive Certificate shall be registered in the name of the holder thereof.

The Retention Notes will be offered outside the United States to the Collateral Manager as a non-U.S. person (as defined in Regulation S) in reliance on Regulation S and will be issued in global, 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 and Clearstream Banking, société anonyme. The Notes are not issuable in bearer form.

Exchange for Definitive Certificates

Exchange

Each Global Certificate will be exchangeable, free of charge to the holder, on or after its Definitive Exchange Date (as defined below), in whole but not in part, for Definitive Certificates if a Global Certificate is held (directly or indirectly) on behalf of Euroclear, Clearstream, Luxembourg or an alternative clearing system and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces its intention to permanently cease business or does in fact do so.

In addition, interests in Global Certificates representing Class E Notes, Class F Notes or Subordinated Notes may be exchangeable for interests in a Definitive Certificate representing the Class E Notes, Class F Notes or Subordinated 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 with an ERISA certificate substantially in the form of Annex B.

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 the Transfer Agent is located.

Delivery

In the event a Global Certificate is to be exchanged, the relevant Global Certificate shall be exchanged in full for Definitive Certificates and the Issuer will, at the cost of the Issuer (but against such indemnity as the Registrar or any Transfer Agent may require in respect of any tax or other duty of whatever nature which may be levied or imposed in connection with such exchange), cause sufficient Definitive Certificates to be executed and delivered to the Registrar for completion, authentication and dispatch to the relevant Noteholders. A person having an interest in a Global Certificate must provide the Registrar with (a) a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such Definitive Certificates and (b) in the case of the Rule 144A Global Certificate only, a fully completed, signed certification substantially to the effect that the exchanging holder is not transferring its interest at the time of such exchange or, in the case of simultaneous sale pursuant to Rule 144A, a certification that the transfer is being made in compliance with the provisions of Rule 144A. Definitive Certificates issued in exchange for a beneficial interest in the Rule 144A Global Certificate shall bear the legends applicable to transfers pursuant to Rule 144A, as set out under "*Transfer Restrictions*".

Legends

The holder of a Class E Note, Class F Note or Subordinated Note in registered definitive form, as applicable, may transfer the Notes represented thereby in whole or in part in the applicable minimum denomination by surrendering such Note(s) at the specified office of the Registrar or the Transfer Agent, together with the completed form of transfer and, to the extent applicable, written consent of the Issuer and a duly completed ERISA certificate substantially in the form of Annex B. Upon the transfer, exchange or replacement of a Class E Note, Class F Note or Subordinated Note in registered definitive form, as applicable, bearing the legend referred to under "*Transfer Restrictions*" below, or upon specific request for removal of the legend on a Definitive Certificate in registered definitive form, as applicable, the Issuer will deliver only Class E Notes, Class F Notes or Subordinated Notes that bear such legend, or will refuse to remove such legend, as the case may be, unless there is delivered to the Issuer and the Registrar such satisfactory evidence, which may include an opinion of counsel, as may reasonably be required by the Issuer that neither the legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act and the Investment Company Act. With the written consent of the Trustee and the Issuer, a Class E Note, Class F Note or Subordinated Note in the form of a Definitive Certificate may be transferred to a person who takes delivery in the form of an interest in a Rule 144A Global Certificate or a Regulation S Global Certificate, subject to all transfer restrictions and other procedures applicable to beneficial interests in a Rule 144A Global Certificate or a Regulation S Global Certificate (as applicable).

Exchange of Definitive Certificates for Interests in Global Certificates

Regulation S

If a holder of Class E Notes, Class F Notes or Subordinated Notes represented by a Definitive Certificate wishes at any time to transfer its interest in such Notes to a person who wishes to take delivery thereof in the form of a beneficial interest in a Regulation S Global Certificate, such holder may effect such transfer only upon receipt by the Registrar of: (a) notification from the common depositary for Euroclear and Clearstream, Luxembourg of the Regulation S Global Certificate that the appropriate credit entry has been made in the accounts of the relevant participants of Euroclear and Clearstream, Luxembourg, (but in no case for less than the minimum authorised denomination applicable to such Notes); and (b) a certificate in the form of part 7 (*Form of Definitive Certificate to Regulation S Global Certificate Transfer Certificate*) of schedule 4 (*Transfer, Exchange and Registration Documentation*) of the Trust Deed or in such other form as the Registrar, relying upon the advice of counsel, may deem substantially similar in legal effect (a copy of which is provided to the Registrar) given by the holder of the beneficial interests in such Notes.

Each person who becomes an owner of a beneficial interest in a Regulation S Global Certificate will be deemed to have represented and agreed to the representations set forth in this Offering Circular relating to such Notes under the heading "*Transfer Restrictions*".

Rule 144A

If a holder of Class E Notes, Class F Notes or Subordinated Notes represented by a Definitive Certificate wishes at any time to transfer its interest in such Notes to a person who wishes to take delivery thereof in the form of a beneficial interest in a Rule 144A Global Certificate, such holder may effect such transfer only upon receipt by the Registrar of: (a) notification from the common depositary for Euroclear and Clearstream, Luxembourg of the Rule 144A Global Certificate that the appropriate credit entry has been made in the accounts of the relevant participants of Euroclear and Clearstream, Luxembourg (but in no case for less than the minimum authorised denomination applicable to Notes of such Class); and (b) a certificate in the form of part 6 (*Form of Definitive Certificate to Rule 144A Global Certificate Transfer Certificate*) of schedule 4 (*Transfer, Exchange and Registration Documentation*) of the Trust Deed or in such other form as the Registrar, relying upon the advice of counsel, may deem substantially similar in legal effect (in each case, copies of which are provided to the Registrar as applicable) given by the proposed transferee.

Each person who becomes an owner of a beneficial interest in a Rule 144A Global Certificate will be deemed to have represented and agreed to the representations set forth in this Offering Circular relating to such Notes under the heading "*Transfer Restrictions*".

BOOK ENTRY CLEARANCE PROCEDURES

The information set out below has been obtained from sources that the Issuer believes to be reliable, but prospective investors are advised to make their own enquiries as to such procedures. In particular, such information is subject to any change in or interpretation of the rules, regulations and procedures of Euroclear or Clearstream, Luxembourg (together, the "**Clearing Systems**") currently in effect and investors wishing to use the facilities of any of the Clearing Systems are therefore advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuer, the Trustee, the Collateral Manager, the Retention Holder, the Initial Purchaser or any Agent party to the Agency and Account Bank Agreement (or any Affiliate of any of the above, or any person by whom any of the above is controlled for the purposes of the Securities Act), will have any responsibility for the performance by the Clearing Systems or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations or for the sufficiency for any purpose of the arrangements described below.

Euroclear and Clearstream, Luxembourg

Custodial and depositary links have been established between Euroclear and Clearstream, Luxembourg to facilitate the initial issue of the Notes and cross-market transfers of the Notes associated with secondary market trading (see "*Settlement and Transfer of Notes*" below).

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

Book Entry Ownership

Euroclear and Clearstream, Luxembourg

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

Relationship of Participants with Clearing Systems

Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a Note represented by a Global Certificate must look solely to Euroclear or Clearstream, Luxembourg (as the case may be) for his share of each payment made by the Issuer to the holder of such Global Certificate and in relation to all other rights arising under the Global Certificate, subject to and in accordance with the respective rules and procedures of Euroclear or Clearstream, Luxembourg. 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 Rated Notes be issued with at least the following ratings: the Class X Notes "Aaa(sf)" from Moody's and "AAAsf" from Fitch; the Class A Notes "Aaa(sf)" from Moody's and "AAAsf" from Fitch; the Class B-1 Notes: "Aa2(sf)" from Moody's and "AAsf" from Fitch; the Class B-2 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: "Baa3(sf)" from Moody's and "BBB-sf" 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 X Notes, 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 other Rated Notes address the ultimate payment of principal and interest.

A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the applicable rating agency.

Moody's Ratings

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

Moody's analysis of the likelihood that each Collateral Obligation will default is based on historical default rates for similar debt obligations, the historical volatility of such default rates (which increases as obligations with lower ratings are added to the Portfolio) and an additional default assumption to account for future fluctuations in defaults. Moody's then determines the level of credit protection necessary to achieve the expected loss associated with the rating of the structured securities, taking into account the expected volatility of the default rate of the Portfolio based on the level of diversification by region, issuer and industry. There can be no assurance that the actual default rates on the Collateral Obligations held by the Issuer will not exceed the rates assumed by Moody's in its analysis.

In addition to these quantitative tests, Moody's Ratings take into account qualitative features of a transaction, including the experience of the Collateral Manager, the legal structure and the risks associated with such structure and other factors that Moody's deems relevant.

Fitch Ratings

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

Fitch analyses the likelihood that each Collateral Obligation will default, based on historical default rates for similar debt obligations, the historical volatility of such default rates (which increases as securities with lower ratings are added to the portfolio) and an additional default assumption to account for future fluctuations in defaults. Fitch then determines the level of credit protection necessary based on a specific percentile of the portfolio default distribution determined by the Fitch “Portfolio Credit Model” which takes into account the correlation between assets in the portfolio based on the level of diversification by region, issuer and industry.

The results of a statistical analysis are incorporated into a cash flow model built to mimic the structure of the transaction. In this regard, the results of several default scenarios, in conjunction with various qualitative tests (e.g., analysis of the strength of the Collateral Manager), are used to determine the credit enhancement required to support a particular rating.

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

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

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

RULE 17G-5

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

ON THE ISSUE DATE, THE ISSUER WILL REQUEST CITIBANK N.A., LONDON BRANCH, IN ACCORDANCE WITH THE COLLATERAL MANAGEMENT AND ADMINISTRATION AGREEMENT, TO ASSIST THE ISSUER IN COMPLYING WITH CERTAIN OF THE POSTING REQUIREMENTS UNDER RULE 17G-5 (IN SUCH CAPACITY, THE "**INFORMATION AGENT**"). ANY NOTICES OR REQUESTS TO, OR ANY OTHER WRITTEN COMMUNICATIONS WITH OR WRITTEN INFORMATION PROVIDED TO, THE RATING AGENCIES, OR ANY OF THEIR OFFICERS, DIRECTORS OR EMPLOYEES PURSUANT TO, IN CONNECTION WITH OR RELATED DIRECTLY OR INDIRECTLY TO, THE TRUST DEED, THE COLLATERAL MANAGEMENT AND ADMINISTRATION AGREEMENT, ANY TRANSACTION DOCUMENT RELATING THERETO, THE PORTFOLIO OR THE NOTES, WILL BE IN EACH CASE FURNISHED DIRECTLY TO THE RATING AGENCIES AFTER A COPY HAS BEEN DELIVERED TO THE INFORMATION AGENT OR THE ISSUER FOR POSTING TO THE RULE 17G-5 WEBSITE.

THE ISSUER

General

The Issuer is a special purpose vehicle established for the purpose of issuing asset-backed securities for the purpose of purchasing Collateral Obligations and entering into other related contracts and was incorporated in Ireland as a designated activity company limited by shares on 13 February 2018 under the Companies Act 2014 (as amended) with the name of Aqueduct European CLO 4 - 2018 Designated Activity Company and changed its name to Aqueduct European CLO 4 - 2019 Designated Activity Company on 15 November 2018 with the company registration number of 621029. The registered office of the Issuer is at 32 Molesworth Street, Dublin 2, Ireland. The telephone number of the registered office of the Issuer is +353 1697 3200 and the facsimile number is +353 1 697 3300.

The authorised share capital of the Issuer is €100,000 divided into 100,000 ordinary shares of €1.00 each (the "**Shares**"). The Issuer has issued one Share, which is fully paid up and is held on trust by MaplesFS Trustees Ireland Limited (as "**Share Trustee**") under the terms of a declaration of trust (the "**Declaration of Trust**") dated 25 April 2018, whereby the Share Trustee holds the Share on trust for charitable purposes. The Share Trustee will have no beneficial interest in and will derive no benefit (other than its fees for acting as Share Trustee) from its holding of the shares of the Issuer. The Share Trustee will apply any income derived from the Issuer solely for the above purposes.

Maples Fiduciary Services (Ireland) Limited (the "**Corporate Services Provider**"), an Irish company, acts as the corporate services provider for the Issuer. Pursuant to the terms of the corporate services agreement entered into on 25 April 2018 between the Issuer and the Corporate Services Provider (the "**Corporate Services Agreement**"), the Corporate Services Provider performs various services to the Issuer, including the provision of certain clerical, reporting, accounting, administrative and other services until termination of the Corporate Services Agreement. In consideration of the foregoing, the Corporate Services Provider receives various fees and other charges payable by the Issuer at rates agreed upon from time to time plus expenses. The terms of the Corporate Services Agreement provide that either party may terminate the Corporate Services Agreement upon the occurrence of certain stated events, including any material breach by the other party of its obligations under the Corporate Services Agreement which is either incapable of remedy or which is not cured within 30 days from the date on which it was notified of such breach. In addition, either party may terminate the Corporate Services Agreement at any time by giving at least one month written notice to the other party.

The Corporate Services Provider's principal office is at 32 Molesworth Street, Dublin 2, Ireland.

Business

The principal objects of the Issuer are set forth in its constitution and include, *inter alia*, the power to issue securities and to raise or borrow money, to grant security over its assets for such purposes, to lend with or without security and to enter into derivative transactions. Cash flow derived from the Collateral securing the Notes will be the Issuer's only source of funds to fund payments in respect of such Notes.

So long as any of the Notes remain outstanding, the Issuer will be subject to the restrictions set out in the Conditions and in the Trust Deed. In particular, the Issuer has undertaken not to carry out any business other than the issue of the Notes and acquiring, holding and disposing of the Portfolio in accordance with the Conditions and the Collateral Management and Administration Agreement, entering into the Trust Deed, the Agency and Account Bank Agreement, the Collateral Management and Administration Agreement, the Corporate Services Agreement, the Warehouse Termination Agreement, any Collateral Acquisition Agreements, the Subscription Agreement and any Hedge Agreements and exercising the rights and performing the obligations under each such agreement and all other transaction documents incidental thereto. The Issuer will not have any substantial liabilities other than in connection with the Notes and any secured obligations. The Issuer will not have any subsidiaries and, save in respect of the fees and expenses generated in connection with the issue of the Notes (referred to below), any related profits and the proceeds of any deposits and investments made from such fees or from amounts representing the proceeds of the Issuer's issued share capital, the Issuer will not accumulate any surpluses.

The Issuer has, and will have, no material assets other than the Portfolio held from time to time, the Balances standing to the credit of the Accounts and the benefit of the Agency and Account Bank Agreement, the Collateral Management and Administration Agreement, the Collateral Acquisition Agreements and any Hedge

Agreements and any other Transaction Documents entered into by or on behalf of the Issuer from time to time, such fees (as agreed) payable to it in connection with the issue of the Notes, the sum of €1.00 representing the proceeds of its issued and paid up share capital and the remainder of the amounts standing to the credit of the Issuer Profit Account. The only assets of the Issuer available to meet claims of the holders of the Notes and the other Secured Parties are the assets comprised in the Collateral.

The Notes are obligations of the Issuer alone and are not the obligation of, or guaranteed in any way by, the Directors, the Company Secretary, the Trustee, the Custodian, the Collateral Manager, the Collateral Administrator, any Hedge Counterparty or any Obligor under any part of the Portfolio.

Directors and Company Secretary

The Irish Companies Act 2014 provides that the Board of Directors of the Issuer will consist of at least two Directors.

The Directors of the Issuer as at the date of this Offering Circular are Michael Drew and Padraic Doherty. The business address of the Directors is 32 Molesworth Street, Dublin 2, Ireland.

The Company Secretary is MFD Secretaries Limited.

Business Activity

Prior to the Issue Date, the Issuer entered into the Warehouse Arrangements in order to enable the Issuer to acquire certain Collateral Obligations on or before the Issue Date. Amounts owing under the Warehouse Arrangements will be fully repaid on the Issue Date using the proceeds from the issuance of the Notes.

The Issuer has not previously carried on any business or activities other than those incidental to its incorporation, the authorisation and entry into of the Warehouse Arrangements, the acquisition of the Portfolio, the authorisation and issue of the Notes and activities incidental to the exercise of its rights and compliance with its obligations under the Collateral Acquisition Agreements, the Notes, the Subscription Agreement, the Agency and Account Bank Agreement, the Trust Deed, the Collateral Management and Administration Agreement, the Corporate Services Agreement, the Warehouse Termination Agreement, each Hedge Agreement and the other documents and agreements entered into in connection with the issue of the Notes and the purchase of the Portfolio.

Indebtedness

The Issuer has no indebtedness as at the date of this Offering Circular, other than that which the Issuer has incurred or shall incur in relation to the transactions contemplated herein (including the funding provided pursuant to the Warehouse Arrangements, which will be repaid in full on the Issue Date).

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 Conditions).

Financial Statements

Since its date of incorporation, save as disclosed herein, the Issuer has not commenced operations and no financial statements of the Issuer have been prepared as at the date of this Offering Circular. The Issuer intends to publish its first financial statements in respect of the period ending on 31 December 2018. The Issuer will not prepare interim financial statements. The financial year of the Issuer ends on 31 December in each year.

The auditors of the Issuer are PwC, One Spencer Dock, North Wall Quay, Dublin 1, Ireland who are chartered accountants and are members of the Institute of Chartered Accountants and registered auditors qualified in practice in Ireland.

THE EU RETENTION AND DISCLOSURE REQUIREMENTS

Description of the Retention Holder

The Issuer has accurately reproduced the information contained in the section entitled "The EU Retention and Disclosure Requirements - Description of the Retention Holder" from information provided to it by the Collateral Manager but it has not independently verified such information. So far as the Issuer is aware and is able to ascertain from information published by the Collateral Manager, no facts have been omitted which would render the reproduced information inaccurate or misleading. The information appearing in this section has been prepared by the Collateral Manager and has not been independently verified by the Issuer, the Initial Purchaser or any other party and none of such Persons assumes any responsibility for the accuracy, completeness or applicability of such information.

The Collateral Manager shall act as the Retention Holder for the purposes of the EU Retention Requirements. The description and the address of the Collateral Manager are set out in the "*The Collateral Manager*" section of this Offering Circular.

As Retention Holder, the Collateral Manager will hold the Retention Notes, as described below, in its capacity as "originator" for the purposes of the EU Retention Requirements. On the basis of the paragraphs below, and the undertakings, representations, warranties and acknowledgements to be given by the Collateral Manager set out below, the Collateral Manager reasonably believes that it is an "originator" for the purposes of the EU Retention Requirements.

Prospective investors should consider the discussion in "*Risk Factors – Regulatory Initiatives - Risk Retention and Due Diligence – EU Risk Retention and Due Diligence Requirements", "Risk Factors – Regulatory Initiatives - EU Disclosure Requirements"* and "*Risk Factors – Conflicts of Interest*" above.

EU Retention Requirements

The following description consists of a summary of certain provisions of the Collateral Management and Administration Agreement which does not purport to be complete and is qualified by reference to the detailed provisions of such agreement.

On the Issue Date, the Collateral Manager will enter into the Collateral Management and Administration Agreement between, among others, the Collateral Manager, the Issuer, the Trustee (for the benefit of the Noteholders) and the Collateral Administrator.

Under the Collateral Management and Administration Agreement, the Collateral Manager (in its capacity as Retention Holder) will for so long as any Notes are Outstanding:

(a) undertake to purchase (at the initial issuance and each subsequent date of additional issuance of Notes) and retain, for its own account, a material net economic interest in the transaction comprising not less than 5 per cent. of the Principal Amount Outstanding of each Class of Notes (with, for such purposes, the Class B-1 Notes and the Class B-2 Notes together treated as a single Class) within the meaning of Article 6(1) of the Securitisation Regulation for the purposes of satisfying the EU Retention Requirements;

(b) agree not to sell, hedge or otherwise mitigate its credit risk under or associated with the Retention Notes, except to the extent not restricted by the EU Retention Requirements;

(c) subject to any regulatory requirements, agree (i) to take such further reasonable action, provide such information, on a confidential basis, and enter into such other agreements as may reasonably be required to satisfy the EU Retention Requirements and (ii) to provide to the Issuer, on a confidential basis, information in the possession of the Collateral Manager relating to its holding of the Retention Notes, in each case at the cost and expense of the party seeking such information, to the extent the same is not subject to a duty of confidentiality and only 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, to the Trustee, the Collateral Administrator, the Initial Purchaser and the Issuer (i) promptly upon the request of the Trustee, the Collateral Administrator, the Initial Purchaser or the Issuer and (ii) once every calendar month for inclusion in each Monthly Report, in each case in writing (which may be by way of email);

(e) agree that it shall promptly notify the Issuer, the Trustee, the Initial Purchaser and the Collateral Administrator if for any reason it (i) ceases to hold the Retention Notes in accordance with (a) above, (ii) fails to comply with the covenants set out in paragraph (b) or (c) above or (f) below or (iii) the representations set out in paragraph (f) below fails to be true;

(f) represent, warrant, undertake and agree:

(i) that in relation to every Collateral Obligation that it sells or transfers to the Issuer on or before the Issue Date:

(A) it, either itself or through related entities, directly or indirectly, was involved or will be involved in the original agreement which created or will create such obligation; or

(B) it committed, pursuant to the terms of a Conditional Sale Agreement, to purchase or will purchase each Originated Asset for its own account prior to the Originated Asset being acquired by the Issuer in the event that such Originated Asset failed to meet the Eligibility Criteria within the Seasoning Period in respect of such Originated Asset;

(ii) that the Collateral Manager is managing the securitisation scheme consisting of the issuance by the Issuer of the Notes described in this Offering Circular and has established such a transaction and appointed the Initial Purchaser to provide certain specific services in order to assist with such establishment;

(iii) that it is not an entity that has been established or that operates for the sole purpose of securitising exposures;

(iv) it has a business strategy and the capacity to meet payment obligations consistent with a broader business enterprise and involving material support from capital, assets, fees or other income available to it, relying neither on the exposures it securitises, nor on any interests retained in accordance with the Securitisation Regulation, as well as any corresponding income from such exposures and interests;

(v) its responsible decision makers have the required experience to enable it to pursue it established business strategy, as well as an adequate corporate governance arrangement; and

(vi) that the Originator Requirement is satisfied as at the Issue Date.

If a successor Collateral Manager is appointed as described in "*Description of the Collateral Management and Administration Agreement - Appointment of Successor*", then notwithstanding the above, the Collateral Manager may sell the Retention Notes to such successor (at a price agreed by the parties to such sale) except to the extent such a sale:

(a) is restricted by the EU Retention and Disclosure Requirements; or

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

and such successor shall, by way of entry into of the Collateral Management and Administration Agreement commit to acquire and retain the Retention Notes and provide representations, warranties and covenants on the same terms as those set out in the Collateral Management and Administration Agreement in relation to the EU Retention and Disclosure Requirements.

If a successor Collateral Manager is appointed as described in " *Description of the Collateral Management and Administration Agreement - Appointment of Successor*" below and the outgoing Collateral Manager does not sell

the Retention Notes, such outgoing Collateral Manager shall continue to be bound by the provisions of the Collateral Management and Administration Agreement in respect of the Retention Notes and such provisions shall not apply to such successor.

Prospective investors should consider the discussion in "*Risk Factors – Regulatory Initiatives - Risk Retention and Due Diligence – EU Risk Retention and Due Diligence Requirements*" and "*Risk Factors – Regulatory Initiatives - EU Disclosure Requirements*".

Originator Requirement

By way of background, the definition of an "originator" in Article 2(3) of the Securitisation Regulation refers to an entity which:

(a) itself or through related entities, directly or indirectly, was involved in the original agreement which created the obligations or potential obligations of the debtor or potential debtor giving rise to the exposures being securitised; or

(b) purchases a third party's exposures on its own account and then securitises them.

Article 3(1)(4) of the regulatory technical standards adopted by the European Commission on 12 March 2014 in respect of Regulation (EU) 575/2013 (which, pursuant to the Securitisation Regulation, shall apply in respect of the EU Retention and Disclosure Requirements until replacement regulatory technical standards are adopted for the purposes of the Securitisation Regulation) provides that, where the securitised exposures are created by multiple originators (as is the case in a managed CLO, where assets are acquired from numerous sellers in the market), the retention requirements may be fulfilled in full by a single originator in circumstances where the relevant originator has established and is managing the scheme.

Origination of Collateral Obligations

The Issuer has accurately reproduced the information contained in the section entitled "The EU Retention and Disclosure Requirements – Origination of Collateral Obligations" from information provided to it by the Collateral Manager but it has not independently verified such information. So far as the Issuer is aware and is able to ascertain from information published by the Collateral Manager, no facts have been omitted which would render the reproduced information inaccurate or misleading. The information appearing in this section has been prepared by the Collateral Manager and has not been independently verified by the Issuer, the Initial Purchaser or any other party and none of such Persons assumes any responsibility for the accuracy, completeness or applicability of such information. The delivery of this Offering Circular shall not create any implication that there has been no change in the affairs of the Collateral Manager or of its Affiliates since the date of this Offering Circular, or that the information contained or referred to herein is correct as of any time subsequent to the date of this Offering Circular.

Sale of Collateral Obligations to CLOs

The Collateral Manager, in order to qualify as an "Originator" for the purposes of the Securitisation Regulation, will enter into a conditional sale agreement (the "**Conditional Sale Agreement**") between the Collateral Manager (as purchaser) and the Issuer (as seller). Pursuant to the terms of the Conditional Sale Agreement, the Issuer shall, in the event any asset the subject of such Conditional Sale Agreement (each an "**Originated Asset**") fails to meet the Eligibility Criteria within 15 Business Days (the "**Seasoning Period**") of the date upon which notice is given, such date (the "**Notification Date**"), have the right to require the Collateral Manager to purchase from it the relevant Originated Asset for the same purchase price as the Issuer committed to purchase and settle such Originated Asset. The Collateral Manager will ensure that, on or before the Issue Date, Originated Assets with an aggregate notional amount of 5 per cent. of the Target Par Amount have been subject to the Seasoning Period under the terms of the Conditional Sale Agreement.

Originator Credit Granting and Selection of Assets

The Originator is aware of its obligations under Article 6(2) of the Securitisation Regulation and will not select assets to be transferred to the Issuer with the aim of rendering losses on the assets transferred to the Issuer higher than the losses over the same period on comparable assets held on its balance sheet.

The Originator is also aware of its obligations under Article 9 of the Securitisation Regulation and shall apply to exposures to be securitised the same sound and well-defined criteria for credit-granting which it applies to non-securitised exposures. It will, as part of its due diligence on each asset to be securitised in respect of which it has not undertaken the original credit-granting, verify to the extent required pursuant to Article 9(3) that the entity directly or indirectly involved in the original agreement which created such asset, has applied to the asset the same sound and well-defined criteria for credit-granting that such entity applies to its non-securitised exposures. Such verification has been made by confirming that the original syndicate of lenders in respect of an originator has at least one credit institution that is subject to Regulation (EU) No. 575/2013 of the European Parliament and of the Council (as the same may be amended from time to time).

EU Disclosure Requirements

In accordance with Article 7(2) of the Securitisation Regulation, each of the originator, sponsor and the Issuer (as applicable) are required to designate amongst themselves one entity to be the designated entity (the "**reporting entity**") to make available to the Noteholders, potential investors in the Notes and competent authorities (together, the "**Relevant Recipients**"), the documents, reports and information necessary to fulfil the relevant reporting obligations under Article 7(1) of the Securitisation Regulation. The Issuer has, pursuant to the Collateral Management and Administration Agreement, agreed to be the reporting entity for this transaction.

Virtus Group LP ("**Virtus**"), acting on behalf of the Issuer has made drafts of the applicable documentation referred to in Articles 7(1)(b) and 7(1)(c) of the Securitisation Regulation (the "**Pre-Pricing Draft Documents**") available to the Relevant Recipients before pricing of the Notes via a secure website currently located at https://sf.citidirect.com or by such other method of dissemination as is required by the Securitisation Regulation (as instructed by the Issuer or the Collateral Manager) (or such other website as may be notified in writing by Virtus Group LP to the Issuer, the Collateral Manager, the Initial Purchaser, the Trustee, the Hedge Counterparties, the Collateral Manager, the Rating Agencies and the Noteholders from time to time, or otherwise as may be required by the applicable competent authorities or by the Issuer to comply with its obligations as reporting entity). Investors should note that the Pre-Pricing Draft Documents are subject to change and that on or after the Issue Date, each Pre-Pricing Draft Document will be replaced by the final form of such document.

Pursuant to the Collateral Management and Administration Agreement (i) the Collateral Manager (on behalf of and at the expense of the Issuer) is required to provide to the Collateral Administrator and the Issuer all reports, data and other information required in connection with the proper performance by the reporting entity of its obligations under the EU Disclosure Requirements and (ii) the Collateral Administrator (on behalf of and at the expense of the Issuer), to the extent agreed by the Collateral Administrator, shall make available such information (provided that it has received such information from the Collateral Manager) via a secure website currently located at https://sf.citidirect.com or by such other method of dissemination as is required by the Securitisation Regulation (as instructed to the Collateral Administrator by the Issuer or the Collateral Manager on its behalf) (or such other website as may be notified in writing by the Collateral Administrator to the Issuer, the Initial Purchaser, the Trustee, the Collateral Manager, the Hedge Counterparties, the Rating Agencies and the Noteholders from time to time, or otherwise as may be required by the applicable competent authorities or by the Issuer to comply with its obligations as reporting entity (as instructed to the Collateral Administrator by the Issuer or the Collateral Manager on its behalf)) which shall be accessible to any Noteholder and any person who certifies (which may be electronic) to the Collateral Administrator that it is a competent authority or a any potential investor in the Notes.

Compliance with certain reporting obligations under Articles 7(1)(a) and (e) of the Securitisation Regulation will only be required upon the occurrence of the Securitisation Regulation Reporting Effective Date.

DESCRIPTION OF THE COLLATERAL MANAGER

The information appearing in this section has been prepared by the Collateral Manager and has not been independently verified by the Issuer, the Initial Purchaser or any other party. None of the Initial Purchaser or any other party other than the Collateral Manager assumes any responsibility for the accuracy or completeness of such information.

General

The Collateral Manager is an English limited liability partnership registered under the Limited Liability Partnership Act 2000 with number OC412944 on 22 July 2016. The Collateral Manager is authorised and regulated in the conduct of its collateral manager business by the UK Financial Conduct Authority as of 24 April 2017 with firm reference number 755617.

The Collateral Manager was incorporated to establish and manage European collateralised loan obligations ("**European CLOs**") and invest in and hold retention interests in European CLOs managed by the Collateral Manager in accordance with the EU Retention and Disclosure Requirements.

The Collateral Manager will be responsible for the collateral management and credit decisions with respect to managing the Collateral on behalf of the Issuer. The Collateral Manager expects to retain certain services relating to its obligations under the Collateral Management and Administration Agreement, including in connection with the construction of the portfolio of the Issuer and back-office functions from, its Affiliate, HPS Investment Partners (UK) LLP (the "**HPSIP**"). HPSIP is a subsidiary of HPS Investment Partners, LLC ("**HPS LLC**" and together with its affiliates, "**HPS**"). With approximately 340 employees, including approximately 130 investment professionals, as of 31 March 2019, HPS manages capital for sophisticated investors, including financial institutions, public and corporate pension funds, endowments, foundations and family offices, as well as individuals. HPS LLC is based in New York and HPSIP is based in London.

HPS LLC (formerly known as Highbridge Principal Strategies, LLC) was formed as a subsidiary of HCM in 2007 to focus on managing debt and equity investments, including loan, mezzanine, credit opportunities, private equity and other investments. HCM is a subsidiary of JPMAM, which is itself a subsidiary of JPM. On 31 March 2016, the senior executives of HPS LLC acquired HPS LLC and its subsidiaries from JPMAM, consummating the HPS/JPMAM Transaction. On 29 June 2018 affiliates of Dyal Capital Partners, a division of Neuberger Berman, made a passive minority investment in HPS.

HPS LLC and its subsidiaries (including HPSIP) are now treated as independent from JPM, although JPM currently retains, and may for a number of years continue to retain, a non-voting minority interest in the HPS LLC. See *"Risk Factors – Conflicts of Interest – Certain Conflicts of Interest Involving or Relating to the Collateral Manager and its Affiliates"* for a discussion of how this relationship could impact the Issuer. JPM's asset management business outside of HPS, including HCM and its subsidiaries, remain part of JPM following the HPS/JPMAM Transaction.

Investment Team

The investment activities of the Issuer will be overseen by personnel who have substantial experience in credit investing and risk management. These loan focused professionals are dedicated to the broadly syndicated loan and CLO business. The investment professionals have long tenures in the credit markets and are highly experienced in analysing, structuring and trading non-investment grade loans and high yield bonds. The Issuer will also be supported by the comprehensive platform of operations, accounting, compliance, legal, technology and investor relations infrastructure of HPSIP and its affiliates. Simon Peatfield and Nick Strong will be the Portfolio Managers of the Issuer.

The Issuer will also benefit from the oversight and support of other senior HPSIP professionals. The Collateral Manager believes its (and its affiliates') extensive capabilities across a full spectrum of non-investment grade corporate credit strategies provides broad market insights, enhanced research capabilities and a deep network of investment sourcing relationships. The Collateral Manager believes the ability of the various funds for which its affiliates acts as investment manager to buy mezzanine debt securities, bridge loans, high yield bonds and senior secured loans makes the Collateral Manager a valuable financing partner for underwriters and other market participants and provides it with broader access to investment opportunities.

Set forth below is background information of certain principals and/or employees of HPS, although such persons may not necessarily continue to hold such positions or be directly involved in performing investment

management services to the Issuer during the term of the Collateral Management and Administration Agreement. In addition, HPSIP and/or its affiliates may add principals or employees at any time.

Scott Kapnick. Mr. Kapnick is Chief Executive Officer of HPS LLC which he founded in 2007. HPS LLC was originally formed as a unit of Highbridge Capital Management, LLC, a subsidiary of JPMorgan Asset Management. In March 2016, the principals of HPS LLC acquired the firm from JPMorgan, which retained Highbridge and the hedge fund strategies. From 2013 to 2016, Mr. Kapnick also served as Chief Executive Officer and Chairman of the Executive Committee of Highbridge Capital Management. Before founding HPS LLC, Mr. Kapnick was a Management Committee Member, Partner, and Co-Head of Global Investment Banking at Goldman Sachs, positions he held from 2001 to 2006. He also served as Co-Chief Executive Officer of Goldman Sachs International from 2005 to 2006 and spent 12 out of his 21 years at the firm in Europe (London and Frankfurt). Mr. Kapnick was named Partner in 1994. Mr. Kapnick is a graduate of Williams College and holds a combined JD/MBA from the University of Chicago. Mr. Kapnick also studied at the London School of Economics & Political Science.

Simon Peatfield. Mr. Peatfield is a Managing Director at HPS Investment Partners. Prior to joining HPS in 2015, Mr. Peatfield worked for eight years as a Portfolio Manager at Intermediate Capital Group plc, where he managed several European CLOs and was responsible for establishing the structured credit business. Between 2003 and 2008, Mr. Peatfield worked as a Portfolio Manager in the Structured Credit Products team at Prudential M&G. Mr. Peatfield began his career at Abbey National Treasury Services in London. Mr. Peatfield is an Investment Management Certificate holder and holds a Bachelors of Commerce degree from the University of the Witwatersrand, South Africa.

Nick Strong. Mr. Strong is a Managing Director at HPS Investment Partners. Prior to joining HPS in 2015, Mr. Strong worked for two years as a Portfolio Manager at Intermediate Capital Group plc, where he focused on European leveraged loans with high yield bond capability. Prior to joining Intermediate Capital Group, Mr. Strong spent nine years at Rothschild as a Portfolio Manager on the CLO platform. Mr. Strong began his career at Morgan Stanley in London, working in the derivatives product group on the hedge fund sales desk. Mr. Strong holds a BS in Pharmacology from the University of Aberdeen.

David Frey. Mr. Frey is a Managing Director at HPS Investment Partners and Portfolio Manager of the Liquid Loan Fund, HPS CLOs, CLO Investment Strategies, and related Separately Managed Accounts. Prior to joining HPS in 2010, Mr. Frey was a Partner and Senior Portfolio Manager at Stanfield Capital Partners, where he managed non-investment grade loans and bonds across several separately managed accounts and CLOs, and was a member of the firm's management. Prior to joining Stanfield in 2004, Mr. Frey was a Principal and Senior Analyst at Katonah Capital and an analyst at GoldenTree Asset Management. From 1993 to 2001, Mr. Frey worked at Morgan Stanley, where he was a Principal in the Investment Banking division. Mr. Frey holds a BS in Economics from the University of Wisconsin and an MBA from Columbia Business School. Mr. Frey served on the Board of Directors of the Loan Syndications and Trading Association ("LSTA") from 2009 to 2016, most recently as Chairman.

Jonathan Rabinowitz. Mr. Rabinowitz is a Managing Director at HPS Investment Partners and Portfolio Manager of the Liquid Loan Fund, HPS CLOs, and related Separately Managed Accounts. Prior to joining HPS in 2014, Mr. Rabinowitz was a Director and Co-Portfolio Manager at Invesco Senior Secured Management. Prior to Invesco's acquisition of certain of Morgan Stanley's investment management business in June 2010, Mr. Rabinowitz was an Executive Director and Co-Portfolio Manager in Morgan Stanley Asset Management's Senior Loan Group. Prior to joining Morgan Stanley in August 2005, Mr. Rabinowitz worked at CIBC World Markets from 2000 to 2005, where he was an Executive Director in their Leveraged Finance Group and prior to that, he worked as an Assistant Vice President and Credit Analyst at The Industrial Bank of Japan from 1997 to 2000. Mr. Rabinowitz began his career as a Senior Accountant at Deloitte & Touche in 1994. Mr. Rabinowitz is a Certified Public Accountant in the State of New York and holds a BS in Social Sciences and an MBA in Accounting from Pace University.

Edward Dale. Mr. Dale is a Managing Director at HPS Investment Partners and Portfolio Manager of CLO Investment Strategies. Prior to joining HPS in 2013, Mr. Dale was a founding member of Mead Park Management LLC, a private equity group focused on the acquisition of financial services platforms including CLO management companies. Prior to joining Mead Park, Mr. Dale was an Executive Director and Head of Capital Markets at Bridger Commercial Funding from 2010 through February 2011. Prior to joining Bridger, Mr. Dale was a Co-Founder of Whitegate Advisors LLC and a co-portfolio manager of the Whitegate pilot TALF Fund. From 2005 to 2008, Mr. Dale was a Director in the CDO/Structured Funds Group at Barclays Capital and was one of the initial team members responsible for building the CDO structuring and origination business at Barclays. From 2001 to 2005, Mr. Dale worked as a Vice President in the Structured Credit

Products group at Credit Suisse First Boston. Mr. Dale began his career in the Structured Finance group at Bankers Trust in 1998. Mr. Dale holds a BA from the University of Pennsylvania.

Scot French. Mr. French is a Governing Partner of HPS and is the Portfolio Manager of the HPS Mezzanine Funds. Prior to joining HPS in 2007, Mr. French spent three years at Citigroup as a Managing Director and Head of Private Investments for Citigroup Global Special Situations, a credit-focused, on-balance sheet proprietary investment fund. Within Citigroup Global Special Situations, Mr. French managed a portfolio of private mezzanine and private equity investments in North America, Europe and Latin America. Prior to joining Citigroup, Mr. French worked in the Investment Banking Division at Goldman Sachs from 1999 to 2004 and in Mergers & Acquisitions at Salomon Brothers Inc. from 1994 to 1999. Mr. French began his career at Price Waterhouse from 1992 to 1994. Mr. French is a graduate of the University of Illinois.

Michael Patterson. Mr. Patterson is a Governing Partner of HPS Investment Partners and is the Portfolio Manager for the Specialty Loan Funds and Core Senior Lending Funds. Mr. Patterson joined HPS in 2007, establishing the European business before returning to the United States in 2009. Prior to joining HPS, Mr. Patterson was with Silver Point Capital in the U.S. and Europe. Mr. Patterson began his investing career in the Principal Investment Area at Goldman Sachs, where he focused on private equity and mezzanine transactions. Prior to working at Goldman, Mr. Patterson served as an officer in the United States Navy. Mr. Patterson holds an AB in Applied Mathematics from Harvard College and an MBA from Stanford University's Graduate School of Business, where he was an Arjay Miller Scholar.

Purnima Puri. Ms. Puri is a Governing Partner of HPS Investment Partners and is the Portfolio Manager for the Public Credit strategies, which include various Funds and Managed Accounts. Prior to joining HPS in 2007, Ms. Puri was a Principal at Redwood Capital Management, a credit opportunities hedge fund. Before joining Redwood, she was with Goldman Sachs for five years on both the Credit Arbitrage Desk, a proprietary trading desk at Goldman Sachs, and in the Principal Investment Area. From 1993 to 1995, Ms. Puri was part of Lazard Frères' Restructuring and Mergers and Acquisitions Group. Ms. Puri holds a BA in Mathematics from Northwestern University and an MBA from Harvard Business School.

Faith Rosenfeld. Ms. Rosenfeld is a Governing Partner and Chief Administrative Officer of HPS Investment Partners. Prior to joining HPS in 2007, Ms. Rosenfeld was a Partner at CCMP Capital, the successor organization to JPMorgan Partners ("JPMP"), the private equity business of JPMorgan Chase, where she had also been a Partner. While at CCMP and JPMP, Ms. Rosenfeld's responsibilities included portfolio management, valuation of the portfolio, risk management, investor relations and fundraising. Ms. Rosenfeld joined JPMorgan Partners in January 2001 following the acquisition by JPMorgan Chase of The Beacon Group, a private equity and advisory firm of which Ms. Rosenfeld was a Founding Partner. Ms. Rosenfeld began her career at Goldman, Sachs & Co., where she had various positions within the Investment Banking Division, including five years serving as the Chief Operating Officer of that Division prior to her departure. Ms. Rosenfeld has a BA from Wellesley College and an MBA from The Wharton School at the University of Pennsylvania.

Oliver Feix. Mr. Feix is a Managing Director at HPS Investment Partners. Prior to joining HPS in 2008, Mr. Feix was a Vice President at Morgan Stanley and a member of the Leveraged and Acquisition Finance Team, where he focused on originating, executing and distributing leveraged loans and special situation financings. Prior to that, Mr. Feix worked at Deutsche Bank in London, where he sourced and executed multi-asset portfolio trades as a member of the Transition Management Team within the Global Markets Division. Mr. Feix holds an MSc in Economics from the University of Konstanz.

Senior Management

Selected background information of the senior management of HPS is presented below for informational purposes. Please note that it is anticipated that several of these individuals may not be providing specific services to the Issuer.

Scott Kapnick. Please see "—*Investment Team*" above for Mr. Kapnick's biography.

Kathy Choi. Ms. Choi is the General Counsel and a Managing Director of HPS Investment Partners. Previously, Ms. Choi was the General Counsel of Highbridge Capital Management ("HCM") and HPS. Ms. Choi joined HCM in 2006 and became General Counsel of HCM and HPS in 2012. Prior to joining HCM, Ms. Choi was an attorney at Arnold & Porter LLP's investment management group, where she specialised in advising asset management firms on all aspects of fund structuring and formation, regulatory matters and matters relating to investor communications. Ms. Choi holds a JD from Georgetown University Law Center.

Paul Knollmeyer. Mr. Knollmeyer is a Managing Director and Chief Financial Officer and Chief Risk Officer of HPS Investment Partners. Previously, Mr. Knollmeyer was Chief Financial Officer of Highbridge Capital Management and Chief Risk Officer of HPS. Prior to joining HPS in 2010, Mr. Knollmeyer was Chief Operating Officer and Member of the Investment and Business Committees for Ortelius Capital Partners, a fund of hedge funds firm focused on investing in distressed debt, special situations and long/short equity. Prior to that, Mr. Knollmeyer worked as Executive Vice President and Chief Financial Officer for The Griffin Group and as Chief Operating Officer of Ascendant Capital Partners. Mr. Knollmeyer began his career working for Price Waterhouse from 1987 to 1993. Mr. Knollmeyer holds a BS from Lehigh University.

Joseph Virgilio. Mr. Virgilio is a Managing Director and the Chief Compliance Officer of HPS Investment Partners. Prior to joining HPS in 2008, Mr. Virgilio served as an Associate Director in Barclays Capital's Fixed Income Compliance Group. Prior to that, Mr. Virgilio worked in Compliance roles within JPMorgan Securities Inc. and JPMorgan Partners, LLC. Mr. Virgilio began his career at the American Stock Exchange in the Market Surveillance Group. Prior to that, Mr. Virgilio served in the United States Navy. Mr. Virgilio holds a BBA from Hofstra University and an MBA from St. John's University.

Policies and procedures in relation to the granting of credit, administration of credit-risk bearing portfolios and risk mitigation

The Collateral Manager has internal policies and procedures in relation to the granting of credit, administration of credit-risk bearing portfolios and risk mitigation. The policies and procedures of the Collateral Manager in this regard broadly include the following:

(a) criteria for the granting of credit and the process for approving, amending, renewing and re-financing credits (as to which, in relation to the Collateral Obligations, see the section of this Offering Circular headed "*The Portfolio*" which describes the criteria that the selection of Collateral Obligations to be included in the Portfolio is subject to);

(b) systems in place to administer and monitor the various credit-risk bearing portfolios and exposures (as to which it should be noted that the Portfolio will be serviced in line with the servicing procedures of the Collateral Manager (as to which, in relation to the Collateral Obligations, see the sections of this Offering Circular headed "*The Portfolio*" and "*Description of the Collateral Management and Administration Agreement*");

(c) adequate diversification of credit portfolios given the overall credit strategy (as to which, in relation to the Collateral Obligations, see the section of this Offering Circular headed "*The Portfolio – Portfolio Profile Tests*");

(d) policies and procedures in relation to risk mitigation techniques (as to which, in relation to the Collateral Obligations, see the sections of this Offering Circular headed "*The Portfolio*" and "*Description of the Collateral Management and Administration Agreement*", which describes the ways in which the Collateral Manager is required to monitor the Portfolio); and

(e) to the extent not subject to confidentiality restrictions, and subject to internal compliance policies, upon reasonable request, as soon as reasonably practicable grant readily available access to (in redacted form as reasonably determined by the Collateral Manager) (x) all materially relevant data on the credit quality and performance of the individual underlying exposures, cash flows and collateral supporting a securitisation exposure and (y) any information that is necessary to conduct comprehensive and well-informed stress tests on the cash flows and collateral values supporting the underlying exposures (as to which, in relation to the Collateral Obligations, see the sections of this Offering Circular headed "*The Portfolio*" and "*Description of the Reports*", which describe the criteria used for selection of the Collateral Obligations and the reports prepared and provided in respect of such Collateral Obligations).

THE PORTFOLIO

The following description of the Portfolio consists of a summary of certain provisions of the Collateral Management and Administration Agreement which does not purport to be complete and is qualified by reference to the detailed provisions of such agreement. Terms used and not otherwise defined herein or in this Offering Circular as specifically referenced herein shall have the meaning given to them in Condition 1 (Definitions) of the Conditions.

Introduction

Pursuant to the Collateral Management and Administration Agreement, the Collateral Manager is required to act in specific circumstances in relation to the Portfolio on behalf of the Issuer and to carry out the duties and functions described below. In addition, the Collateral Administrator is required to perform certain calculations in relation to the Portfolio on behalf of the Issuer to the extent and in accordance with the information provided to it by the Collateral Manager.

Acquisition of Collateral Obligations

The Collateral Manager will determine and will use reasonable endeavours to cause to be acquired by the Issuer a portfolio of Secured Senior Obligations, Unsecured Senior Obligations, Second Lien Loans, Mezzanine Obligations and High Yield Bonds during the Initial Investment Period, the Reinvestment Period and thereafter (including, but not limited to, Collateral Obligations purchased from the Collateral Manager and those purchased pursuant to the Warehouse Arrangements). The Issuer anticipates that, by the Issue Date, it will have purchased or committed to purchase Collateral Obligations, the Aggregate Principal Balance of which is equal to at least €240,000,000 which is approximately 60.0 per cent. of the Target Par Amount. The proceeds of the issue of the Notes remaining after payment of: (a) the acquisition costs for the Collateral Obligations acquired by the Issuer on or prior to the Issue Date (including amounts due in order to finance the acquisition of warehoused Collateral Obligations (including those bought from the Collateral Manager)); and (b) certain fees, costs and expenses incurred in connection with the issue of the Notes and anticipated to be payable by the Issuer following completion of the issue of the Notes, will be deposited in the Expense Reserve Account, the First Period Reserve Account and the Unused Proceeds Account on the Issue Date. The Collateral Manager acting on behalf of the Issuer shall use commercially reasonable endeavours to purchase Collateral Obligations with an Aggregate Principal Balance (together with Collateral Obligations previously acquired) equal to at least the Target Par Amount out of the Balance standing to the credit of the Unused Proceeds Account during the Initial Investment Period.

The Issuer does not expect and is not required to satisfy the Collateral Quality Tests, Portfolio Profile Tests, Coverage Tests, Reinvestment Overcollateralisation Test or the Principal Purchase Test prior to the Effective Date. The Collateral Manager may declare that the Initial Investment Period has ended and the Effective Date has occurred prior to 15 December 2019 (or if such day is not a Business Day, the next following Business Day), subject to the Effective Date Determination Requirements being satisfied.

On or after the Effective Date but prior to the first Payment Date after the Effective Date, at the discretion of the Collateral Manager, acting on behalf of the Issuer, an amount not exceeding 1.0 per cent. of the Target Par Amount may be transferred to the Interest Account in aggregate and without duplication, from the Principal Account and/or the Unused Proceeds Account, provided that as at such date after giving effect to such transfer, (A) the Collateral Principal Amount equals or exceeds the Target Par Amount (provided that, for such purposes the Principal Balance of each Defaulted Obligation will be the lower of its Moody's Collateral Value and Fitch Collateral Value) and (B) each of the Portfolio Profile Tests, the Collateral Quality Tests and the Coverage Tests (save for the Interest Coverage Tests, which shall apply only on and after the Determination Date falling immediately prior to the second Payment Date) is satisfied.

Within 10 Business Days following the Effective Date, the Collateral Administrator shall issue a report (the "**Effective Date Report**") containing the information required in a Monthly Report, confirming whether the Issuer has acquired or entered into a binding commitment to acquire Collateral Obligations having an Aggregate Principal Balance which equals or exceeds the Target Par Amount, copies of which shall be forwarded to the Issuer, the Trustee, the Collateral Manager 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 Obligations subsequent to the Issue Date which have not been reinvested shall be disregarded and the Principal Balance of a Collateral Obligation which is a Defaulted Obligation will be the lower of its Moody's

Collateral Value and its Fitch Collateral Value) and within 15 Business Days following the Effective Date the Issuer will deliver, or cause the Collateral Manager to deliver, to the Trustee and the Collateral Administrator (with a copy to the Collateral Manager, if applicable), confirmation of receipt of an accountants' certificate recalculating and comparing the Aggregate Principal Balance of all Collateral Obligations purchased or committed to be purchased as at the Effective Date and the results of the Portfolio Profile Tests, the Collateral Quality Tests, the Coverage Tests (other than the Interest Coverage Tests) and the Reinvestment Overcollateralisation Test by reference to such Collateral Obligations. The accountants' certificate shall specify the procedures undertaken to review data and re-computations relating to such recalculations.

The Collateral Manager (acting on behalf of the Issuer) shall promptly, following receipt of the Effective Date Report, request that each of the Rating Agencies (to the extent not previously received) confirm its Initial Ratings of the Rated Notes; provided that if the Effective Date Moody's Condition is satisfied then such Rating Agency Confirmation shall be deemed to have been given by Moody's. If the Effective Date Moody's Condition is not satisfied within 20 Business Days following the Effective Date, the Collateral Manager shall promptly notify Moody's. If (i) (a) the Effective Date Determination Requirements are not satisfied and Rating Agency Confirmation has not been received in respect of such failure, and (b) either the Collateral Manager (acting on behalf of the Issuer) does not present a Rating Confirmation Plan to the Rating Agencies, or Rating Agency Confirmation is not received in respect of a Rating Confirmation Plan presented by the Collateral Manager upon request therefor by the Collateral Manager or (ii) the Effective Date Moody's Condition is not satisfied and following a request therefor from the Collateral 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 Payment, until the earlier of (x) the date on which the Effective Date Rating Event is no longer continuing and (y) the date on which the Rated Notes have been redeemed in full (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). The Collateral Manager shall notify the Rating Agencies upon the discontinuance of an Effective Date Rating Event.

During such time as an Effective Date Rating Event shall have occurred and be continuing, the Collateral Manager (acting on behalf of the Issuer) may prepare and present to the Rating Agencies a Rating Confirmation Plan setting forth the timing and manner of acquisition of additional Collateral Obligations and/or any other intended action which is intended to cause confirmation or reinstatement of the Initial Ratings. The Collateral Manager (acting on behalf of the Issuer) is under no obligation whatsoever to present a Rating Confirmation Plan to the Rating Agencies.

Eligibility Criteria

Each Collateral Obligation must, at the time of entering into a binding commitment to acquire such obligation by, or on behalf of, the Issuer, satisfy the following criteria (the "**Eligibility Criteria**") as determined by the Collateral Manager in its reasonable discretion:

(a) it is a Secured Senior Obligation, a Corporate Rescue Loan, an Unsecured Senior Obligation, a Mezzanine Obligation, a Second Lien Loan or a High Yield Bond (in each case, which is not a sub-participation of a sub-participation);

(b) it:

(i) is either (I) denominated in Euro or (II) is denominated in a Qualifying Currency and no later than the settlement date of the acquisition thereof the Issuer (or the Collateral Manager on its behalf) enters into a Currency Hedge Transaction with a notional amount in the relevant currency equal to the aggregate principal amount of such Non-Euro Obligation and otherwise complies with the requirements set out in respect of Non-Euro Obligations in the Collateral Management and Administration Agreement; and

(ii) is not convertible into or payable in any other currency;

(c) it is not a Defaulted Obligation or a Credit Risk Obligation;

(d) it is not a lease (including, for the avoidance of doubt, a financial lease);

(e) it is not a Structured Finance Security or a Synthetic Security;

(f) it provides for a fixed amount of principal payable in cash on scheduled payment dates and/or at maturity and does not by its terms provide for earlier amortisation or prepayment in each case at a price of less than par;

(g) it is not a Zero Coupon Security or Step-Up Coupon Security;

(h) it does not constitute "margin stock" (as defined under Regulation U issued by the Board of Governors of the United States Federal Reserve System);

(i) it is an obligation in respect of which, following acquisition thereof by the Issuer by the selected method of transfer, payments to the Issuer will not be subject to withholding tax imposed by any jurisdiction (other than withholding taxes imposed on amendment fees, waiver fees, consent fees, extension fees, commitment fees or similar fees) unless either (i) the Obligor is required to make "gross-up" payments to the Issuer that cover the full amount of any such withholding on an after-tax basis (and in the case of Participations, neither payments to the Selling Institution nor payments to the Issuer will be subject to withholding tax imposed by any jurisdiction unless the Obligor and/or the Selling Institution is required to make "gross-up" payments that compensate the Issuer directly or indirectly in full for any such withholding on an after-tax basis) or (ii) such withholding can be eliminated in full by application being made under an applicable double tax treaty or otherwise;

(j) other than in the case of a Corporate Rescue Loan, it has an Fitch Rating of not lower than "CCC-" and a Moody's Rating of not lower than "Caa3";

(k) it is not a debt obligation whose repayment is subject to substantial non-credit related risk, including catastrophe bonds or instruments whose repayment is conditional on the non-occurrence of certain catastrophes or similar events;

(l) it will not result in the imposition of any present or future, actual or contingent, monetary liabilities or obligations of the Issuer other than those: (i) which may arise at its option; (ii) which are fully collateralised; (iii) which are owed to the agent bank in relation to the performance of its duties under a Collateral Obligation; (iv) which may arise as a result of an undertaking to participate in a financial restructuring of a Collateral Obligation where such undertaking is contingent upon the redemption in full of such Collateral Obligation on or before the time by which the Issuer is obliged to enter into the restructured Collateral Obligation and where the restructured Collateral Obligation satisfies the Eligibility Criteria and, for the avoidance of doubt, the Issuer is not liable to pay any amounts in respect of a restructured Collateral Obligation; or (v) which are Delayed Drawdown Collateral Obligation or Revolving Obligations, provided that, in respect of paragraph (iv) only, the imposition of any present or future, actual or contingent, monetary liabilities or obligations of the Issuer following such restructuring shall not exceed the redemption amounts from such restructured Secured Senior Obligation, second lien loan or similar obligation;

(m) it will not require the Issuer or the 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;

(o) it is not a debt obligation which pays interest only and does not require the repayment of principal;

(p) it is not subject to a tender offer, voluntary redemption, exchange offer, conversion or other similar action for a price less than its par amount plus all accrued and unpaid interest;

(q) the Collateral Obligation Stated Maturity thereof falls prior to the Maturity Date of the Notes;

(r) its acquisition by the Issuer will not result in the imposition of stamp duty or stamp duty reserve tax or similar tax or duty payable by, or otherwise recoverable from the Issuer (or by any other person who has a right, statutory or otherwise, to be reimbursed for the same by the Issuer), unless such stamp duty or stamp duty reserve tax or similar tax or duty has been included in the purchase price of such Collateral Obligation;

(s) upon acquisition, both (i) the Collateral Obligation is capable of being, and will be, the subject of a first fixed charge, a first priority security interest or comparable security arrangement having substantially the same effect in favour of the Trustee for the benefit of the Secured Parties and (ii) (subject to (i) above) the Issuer (or the Collateral Manager on behalf of the Issuer) has notified the Trustee in the event that any Collateral Obligation that is a bond is held through the Custodian but not held through Euroclear or Clearstream, Luxembourg, or does not satisfy any requirements relating to collateral held in Euroclear or Clearstream, Luxembourg (as applicable) specified in the Trust Deed and has taken such action as the Trustee may require to effect such security interest;

(t) is an obligation of an Obligor or Obligors Domiciled in a Non-Emerging Market Country (as determined by the Collateral Manager acting on behalf of the Issuer);

(u) it has not been called for, and is not subject to a pending, redemption;

(v) it is capable of being sold, assigned or participated to, and held by, the Issuer, together with any associated security, without any breach of applicable selling restrictions, contractual provisions or legal or regulatory requirements and the Issuer does not require any authorisations, consents, approvals or filings (other than such as have been obtained or effected) as a result of or in connection with any such sale, assignment, participation or holding under any applicable law;

(w) it is not a Step-Down Coupon Security;

(x) it is not a Project Finance Loan;

(y) it is in registered form for U.S. federal income tax purposes, unless it is not a "registration-required obligation" as defined in Section 163(f) of the Code;

(z) it is a "qualifying asset" for the purposes of Section 110 of the TCA;

(aa) it must require the consent of at least 66.67 per cent. of the lenders to the Obligor thereunder for any change in the principal repayment profile or interest applicable on such obligation (for the avoidance of doubt, excluding any changes originally envisaged in the loan documentation) provided that in the case of a Collateral Obligation that is a bond, such percentage requirement shall refer to the percentage of holders required to approve a resolution on any such matter, either as a percentage of those attending a quorate bondholder meeting or as a percentage of all bondholders acting by way of a written resolution;

(bb) it is not a Collateral Obligation with an Obligor domiciled in a country with a Moody's local currency country risk ceiling below "A3";

(cc) it is not a debt obligation of an issuer whose total drawn, senior ranking indebtedness is less than EUR 150 million (or the equivalent thereof at the Spot Rate) at the time at which the Issuer entered into a binding commitment to purchase such debt obligation;

(dd) it is not an Equity Security, including any obligation convertible into an Equity Security;

(ee) it does not have an "(sf)" subscript assigned by Moody’s;

(ff) it has a minimum purchase price of 60 per cent. of the Principal Balance of such Collateral Obligation;

(gg) it is not a Letter of Credit;

(hh) it is not a Non-Recourse Obligation;

(ii) in the case of a Revolving Obligation or a Delayed Drawdown Collateral Obligation, such obligation does not permit any other person to accede thereto as an issuer or borrower thereunder without the consent of the Issuer;

(jj) it is not a Bridge Loan;

(kk) it is not a PIK Security; and

(ll) it is not a Deferring Security.

Other than (i) Issue Date Collateral Obligations which must satisfy the Eligibility Criteria on the Issue Date and (ii) Collateral Obligations which are the subject of a restructuring (whether effected by way of an amendment to the terms of such Collateral Obligation or by way of substitution of new obligations and/or change of Obligor) which must satisfy the Restructured Obligation Criteria on the applicable Restructuring Date, the subsequent failure of any Collateral Obligation to satisfy any of the Eligibility Criteria shall not prevent any obligation which would otherwise be a Collateral Obligation from being a Collateral Obligation so long as such obligation satisfied the Eligibility Criteria, when the Issuer or the Collateral Manager on behalf of the Issuer entered into a binding agreement to purchase such obligation.

"**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 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 contractual interest rate of which decreases over a specified period of time. For the avoidance of doubt, a security will not be considered to be a Step-Down Coupon Security where interest payments decrease for non-contractual reasons due to unscheduled events such as a decrease in the index relating to a Floating Rate Collateral Obligation, the change from a default rate of interest to a non-default rate, or an improvement in the Obligor's financial condition.

"**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

In the event a Collateral Obligation becomes (as determined by the Issuer, assisted by the Collateral Manager) the subject of a restructuring whether effected by way of an amendment to the terms of such Collateral Obligation (including but not limited to an amendment of its maturity date) or by way of substitution of new obligations and/or change of Obligor, such obligation shall only constitute a Restructured Obligation if such obligation satisfies each of the criteria comprising the Eligibility Criteria other than paragraphs (c), (i), (j), (cc) and (kk) thereof, provided that (i) it is not a pre-funded letter of credit and (ii) it has an Fitch Rating and a Moody's Rating (together, the "**Restructured Obligation Criteria**"). To the extent that the cumulative Aggregate Principal Balance of all Restructured Obligations acquired by the Issuer on or after the Issue Date exceeds 30 per cent. of the Target Par Amount (the "**Restructured Obligation Excess**"), for the purposes of the Coverage Tests, such Restructured Obligation Excess shall be carried as Defaulted Obligations provided that if

the obligations in such excess are sold, repaid or prepaid in full, such obligations will not constitute Defaulted Obligations.

For the avoidance of doubt, a repayment of a Collateral Obligation in circumstances whereby the redemption proceeds are rolled as consideration for a new obligation (including by way of a "cashless roll") shall be treated as the acquisition by the Issuer of a new Collateral Obligation and not as the acquisition of a Restructured Obligation.

Management of the Portfolio

Overview

The Collateral Manager (acting on behalf of the Issuer) is permitted, in certain circumstances and, subject to certain requirements, to sell Collateral Obligations and Exchanged Equity Securities and to reinvest the Sale Proceeds (other than accrued interest on such Collateral Obligations included in Interest Proceeds by the Collateral Manager) thereof in Substitute Collateral Obligations. The Collateral Manager shall notify the Collateral Administrator of all necessary details of the Collateral Obligation or Exchanged Equity Security to be sold and the proposed Substitute Collateral Obligation to be purchased and the Collateral Administrator (on behalf of the Issuer) shall determine and shall provide confirmation of whether the Portfolio Profile Tests and Reinvestment Criteria which are required to be satisfied, maintained or improved in connection with any such sale or reinvestment are satisfied, maintained or improved or, if any such criteria are not satisfied, maintained or improved, shall notify the Issuer and the Collateral Manager of the reasons and the extent to which such criteria are not so satisfied, maintained or improved.

The Collateral Manager will determine and use reasonable endeavours to cause to be purchased by the Issuer, Collateral Obligations (including all Substitute Collateral Obligations) taking into account the Eligibility Criteria, the guidelines in the Collateral Management and Administration Agreement and, where applicable, the Reinvestment Criteria and will monitor the performance of the Collateral Obligations on an ongoing basis to the extent practicable using sources of information reasonably available to it and provided that the Collateral Manager shall not be responsible for determining whether or not the terms of any individual Collateral Obligation have been observed.

The activities referred to below that the Collateral Manager may undertake on behalf of the Issuer are subject to the Issuer's monitoring of the performance of the Collateral Manager under the Collateral Management and Administration Agreement.

The Collateral Manager will acknowledge pursuant to the terms of the Collateral Management and Administration Agreement that such Collateral Obligations purchased pursuant to the Warehouse Arrangements between the date the Issuer acquired or committed to acquire such Collateral Obligations and the Issue Date shall, subject to any limitations or restrictions set out in the Collateral Management and Administration Agreement, fall within the Collateral Manager's duties and obligations pursuant to the terms of the Collateral Management and Administration Agreement.

Sale of Issue Date Collateral Obligations

The Collateral Manager, acting on behalf of the Issuer, shall sell any Issue Date Collateral Obligations which do not comply with the Eligibility Criteria on the Issue Date (each a "**Non-Eligible Issue Date Collateral Obligation**"). Any Sale Proceeds received in connection therewith may be reinvested in Substitute Collateral Obligations satisfying the Eligibility Criteria or credited to the Principal Account pending such reinvestment.

Terms and Conditions applicable to the Sale of Credit Risk Obligations, Credit Improved Obligations, Defaulted Obligations and Equity Securities

Credit Risk Obligations, Credit Improved Obligations and Defaulted Obligations may be sold at any time by the Collateral Manager (acting on behalf of the Issuer), subject to, within the Collateral Manager's knowledge (without the need for inquiry or investigation), no Event of Default having occurred which is continuing.

The Collateral Manager shall use commercially reasonable endeavours to effect the sale of any Equity Securities in the Portfolio, regardless of the price it receives for such Equity Securities.

Terms and Conditions applicable to the Sale of Exchanged Equity Securities

Any Exchanged Equity Security may be sold at any time by the Collateral Manager in its discretion (acting on behalf of the Issuer), subject to, within the Collateral Manager's knowledge (without the need for inquiry or investigation), no Event of Default having occurred which is continuing.

In addition to any discretionary sale of Exchanged Equity Securities as provided above, the Collateral Manager shall be required by the Issuer to use commercially reasonable endeavours to sell (on behalf of the Issuer) any Exchanged Equity Security which constitutes Margin Stock as soon as practicable upon its receipt or upon its becoming Margin Stock (as applicable), unless such sale is prohibited by applicable law, in which case such Equity Security shall be sold as soon as such sale is permitted by applicable law.

Discretionary Sales

The Issuer or the Collateral Manager (acting on behalf of the Issuer) may dispose of any Collateral Obligation (other than a Credit Improved Obligation, a Credit Risk Obligation, a Defaulted Obligation or an Exchanged Equity Security, each of which may only be sold in the circumstances provided above) at any time ("**Discretionary Sales**") provided:

(a) no Event of Default has occurred which is continuing (in the case of the Collateral Manager, to its knowledge, without the need for inquiry or investigation);

(b) after giving effect to such sale, the Aggregate Principal Balance of all Collateral Obligations sold as described in this paragraph during the preceding 12 calendar months (or, for the first 12 calendar months after the Issue Date, during the period commencing on the Issue Date) is not greater than 30 per cent. of the Collateral Principal Amount as of the first day of such 12 calendar month period (or as of the Issue Date, as the case may be);

(c) either:

  (i) during the Reinvestment Period, the Collateral Manager reasonably believes prior to such sale that it will be able to enter into one or more binding commitments to reinvest all or a portion of the proceeds of such sale in one or more additional Collateral Obligations within 45 days after the settlement of such sale in accordance with the Reinvestment Criteria;

  (ii) at any time after giving effect to such sale, the Aggregate Principal Balance outstanding of all Collateral Obligations (excluding the Collateral Obligation being sold but including, without duplication, the expected Sale Proceeds of such sale and, for which purpose, the Principal Balance of each Defaulted Obligation shall be its Market Value) plus, without duplication, the Balances 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 on Eligible Investments) will be greater than (or equal to) the Reinvestment Target Par Balance; or

  (iii) the Sale Proceeds of such Collateral Obligation are at least equal to the Principal Balance of such Collateral Obligation; and

(d) a Restricted Trading Period is not currently in effect.

Sale of Collateral Prior to Maturity Date

In the event of: (i) any redemption of the Rated Notes in whole prior to the Maturity Date; (ii) receipt of notification from the Trustee of enforcement of the security over the Collateral; or (iii) the purchase of Notes of any Class by the Issuer, the Collateral Manager (acting on behalf of the Issuer) will (with regard to (ii), if requested by the Trustee following the enforcement of such security), as far as reasonably practicable, arrange for liquidation of the Collateral in order to procure that the proceeds thereof are in immediately available funds on or prior to the applicable Redemption Date or date of sale of all or part of the Portfolio, as applicable, in accordance with Condition 7 (*Redemption and Purchase*) and clause 6 (*Realisation of Collateral*) of the Collateral Management and Administration Agreement but without regard to the limitations set out in clause 5

(*Sale and Reinvestment of Portfolio Assets*) and Schedule 5 (*Reinvestment Criteria*) of the Collateral Management and Administration Agreement (which will include any limitations or restrictions set out in the Conditions and the Trust Deed).

Sale of Assets which do not Constitute Collateral Obligations

In the event that an asset did not satisfy the Eligibility Criteria on the date it was required to do so in accordance with the Collateral Management and Administration Agreement, the Collateral Manager shall use commercially reasonable endeavours to sell such asset. Such proceeds shall constitute Sale Proceeds and may be reinvested in accordance with and subject to the Reinvestment Criteria.

Reinvestment of Collateral Obligations

"**Reinvestment Criteria**" means, during the Reinvestment Period, the criteria set out under "*During the Reinvestment Period* " below and, following the expiry of the Reinvestment Period, the criteria set out below under "*Following the Expiry of the Reinvestment Period*". The Reinvestment Criteria (except satisfaction of the Eligibility Criteria) shall not apply prior to the Effective Date or in the case of a Collateral Obligation which has been restructured (except satisfaction of the Restructured Obligation Criteria) where such restructuring has become binding on the holders thereof.

During the Reinvestment Period

During the Reinvestment Period, the Collateral Manager (acting on behalf of the Issuer) may, at its discretion, reinvest any Principal Proceeds (with the exception of Principal Proceeds received both before and after the Reinvestment Period in connection with the acceptance of an Offer where such Offer is by way of novation or substitution, where such principal proceeds will be reinvested automatically as consideration for the novated or substitute Collateral Obligation (subject to the Restructured Obligation Criteria being satisfied)) in the purchase of Substitute Collateral Obligations satisfying the Eligibility Criteria provided that immediately after entering into a binding commitment to acquire such Collateral Obligation and taking into account existing commitments, the criteria set out below must be satisfied:

(a) to the Collateral Manager's knowledge (without the need for inquiry or investigation), no Event of Default has occurred that is continuing at the time of such purchase;

(b) such obligation is a Collateral Obligation;

(c) on and after the Effective Date (or in the case of the Interest Coverage Tests, on and after the Determination Date immediately preceding the second Payment Date) the Coverage Tests are satisfied or if (other than with respect to the reinvestment of any proceeds received upon the sale of, or as a recovery on, any Defaulted Obligation) as calculated immediately prior to any purchase of a Substitute Collateral Obligation any Coverage Test was not satisfied, the coverage ratio relating to such test will be maintained or improved after giving effect to such reinvestment when compared with the result of such test immediately prior to sale or prepayment (in whole or in part) of the relevant Collateral Obligation;

(d) in the case of a Substitute Collateral Obligation purchased with Sale Proceeds of a Credit Risk Obligation or a Defaulted Obligation either:

  (i) the Aggregate Principal Balance of all Substitute Collateral Obligations purchased with such Sale Proceeds shall at least equal such Sale Proceeds;

  (ii) the Aggregate Principal Balance (for which purpose the Principal Balance of each Defaulted Obligation shall be multiplied by its Market Value) of all Collateral Obligations (after such sale) will be maintained or increased, when respectively compared to the Aggregate Principal Balance (for which purpose the Principal Balance of each Defaulted Obligation shall be multiplied by its Market Value) of all Collateral Obligations immediately prior to such sale; or

  (iii) the sum of: (A) the Aggregate Principal Balance of all Collateral Obligations (excluding all of the Collateral Obligations being sold but including, without duplication, the Collateral Obligations being purchased and the anticipated cash proceeds, if any, of such sale that are not

applied to the purchase of such Substitute Collateral Obligations and provided, for such purpose the Principal Balance of each Defaulted Obligation shall be multiplied by its Market Value); and (B) Balances standing to the credit of the Principal Account and Unused Proceeds Account (to the extent such amounts have not and will not be designated as Interest Proceeds to be credited to the Interest Account and including Eligible Investments therein but save for any interest accrued on Eligible Investments) is equal to or greater than the Reinvestment Target Par Balance;

(e) in the case of a Substitute Collateral Obligation purchased with the Sale Proceeds of either a Credit Improved Obligation or a Discretionary Sale either:

(i) the Aggregate Principal Balance of all Collateral Obligations (for which purpose the Principal Balance of each Defaulted Obligation shall be multiplied by its Market Value) shall be maintained or improved after giving effect to such reinvestment when compared with the Aggregate Principal Balance of all Collateral Obligations (for which purpose the Principal Balance of each Defaulted Obligation shall be multiplied by its Market Value) immediately prior to the sale that generates such Sale Proceeds; or

(ii) the sum of: (A) the Aggregate Principal Balance of all Collateral Obligations (excluding all of the Collateral Obligations being sold but including, without duplication, the Collateral Obligations being purchased and the anticipated cash proceeds, if any, of such sale that are not applied to the purchase of such Substitute Collateral Obligations and provided, 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 (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 the Reinvestment Target Par Balance; and

(f) either:

(i) each of the Portfolio Profile Tests and the Collateral Quality Tests will be satisfied; or

(ii) if any of the Portfolio Profile Tests or Collateral Quality Tests are not satisfied, such tests will be maintained or improved after giving effect to such reinvestment when compared to such test immediately prior to sale or prepayment (in whole or in part) of the relevant Collateral Obligaton,

provided that, for the avoidance of doubt, with respect to any Collateral Obligations for which the trade date has occurred during the Reinvestment Period but which settle after such date, the purchase of such Collateral Obligations shall be treated as a purchase made during the Reinvestment Period for purposes of the Trust Deed.

Following the Expiry of the Reinvestment Period

Following the expiry of the Reinvestment Period, Unscheduled Principal Proceeds and Sale Proceeds from the sale of Credit Risk Obligations and Credit Improved Obligations (with the exception of principal proceeds received both before and after the Reinvestment Period in connection with the acceptance of an Offer where such Offer is by way of novation or substitution, where such principal proceeds will be reinvested automatically as consideration for the novated or substituted Collateral Obligation (subject to the Restructured Obligation Criteria being satisfied)), only, may be reinvested by the Collateral Manager (acting on behalf of the Issuer) in one or more Substitute Collateral Obligations satisfying the Eligibility Criteria, in each case provided that:

(a) the Aggregate Principal Balance of Substitute Collateral Obligations equals or exceeds (1) the Aggregate Principal Balance of the related Collateral Obligations that produced such Unscheduled Principal Proceeds or (2) the amount of such Sale Proceeds, as the case may be;

(b) the Moody's Maximum Weighted Average Rating Factor Test is satisfied after giving effect to such reinvestment;

(c) the Collateral Obligation Stated Maturity of each Substitute Collateral Obligation is the same as or earlier than the Collateral Obligation Stated Maturity of the Collateral Obligation that produced such Unscheduled Principal Proceeds or Sale Proceeds, as the case may be;

(d) after giving effect to such reinvestment, not more than 7.5 per cent. of the Collateral Principal Amount shall consist of obligations which are Caa Obligations;

(e) after giving effect to such reinvestment, not more than 7.5 per cent. of the Collateral Principal Amount shall consist of obligations which are CCC Obligations;

(f) a Restricted Trading Period is not currently in effect;

(g) either: (i) each of the Portfolio Profile Tests and the Collateral Quality Tests (except the Moody's Maximum Weighted Average Rating Factor Test, the Moody's Minimum Diversity Test and the Weighted Average Life Test) are satisfied after giving effect to such reinvestment; or (ii) if any such test was not satisfied immediately prior to such investment, such test will be maintained or improved after giving effect to such reinvestment when compared to such test immediately prior to sale or prepayment (in whole or in part) of the relevant Collateral Obligaton;

(h) (i) if the Weighted Average Life Test was not satisfied as of the last day of the Reinvestment Period, the Weighted Average Life Test will be satisfied immediately after giving effect to such reinvestment, or (ii) if the Weighted Average Life Test was satisfied as of the last day of the Reinvestment Period, the Weighted Average Life Test will be satisfied or, if not satisfied, maintained or improved immediately after giving effect to such reinvestment;

(i) each of the Coverage Tests are satisfied both before and after giving effect to such reinvestment;

(j) to the Collateral Manager's knowledge (without the need for inquiry or investigation), no Event of Default has occurred that is continuing at the time of such purchase; and

(k) each such Substitute Collateral Obligation has a Moody's Rating and a Fitch Rating which is the same as or higher than the relevant novated or substituted Collateral Obligation.

Following the expiry of the Reinvestment Period and the Moody's Minimum Diversity Test shall cease to apply. Following the expiry of the Reinvestment Period, any Unscheduled Principal Proceeds and any Sale Proceeds from the sale of Credit Risk Obligations and Credit Improved Obligations that have not been reinvested as provided above prior to the end of the Due Period in which such proceeds were received shall be paid into the Principal Account and disbursed in accordance with the Principal Priority of Payments on the following Payment Date (subject as provided at the end of this paragraph), save that the Collateral Manager (acting on behalf of the Issuer) may in its discretion procure that Unscheduled Principal Proceeds and Sale Proceeds from the sale of any Credit Risk Obligations and Credit Improved Obligations are paid into the Principal Account and designated for reinvestment in Substitute Collateral Obligations, in which case such Principal Proceeds shall not be so disbursed in accordance with the Principal Priority of Payments for so long as they remain so designated for reinvestment; provided that, in each case where any of the applicable Reinvestment Criteria are not satisfied as of the Payment Date next following receipt of such Sale Proceeds or Unscheduled Principal Proceeds, all such funds shall be paid into the Principal Account and disbursed in accordance with the Principal Priority of Payments set out in Condition 3(c)(ii) (*Application of Principal Proceeds*) and such funds shall be applied only in redemption of the Notes in accordance with the Priorities of Payment.

Cash Balances

As a condition to any purchase of a Collateral Obligation, at any time in accordance with the foregoing provisions, if the balance in the Principal Account after giving effect to (i) all expected debits and credits in connection with such purchase and all other sales and purchases (as applicable) previously or simultaneously committed to and (ii) (without duplication of amounts in the preceding paragraph (i)) anticipated receipts of Principal Proceeds (determined by the Collateral Manager in its sole discretion), is a negative amount, the absolute value of such amount may not be greater than 5 per cent. of the Adjusted Collateral Principal Amount as of the Measurement Date immediately preceding the trade date for such purchase.

Unsaleable Assets

Notwithstanding the other requirements set forth herein and in the Trust Deed, on any Business Day after the Reinvestment Period, the Collateral Manager, acting in a commercially reasonable manner, may conduct an auction on behalf of the Issuer of Unsaleable Assets 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 Collateral Manager of such auction, the Principal Paying Agent will provide notice (in such form as is prepared by the Collateral Manager) to the Noteholders of an auction, setting forth in reasonable detail a description of each Unsaleable Asset and the following auction procedures: (i) any Noteholder may submit a written bid within 10 Business Days after the date of such notice to purchase one or more Unsaleable Assets no later than the date specified in the auction notice (which will be at least 15 Business Days after the date of such notice); (ii) each bid must include an offer to purchase for a specified amount of cash on a proposed settlement date no later than 20 Business Days after the date of the auction notice; (iii) if no Noteholder submits such a bid within the time period specified under paragraph (i) above, unless the Collateral Manager determines that delivery in kind is not legally or commercially practicable and provides written notice thereof to the Principal Paying Agent, the Principal Paying Agent will provide notice thereof to each Noteholder and the Collateral Manager shall offer to deliver (at such Noteholder's expense) a *pro rata* portion (as determined by the Collateral Manager) of each unsold Unsaleable Asset to the Noteholders or beneficial owners of the most senior Class that provide delivery instructions to the Collateral Administrator on or before the date specified in such notice, subject to minimum denominations; provided that, to the extent that minimum denominations do not permit a *pro rata* distribution, the Collateral Administrator will distribute the Unsaleable Assets on a *pro rata* basis to the extent possible and the Collateral Manager will select by lottery the Noteholder or beneficial owner to whom the remaining amount will be delivered and deliver written notice thereof to the Collateral Administrator; provided, further, that the Collateral Administrator will use commercially reasonable efforts to effect delivery of such interests; and (iv) if no such Noteholder or beneficial owner provides delivery instructions to the Collateral Administrator, the Collateral Administrator will promptly notify the Collateral Manager and offer to deliver (at the cost of the Collateral Manager) the Unsaleable Asset to the Collateral Manager. If the Collateral Manager declines such offer, the Collateral Administrator will take such action as directed by the Collateral Manager (on behalf of the Issuer) in writing to dispose of the Unsaleable Asset, which may be by donation to a charity, abandonment or other means. 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.

Amendments to Collateral Obligations

The Issuer (or the Collateral Manager on the Issuer's behalf) may vote in favour of a Maturity Amendment only if, after giving effect to such Maturity Amendment: (a) the Collateral Obligation Stated Maturity of the Collateral Obligation that is the subject of such Maturity Amendment is not later than the Maturity Date of the Rated Notes; and (b) the Weighted Average Life Test is satisfied, provided that in circumstances where a Maturity Amendment to extend the Collateral Obligation Stated Maturity will contravene the requirements of this paragraph, if the Issuer or the Collateral Manager has not voted in favour of any such Maturity Amendment, but it has or will become effective as part of a scheme of arrangement or otherwise, the Collateral Manager shall not be required to sell such Collateral Obligation or treat such Collateral Obligation as a Defaulted Obligation save that the Collateral Manager shall be required to treat such Collateral Obligation as a Defaulted Obligation if the Principal Balance of all Collateral Obligations which have been subject to this proviso exceeds the Maturity Amendment Threshold.

If the Issuer or the Collateral Manager (on behalf of the Issuer) has not voted in favour of a Maturity Amendment which would contravene the requirements of this paragraph but by way of scheme of arrangement or otherwise, the Collateral Obligation Stated Maturity has been extended, the Issuer or the Collateral Manager acting on its behalf may but shall not be required to sell such Collateral Obligation provided that in any event the Collateral Manager shall dispose of such Collateral Obligation prior to the Maturity Date. Such proceeds shall constitute Sale Proceeds and may be reinvested in accordance with and subject to the Reinvestment Criteria.

Expiry of the Reinvestment Criteria Certification

Immediately preceding the end of the Reinvestment Period, the Collateral Manager will deliver to the Trustee and the Collateral Administrator a schedule of Collateral Obligations purchased by the Issuer with respect to

which purchases the trade date has occurred but the settlement date has not yet occurred and will certify to the Trustee that sufficient Principal Proceeds are available (including, for this purpose, cash on deposit in the Principal Account, any scheduled distributions of Principal Proceeds, as well as any Principal Proceeds that will be received by the Issuer from the sale of Collateral Obligations for which the trade date has already occurred but the settlement date has not yet occurred) to effect the settlement of such Collateral Obligations.

Reinvestment Overcollateralisation Test

If, on any Determination Date after the Effective Date during the Reinvestment Period only, after giving effect to the payment of all amounts payable in respect of paragraphs (A) through (V) (inclusive) of the Interest Priority of Payments, the Reinvestment Overcollateralisation Test has not been satisfied, then on the related Payment Date, Interest Proceeds in an amount (such amount, the "**Required Diversion Amount**") equal to the lesser of (1) 50.0 per cent. of all remaining Interest Proceeds available for payment pursuant to paragraph (W) of the Interest 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 Priority of Payments would be sufficient to cause the Reinvestment Overcollateralisation Test to be satisfied shall be paid, at the discretion of the Collateral Manager (acting on behalf of the Issuer) (i) into the Principal Account as Principal Proceeds; or (ii) in redemption of the Notes in accordance with the Note Payment Sequence.

Designation for Reinvestment

After the expiry of the Reinvestment Period, the Collateral Manager shall, one Business Day following each Determination Date, notify the Issuer and the Collateral Administrator in writing of all Principal Proceeds which the Collateral Manager determines in its discretion (acting on behalf of the Issuer, and subject to the terms of Collateral Management and Administration Agreement as described above) shall remain designated for reinvestment in accordance with the Reinvestment Criteria, on or after the following Payment Date in which event such Principal Proceeds shall not constitute Principal Proceeds which are to be paid into the Payment Account and disbursed on such Payment Date in accordance with the Priorities of Payment.

The Collateral Manager (acting on behalf of the Issuer) may direct that the proceeds of sale of any Collateral Obligation which represents accrued interest be designated as Interest Proceeds and paid into the Interest Account save for: (i) Purchased Accrued Interest; and (ii) any interest received in respect of a Defaulted Obligation for so long as it is a Defaulted Obligation other than Defaulted Obligation Excess Amounts.

Accrued Interest

Amounts included in the purchase price of any Collateral Obligation comprising accrued interest thereon may be paid from the Interest Account, the Principal Account or the Unused Proceeds Account at the discretion of the Collateral Manager (acting on behalf of the Issuer) but subject to the terms of the Collateral Management and Administration Agreement and Condition 3(j) (*Payments to and from the Accounts*). Notwithstanding the foregoing, in any Due Period, all payments of interest and proceeds of sale received during such Due Period in relation to any Collateral Obligation, in each case, to the extent that such amounts represent accrued and/or capitalised interest in respect of such Collateral Obligation (including, in respect of a Mezzanine Obligation, any accrued interest which, as at the time of purchase, had been capitalised and added to the principal amount of such Mezzanine Obligation in accordance with its terms), which was purchased at the time of acquisition thereof with Principal Proceeds and/or principal amounts from the Unused Proceeds Account shall constitute "**Purchased Accrued Interest**" and shall be deposited into the Principal Account as Principal Proceeds.

Block Trades

The requirements described herein with respect to the Portfolio shall be deemed to be satisfied upon any sale and/or purchase of Collateral Obligations on any day in the event that such Collateral Obligations satisfy such requirements in aggregate rather than on an individual basis.

For the purpose of calculating compliance with the Reinvestment Criteria at the election of the Collateral Manager acting in a commercially reasonable manner, any proposed investment (whether a single Collateral Obligation or a group of Collateral Obligations) identified by the Collateral Manager as such at the time (the "**Initial Trading Plan Calculation Date**") when compliance with the Reinvestment Criteria is required to be calculated (a "**Trading Plan**") may be evaluated after giving effect to all sales and reinvestments proposed to be entered into within the 10 Business Days following the date of determination of such compliance (such period,

the "**Trading Plan Period**"); provided that: (i) no Trading Plan may result in the purchase of Collateral Obligations having an Aggregate Principal Balance that exceeds 5 per cent. of the Collateral Principal Amount (calculated for this purpose on the basis that the Principal Balance of each Defaulted Obligation shall be the lower of its Moody's Collateral Value and its Fitch Collateral Value) as of the first day of the Trading Plan Period; (ii) no Trading Plan Period may include a Determination Date; (iii) no more than one Trading Plan may be in effect at any time during a Trading Plan Period; (iv) if the Reinvestment Criteria are satisfied prospectively after giving effect to a Trading Plan, but are not satisfied upon the completion of the related Trading Plan, Rating Agency Confirmation from Fitch is obtained with respect to the effectiveness of additional Trading Plans (it being understood that Rating Agency Confirmation from Fitch shall only be required once following any failure of a Trading Plan); and (v) no Trading Plan may be entered into following the expiry of the Reinvestment Period if: (a) any of the Collateral Obligations which form part of such Trading Plan have Collateral Obligation Stated Maturities shorter than 6 months; and (b) the differential between the shortest and the longest maturities of the related Collateral Obligations forming part of such Trading Plan exceeds 2 years; provided that no Trading Plan may result in the averaging of (A) the purchase prices of Collateral Obligations purchased at separate times for purposes of determining whether any particular Collateral Obligation is a Discount Obligation or (B) the Collateral Obligation Stated Maturities of Collateral Obligations for the purposes of paragraph (c) of the Reinvestment Criteria applicable following the expiry of the Reinvestment Period.

Eligible Investments

The Issuer or the Collateral Manager (acting on behalf of the Issuer) may from time to time purchase Eligible Investments out of the Balances standing to the credit of the Accounts (other than any Counterparty Downgrade Collateral Account, the Unfunded Revolver Reserve Account, the Collection Account and the Payment Account). For the avoidance of doubt, Eligible Investments may be sold by the Issuer or the Collateral Manager (acting on behalf of the Issuer) at any time.

Collateral Enhancement Obligations

The Collateral Manager (acting on behalf of the Issuer) may, from time to time, purchase Collateral Enhancement Obligations independently or as part of a unit with the Collateral Obligations being so purchased.

All funds required in respect of the purchase price of any Collateral Enhancement Obligations, and all funds required in respect of the exercise price of any rights or options thereunder, may only be paid out of the balance standing to the credit of the Supplemental Reserve Account at the relevant time and the proceeds from additional issuances of the Subordinated Notes pursuant to Condition 17(b) (*Additional Issuances*) or by means of a Collateral Manager Advance. Pursuant to Condition 3(j)(vi) (*Supplemental Reserve Account*), such Balance shall be comprised of all sums deposited therein from time to time which will comprise amounts which the Collateral Manager acting on behalf of the Issuer determines shall be paid into the Supplemental Reserve Account pursuant to the Priorities of Payment.

Collateral Enhancement Obligations may be sold at any time and all Collateral Enhancement Obligation Proceeds received by the Issuer shall be deposited into the Principal Account for allocation in accordance with the Principal Priority of Payments.

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

Exercise of Warrants and Options

The Collateral Manager acting on behalf of the Issuer may at any time exercise a warrant or option attached to a Collateral Obligation or comprised in a Collateral Enhancement Obligation and shall on behalf of the Issuer instruct the Account Bank to make any necessary payment pursuant to a duly completed form of instruction.

Margin Stock

The Collateral Management and Administration Agreement requires that the Collateral Manager, on behalf of the Issuer, shall use reasonable endeavours to sell any Collateral Obligation, Exchanged Equity Security or Collateral Enhancement Obligation which is or at any time becomes Margin Stock as soon as practicable following such event.

"**Margin Stock**" means margin stock as defined under Regulation U issued by the Federal Reserve Board, including any debt security which is by its terms convertible into Margin Stock.

Revolving Obligations and Delayed Drawdown Collateral Obligations

The Collateral Manager acting on behalf of the Issuer may acquire Collateral Obligations which are Revolving Obligations or Delayed Drawdown Collateral Obligations from time to time.

Such Revolving Obligations and Delayed Drawdown Collateral Obligations may only be acquired if they are capable of being drawn in a single currency only (being Euro) and are not payable in or convertible into another currency.

Each Revolving Obligation and Delayed Drawdown Collateral Obligation will, pursuant to its terms, require the Issuer to make one or more future advances or other extensions of credit (including extensions of credit made on an unfunded basis pursuant to which the Issuer may be required to reimburse the provider of a guarantee or other ancillary facilities made available to the obligor thereof in the event of any default by the obligor thereof in respect of its reimbursement obligations in connection therewith). Such Revolving Obligations and Delayed Drawdown Collateral Obligations may or may not provide that they may be repaid and reborrowed from time to time by the Obligor thereunder. Upon acquisition of any Revolving Obligations and Delayed Drawdown Collateral Obligations, the Issuer shall deposit into the Unfunded Revolver Reserve Account amounts equal to the combined aggregate principal amounts of the Unfunded Amounts under each of the Revolving Obligations and Delayed Drawdown Collateral Obligations. To the extent required, the Issuer, or the Collateral Manager acting on its behalf, may direct that amounts standing to the credit of the Unfunded Revolver Reserve Account be deposited with a third party from time to time as collateral for any reimbursement or indemnification obligations owed by the Issuer to any other lender in connection with a Revolving Obligation or a Delayed Drawdown Collateral Obligation, as applicable and upon receipt of the Collateral Administrator's response by email to a Test Request (as defined in the Collateral Management and Administration Agreement) the Trustee shall be deemed to have released such amounts from the security granted thereover pursuant to the Trust Deed.

Participations

The Collateral Manager acting on behalf of the Issuer may from time to time acquire Collateral Obligations from Selling Institutions by way of Participation provided that at the time such Participation is taken:

(a) the percentage of the Collateral Principal Amount that represents Participations entered into by the Issuer with a single Selling Institution will not exceed the percentages set forth in the Bivariate Risk Table determined by reference to the credit rating of such third party (or any guarantor thereof); and

(b) the percentage of the Collateral Principal Amount that represents Participations entered into by the Issuer with Selling Institutions (or any guarantor thereof), each having the same credit rating (taking the lowest rating assigned thereto by any Rating Agency), will not exceed the aggregate third party credit exposure limit set forth in the Bivariate Risk Table for such credit rating,

and, for the purpose of determining the foregoing, account shall be taken of each sub participation from which the Issuer, directly or indirectly, derives its interest in the relevant Collateral Obligation.

Each Participation entered into pursuant to a sub-participation agreement shall be substantially in the form of:

(a) the LSTA Model Participation Agreement for par/near par trades (as published by the Loan Syndications and Trading Association Inc. from time to time);

(b) the LMA Funded Participation (Par) (as published by the Loan Market Association from time to time); or

(c) such other documentation provided such agreement contains limited recourse and non-petition language substantially the same as that set out in the Trust Deed.

Assignments

The Collateral Manager acting on behalf of the Issuer may from time to time acquire Collateral Obligations from Selling Institutions by way of Assignment provided that at the time such Assignment is acquired the Collateral Manager acting on behalf of the Issuer shall have complied, to the extent within their control, with any requirements relating to such Assignment set out in the relevant loan documentation for such Collateral Obligation (including, without limitation, with respect to the form of such Assignment and obtaining the consent of any person specified in the relevant loan documentation).

"**Assignment**" means an interest in a loan acquired directly by way of novation or assignment.

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 Fitch or Moody's ratings applicable to such counterparty and the aggregate third party credit exposure limit shall be determined by reference to the aggregate of Third Party Exposure of all such counterparties which share the same rating level or have a lower rating level, as indicated in the Bivariate Risk Table.

Bivariate Risk Table

Fitch 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%
A1	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 Collateral Principal Amount (excluding any Defaulted Obligations) the aggregate third party credit exposure limit shall be determined by reference to the aggregate of the third party credit exposure of all such counterparties which share the same rating level or have a lower rating level, as indicated in the Bivariate Risk Table.

Portfolio Profile Tests and Collateral Quality Tests

Measurement of Tests

The Portfolio Profile Tests and the Collateral Quality Tests will be used as criteria for purchasing Collateral Obligations. The Collateral Administrator will measure the Portfolio Profile Tests and the Collateral Quality Tests on each Measurement Date (save as otherwise provided herein).

Substitute Collateral Obligations in respect of which a binding commitment has been made to purchase such Substitute Collateral Obligations but such purchase has not been settled shall nonetheless be deemed to have been purchased for the purposes of the Portfolio Profile Tests, the Collateral Quality Tests and the Coverage Tests. Collateral Obligations in respect of which a binding commitment has been made to sell such Collateral Obligations, but such sale has not been settled, shall be deemed to have been sold for the purposes of the Portfolio Profile Tests, the Collateral Quality Tests and the Coverage Tests. See "*Reinvestment of Collateral Obligations*" above.

Notwithstanding the foregoing, the failure of the Portfolio to meet the requirements of the Portfolio Profile Tests at any time shall not prevent any obligation which would otherwise be a Collateral Obligation from being a Collateral Obligation.

Portfolio Profile Tests

The Portfolio Profile Tests will consist of each of the following:

(a) not less than 90.0 per cent. of the Collateral Principal Amount shall consist of obligations which are Secured Senior Obligations (which term, for the purposes of this paragraph (a), shall comprise the aggregate of the Aggregate Principal Balance of the Secured Senior Obligations and the Balances standing to the credit of the Principal Account and the Unused Proceeds Account including any Eligible Investments acquired with such Balances (excluding accrued interest thereon), in each case as at the relevant Measurement Date);

(b) not less than 70.0 per cent. of the Collateral Principal Amount shall consist of obligations which are Secured Senior Loans (which term, for these purposes, shall comprise the aggregate of the Aggregate Principal Balance of the Secured Senior Loans and the Balances standing to the credit of the Principal Account and the Unused Proceeds Account, including Eligible Investments acquired with such Balances (excluding accrued interest thereon, in each case as at the relevant Measurement Date));

(c) not more than 30.0 per cent. of the Collateral Principal Amount shall consist of Secured Senior Bonds, Unsecured Senior Bonds, High Yield Bonds and Mezzanine Obligations in the form of bonds;

(d) not more than 10.0 per cent. of the Collateral Principal Amount shall consist of obligations which are Fixed Rate Collateral Obligations or, in relation to a Fitch Test Matrix elected by the Collateral Manager where such Fitch Test Matrix and/or the interpolation between the applicable Fitch Test Matrix applies a maximum percentage of the Collateral Principal Amount that can comprise Fixed Rate Collateral Obligations, such lower percentage calculated in accordance with the provisions set out in the section of this Offering Circular entitled "*The Portfolio — Portfolio Profile Tests and Collateral Quality Tests—Fitch Test Matrices*";

(e) not more than 10.0 per cent. of the Collateral Principal Amount shall consist of Unsecured Senior Obligations, Second Lien Loans, Mezzanine Obligations and High Yield Bonds;

(f) in the case of Secured Senior Obligations, not more than 2.5 per cent. of the Collateral Principal Amount shall be the obligations of any one such Obligor, provided that the Collateral Principal Amount of such obligations of three Obligors may each represent up to 3.0 per cent. each;

(g) in the case of Collateral Obligations which are not Secured Senior Obligations, not more than 1.5 per cent. of the Collateral Principal Amount shall be the obligations of any one such Obligor;

(h) not more than 2.5 per cent. of the Collateral Principal Amount shall be the obligations of any one such Obligor, provided that the Collateral Principal Amount of such obligations of three Obligors may each represent up to 3.0 per cent. each;

(i) not more than 20.0 per cent. of the Collateral Principal Amount shall be the obligations of the ten largest Obligors determined by the proportion of the Aggregate Principal Balance of all Collateral Obligations they each represent at the relevant date of determination;

(j) not more than 20.0 per cent. of the Collateral Principal Amount shall consist of Non-Euro Obligations;

(k) not more than 5.0 per cent. of the Collateral Principal Amount shall consist of Participations;

(l) not more than 2.5 per cent. of the Collateral Principal Amount shall consist of Current Pay Obligations;

(m) not more than 5.0 per cent. of the Collateral Principal Amount shall consist of obligations which are Revolving Obligations or Delayed Drawdown Collateral Obligations;

(n) not more than 7.5 per cent. of the Collateral Principal Amount shall consist of obligations which are CCC Obligations;

(o) not more than 7.5 per cent. of the Collateral Principal Amount shall consist of obligations which are Caa Obligations;

(p) not more than 5.0 per cent. of the Collateral Principal Amount shall consist of Corporate Rescue Loans, provided that not more than 2.0 per cent. of the Collateral Principal Amount may consist of Corporate Rescue Loans from a single Obligor;

(q) not more than 10.0 per cent. of the Collateral Principal Amount shall consist of obligations comprising any one Fitch industry category provided that (i) three Fitch industries may comprise in aggregate up to 40.0 per cent. of the Collateral Principal Amount; and (ii) one Fitch industry may comprise up to 17.5 per cent. of the Collateral Principal Amount;

(r) not more than 10.0 per cent. of the Collateral Principal Amount shall consist of obligations whose Moody's Rating is derived from an S&P Rating;

(s) not more than 10.0 per cent. of the Collateral Principal Amount shall consist of Obligors who are Domiciled in countries or jurisdictions with a country ceiling rated below "AAA" by Fitch unless Rating Agency Confirmation from Fitch is obtained;

(t) not more than 10.0 per cent. of the Collateral Principal Amount shall consist of Obligors who are Domiciled in countries or jurisdictions with a Moody's local currency country risk ceiling of "A1" or below unless Rating Agency Confirmation from Moody's is obtained;

(u) the limits set forth in the Bivariate Risk Table determined by reference to the ratings of Selling Institutions shall be satisfied;

(v) not more than 30.0 per cent. of the Collateral Principal Amount shall consist of Cov-Lite Loans;

(w) not more than 5.0 per cent. of the Collateral Principal Amount shall consist of Collateral Obligations issued by Obligors each of which has total current indebtedness (comprised of all financial debt owing by the Obligor including the maximum available amount or total commitment under any revolving or delayed draw loans) under their respective loan agreements and other Underlying Instruments of not less than EUR 150 million but not more than EUR 250 million or the equivalent thereof at the Spot Rate at the time at which the Issuer entered into a binding commitment to purchase such Collateral Obligation;

(x) not more than 25.0 per cent. of the Collateral Principal Amount shall consist of Discount Obligations; and

(y) not more than 10.0 per cent. of the Collateral Principal Amount shall consist of Obligors that are Collateral Manager Portfolio Companies.

"**Bridge Loan**" shall mean any Collateral Obligation that: (i) is incurred in connection with a merger, acquisition, consolidation, sale of all or substantially all of the assets of a person, restructuring or similar transaction; (ii) by its terms, is required to be repaid within one year of the incurrence thereof with proceeds from additional borrowings or other refinancings (provided, however, that any additional borrowing or refinancing having a term of more than one year may be included as a Bridge Loan if one or more financial institutions shall have provided the Obligor with a binding written commitment to provide the same); and (iii) prior to its purchase by the Issuer, has a Moody's Rating and an Fitch Rating or, if the Bridge Loan is not rated by Moody's and Fitch, Rating Agency Confirmation has been obtained.

"**Senior Secured Floating Rate Note**" means any obligation that (a) constitutes borrowed money, (b) is in the form of, or represented by, a bond, note (other than any note evidencing a loan), certificated debt security or other debt security, (c) is expressly stated to bear interest based upon an interbank offered rate for deposits in the relevant currency and in the relevant location or a relevant reference bank's published base rate or prime rate for obligations denominated in the relevant currency and in the relevant location, (d) does not constitute and is not secured by, Margin Stock, (e) if it is subordinated by its terms, is subordinated only to indebtedness for 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 future advances to be made to the borrower may have a higher priority security interest in such assets or stock in the event of an enforcement in respect of such loan representing up to 15 per cent. of the Obligor's senior debt and (f) is secured by a valid first priority perfected security interest or lien in, to or on specified collateral securing the obligor's obligations under such obligation.

The percentage requirements applicable to different types of Collateral Obligations specified in the Portfolio Profile Tests shall be determined by reference to the Collateral Principal Amount of such type of Collateral Obligations, excluding Defaulted Obligations. Obligations for which the Issuer (or the Collateral Manager acting on behalf of the Issuer) has entered into binding commitments to purchase but have not yet settled shall be included for the purposes of calculating the Portfolio Profile Tests and obligations for which the Issuer (or the Collateral Manager acting on behalf of the Issuer) has entered into binding commitments to sell, but have not yet settled, shall be excluded for the purposes of 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;

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

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

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

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

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

  (iii) the Maximum Obligor Concentration Test; and

  (iv) the Fitch Minimum Weighted Average Spread Test; and

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

each as defined in the Collateral Management and Administration Agreement.

Moody's Test Matrices

Subject to the provisions provided below, on or after the Effective Date, the Collateral Manager will have the option to elect which of the cases set forth in the matrices to be set out in the Collateral Management and Administration Agreement (substantially in the form set out below) (the **"Moody's Test Matrices"**) shall be applicable for purposes of the Moody's Maximum Weighted Average Rating Factor Test, the Moody's Minimum Diversity Test and the Moody's 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 for performing the Moody's Minimum Weighted Average Spread Test will be the row in which the elected test is set out (or a linear interpolation between the two rows containing the values closest to the elected test, as applicable); and

(3) the applicable row and column for performing the Moody's Maximum Weighted Average Rating Factor Test will be the row and column in which the elected case is set out (or a linear interpolation between the two rows containing the values closest to the elected test and/or a linear interpolation between two adjacent columns, as applicable).

On the Effective Date, the Collateral Manager will be required to elect which case shall apply initially. Thereafter, on two Business Days' notice to the Issuer, the Trustee, the Collateral Administrator and Moody's, the Collateral Manager may elect to have a different case apply, provided that the Moody's Minimum Diversity Test, the Moody's Maximum Weighted Average Rating Factor Test, the Moody's Minimum Weighted Average Recovery Rate Test and the Moody's Minimum Weighted Average Spread Test applicable to the case to which the Collateral Manager desires to change are satisfied or, in the case of any tests that are not satisfied, are closer to being satisfied. In no event will the Collateral Manager be obliged to elect to have a different case apply. The Moody's Test Matrices may be amended and/or supplemented and/or replaced by the Collateral Manager subject to Rating Agency Confirmation from Moody's.

Moody's Test Matrix

Minimum Weighted Average Spread	Minimum Diversity Score																	
	28	**30**	**32**	**34**	**36**	**38**	**40**	**42**	**44**	**46**	**48**	**50**	**52**	**54**	**56**	**58**	**60**	**62**
2.40%	1634	1653	1671	1690	1693	1707	1721	1735	1749	1758	1767	1776	1780	1783	1786	1789	1792	1796
2.60%	1900	1920	1940	1960	1980	1995	2010	2025	2040	2050	2060	2070	2080	2084	2088	2092	2096	2100
2.80%	2063	2088	2114	2139	2165	2184	2203	2222	2242	2253	2265	2277	2289	2294	2299	2304	2309	2314
3.00%	2231	2262	2293	2324	2355	2378	2402	2425	2449	2462	2476	2490	2504	2510	2516	2522	2528	2534
3.20%	2386	2425	2462	2498	2535	2562	2590	2612	2640	2655	2671	2686	2701	2715	2722	2729	2736	2743
3.40%	2514	2556	2607	2649	2682	2714	2746	2778	2795	2812	2830	2862	2886	2898	2916	2924	2932	2940
3.60%	2564	2632	2680	2713	2757	2798	2820	2851	2883	2909	2929	2941	2961	2983	3006	3016	3026	3037
3.65%	2581	2650	2688	2732	2775	2807	2838	2870	2901	2921	2941	2961	2981	3004	3015	3038	3049	3060
3.80%	2634	2698	2743	2787	2812	2863	2900	2931	2956	2986	3007	3029	3048	3065	3078	3101	3113	3126
4.00%	2704	2750	2815	2841	2887	2917	2948	2979	3029	3053	3077	3096	3104	3147	3162	3177	3192	3207
4.20%	2775	2821	2868	2915	2962	2992	3022	3052	3083	3108	3134	3160	3186	3203	3220	3238	3255	3273
4.40%	2832	2880	2926	2971	3017	3047	3098	3128	3158	3183	3209	3229	3239	3277	3295	3313	3331	3349
4.60%	2891	2958	3003	3048	3073	3128	3153	3193	3214	3249	3273	3298	3321	3331	3360	3378	3396	3405
4.80%	2951	2997	3069	3104	3153	3179	3219	3249	3279	3304	3328	3353	3377	3406	3414	3443	3452	3471
5.00%	3010	3081	3126	3169	3212	3249	3278	3309	3339	3363	3387	3411	3435	3454	3473	3492	3511	3531
5.20%	3070	3134	3176	3231	3260	3303	3334	3378	3395	3432	3442	3479	3489	3522	3542	3561	3581	3601
5.40%	3140	3192	3238	3280	3323	3354	3386	3418	3446	3474	3512	3535	3559	3579	3598	3618	3637	3657
5.60%	3189	3241	3299	3342	3385	3418	3454	3487	3507	3546	3570	3594	3618	3637	3657	3676	3696	3716
5.80%	3247	3300	3349	3392	3435	3469	3507	3541	3562	3601	3626	3650	3674	3694	3713	3733	3752	3772
6.00%	3296	3349	3398	3442	3486	3521	3560	3595	3620	3657	3682	3706	3731	3750	3770	3789	3809	3829

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 applicable Moody's Test Matrix based upon the applicable "row/column" combination chosen by the Collateral Manager (or interpolating between the two rows containing the closest values and/or two adjacent columns (as applicable)).

The "**Diversity Score**" is a single number that indicates collateral concentration and correlation in terms of both issuer and industry concentration and correlation. It is similar to a score that Moody's uses to measure concentration and correlation for the purposes of its ratings. A higher Diversity Score reflects a more diverse portfolio in terms of the issuer and industry concentration. The Diversity Score for the Collateral Obligations is calculated by summing each of the Industry Diversity Scores which are calculated as follows and rounding the result down 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 Obligations by summing the Principal Balances of all Collateral Obligations (excluding Defaulted Obligations) issued by such Obligor, provided that if a Collateral Obligation has been sold or is the subject of an optional redemption or Offer, and the Sale Proceeds or Unscheduled Principal Proceeds from such event have not yet been reinvested in Substitute Collateral Obligations or distributed to the Noteholders or the other creditors of the Issuer in accordance with the Priorities of Payments, the Obligor Principal Balance shall be calculated as if such Collateral Obligation had not been sold or was not subject to such an optional redemption or Offer;

(c) an "**Equivalent Unit Score**" is calculated for each Obligor by taking the lesser of (i) one and (ii) the Obligor Principal Balance for such Obligor divided by the Average Principal Balance;

(d) an "**Aggregate Industry Equivalent Unit Score**" is then calculated for each of 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

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
0.7500	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		

Fitch Test Matrices

Subject to the provisions provided below, on or after the Effective Date, the Collateral Manager will have the option to elect which of the Fitch test matrices set out below (each such matrix to have a different concentration limit for the Fixed Rate Collateral Obligations applicable to it) (the "**Fitch Test Matrices**") and which of the cases set forth in such Fitch Test Matrices shall be applicable for purposes of the Fitch Maximum Weighted Average Rating Factor Test, the Fitch Minimum Weighted Average Recovery Rate Test, the Fitch Minimum Weighted Average Spread Test and the Maximum Obligor Concentration Test (as applicable). The Collateral Manager will have the option to use linear interpolation within and between the Fitch Test Matrices to the extent required. For any given case:

(a) the percentage of the Collateral Principal Amount consisting of Fixed Rate Collateral Obligations as of such Measurement Date is less than or equal to the maximum percentage of Fixed Rate Collateral Obligations specified in such Fitch Test Matrix;

(b) the applicable column for performing the Fitch Maximum Weighted Average Rating Factor Test will be the column (or linear interpolation between the two columns with the closest values, as applicable) in the Fitch Test Matrix selected by the Collateral Manager;

(c) the applicable row for performing the Fitch Minimum Weighted Average Spread Test will be the row in the Fitch Test Matrix selected by the Collateral Manager (or linear interpolation between the two rows with the closest values, as applicable); and

(d) the applicable column and row for performing the Fitch Minimum Weighted Average Recovery Rate Test will be the column and row in the Fitch Test Matrix selected by the Collateral Manager in relation to (b) and (c) above (or a linear interpolation between the two rows with the closest values and/or a linear interpolation between the two adjacent columns, as applicable).

On the Effective Date, the Collateral Manager will be required to elect which Fitch Test Matrix and which case shall apply initially. Thereafter, on two Business Days' notice to the Issuer, the Collateral Administrator and Fitch, the Collateral Manager may elect to have a different case apply, provided that the Fitch Maximum Weighted Average Rating Factor Test, the Fitch Minimum Weighted Average Recovery Rate Test, the Fitch Minimum Weighted Average Spread Test, the Maximum Obligor Concentration Test and the concentration limit for the Fixed Rate Collateral Obligations applicable to the case to which the Collateral Manager desires to change are satisfied or, in the case of any tests that are not satisfied, are closer to being satisfied. The Fitch Test Matrices may be amended and/or supplemented and/or replaced by the Collateral Manager subject to Rating Agency Confirmation from Fitch.

If on any Measurement Date, the percentage of the Collateral Principal Amount which consists of Fixed Rate Collateral Obligations (after giving effect to any binding commitment entered into on such Measurement Date for the Issuer to purchase/and or sell Collateral Obligations) does not satisfy paragraph (a) above, then the Issuer (or the Collateral Manager on its behalf) may not enter into any binding commitments to purchase and/or sell any Collateral Obligations unless either (i) the percentage of the Collateral Principal Amount which consists of Fixed Rate Collateral Obligations shall be maintained or reduced when compared to such percentage immediately prior to such purchase or sale, or (ii) the Collateral Manager elects to have a different case apply and in respect of which paragraph (a) above is satisfied.

Other than as stated in the immediately prior paragraph, in no event will the Collateral Manager be obliged to elect to have a different Fitch Test Matrix, or case set forth in such Fitch Test Matrix, apply.

The Fitch Test Matrices may be amended and/or supplemented and/or replaced by the Collateral Manager subject to Rating Agency Confirmation from Fitch.

For the avoidance of doubt, the Collateral Manager may elect to interpolate between the Fitch Test Matrices with respect to both the largest ten Obligors represented in the Collateral Obligations by Principal Balance and the percentage of the Collateral Principal Amount which consists of Fixed Rate Collateral Obligations.

Fitch Test Matrices

Fitch Tests Matrix 1

0% concentration limit for Fixed Rate Collateral Obligations / 15% concentration limit for any 10 Obligors
Minimum Weighted Average Fixed Coupon of 4.5 per cent.

	Fitch Weighted Average Rating Factor										
Minimum Weighted Average Spread	30	31	32	33	34	35	36	37	38	39	40
2.20%	84.70%	85.50%	86.20%	86.90%	87.50%	88.20%	88.70%	89.20%	89.70%	90.30%	90.90%
2.40%	79.30%	80.10%	81.00%	81.80%	82.60%	83.30%	84.00%	84.70%	85.30%	86.00%	86.50%
2.60%	75.40%	76.30%	77.20%	78.10%	78.90%	79.70%	80.50%	81.20%	81.90%	82.60%	83.30%
2.80%	71.30%	72.40%	73.60%	74.70%	75.70%	76.50%	77.30%	78.10%	78.80%	79.50%	80.20%
3.00%	67.60%	68.80%	69.90%	71.10%	72.30%	73.40%	74.40%	75.30%	76.10%	76.90%	77.60%
3.20%	63.80%	65.20%	66.60%	67.80%	69.00%	70.10%	71.20%	72.30%	73.30%	74.30%	75.10%
3.40%	60.40%	62.00%	63.50%	64.90%	66.10%	67.10%	68.10%	69.20%	70.20%	71.30%	72.40%
3.60%	58.10%	59.70%	61.20%	62.50%	63.80%	65.10%	66.40%	67.60%	68.70%	69.90%	71.00%
3.80%	56.20%	57.90%	59.50%	61.00%	62.30%	63.60%	64.90%	66.20%	67.40%	68.60%	69.70%
4.00%	54.40%	56.10%	57.80%	59.40%	60.90%	62.30%	63.60%	64.80%	66.10%	67.30%	68.40%
4.20%	52.60%	54.30%	56.00%	57.70%	59.30%	60.80%	62.10%	63.40%	64.70%	65.90%	67.10%
4.40%	50.70%	52.50%	54.20%	55.90%	57.60%	59.20%	60.70%	62.00%	63.30%	64.60%	65.80%
4.60%	48.90%	50.70%	52.50%	54.20%	55.90%	57.50%	59.10%	60.60%	62.00%	63.30%	64.60%
4.80%	47.10%	49.00%	50.80%	52.60%	54.30%	56.00%	57.60%	59.20%	60.70%	62.00%	63.30%
5.00%	45.30%	47.30%	49.10%	50.90%	52.70%	54.40%	56.10%	57.70%	59.20%	60.70%	62.00%

Fitch Tests Matrix 2

10% concentration limit for Fixed Rate Collateral Obligations / 15% concentration limit for any 10 Obligors
Minimum Weighted Average Fixed Coupon of 4.5 per cent.

	Fitch Weighted Average Rating Factor										
Minimum Weighted Average Spread	30	31	32	33	34	35	36	37	38	39	40
2.20%	84.70%	85.50%	86.20%	86.90%	87.50%	88.20%	88.70%	89.20%	89.70%	90.30%	90.90%
2.40%	79.30%	80.10%	81.00%	81.80%	82.60%	83.30%	84.00%	84.70%	85.30%	86.00%	86.50%
2.60%	75.40%	76.30%	77.20%	78.10%	78.90%	79.70%	80.50%	81.20%	81.90%	82.60%	83.40%
2.80%	71.30%	72.40%	73.60%	74.70%	75.70%	76.50%	77.40%	78.30%	79.10%	79.90%	80.70%
3.00%	67.60%	68.80%	70.10%	71.40%	72.70%	73.80%	74.90%	75.90%	76.70%	77.60%	78.90%
3.20%	63.80%	65.40%	66.80%	68.20%	69.50%	70.70%	71.90%	73.10%	74.60%	76.10%	77.50%
3.40%	60.60%	62.30%	63.90%	65.40%	66.80%	68.10%	69.40%	71.20%	73.00%	74.70%	76.20%
3.60%	58.50%	60.00%	61.20%	62.70%	64.30%	66.10%	67.90%	69.60%	71.40%	73.10%	74.80%
3.80%	56.60%	58.20%	59.60%	61.10%	62.80%	64.40%	66.20%	68.00%	69.70%	71.60%	73.40%
4.00%	54.90%	56.40%	57.90%	59.40%	61.30%	63.00%	64.70%	66.50%	68.30%	70.10%	71.90%
4.20%	52.90%	54.70%	56.30%	57.90%	59.90%	61.70%	63.40%	65.10%	66.90%	68.70%	70.50%
4.40%	51.00%	52.90%	54.60%	56.40%	58.50%	60.40%	62.10%	63.80%	65.40%	67.30%	69.20%
4.60%	49.20%	51.00%	52.70%	54.80%	56.80%	58.80%	60.70%	62.50%	64.30%	66.10%	68.00%
4.80%	47.60%	49.20%	51.00%	53.10%	55.30%	57.50%	59.60%	61.50%	63.20%	64.90%	66.80%
5.00%	45.90%	47.70%	49.60%	51.70%	54.00%	56.20%	58.40%	60.40%	62.10%	63.90%	65.60%

Fitch Tests Matrix 3

0% concentration limit for Fixed Rate Collateral Obligations / 20% concentration limit for any 10 Obligors
Minimum Weighted Average Fixed Coupon of 4.5 per cent.

	Fitch Weighted Average Rating Factor										
Minimum Weighted Average Spread	30	31	32	33	34	35	36	37	38	39	40
2.20%	84.70%	85.50%	86.20%	86.90%	87.50%	88.20%	88.70%	89.20%	89.70%	90.30%	90.90%
2.40%	79.30%	80.10%	81.00%	81.80%	82.60%	83.30%	84.00%	84.70%	85.30%	86.00%	86.50%
2.60%	75.40%	76.30%	77.20%	78.10%	78.90%	79.70%	80.50%	81.20%	81.90%	82.60%	83.30%
2.80%	71.30%	72.40%	73.60%	74.70%	75.70%	76.50%	77.30%	78.10%	78.80%	79.50%	80.20%
3.00%	67.60%	68.80%	69.90%	71.10%	72.30%	73.40%	74.40%	75.30%	76.10%	76.90%	77.60%
3.20%	63.80%	65.20%	66.60%	67.80%	69.00%	70.10%	71.20%	72.30%	73.30%	74.30%	75.10%
3.40%	60.60%	62.10%	63.50%	64.90%	66.10%	67.20%	68.40%	69.50%	70.70%	71.90%	73.00%
3.60%	58.90%	60.50%	61.90%	63.20%	64.50%	65.70%	67.00%	68.10%	69.30%	70.40%	71.60%
3.80%	57.10%	58.70%	60.30%	61.70%	63.00%	64.30%	65.60%	66.80%	68.00%	69.20%	70.30%
4.00%	55.30%	57.00%	58.60%	60.20%	61.60%	62.90%	64.20%	65.50%	66.70%	67.90%	69.00%
4.20%	53.40%	55.20%	56.90%	58.50%	60.10%	61.40%	62.80%	64.00%	65.30%	66.50%	67.70%
4.40%	51.60%	53.40%	55.10%	56.80%	58.40%	60.00%	61.30%	62.70%	63.90%	65.20%	66.40%
4.60%	49.80%	51.60%	53.40%	55.10%	56.70%	58.30%	59.90%	61.30%	62.60%	63.90%	65.20%
4.80%	48.00%	49.90%	51.70%	53.50%	55.20%	56.80%	58.40%	60.00%	61.30%	62.60%	63.90%
5.00%	46.30%	48.20%	50.00%	51.80%	53.60%	55.20%	56.90%	58.40%	60.00%	61.40%	62.70%

Fitch Tests Matrix 4

10% concentration limit for Fixed Rate Collateral Obligations / 20% concentration limit for any 10 Obligors
Minimum Weighted Average Fixed Coupon of 4.5 per cent.

	Fitch Weighted Average Rating Factor										
Minimum Weighted Average Spread	30	31	32	33	34	35	36	37	38	39	40
2.20%	84.70%	85.50%	86.20%	86.90%	87.50%	88.20%	88.70%	89.20%	89.70%	90.30%	90.90%
2.40%	79.30%	80.10%	81.00%	81.80%	82.60%	83.30%	84.00%	84.70%	85.30%	86.00%	86.50%
2.60%	75.40%	76.30%	77.20%	78.10%	78.90%	79.70%	80.50%	81.20%	81.90%	82.60%	83.40%
2.80%	71.30%	72.40%	73.60%	74.70%	75.70%	76.50%	77.40%	78.30%	79.10%	79.90%	80.70%
3.00%	67.60%	68.80%	70.10%	71.40%	72.70%	73.80%	74.90%	75.90%	76.80%	78.20%	79.50%
3.20%	63.80%	65.40%	66.80%	68.20%	69.50%	70.70%	72.00%	73.70%	75.40%	76.80%	78.20%
3.40%	60.90%	62.30%	63.90%	65.40%	66.90%	68.60%	70.30%	72.10%	73.90%	75.50%	76.90%
3.60%	59.00%	60.50%	61.90%	63.50%	65.20%	67.00%	68.80%	70.50%	72.20%	74.00%	75.60%
3.80%	57.10%	58.70%	60.30%	61.90%	63.60%	65.30%	67.10%	68.80%	70.60%	72.50%	74.30%
4.00%	55.40%	57.00%	58.60%	60.40%	62.20%	63.90%	65.60%	67.40%	69.20%	71.00%	72.90%
4.20%	53.50%	55.20%	56.90%	58.90%	60.80%	62.60%	64.30%	66.00%	67.80%	69.60%	71.40%
4.40%	51.60%	53.40%	55.40%	57.50%	59.50%	61.20%	62.90%	64.60%	66.40%	68.30%	70.10%
4.60%	49.90%	51.70%	53.70%	55.80%	57.80%	59.80%	61.60%	63.40%	65.20%	67.10%	68.90%
4.80%	48.30%	50.20%	52.00%	54.20%	56.40%	58.50%	60.50%	62.40%	64.10%	65.90%	67.70%
5.00%	46.70%	48.70%	50.50%	52.90%	55.10%	57.30%	59.40%	61.30%	63.00%	64.70%	66.60%

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 Test Matrix.

"**Fitch Weighted Average Rating Factor**" is the number determined by summing the products obtained by multiplying the Principal Balance of each Collateral Obligation, excluding Defaulted Obligations, by its Fitch Rating Factor, dividing such sum by the Aggregate Principal Balance of all such Collateral Obligations, excluding Defaulted Obligations, and rounding the result down to the nearest two decimal places. For the purposes of this definition, any Current Pay Obligation that has a Fitch Rating of "D" or "RD" at the time the Issuer entered into a binding commitment to acquire such Current Pay Obligation, the Fitch Rating Factor shall be determined by reference to a Fitch Rating of "D" or "RD" (as applicable); for the avoidance of doubt, (i) the Fitch Rating shall not be determined by reference to proviso (b) of the "Fitch Rating" definition and (ii) the Fitch Rating Factor following a subsequent upgrade or downgrade to such Current Pay Obligation shall be determined by reference to proviso (b) of the "Fitch Rating" definition.

"**Fitch Rating Factor**" means, in respect of any Collateral Obligation, the number set forth in the table below opposite the Fitch Rating in respect of such Collateral Obligation. The following table provides certain probabilities of default relating to Fitch Rating Factors. The information is subject to change and any probabilities of default in respect of Fitch Rating Factors may not at any time necessarily reflect the below table.

Fitch Rating	Fitch Rating Factor
AAA	0.19
AA+	0.35
AA	0.64
AA-	0.86
A+	1.17
A	1.58
A-	2.25
BBB+	3.19
BBB	4.54
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/RD	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 Test Matrix.

"**Fitch Weighted Average Recovery Rate**" means, as of any Measurement Date, the rate (expressed as a percentage) determined by summing the products obtained by multiplying the Principal Balance of each Collateral Obligation, excluding Defaulted Obligations, by the Fitch Recovery Rate in relation thereto and dividing such sum by the Aggregate Principal Balance of all Collateral Obligations, excluding Defaulted Obligations, and rounding up to the nearest 0.1 per cent.

"**Fitch Recovery Rate**" means, with respect to a Collateral Obligation, the recovery rate determined in accordance with paragraphs (a) to (b) below or (in any case) such other recovery rate as Fitch may have

assigned to such Collateral Obligation or has notified the Collateral Manager of such recovery rate from time to time:

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

Fitch recovery rating	Fitch recovery rate (%)
RR1	95.0
RR2	80.0
RR3	60.0
RR4	40.0
RR5	20.0
RR6	5.0

(b) if such Collateral Obligation (i) has no public Fitch recovery rating and (ii) neither a recovery rating nor an obligation's specific recovery rate is assigned by Fitch in the context of provision by Fitch of a credit opinion to the Collateral Manager, (x) if such Collateral Obligation is a Senior Secured Bond, the recovery rate applicable to such Senior Secured Bond shall be the recovery rate corresponding to the Fitch recovery rating of "**RR3**" in the table set forth under (a) above and (y) otherwise, the recovery rate determined in accordance with the table below, where the Collateral Obligation shall be categorised as "**Strong Recovery**" if it is a Senior Secured Loan, "**Moderate Recovery**" if it is an Unsecured Senior Loan or Unsecured Senior Bond and otherwise "**Weak Recovery**", and shall fall into the country group corresponding to the country in which the Obligor thereof is Domiciled.

	Group 1	Group 2	Group 3
Strong Recovery	80.0	70.0	35.0
Moderate Recovery	45.0	45.0	25.0
Weak Recovery	20.0	20.0	5.0

Group 1: Australia, Bermuda, Canada, Cayman Islands, New Zealand, Puerto Rico and the U.S.

Group 2: 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 and the United Kingdom.

Group 3: 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 and Vietnam.

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 Test Matrix selected by the Collateral Manager on such date in accordance with the Collateral Management and Administration Agreement.

"**Obligor Concentration**" means, on any Measurement Date, the percentage of the Collateral Principal Amount represented by the Collateral Principal Amount of Collateral Obligations relating to the ten Obligors contained in the Portfolio on such date that yield the highest such percentage (where for the purposes of determining the

Collateral Principal Amount and the Aggregate Principal Balance, the Principal Balance of each Defaulted Obligation shall be excluded).

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 applicable Moody's Test Matrix at the intersection of the applicable "row/column" combination chosen by the Collateral Manager (or interpolating between the two rows containing the closest values and/or two adjacent columns (as applicable)), (acting on behalf of the Issuer) as at such Measurement Date plus (ii) the Moody's Weighted Average Recovery Adjustment, provided, however, that the sum of (i) and (ii) may not exceed 3,900.

The "**Moody's Weighted Average Rating Factor**" is determined by summing the products obtained by multiplying the Principal Balance of each Collateral Obligation, excluding Defaulted Obligations, by its Moody's Rating Factor, dividing such sum by the Aggregate Principal Balances of all such Collateral Obligations, excluding Defaulted Obligations, and rounding the result down to the nearest whole number.

The "**Moody's Rating Factor**" relating to any Collateral Obligation is the number set forth in the table below opposite the Moody's Default Probability Rating of such Collateral Obligation.

Moody's Default Probability Rating	Moody's Rating Factor	Moody's Default Probability Rating	Moody's Rating Factor
Aaa	1	Ba1	940
Aa1	10	Ba2	1,350
Aa2	20	Ba3	1,766
Aa2	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) 44.3; and

(ii) (A) with respect to the adjustment of the Moody's Maximum Weighted Average Rating Factor Test, 52 if the Weighted Average Spread (expressed as a percentage) is less than 2.80 per cent., 60 if the Weighted Average Spread (expressed as a percentage) is greater than or equal to 2.80 per cent. but less than 5.20 per cent. and 64 in all other cases and (B) with respect to adjustment of the Minimum Weighted Average Spread, 0.01 per cent. if the Weighted Average Spread (expressed as a percentage) is less than 3.00 per cent., 0.05 per cent. if the Weighted Average Spread (expressed as a percentage) is equal to or greater than 3.00 per cent. but less than 3.20 per cent., 0.07 per cent. if the Weighted Average Spread (expressed as a percentage) is equal to or greater than 3.20 per cent. but less than 3.60 per cent., 0.10 per cent. if the Weighted Average Spread (expressed as a percentage) is equal to or greater than 3.60 per cent. but less than 3.80 per cent., 0.12 per cent. if the Weighted Average Spread (expressed as a percentage) is equal to or greater than 3.80 per cent. but less than 4.20 per cent., 0.15 per cent. if the Weighted Average Spread (expressed as a percentage) is equal to or greater than 4.20 per cent. but less than 4.80 per cent., 0.18 per cent. if the Weighted Average Spread (expressed as a percentage) is equal to or greater than 4.80 per cent. but less than 5.40 per cent., and 0.21 per cent. in all other cases; provided that if the Weighted Average Moody's Recovery Rate for purposes of determining the Moody's Weighted Average Recovery Adjustment is greater than 60 per cent., then such Weighted Average Moody's

Recovery Rate shall equal 60 per cent. unless Rating Agency Confirmation from Moody's is received,

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

"**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.

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) 44.3 per cent. minus (ii) the Moody's Weighted Average Rating Factor Adjustment.

The "**Weighted Average Moody's Recovery Rate**" means, as of any Measurement Date, the number, expressed as a percentage, obtained by summing the products obtained by multiplying the Principal Balance of each Collateral Obligation (excluding Defaulted Obligations) by its corresponding Moody's Recovery Rate and dividing such sum by the Aggregate Principal Balance (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 Obligation, the Moody's recovery rate determined in accordance with the Collateral Management and Administration Agreement or as so advised by Moody's. Extracts of the Moody's Recovery Rate applicable under the Collateral Management and Administration Agreement are set out in Annex A of this Offering Circular.

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 applicable Moody's Test Matrix at the intersection of the applicable "row/column" combination chosen by the Collateral Manager (acting on behalf of the Issuer) (or interpolating between the two rows containing the closest values and/or two adjacent columns (as applicable)), as at such Measurement Date minus (B) the Adjusted Weighted Average Moody's Rating Factor; by

(ii) (A) 60 if the Weighted Average Spread (expressed as a percentage) is less than 3.20 per cent., 80 if the Weighted Average Spread (expressed as a percentage) is equal to or greater than 3.20 per cent but less than 3.80 per cent., 83 if the Weighted Average Spread (expressed as a percentage) is equal to or greater than 3.80 per cent but less than 5.60 per cent , and (B) 85 in all other cases;

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, equal to the greater of: (a) zero; and (b) the number of years (rounded up to the nearest one-hundredth thereof) during the period from and including such Measurement Date to and including 5 January 2028.

"**Average Life**" is, on any Measurement Date with respect to any Collateral Obligation, the quotient obtained by dividing (i) the sum of the products of (a) the number of years (rounded to the nearest one-hundredth thereof) from such Measurement Date to the respective dates of each successive scheduled distribution of principal of such Collateral Obligation and (b) the respective amounts of principal of such scheduled distributions by (ii) the sum of all successive scheduled distributions of principal on such Collateral Obligation.

"**Weighted Average Life**" is, as of any Measurement Date with respect to all Collateral Obligations other than Defaulted Obligations and Deferring Securities, 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 Obligation by (b) the Principal Balance of such Collateral Obligation and dividing such sum by the aggregate Principal Balance at such time of all Collateral Obligations other than Defaulted Obligations and Deferring Securities.

The Minimum Weighted Average Spread Tests

The "**Moody's 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 Moody's Minimum Weighted Average Spread as at such Measurement Date.

The "**Moody's Minimum Weighted Average Spread**", as of any Measurement Date, means the weighted average spread (expressed as a percentage) applicable to the current Moody's Test Matrix based upon the option chosen by the Collateral Manager (or interpolating between the two rows containing the closest values and/or two adjacent columns (as applicable)) reduced by the Moody's Weighted Average Recovery Adjustment, provided such reduction may not reduce the Moody's Minimum Weighted Average Spread below 2.40 per cent.

The "**Fitch Minimum Weighted Average Spread Test**" will be satisfied if, as at any Measurement Date from (and including) the Effective Date, the Weighted Average Spread as at such Measurement Date plus the Weighted Average Coupon Adjustment Percentage as at such Measurement Date equals or exceeds the Fitch Minimum Weighted Average Spread as at such Measurement Date.

The "**Fitch Minimum Weighted Average Spread**", as of any Measurement Date, means the weighted average spread (expressed as a percentage) applicable to the current Fitch Test Matrix based upon the option chosen by the Collateral Manager (or interpolating between the two rows containing the closest values and/or two adjacent columns (as applicable)).

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 Obligations as of such Measurement Date, excluding Defaulted Obligations,

in each case for the purposes of calculating the Weighted Average Spread;

(i) the spread of any Collateral Obligation shall exclude:

(1) any amount which the Issuer or the Collateral Manager has actual knowledge that payment of interest on such Collateral Obligation which is due and payable will not be paid by the Obligor thereof; and

(2) any interest that will be withheld because of tax reasons and which is neither grossed up nor recoverable under any applicable double tax treaty; and

(ii)

(1) a Fixed Rate Collateral Obligation which is subject to an Interest Rate Hedge Transaction which swaps the fixed rate on such Collateral Obligation for a floating rate shall be treated as a Floating Rate Collateral Obligation with a stated spread and index equal to the stated floating rate payable by the applicable Interest Rate Hedge Counterparty to the Issuer under such Interest Rate Hedge Transaction; and

(2) a Floating Rate Collateral Obligation which is subject to an Interest Rate Hedge Transaction which swaps the floating rate on such Collateral Obligation for a fixed rate shall be disregarded.

The Weighted Average Spread shall be expressed as a percentage and shall be rounded up to the next 0.01 per cent.

The "**Aggregate Funded Spread**" is, as of any Measurement Date, the sum of:

(a) in the case of each Floating Rate Collateral Obligation (including, for any PIK Security and 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 Obligation and Revolving Obligation) that bears interest at a spread over EURIBOR, (i) the stated interest rate spread on such Collateral Obligation above EURIBOR multiplied by (ii) the Principal Balance of such Collateral Obligation (excluding the unfunded portion of any Delayed Drawdown Collateral Obligation or Revolving Obligation);

(b) in the case of each Floating Rate Collateral Obligation (including, for any PIK Security and 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 Obligation and Revolving Obligation) that bears interest at a spread over an index other than EURIBOR-based index, (i) the excess of the sum of such spread and such index over EURIBOR with respect to the Rated Notes as of the immediately preceding Interest Determination Date (which spread or excess may be expressed as a negative percentage) multiplied by (ii) the Principal Balance of each such Collateral Obligation (excluding the unfunded portion of any Delayed Drawdown Collateral Obligation or Revolving Obligation);

(c) in the case of each Floating Rate Collateral Obligation which is a Non-Euro Obligation (including, for any PIK Security and any Mezzanine Obligation, only the required current cash pay interest required by the Underlying Instruments thereon, and excluding Defaulted Obligations, Deferring Securities and the unfunded portion of any Delayed Drawdown Collateral Obligation and Revolving Obligation) and subject to a Currency Hedge Transaction, (i) the stated interest rate spread over EURIBOR payable by the applicable Currency Hedge Counterparty to the Issuer under the related Currency Hedge Transaction multiplied by (ii) the Principal Balance of such Non-Euro Obligation; and

(d) in the case of each Floating Rate Collateral Obligation which is a Non-Euro Obligation (including, for any PIK Security and any Mezzanine Obligation, only the required current cash pay interest required by the Underlying Instruments thereon, and excluding Defaulted Obligations, Deferring Securities and the unfunded portion of any Delayed Drawdown Collateral Obligation and Revolving Obligation) and not subject to a Currency Hedge Transaction, the difference between (i) the interest amount payable by the relevant obligor converted to Euro at the applicable Spot Rate, and (ii) the product of (x) EURIBOR multiplied by (y) the Principal Balance of such Non-Euro Obligation,

provided that for such purpose:

(i) a Fixed Rate Collateral Obligation which is subject to an Interest Rate Hedge Transaction which swaps the fixed rate on such Collateral Obligation for a floating rate shall be treated as a Floating Rate Collateral Obligation with a stated spread and index equal to the stated floating rate payable by the applicable Interest Rate Hedge Counterparty to the Issuer under such Interest Rate Hedge Transaction;

(ii) a Floating Rate Collateral Obligation which is subject to an Interest Rate Hedge Transaction which swaps the floating rate on such Collateral Obligation for a fixed rate shall be disregarded; and

(iii) the Principal Balance of any Collateral Obligation shall be its Principal Balance determined without any adjustments for purchase price or the application of haircuts or other adjustments.

If a Floating Rate Collateral Obligation is subject to a floor, the spread shall include, if positive: (x) the EURIBOR (or such other floating rate of interest) floor value minus (y) the greater of (a) zero and (b) EURIBOR (or such other floating rate of interest) applicable in respect of such Floating Rate Collateral Obligation on such Measurement Date (provided that to the extent the floor is in respect of a Non-Euro Obligation and the floor is not included in the payments made by the Hedge Counterparty to the Issuer, for the purposes of paragraph (c) above, the additional interest amount in respect of such additional margin shall be determined by applying the Spot Rate (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).

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 amounts receivable in respect of a Restructured Obligation shall, in each case, be adjusted to exclude any amounts that will be subject to a withholding tax deduction and neither grossed up nor recoverable under any applicable double tax treaty.

The "**Aggregate Unfunded Spread**" is, as of any Measurement Date, the sum of the products obtained by multiplying (i) for each Delayed Drawdown Collateral Obligation and Revolving Obligation (other than Defaulted Obligations and Deferring Securities), the 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 Obligation and Revolving Obligation as of such date.

The "**Aggregate Excess Funded Spread**" is, as of any Measurement Date, the amount obtained by multiplying:

(a) the EURIBOR applicable to the Rated Notes during the Accrual Period in which such Measurement Date occurs; by

(b) the amount (not less than zero) equal to (i) the Aggregate Principal Balance of the Collateral Obligations (excluding (x) for any Deferring Security, any interest that has been deferred and capitalised thereon and (y) 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; provided that 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 Principal Balance of the reference Non-Euro Obligation, converted into Euro at the applicable Spot Rate.

The "**Minimum Weighted Average Fixed Coupon**" means (a) in relation to the Moody's Minimum Weighted Average Spread Test, the percentage specified as such in the current applicable Moody's Test Matrix based upon the option chosen by the Collateral Manager (or interpolating between two Moody's Test Matrices, if applicable) and; (ii) in relation to the Fitch Minimum Weighted Average Spread Test, the percentage specified as such in the current applicable Fitch's Test Matrix based upon the option chosen by the Collateral Manager (or interpolating between two Fitch Test Matrices, if applicable).

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 Obligations as of such Measurement Date, excluding Defaulted Obligations,

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, Deferring Securities and the unfunded portion of any Delayed Drawdown Collateral Obligations and Revolving Obligations and in each case adjusted for any withholding tax deducted in respect of the relevant obligation which is neither grossed up nor recoverable under any applicable double tax treaty and rounding the result up to the nearest 0.01 per cent.

For the purposes of calculating the Weighted Average Fixed Coupon,

(a) a Floating Rate Collateral Obligation which is subject to an Interest Rate Hedge Transaction which swaps the floating rate on such Collateral Obligation for a fixed rate shall be treated as a Fixed Rate Collateral Obligation with a stated coupon equal to the stated fixed rate payable by the applicable Interest Rate Hedge Counterparty to the Issuer under such Interest Rate Hedge Transaction; and

(b) a Fixed Rate Collateral Obligation which is subject to an Interest Rate Hedge Transaction which swaps the fixed rate on such Collateral Obligation for a floating rate shall be disregarded.

The "**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 Minimum Weighted Average Fixed Coupon, by (b) the number obtained by dividing the Aggregate Principal Balance of all Fixed Rate Collateral Obligations by the Aggregate Principal Balance of all Floating Rate Collateral Obligations, and which product may, for the avoidance of doubt, be negative.

For the purposes of calculating (b) above:

(a) a Floating Rate Collateral Obligation which is subject to an Interest Rate Hedge Transaction which swaps the floating rate on such Collateral Obligation for a fixed rate shall be treated as a Fixed Rate Collateral Obligation; and

(b) a Fixed Rate Collateral Obligation which is subject to an Interest Rate Hedge Transaction which swaps the fixed rate on such Collateral Obligation for a floating rate shall be treated as a Floating Rate Collateral Obligation.

The "**Aggregate Coupon**" is, as of any Measurement Date, the sum of:

(a) with respect to any Fixed Rate Collateral Obligation which is a Non-Euro Obligation and subject to a Currency Hedge Transaction, but excluding Defaulted Obligations and Deferring Securities, the product of (x) stated fixed rate payable by the applicable Currency Hedge Counterparty to the Issuer under the related Currency Hedge Transaction and (y) the Principal Balance of such Non-Euro Obligation,

(b) with respect to all other Fixed Rate Collateral Obligations, but excluding Defaulted Obligations, Deferring Securities and the unfunded portion of any Delayed Drawdown Collateral Obligations and Revolving Obligations, the sum of the products obtained by multiplying, in the case of each Fixed Rate Collateral Obligation (including, for any Deferring Security, only the required current cash pay interest required by the Underlying Instruments thereon), (x) the stated coupon on such Collateral Obligation expressed as a percentage and (y) the Principal Balance of such Collateral Obligation *provided that* for such purpose:

(i) a Floating Rate Collateral Obligation which is subject to an Interest Rate Hedge Transaction which swaps the floating rate on such Collateral Obligation for a fixed rate shall be treated as a Fixed Rate Collateral Obligation with a stated coupon equal to the stated fixed rate payable by the applicable Interest Rate Hedge Counterparty to the Issuer under such Interest Rate Hedge Transaction; and

(ii) a Fixed Rate Collateral Obligation which is subject to an Interest Rate Hedge Transaction which swaps the fixed rate on such Collateral Obligation for a floating rate shall be disregarded.

For such purposes the Principal Balance of any Collateral Obligation shall be its Principal Balance determined without any adjustments for purchase price or the application of haircuts or other adjustments.

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.

Rating Definitions

Moody's Ratings Definitions

"**Moody's Default Probability Rating**" means, with respect to any Collateral Obligation, as of any date of determination, the rating determined in accordance with the following methodology:

(a) if the Obligor of such Collateral Obligation has a CFR, then such CFR;

(b) if not determined pursuant to clause (a) above, if the Obligor of such Collateral Obligation has one or more senior unsecured obligations with an Assigned Moody's Rating, then the Assigned Moody's Rating on such obligation as selected by the Collateral Manager in its sole discretion;

(c) if not determined pursuant to clauses (a) or (b) above, if the Obligor of such Collateral Obligation has one or more senior secured obligations with an Assigned Moody's Rating, then the Moody's rating that is one subcategory lower than the Assigned Moody's Rating on any such senior secured obligation as selected by the Collateral Manager in its sole discretion;

(d) if not determined pursuant to clauses (a), (b), or (c) above, if a credit estimate has been assigned to such Collateral Obligation by Moody's upon the request of the Issuer, the Collateral Manager or an Affiliate of the Collateral Manager, then the Moody's Default Probability Rating is such credit estimate as long as such rating estimate or a renewal for such rating estimate has been issued or provided by Moody's in each case within the 15 month period preceding the date on which the Moody's Default Probability Rating is being determined; *provided that* if such rating estimate has been issued or provided by Moody's for a period (x) longer than 13 months but not beyond 15 months, the Moody's Default Probability Rating will be one subcategory lower than such rating estimate and (y) beyond 15 months, the Moody's Default Probability Rating will be deemed to be "Caa3";

(e) if not determined pursuant to clauses (a), (b), (c) or (d) above, the Moody's Derived Rating; and

(f) if not determined pursuant to clause (a), (b), (c), (d) or (e) above, the Collateral Obligation will be deemed to have a Moody's Default Probability Rating of "Caa3".

For purposes of calculating a Moody's Default Probability Rating, each applicable rating on credit watch by Moody's 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 unpublished monitored loan rating or the credit estimate expressly assigned to a debt obligation (or facility) by Moody's.

"**CFR**" means, with respect to an Obligor of a Collateral Obligation, if such Obligor has a corporate family rating by Moody's, then such corporate family rating; *provided*, if such Obligor does not have a corporate family rating by Moody's but any entity in the Obligor's corporate family does have a corporate family rating, then the CFR is such corporate family rating.

"**Moody's Derived Rating**" means, with respect to a Collateral 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 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 Obligation	S&P Rating (Public and Monitored)	Collateral Obligation Rated by S&P	Number of Subcategories Relative to Moody's Equivalent of S&P Rating
Not Structured Finance Obligation	≥ "BBB-"	Not a Loan or Participation 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 Obligation is not rated by S&P but another security or obligation of the obligor has a public and monitored rating by S&P (a "**parallel security**"), then the rating of such parallel security will at the election of the Collateral Manager be determined in accordance with the table set forth in sub-clause (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 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 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; and

(c) if not determined pursuant to clauses (a) or (b) above and such Collateral Obligation is not rated by Moody's or S&P and no other security or obligation of the issuer of such Collateral Obligation is rated by Moody's or S&P, and if Moody's has been requested by the Issuer, the Collateral Manager or the issuer of such Collateral Obligation to assign a rating or rating estimate with respect to such Collateral Obligation but such rating or rating estimate has not been received, pending receipt of such estimate, the Moody's Derived Rating of such Collateral Obligation for purposes of the definitions of Moody's Rating or Moody's Default Probability Rating shall be (i) "B3" if the Collateral Manager certifies to the Trustee and the Collateral Administrator that the Collateral Manager believes that such estimate shall be at least "B3" and if the Aggregate Principal Balance of Collateral Obligations determined pursuant to this clause (c) and clause (a) above does not exceed 5 per cent. of the Collateral Principal Amount or (ii) otherwise, "Caa2".

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 Obligation that is a Secured Senior Loan or a Secured Senior Bond:

(i) if such Collateral Obligation has an Assigned Moody's Rating, such Assigned Moody's Rating;

(ii) if such Collateral Obligation does not have an Assigned Moody's Rating but the Obligor of such Collateral Obligation has a CFR, then the Moody's rating that is one subcategory higher than such CFR;

(iii) if neither clause (i) nor (ii) above apply, if the Obligor of such Collateral Obligation has one or more senior unsecured obligations with an Assigned Moody's Rating, then the Moody's rating that is two subcategories higher than the Assigned Moody's Rating on any such obligation as selected by the Collateral Manager in its sole discretion;

(iv) if none of clauses (i) through (iii) above apply, at the election of the Collateral Manager, the Moody's Derived Rating; and

(v) if none of clauses (i) through (iv) above apply, the Collateral Obligation will be deemed to have a Moody's Rating of "Caa3"; and

(b) with respect to a Collateral Obligation other than a Secured Senior Loan or a Secured Senior Bond:

(i) if such Collateral Obligation has an Assigned Moody's Rating, such Assigned Moody's Rating;

(ii) if such Collateral Obligation does not have an Assigned Moody's Rating but the Obligor of such Collateral Obligation has one or more senior unsecured obligations with an Assigned Moody's Rating, then the Assigned Moody's Rating on any such obligation as selected by the Collateral Manager in its sole discretion;

(iii) if neither clause (i) nor (ii) above apply, if such Collateral Obligation does not have an Assigned Moody's Rating but the Obligor of such Collateral Obligation has a CFR, then the Moody's rating that is one subcategory lower than such CFR;

(iv) if none of clauses (i), (ii) or (iii) above apply, if such Collateral Obligation does not have an Assigned Moody's Rating but the Obligor of such Collateral Obligation has one or more subordinated debt obligations with an Assigned Moody's Rating, then the Moody's rating that is one subcategory higher than the Assigned Moody's Rating on any such obligation as selected by the Collateral Manager in its sole discretion;

(v) if none of clauses (i) through (iv) above apply, at the election of the Collateral Manager, the Moody's Derived Rating; and

(vi) if none of clauses (i) through (v) above apply, the Collateral Obligation will be deemed to have a Moody's Rating of "Caa3".

For purposes of calculating a Moody's Rating, each applicable rating on credit watch by Moody's with positive or negative implication at the time of calculation will be treated as having been upgraded or downgraded by one rating subcategory, as the case may be.

Fitch Ratings Definitions

The "**Fitch Rating**" of any Collateral Obligation will be determined in accordance with the below methodology (with the sub-paragraph earliest in this definition applying in the case where more than one sub-paragraph would otherwise be applicable):

(a) with respect to any Collateral Obligation in respect of which there is a Fitch Issuer Default Rating, including credit opinions, whether public or privately provided to the Collateral Manager following

notification by the Collateral Manager that the Issuer has entered into a binding commitment to acquire such Collateral Obligation (the "**Fitch Issuer Default Rating**"), the Fitch Rating shall be such Fitch Issuer Default Rating;

(b) if the Obligor thereof has an outstanding long term financial strength rating from Fitch (the "**Fitch LTSR**"), then the Fitch Rating shall be one notch lower than such Fitch LTSR;

(c) if in respect of any other obligation of the Obligor or its Affiliates, there is a publicly available rating by Fitch, then the Fitch Rating shall be the Fitch IDR Equivalent determined by applying the Fitch Rating Mapping Table (as defined below) to such rating;

(d) if in respect of the Collateral Obligation there is a Moody's CFR, a Moody's Long Term Issuer Rating, or an S&P Issuer Credit Rating, then the Fitch Rating shall be the rating that corresponds to the lowest thereof;

(e) if in respect of the Collateral Obligation, there is an Insurance Financial Strength Rating, then the Fitch Rating shall be one notch lower than such Insurance Financial Strength Rating;

(f) if in respect of the Collateral Obligation there is a Moody's/S&P Corporate Issue Rating, then the Fitch Rating shall be the Fitch IDR Equivalent determined by applying the Fitch Rating Mapping Table (as defined below) to such rating;

(g) if a Fitch Rating cannot otherwise be assigned, the Collateral Manager, on behalf of the Issuer, shall apply to Fitch for a credit opinion which shall then be the Fitch Rating or shall agree a rating with Fitch which shall then be the Fitch Rating, provided that pending receipt from Fitch of any credit opinion, the applicable Collateral Obligation shall either be deemed to have a Fitch Rating of "B-", subject to the Collateral Manager believing (in its reasonable judgement) that such credit assessment will be at least "B-" or the rating specified as applicable thereto by Fitch pending receipt of such credit assessment; provided further that if no credit opinion from Fitch is expected (in the opinion of the Collateral Manager) to become available for the relevant Collateral Obligation and (i) the relevant Collateral Obligation is not a Defaulted Obligation or a Collateral Obligation with a Fitch IDR Equivalent of "CCC+" or lower, (ii) the relevant Collateral Obligation has a private rating by Moody's, and (iii) the Principal Balance of the relevant Collateral Obligation when added to the Principal Balances of other such Collateral Obligations satisfying (i) and (ii) of this proviso does not exceed 10.0 per cent of the Collateral Principal Amount, then the Fitch Rating of the relevant Collateral Obligation shall be deemed to be "B-", and if any of (i) to (iii) in the foregoing proviso are not met, the relevant Collateral Obligation will be deemed to have a Fitch Rating of "CCC".

(h) if such Collateral Obligation is a Corporate Rescue Loan:

(i) if such Corporate Rescue Loan has a publicly available rating from Fitch or has been assigned an issue level credit assessment by Fitch, the Fitch Rating shall be such rating or credit assessment;

(ii) otherwise the Issuer or the Collateral Manager on behalf of the Issuer shall apply to Fitch for an issue level credit assessment provided that, pending receipt from Fitch of any issue level credit assessment, the applicable Corporate Rescue Loan shall either be deemed to have a Fitch Rating of "B-", subject to the Collateral Manager believing (in its reasonable judgement) that such credit assessment will be at least "B-" or the rating specified as applicable thereto by Fitch pending receipt of such credit assessment; or

For the purposes of determining the Fitch Rating, the following definitions shall apply, provided always that:

(a) a debt security or obligation of the Obligor has been in default during the past two years, the Fitch Rating of such Collateral Obligation shall be treated as "D"; and

(b) with respect to any Current Pay Obligation that is rated "D" or "RD", the Fitch Rating of such Current Pay Obligation will be "CCC",

and provided further that:

(x) if the applicable Collateral Obligation has been put on rating watch negative or negative credit watch for possible downgrade by:

(A) Fitch, then the rating used to determine the Fitch Rating above shall be one rating subcategory below such rating by Fitch;

(B) Moody's, then in the case only where the Fitch Rating is derived from a rating assigned by Moody's then the Fitch Rating shall be one rating subcategory below what would otherwise be the Fitch Rating determined pursuant to paragraphs (a) to (h) above; or

(C) S&P, then in the case only where the Fitch Rating is derived from a rating assigned by S&P then the Fitch Rating shall be one rating subcategory below what would otherwise be the Fitch Rating determined pursuant to paragraphs (a) to (h) above; and

(D) notwithstanding the rating definition described above, Fitch reserves the right to use a credit opinion or a rating estimate for any Collateral Obligations at any time.

"**Fitch IDR Equivalent**" means, in respect of any rating described in the Fitch Rating Mapping Table, the equivalent Fitch Issuer Default Rating determined by increasing (or reducing, in the case of a negative number) such rating (or the nearest Fitch equivalent thereof) by the number of notches specified under "Mapping Rule" in the fourth column of the Fitch Rating Mapping Table.

"**Fitch Rating Mapping Table**" means the following table:

1. Rating Type	2. Applicable Rating Agency(ies)	3. Issue rating	4. Mapping Rule
Corporate family rating or long term issuer rating	Moody's	n/a	+0
Issuer credit rating	S&P	n/a	+0
Senior unsecured	Fitch, Moody's or S&P	Any	+0
Senior secured or subordinated secured	Fitch or S&P	"BBB-" or above	+0
Senior secured or subordinated secured	Fitch or S&P	"BB+" or below	-1
Senior secured or subordinated secured	Moody's	"Ba1" or above	-1
Senior secured or subordinated secured	Moody's	"Ba2" or below but at or above "Ca"	-2
Senior secured or subordinated secured	Moody's	"Ca"	-1
Subordinated (junior or senior)	Fitch, Moody's or S&P	"B+" / "B1" or above	+1
Subordinated (junior or senior)	Fitch, Moody's or S&P	"B" / "B2" or below	+2

"**Insurance Financial Strength Rating**" means, in respect of a Collateral Obligation, the lower of any applicable public insurance financial strength rating by S&P or Moody's in respect thereof.

"**Moody's CFR**" means, in respect of a Collateral Obligation, a publicly available corporate family rating by Moody's in respect of the Obligor thereof.

"Moody's Long Term Issuer Rating" means, in respect of a Collateral Obligation, a publicly available long term issuer rating by Moody's in respect of the Obligor thereof.

"**Moody's/S&P Corporate Issue Rating**" means, in respect of a Collateral Obligation, the lower of the Fitch IDR Equivalent ratings, determined in accordance with the Fitch Rating Mapping Table, corresponding to any outstanding publicly available issue rating by Moody's and/or S&P in respect of any other obligation of the Obligor or any of its Affiliates.

"**S&P Issuer Credit Rating**" means in respect of a Collateral Obligation, a publicly available issuer credit rating by S&P in respect of the Obligor thereof.

"**S&P Rating**" means, with respect to any Collateral Obligation, as of any date of determination, the rating assigned to such Collateral Obligation by S&P.

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, the Class D Interest Coverage Test and the Class E Interest Coverage Test. The Coverage Tests will be used primarily to determine whether interest may be paid on the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Subordinated Notes, whether Principal Proceeds may be reinvested in Substitute Collateral Obligations, or whether Interest Proceeds 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, the Class E Interest Coverage Test and the Class F Par Value Test shall apply on a Measurement Date (i) on and after the Effective Date in respect of the Par Value Tests and (ii) on and after the Determination Date immediately preceding the 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	128.4%
Class A/B Interest Coverage	120.0%
Class C Par Value	120.1%
Class C Interest Coverage	115.0%
Class D Par Value	112.2%
Class D Interest Coverage	110.0%
Class E Par Value	106.6%
Class E Interest Coverage	105.0%
Class F Par Value	104.1%

DESCRIPTION OF THE COLLATERAL MANAGEMENT AND ADMINISTRATION AGREEMENT

The following description of the Collateral Management and Administration Agreement consists of a summary of certain provisions of the Collateral Management and Administration Agreement which does not purport to be complete and is qualified by reference to the detailed provisions of such agreement. Capitalised terms used in this section and not defined in this Offering Circular shall have the meaning given to them in the Collateral Management and Administration Agreement.

General

The Collateral Manager will perform certain investment management functions, including, without limitation, supervising and directing the investment and reinvestment of the Collateral Obligations and Eligible Investments, and perform certain administrative and advisory functions on behalf of the Issuer in accordance with the applicable provisions of the Collateral Management and Administration Agreement. The Collateral Management and Administration Agreement contains procedures whereby the Collateral Manager will have discretionary authority of the Issuer in relation to the composition, acquisition and management of the Portfolio.

Standard of Care of the Collateral Manager

The Collateral Manager will in good faith use reasonable care in rendering its services under the Collateral Management and Administration Agreement, using a degree of skill and attention no less than that which the Collateral Manager exercises with respect to comparable assets that it manages for itself and its Affiliates and for others in accordance with its existing practices and procedures relating to assets of the nature and character of the Collateral Obligations and in a manner consistent with the degree of skill and attention exercised by reasonable and prudent institutional managers of national standing of assets of the nature and character of the Collateral Obligations, except as expressly provided otherwise in accordance with the Collateral Management and Administration Agreement (the "**Standard of Care**").

Responsibilities of the Collateral Manager; Indemnities

The Collateral Manager and Collateral Manager Related Persons, will not be liable (whether directly or indirectly, in contract or tort or otherwise) to the Issuer, the Trustee or the holders of the Notes or any other Person for any loss incurred by the Issuer, the Trustee, the Noteholders or any other Person that arise out of or in connection with the performance by the Collateral Manager of its duties in accordance with the Standard of Care under the Collateral Management and Administration Agreement, except (i) by reason of acts or omissions constituting fraud, bad faith, wilful misconduct, wilful default or gross negligence (with such term given its meaning under New York law) in the performance, or reckless disregard, of its obligations under the express terms of the Collateral Management and Administration Agreement or (ii) with respect to Collateral Manager Information, to the extent such information contains any untrue statement of material fact or omits to state a material fact necessary in order to make such statements therein, in light of the circumstances under which they were made, not misleading (each a "**Collateral Manager Breach**" and together, "**Collateral Manager Breaches**"). In no event will the Collateral Manager Related Persons be liable for any punitive, special, indirect or consequential damages or loss or any settlements agreed to by or on behalf of the Issuer without the Collateral Manager's prior written consent. Other than to the extent resulting from a Collateral Manager Breach, the Collateral Manager, any Collateral Manager Related Person and their shareholders, directors, officers, members, attorneys, partners, advisors, agents and employees will be entitled to indemnification by the Issuer in relation, inter alia, to the performance of the Collateral Manager's obligations under the Collateral Management and Administration Agreement or the incurrence of any liabilities incurred in connection therewith, which will be payable in accordance with the Priorities of Payment.

Pursuant to the Collateral Management and Administration Agreement, the Collateral Manager shall, subject to certain limitations, indemnify the Issuer for liabilities (including reasonable legal fees and expenses) incurred solely as a direct result of any Collateral Manager Breach; provided that such liabilities shall not include any punitive, special, indirect or consequential damages or loss or any settlements agreed to by or on behalf of the Issuer without the Collateral Manager's prior written consent.

Compensation of the Collateral Manager

As compensation for the performance of its obligations under the Collateral Management and Administration Agreement, the Collateral Manager (and/or, at its direction, a Collateral Manager Related Person) will be

entitled to receive from the Issuer on each Payment Date a senior collateral management fee (such fee, a "**Senior Management Fee**") exclusive of any VAT thereon equal to the Collateral Manager Distribution Percentage of the Senior Distribution Amount, provided that if a Distribution Switch Event has occurred prior to the time of determination of the Senior Management Fee, the Senior Management Fee shall be 100 per cent. of the Senior Distribution Amount, which collateral management fee will be payable senior to the Rated Notes and the residual distributions on the Class M-1 Subordinated Notes and the Class M-2 Subordinated Notes and pro rata and pari passu with Senior Class M-2 Interest Amounts payable on the Class M-2 Subordinated Notes and Senior Class M-3 Interest Amounts payable on the Class M-3 Subordinated Notes, but subordinated to certain fees and expenses of the Issuer in accordance with the Priorities of Payments.

The Collateral Management and Administration Agreement provides that the Collateral Manager (and/or, at its direction, a Collateral Manager Related Person) will receive from the Issuer on each Payment Date a subordinated collateral management fee (such fee, a "**Subordinated Management Fee**") exclusive of any VAT thereon equal to the Collateral Manager Distribution Percentage (on the date of determination of the Subordinated Management Fee) of the Subordinated Distribution Amount, provided that if a Distribution Switch Event has occurred prior to the time of determination of the Subordinated Management Fee, the Subordinated Management Fee shall be 100 per cent. of the Subordinated Distribution Amount, which collateral management fee will (save as noted below) be payable senior to the payments on the Subordinated Notes but pro rata and pari passu with the Subordinated Class M-2 Interest Amounts on the Class M-2 Subordinated Notes and Subordinated Class M-3 Interest Amounts on the Class M-3 Subordinated Notes and subordinated to the Rated Notes and payments of Senior Class M-2 Interest Amounts on the Class M-2 Subordinated Notes and Senior Class M-3 Interest Amounts on the Class M-3 Subordinated Notes in accordance with the Priorities of Payments.

Each of the Senior Management Fee and the Subordinated Management Fee shall be calculated based upon the actual number of days elapsed in the applicable Due Period divided by 360 and each of the Collateral Management Fees shall not include any VAT payable thereon.

In the event that any supply to which a Collateral Management Fee relates is or becomes subject to VAT payable by the Collateral Manager, then an amount equal to such VAT will be paid by the Issuer to the Collateral Manager or the relevant tax authority, as applicable, in addition to such Collateral Management Fee against delivery of a valid VAT invoice, provided that the Collateral Manager may agree to bear and not receive amounts in respect of such VAT (so that the Collateral Management Fees are paid inclusive of VAT).

If amounts distributable on any Payment Date in accordance with the Priorities of Payment are insufficient to pay the Senior Management Fee or the Subordinated Management Fee in full, then a portion of the Senior Management Fee or the Subordinated Management Fee, as applicable, equal to the shortfall will be deferred and will be payable on subsequent Payment Dates on which funds are available therefor according to the Priorities of Payment.

The Collateral Management and Administration Agreement also provides that the Collateral Manager (and/or, at its discretion, a Collateral Manager Related Person) will be entitled to an Incentive Collateral Management Fee exclusive of any VAT thereon on each Payment Date on which the IRR Threshold has been met or surpassed, such fee being in an amount equal to the Collateral Manager Distribution Percentage of the Incentive Distribution Amount. Such Incentive Collateral Management Fee will be payable senior to residual payments on the Class M-1 Subordinated Notes and the Class M-2 Subordinated Notes but pro rata and pari passu with any IRR Class M-2 Amounts paid to the Class M-2 Subordinated Noteholders and any IRR Class M-3 Amounts paid to the Class M-3 Subordinated Noteholders. In the event that any supply to which the Incentive Collateral Management Fee relates is or becomes subject to VAT payable by the Collateral Manager, then an amount equal to such VAT will be paid by the Issuer to the Collateral Manager or the relevant tax authority, as appropriate, in addition to such Incentive Collateral Management Fee against delivery of a valid VAT invoice, provided that the Collateral Manager may agree to bear and not receive amounts in respect of such VAT (so that the Incentive Collateral Management Fee is paid inclusive of VAT).

The Collateral Manager may elect to defer any Senior Management Fees and Subordinated Management Fees. Any amounts so deferred shall be applied in accordance with the Priorities of Payment. To the extent that the Collateral Manager elects to defer all or a portion thereof and later rescinds such deferral election, the Senior Management Fee and/or Subordinated Management Fee so deferred, as applicable, will be payable on subsequent Payment Dates in accordance with the Priorities of Payments. Any due and unpaid Collateral Management Fees (excluding any Deferred Senior Collateral Management Amounts and Deferred Subordinated

Collateral Management Amounts) shall accrue interest at a rate per annum equal to three-month EURIBOR or, if a Frequency Switch Event has occurred, six-month EURIBOR (in each case calculated on the basis of a 360 day year consisting of twelve 30 day months from the date due and payable to the date of actual payment and subject to a floor of zero per cent. per annum). In accordance with Condition 3(c) (*Priorities of Payment*), the Collateral Manager may, in its sole discretion, elect to designate that the Senior Management Fee, the Subordinated Management Fee and/or the Incentive Collateral Management Fee otherwise due to it be designated for reinvestment or deferred to be used to purchase Substitute Collateral Obligations. Furthermore, the Collateral Manager may elect to irrevocably waive any Collateral Management Fees. Any amounts so waived shall no longer fall due to the Collateral Manager and shall be applied in accordance with the Priorities of Payment.

The Collateral Manager is expected to receive a lower amount of Collateral Management Fees than would have been the case had the Class M-2 Subordinated Notes and the Class M-3 Subordinated Notes not been entitled to Senior Class M-2 Interest Amounts, Senior Class M-3 Interest Amounts, Subordinated Class M-2 Interest Amounts, Subordinated Class M-3 Interest Amounts, IRR Class M-2 Amounts and IRR Class M-3 Amounts, as applicable, as the Collateral Manager intends to be separately compensated from its other activities not involving the Issuer as described in "*Risk Factors – Conflicts of Interest – Certain Conflicts of Interest Involving or Relating to the Collateral Manager and its Affiliates*".

The Collateral Manager shall pay all expenses and costs incurred by it in connection with its services under the Collateral Management and Administration Agreement; provided, however, that the Collateral Manager shall not be liable for, and the Issuer shall be responsible for, the payment of expenses including fees and out-of-pocket expenses incurred by the Collateral Manager in connection with the services provided under the Collateral Management and Administration Agreement with respect to (i) legal advisers, consultants, rating agencies, accountants and other professional retained by the Issuer or the Collateral Manager on behalf of the Issuer or to render services or advice for the benefit of the Issuer, (ii) asset pricing and asset rating services, compliance services and software, accounting, programming and data entry services and third party valuation services, (iii) any fees and expenses of outside lawyers or consultants retained in connection with the performance of its obligations under the Collateral Management and Administration Agreement, including in connection with the default, restructuring or enforcement of any Collateral Obligations or in connection with the services provided by the Collateral Manager pursuant to the provisions of the Collateral Management and Administration Agreement, including, without limitation, legal due diligence and documentation reviews and other reviews in connection with proposed or closed transactions, whether or not such transactions are, in fact, consummated, (iv) portfolio related expenses, which may include expenses related to research, record keeping, portfolio due diligence and surveillance, legal and regulatory compliance, litigation, third party services, including brokerage commissions, custodial fees, bank service fees, and withholding and asset transfer, clearing and settlement fees, (v) reasonable travel and entertainment expenses (including, without limitation, airfare, meals, lodging and other transportation) undertaken in connection with the performance by the Collateral Manager of its services under the Collateral Management and Administration Agreement (including expenses in connection with any investor or industry conferences or investor or trustee meetings) or (vi) any other reasonable fees and expenses associated with the Issuer's investment activities and operations, including, without limitation, any amendments to any Transaction Documents. The Collateral Management and Administration Agreement provides that any reasonable expenses incurred by the Collateral Manager in the performance of such obligations shall be reimbursed by the Issuer as an Administrative Expense to the extent funds are available therefor in accordance with the Priorities of Payments and the order of priority set out in the definition of Administrative Expenses.

If the Collateral Management and Administration Agreement is terminated or the Collateral Manager resigns or is removed pursuant to the Collateral Management and Administration Agreement or otherwise, the Collateral Management Fee shall be pro–rated for any partial periods between Payment Dates during which the Collateral Management and Administration Agreement was in effect and shall be due and payable on the first Payment Date following the date of such termination, resignation or removal subject to the Priorities of Payment. In addition, all Deferred Senior Collateral Management Amounts and Deferred Subordinated Collateral Management Amounts shall be due and payable upon the first Payment Date following the date of such termination or resignation or removal and the Collateral Manager shall be entitled to the same.

Cross Transactions and Affiliate Transactions

The Collateral Manager and its Collateral Manager Related Persons may at certain times seek to purchase or sell investments from or to the Issuer as principal. Under the Collateral Management and Administration

Agreement, the Collateral Manager, at its option and sole discretion, may effect principal transactions between such entities. In addition, the Collateral Manager and its Collateral Manager Related Persons will be authorised to engage in certain cross transactions, including "agency cross" transactions (i.e. transactions in which either the Collateral Manager or one of its Collateral Manager Related Persons 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 Collateral Manager or any Collateral Manager Related Person serves as investment adviser). The Issuer has agreed to permit cross transactions and principal transactions; provided that such consent can be revoked at any time by and to the extent that such consent with respect to any particular cross or principal transaction is required by applicable law. By purchasing a Note, a holder shall be deemed to have consented to the procedures described therein relating to cross transactions and principal transactions. The Collateral Manager or its Collateral Manager Related Persons 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 — Conflicts of Interest*".

The Collateral Manager may also conduct transactions for its own account, for the account of its Collateral Manager Related Persons, for the account of the Issuer or for the accounts of third parties and will endeavour to resolve conflicts arising therefrom in a manner that it deems equitable to the extent possible under the prevailing facts and circumstances and applicable law as disclosed under "*Risk Factors – Conflicts of Interest – Certain Conflicts of Interest Involving or Relating to the Collateral Manager and its Affiliates*". Without limiting the foregoing but subject to compliance with the Collateral Manager's best execution policy and acquisition standards, the Collateral Manager, on behalf of and for the account of the Issuer, may sell Collateral Obligations to, or buy Collateral Obligations from, the Collateral Manager, any Collateral Manager Related Person, or any fund managed by the Collateral Manager (some or all of which Collateral Manager Related Persons or funds may be owned in part by principals, partners, members, directors, managers, managing directors, officers, employees, agents or Affiliates of the Collateral Manager) in transactions in which the Collateral Manager, a Collateral Manager Related Person or such fund acts as principal on the other side of the transaction from the Issuer and buys or sells the Collateral Obligations for its own account, provided that such affiliate transactions shall be made in accordance with the affiliate transaction procedures set forth in the Collateral Management and Administration Agreement.

Removal for Cause

Subject to the paragraph below, the Collateral Management and Administration Agreement may be terminated, and the Collateral Manager may be removed, for cause upon at least 30 days' prior written notice by (i) the Issuer at its discretion; or (ii) the Trustee (subject to being indemnified and/or secured and/or prefunded to its satisfaction) at the direction of the holders of (A) the Subordinated Notes, acting by Extraordinary Resolution or (B) the Controlling Class, acting by Ordinary Resolution (in each case, excluding any CM Removal and Replacement Non-Voting Notes or CM Removal and Replacement Exchangeable Non-Voting Notes and any Notes held by the Collateral Manager or a Collateral 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 Collateral Management and Administration Agreement. For purposes of any such termination of the Collateral Management and Administration Agreement, "**cause**" means any one of the following events:

(a) the Collateral Manager breaches in any respect any material provision of the Collateral Management and Administration Agreement applicable to it (other than as specified in paragraph (b) below and it being understood that the failure of any Coverage Test or any Collateral Quality Test is not a breach of this paragraph (a)) 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 30 days of the Collateral Manager becoming aware of, or the Collateral Manager receiving notice from the Issuer or the Trustee of, such breach or, if such breach is not capable of cure within 30 days but is capable of being cured within a longer period, the Collateral Manager fails to cure such breach within the period in which a reasonably prudent person could cure such breach (but in no event more than 60 days). Upon becoming aware of any such breach, the Collateral Manager shall give written notice thereof to the Issuer and the Trustee;

(b) the Collateral Manager wilfully violates or wilfully breaches any provision of the Collateral Management and Administration Agreement or the Conditions applicable to it;

(c) any representation, warranty, certification or statement made or delivered by the Collateral Manager in or pursuant to the Collateral Management and Administration Agreement fails to be correct in any respect when made and such failure has a material adverse effect on the interests of any Class of Noteholders under the Collateral Management and Administration Agreement and the Collateral Manager fails to (x) reasonably demonstrate that no such failure has occurred or (y) take such actions required for the facts (after giving effect to such actions) to conform in all material respects to such representation, warranty or certification, in each case within 30 days of receiving notice of the occurrence of such breach from the Issuer or the Trustee (at the direction of any holder) or, if such breach is not capable of cure within 30 days but is capable of being cured within a longer period, the Collateral Manager fails to cure such breach within the period in which a reasonably prudent person could cure such breach (but in no event more than 60 days);

(d) the Collateral Manager is wound up or dissolved (other than pursuant to a consolidation, amalgamation or merger) or there is appointed over it or a substantial part of its assets a receiver, administrator, administrative receiver, trustee or similar officer; or the Collateral Manager (i) ceases to be able to, or admits in writing that it is unable to pay its debts as they become due and payable, or makes a general assignment for the benefit of, or enters into any composition or arrangement with, its creditors generally; (ii) applies for or consents (by admission of material allegations of a petition or otherwise) to the appointment of a receiver, administrator, trustee, assignee, custodian, liquidator or sequestrator (or other similar official) of the Collateral Manager or of any substantial part of its properties or assets, or authorises such an application or consent, or proceedings seeking such appointment are commenced against the Collateral Manager in good faith without such authorisation, consent or application and either continue undismissed for 45 days or any such appointment is ordered by a court or regulatory body having jurisdiction; (iii) authorises or files a voluntary petition in bankruptcy, or applies for or consents (by admission of material allegations of a petition or otherwise) to the application of any bankruptcy, reorganisation, arrangement, readjustment of debt, insolvency, dissolution, or similar law, or authorises such application or consent, or proceedings to such end are instituted against the Collateral Manager in good faith without such authorisation, application or consent and remain undismissed for 45 days or result in adjudication of bankruptcy or insolvency or the issuance of an order for relief; or (iv) permits or suffers all or any substantial part of its properties or assets to be sequestered or attached by court order and the order remains undismissed for 45 days;

(e) the occurrence of an Event of Default that arises directly from a breach of the Collateral Manager's duties under the Collateral Management and Administration Agreement, which breach or default is not cured within any applicable cure period set forth in the Conditions;

(f) the occurrence of an act by the Collateral Manager that constitutes fraud or criminal activity in the performance of its obligations under the Collateral Management and Administration Agreement or the indictment of the Collateral Manager or any of its officers who are primarily responsible for the management of the Collateral for a criminal offence related to its business of providing asset management services and any such officer has not been removed from having responsibility for the management of the Collateral within seven days of such indictment; or

(g) any legal, regulatory or other authorisations which are necessary for the performance of the Collateral Manager's obligations under any applicable laws are not in place or the performance by the Collateral Manager in accordance with the Collateral Management and Administration Agreement and the other Transaction Documents is in breach of any applicable laws, except for those jurisdictions in which the failure to be so qualified, authorised or licensed would not have a material adverse effect on the business, operations, assets or financial condition of the Collateral Manager or on the ability of the Collateral Manager to perform its obligations under, or on the validity or enforceability of, the Collateral Management and Administration Agreement.

Pursuant to the terms of the Collateral Management and Administration Agreement, if the Collateral Manager becomes aware that any of the events specified in paragraphs (a) through (g) (inclusive) above have occurred, the Collateral Manager will be required to give prompt written notice thereof to the Issuer, each Hedge Counterparty and the Trustee upon the Collateral Manager becoming aware of the occurrence of such event, and the Issuer will be required to forward a copy of such notice (or otherwise notify) the Collateral Administrator, the holders of all outstanding Notes and each Rating Agency .

Any such removal is without prejudice and subject to fulfilment of the Collateral Manager's obligations in respect of the Retention Notes (unless the same are transferred in accordance with the Collateral Management and Administration Agreement (as described herein)).

The Collateral Management and Administration Agreement will automatically terminate upon the earliest to occur of (i) the payment in full of the Notes, in accordance with their terms, (ii) the liquidation of the Portfolio and the final distribution of the proceeds of such liquidation as provided in the Transaction Documents, and (iii) the determination in good faith by the Issuer that the Issuer or the Portfolio has become required to be registered under the Investment Company Act, and the Issuer notifies the Collateral Manager thereof.

Resignation

The Collateral Manager may resign upon at least 90 days' prior written notice (or such shorter period of prior written notice as is acceptable to the Issuer) to the Issuer, each Hedge Counterparty and the Trustee. Any such resignation is without prejudice and subject to fulfilment of the Collateral Manager's obligations in respect of the Retention Notes (unless the same are subsequently transferred in accordance with the Collateral Management and Administration Agreement (as described herein)).

Appointment of Successor

Upon any removal or resignation of the Collateral Manager (the date of such removal or resignation, the "**Removal or Resignation Date**") (except in the circumstances where it has become illegal for the Collateral Manager to carry on its duties under the Collateral Management and Administration Agreement), the Collateral Manager will continue to act in such capacity until a successor collateral manager has been appointed in accordance with the terms of the Collateral Management and Administration Agreement, including receipt of Rating Agency Confirmation in respect thereof (provided that Rating Agency Confirmation from Moody's shall not be required so long as Moody's is notified by or on behalf of the Issuer of such appointment). The successor collateral manager will be selected by the Issuer as proposed by the holders of the Subordinated Notes acting by Ordinary Resolution, provided that the holders of the Controlling Class acting by Ordinary Resolution do not object within 30 days after the giving of notice thereof in accordance with the Conditions of such proposed selection by the Issuer. If the Controlling Class do object as described in the previous sentence, then the holders of the Controlling Class acting by way of Ordinary Resolution must also propose an alternative replacement collateral manager, which shall be appointed as successor provided that the holders of the Subordinated Notes acting by Ordinary Resolution do not object within 30 days after the giving of notice thereof in accordance with the Conditions of such proposed selection. If the holders of the Subordinated Notes acting by Ordinary Resolution do object as described in the previous sentence, then the holders of the Subordinated Notes acting by way of Ordinary Resolution must also propose an alternative replacement collateral manager, which shall be appointed as successor provided that the Controlling Class acting by Ordinary Resolution do not object within 30 days after the giving of notice thereof in accordance with the Conditions of such proposed selection. If the Controlling Class do object as described in the previous sentence, then the Issuer shall appoint a successor collateral manager proposed by the Controlling Class acting by Ordinary Resolution that (i) has not previously been objected to by the holders of the Subordinated Notes, (ii) is not an Affiliate of any such holder voting in favour of such Ordinary Resolution and (iii) otherwise meets the criteria for a successor collateral manager under the Collateral Management and Administration Agreement. If no successor collateral manager has been appointed on or before the 180th day following the Removal or Resignation Date or if the Collateral Manager is required to resign or is removed as a result of illegality, the appointment of a successor collateral manager shall be determined by an arbitrator appointed by the Trustee (as directed by the Controlling Class acting by Ordinary Resolution) and approved by the Collateral Manager, which approval shall not be unreasonably withheld or delayed and the determination of any such arbitrator shall be final. Such successor collateral manager will be required to satisfy the criteria specified in the Collateral Management and Administration Agreement, and the appointment will be subject to receipt of Rating Agency Confirmation (provided that Rating Agency Confirmation from Moody's shall not be required so long as Moody's is notified by or on behalf of the Issuer of such appointment). The Retention Notes may be transferred to a successor collateral manager following its appointment as referred to in "*The EU Retention and Disclosure Requirements*" above, but the appointment of such successor shall not be conditional upon such a transfer. For the avoidance of doubt, no Notes either held in the form of CM Removal and Replacement Non-Voting Notes or CM Removal and Replacement Exchangeable Non-Voting Notes or held by or on behalf of the Collateral Manager or any Collateral 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 CM Replacement Resolution.

Upon notice of removal or resignation of the Collateral Manager

In the event that the Collateral Manager has received notice that it will be removed or has given notice of its resignation, until a successor Collateral Manager has been appointed and has accepted such appointment in accordance with the terms specified in the Collateral Management and Administration Agreement, purchases and sales of Collateral Obligations shall be only made in relation to sale of Margin Stock, Credit Risk Obligations and Defaulted Obligations (in addition to any purchase or sale trades initiated prior to such removal, termination or resignation).

Assignment, Delegation and Transfers

The Collateral Manager may not assign or transfer its material rights or delegate material responsibilities under the Collateral Management and Administration Agreement without the consent of: (i) the Issuer; (ii) the holders of the Controlling Class acting by Ordinary Resolution; and (iii) the holders of the Subordinated Notes acting by Ordinary Resolution, in each case excluding any Notes held by the Collateral Manager or any Collateral Manager Related Person and any Notes held in the form of CM Removal and Replacement Non-Voting Notes or CM Removal and Replacement Exchangeable Non-Voting Notes, and subject to Rating Agency Confirmation and to such transferee, assignee or delegate having the requisite Irish regulatory capacity; provided, that, to the extent permitted by the Collateral Management and Administration 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 Collateral Management and Administration Agreement, means an Affiliate of the Collateral Manager that (i) is legally qualified and has the Irish regulatory capacity to act as Collateral Manager under the Collateral Management and Administration Agreement; (ii) employs the principal personnel performing the duties required under the Collateral Management and Administration Agreement prior to such assignment or transfer; (iii) the appointment of which will not cause either of the Issuer or the Collateral to become required to register under the provisions of the Investment Company Act; (iv) the appointment and conduct of which will not cause the Issuer to become chargeable to 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 Collateral Management Fees becoming subject to any additional 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 EU Retention and Disclosure Requirements.

The Issuer may not assign or transfer its rights under the Collateral Management and Administration Agreement without the prior written consent of the Collateral Manager, the Trustee, 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 or transfer by the Issuer (i) to an entity that is a successor to the Issuer permitted under the Trust Deed or (ii) to the Trustee.

In the event of any assignment, delegation or transfer by a party to the Collateral Management and Administration Agreement, the assignee, delegate or transferee shall execute and deliver such documents as may be necessary to effect fully such assignment, delegation or transfer and the assignee, delegate or transferee shall be required to make all the representations, mutatis mutandis, as set out therein as on the date of assignment, delegation or transfer, provided that the relevant party thereto will not thereby be relieved of any of its duties or obligations which arose prior to such assignment, delegation or transfer in respect of the Retention Notes (other than if the Retention Notes are transferred in accordance with the terms thereof and of the Collateral Management and Administration Agreement as described herein) or otherwise unless the assignee, delegate and/or transferee agrees in writing with all other parties to the Collateral Management and Administration Agreement to assume such duties or obligations. Any assignment, delegation or transfer made in accordance with the Collateral Management and Administration Agreement shall bind the assignee, delegate or transferee in the same manner as the relevant party who is the transferor or assignor is bound. In addition, in the case of an assignment or delegation by the Collateral Manager, the assignee or delegate shall execute and deliver to the Trustee and the Rating Agencies then rating the Notes a counterpart of the Collateral Management and Administration Agreement naming such assignee or delegate as the Collateral Manager (with or without any changes to or omission of the provisions relating to the Retention Notes as may be required in accordance with the terms of such provisions). Upon the execution and delivery of such a counterpart by the assignee or delegate, the Collateral Manager shall be released from further obligations pursuant to the Collateral Management and Administration Agreement, except with respect to its agreements and obligations arising under various sections of the Collateral Management and Administration Agreement in respect of acts or omissions occurring prior to such assignment or delegation and except with respect to its obligations under certain provisions relating to confidentiality, limited recourse and non-petition and only if the Retention Notes have not been transferred to

the assignee or delegate in accordance with the terms of the Collateral Management and Administration Agreement, in respect of the Retention Notes. Any rights of the Collateral Manager stated to survive the termination of the Collateral Management and Administration Agreement shall remain vested in the Collateral Manager after the termination in accordance with the terms of the Collateral Management and Administration Agreement.

EU Disclosure Requirements

The Collateral Manager and, to the extent agreed by the Collateral Administrator, the Collateral Administrator will, pursuant to the Collateral Management and Administration Agreement, perform certain obligations to facilitate compliance by the Issuer with its reporting obligations under the Securitisation Regulation, as more fully described in "*The EU Retention and Disclosure Requirements*" section of the Offering Circular.

No Voting Rights

Notes held in the form of CM Removal and Replacement Non-Voting Notes or CM 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 voting on any CM Removal Resolutions and/or any CM Replacement Resolutions (but shall carry a right to vote and be so counted on all other matters in respect of which the CM Removal and Replacement Voting Notes have a right to vote and be counted).

Any Notes held by or on behalf of the Collateral Manager or any Collateral 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 voting on any CM Removal Resolution and/or CM Replacement Resolution (but shall carry a right to vote and be so counted in all matters other than a CM Removal Resolution and/or a CM Replacement Resolution).

For the avoidance of doubt, the Class X Notes shall have no voting rights in respect of, and shall not be counted for the purposes of determining a quorum and the result of voting on any CM Removal Resolutions or any CM Replacement Resolutions.

Distribution Switch Event

The Collateral Manager shall (i) notify the Issuer, the Trustee and the Collateral Administrator in writing of any event of a type described in paragraph (a) of the definition of Distribution Switch Event in the Conditions promptly upon the occurrence of such event and (ii) from time to time upon reasonable request by the Issuer, the Trustee or the Collateral Administrator, confirm whether or not such an event has occurred or, if such an event has occurred, provide details of such event, in each case to the extent doing so would not breach applicable law, regulation or confidentiality obligations binding on the Collateral Manager. Following the receipt of such notification, the Issuer shall notify the Noteholders of such notification as soon as reasonably practicable in accordance with Condition 16 (*Notices*).

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

General

Virtus Group LP ("**Virtus**"), is a limited partnership incorporated under the laws of Texas and having its operating office at New Broad Street House, 35 New Broad street, London, EC2M 1NH.

Virtus provides fixed-income collateral administration services and data on structured and non-structured transactions across a broad spectrum of investment vehicles, including collateralised loan obligations ("**CLO**"), Total Returns Swaps ("**TRS**"), hedge and private equity funds and separately managed accounts. Virtus also provides solutions for fixed-income asset managers looking to outsource their Middle Office requirements. For administrative services requiring a trustee or custodian function, such as CLOs, Virtus has partnered with Citibank Agency & Trust to offer a seamless and holistic administrative package. Established in 2005 and now with offices in Houston, Austin, London, New York and Shanghai, Virtus is one of the industry's leading CLO Collateral Administrators. Virtus administers over 8,000 loan facilities with total assets under administration over U.S. $250 billion across 250 portfolios and 100 managers.

Termination and Resignation of Appointment of the Collateral Administrator

Pursuant to the terms of the Collateral Management and Administration Agreement, the Collateral Administrator may be removed: (a) without cause at any time upon at least 90 days' prior written notice; or (b) with cause upon at least 10 days' prior written notice in each case by the Issuer at its discretion or the Trustee acting upon the written directions of the holders of the Subordinated Notes acting by way of Extraordinary Resolution and subject to the Trustee being secured and/or indemnified and/or prefunded to its satisfaction. In addition the Collateral Administrator may also resign its appointment without cause on at least 45 days' prior written notice and with cause upon at least 10 days' prior written notice to the Issuer, the Trustee and the Collateral Manager. No resignation or removal of the Collateral Administrator will be effective until a successor collateral administrator has been appointed pursuant to the terms of the Collateral Management and Administration Agreement.

Reporting

Pursuant to the Collateral Management and Administration Agreement, the Issuer and the Collateral Manager will propose in writing to the Collateral Administrator the form, content, timing and manner of publication of any such reports and information for the purposes of the EU Disclosure Requirements. The Collateral Administrator shall consult with the Issuer and the Collateral Manager and if it agrees to provide such reporting on such proposed terms shall confirm in writing to the Issuer and the Collateral Manager.

Collateral Administrator Indemnity

Pursuant to the Collateral Management and Administration Agreement the Collateral Administrator has agreed to indemnify the Collateral Manager for, and hold it harmless against, any losses properly incurred resulting from any pecuniary sanctions levied on the Collateral Manager as a direct result of the Collateral Administrator's negligence, fraud or wilful misconduct in respect of its obligations under clause 12 (Securitisation Regulation Reporting Requirements) of the Collateral Management and Administration Agreement except such as may direclty result from a Collateral Manager Breach.

HEDGING ARRANGEMENTS

The following section consists of a summary of certain provisions which, pursuant to the Collateral Management and Administration Agreement, are required to be contained in each Hedge Agreement and Hedge Transaction. Such summary does not purport to be complete and is qualified by reference to the detailed provisions of each Hedge Agreement and Hedge Transaction. The terms of a Hedge Agreement or Hedge Transaction may differ from the description provided herein, subject to receipt of Rating Agency Confirmation in respect thereof or without Rating Agency Confirmation if such Hedge Transaction constitutes a Form Approved Hedge.

Hedge Agreements

Subject to the satisfaction of the Hedging Condition, the Issuer (or the Collateral Manager on its behalf) may enter into transactions documented under a 1992 ISDA Master Agreement (Multicurrency - Cross Border) or a 2002 ISDA 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. For the avoidance of doubt, one or more Currency Hedge Transactions and/or Interest Rate Hedge Transactions may be entered into and documented under the same ISDA master agreement and schedule relating thereto.

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 (i) the Rated Notes and (ii) the Collateral Obligations; and

(b) in the case of a Currency Hedge Transaction, exchanging payments of principal, interest and other amounts in respect of any Non-Euro Obligation for amounts denominated in Euro 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 rating provisions of the relevant Hedging Agreement) and has the Irish regulatory capacity to enter into derivatives transactions with Irish residents. If the relevant counterparty criteria of a Rating Agency change following the receipt of Rating Agency Confirmation or approval of a Form Approved Hedge, as applicable, the Collateral Manager (on behalf of the Issuer) may be required to seek a further Rating Agency Confirmation or approval in respect of any new Hedge Transaction and/or Hedge Agreement, as applicable.

The Issuer (or the Collateral Manager on behalf of the Issuer) may purchase Collateral Obligations provided that, inter alia, it (i) is either (I) denominated in Euro or (II) is denominated in a Qualifying Currency and no later than the settlement date of the acquisition thereof the Issuer (or the Collateral Manager on its behalf) enters into a Currency Hedge Transaction with a notional amount in the relevant currency equal to the aggregate principal amount of such Non-Euro Obligation and otherwise complies with the requirements set out in respect of Non-Euro Obligations in the Collateral Management and Administration Agreement; and (ii) is not convertible into or payable in any other currency

For the avoidance of doubt, the ability of the Issuer or the Collateral Manager on its behalf to enter into any Currency Hedge Transactions, and therefore the ability of the Issuer or the Collateral Manager on its behalf to acquire Non-Euro Obligations, is subject to the satisfaction of the Hedging Condition.

Replacement Hedge Transactions

Currency Hedge Transactions: In the event that any Currency Hedge Transaction terminates in whole at any time in circumstances in which the applicable Currency Hedge Counterparty is the "Defaulting Party" or sole "Affected Party" (each as defined in the applicable Currency Hedge Agreement), the Issuer (or the Collateral Manager on its behalf) shall use commercially reasonable endeavours to enter into a replacement Currency Hedge Transaction within 30 days of the termination thereof with another counterparty in compliance with the applicable Rating Requirement and which has the Irish regulatory capacity to enter into derivatives transactions with Irish residents.

Interest Rate Hedge Transactions: In the event that any Interest Rate Hedge Transaction terminates in whole at any time in circumstances in which the applicable Interest Rate Hedge Counterparty is the "Defaulting Party" or sole "Affected Party" (each as defined in the applicable Interest Rate Hedge Agreement) the Issuer (or the Collateral Manager on its behalf) shall use commercially reasonable endeavours to enter into a replacement Interest Rate Hedge Transaction within 30 days of the termination thereof with another counterparty in compliance with the applicable Rating Requirement and which has the Irish regulatory capacity to enter into derivatives transactions with Irish residents.

Standard Terms of Currency Hedge Transactions

Any Currency Hedge Transaction shall contain the following terms (provided that the Issuer may enter into Currency Hedge Transactions on different terms than those set forth below, 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 such transaction, the Issuer pays to the Currency Hedge Counterparty an initial exchange amount in Euro equal to the purchase price of such Non-Euro Obligation, converted into Euro 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 Euro, such final exchange amount to be an amount equal to the Proceeds on Maturity converted into Euro at the Currency Hedge Transaction Exchange Rate;

(c) two Business Days following the date of each scheduled payment of interest on the related Non-Euro Obligation or such later date as otherwise specified in the relevant confirmation, the Issuer pays to the Currency Hedge Counterparty an amount in the relevant non-Euro currency based on the principal amount outstanding from time to time of the relevant Non-Euro Obligation (the "**Non-Euro Notional Amount**") and equal to the interest payable in respect of the Non-Euro Obligation and the Currency Hedge Counterparty will pay to the Issuer a EURIBOR coupon amount based on the outstanding principal amount of the related Non-Euro Obligation and the interest payable in respect of the relevant Non-Euro Obligation converted into Euro at the Currency Hedge Transaction Exchange Rate (the "**Euro Notional Amount**"); and

(d) following the sale of any Non-Euro Obligation, the Issuer shall pay to the Currency Hedge Counterparty an amount equal to the sale proceeds of such Non-Euro Obligation in the relevant currency (the "**Proceeds on Sale**") in exchange for payment by the Currency Hedge Counterparty of an amount denominated in Euro, such amount to be an amount equal to the Proceeds on Sale converted into Euro at the Currency Hedge Transaction Exchange Rate less any amounts payable to the Currency Hedge Counterparty in respect of the early termination of the relevant Currency Hedge Transaction (but, for the avoidance of doubt, no breakage or other costs will be payable to the Currency Hedge Counterparty in connection with a prepayment, repayment or redemption of the related Non-Euro Obligation).

The Collateral Manager, acting on behalf of the Issuer, shall convert all amounts received by it in respect of any Non-Euro Obligation which is not the subject of a related Currency Hedge Transaction into Euro promptly upon receipt thereof at the then prevailing spot rate available to the Issuer under the Agency and Account Bank Agreement and shall procure that such amounts are paid into the Principal Account or the Interest Account, as applicable. The Collateral Manager (on behalf of the Issuer) is also authorised to enter into spot exchange transactions, as necessary, to fund the Issuer's payment obligations under any Currency Hedge Transaction.

All amounts received by the Issuer in respect of Non-Euro Obligations shall be paid into the applicable Currency Account and all amounts payable by the Issuer under any Currency Hedge Transaction (other than any initial exchange amounts payable in Euro by the Issuer, any Hedge Replacement Payments and any Currency

Hedge Issuer Termination Payments save to the extent otherwise provided in Condition 3(j)(ix) (*Currency Accounts*)), will be paid out of the applicable 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 and interim and final Currency Hedge Issuer Principal Exchange Amounts 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 acceleration of the Notes in accordance with Condition 10(b) (*Acceleration*), and upon the Trustee (or any agent or appointee thereof), the Collateral Manager or any other agent of the Issuer (including any insolvency practitioner, receiver or equivalent such person in any relevant jurisdiction), selling the relevant Non-Euro Obligation, the Currency Hedge Counterparty shall receive the proceeds of the sale of the Non-Euro Obligation from the Currency Account of the Issuer, outside of the Post-Acceleration Priority of Payments and return the Euro equivalent amount owing, less any amount payable to the Currency Hedge Counterparty in respect of the early termination of the Currency Hedge Transaction in connection with such sale.

Notwithstanding the above, upon the insolvency of the Issuer and/or the acceleration of the Notes in accordance with Condition 10(b) (*Acceleration*), the Currency Hedge Counterparty may, but shall not be obliged to, terminate any or all Currency Hedge Transactions in which case any Currency Hedge Issuer Termination Payment would be paid (following acceleration of the Notes) in accordance with Condition 10(b) (*Acceleration*) and the Post-Acceleration Priority of Payments.

Interest Rate Cap Transactions

On or around the Issue Date, the Issuer may enter into the Issue Date Interest Rate Hedge Transactions. The Issuer will have no payment obligations in respect of any such Issue Date Interest Rate Hedge Transactions other than the payment of a premium in respect of each such transaction to the applicable Interest Rate Hedge Counterparty upon entry into such transactions. The Issuer (or the Collateral Manager on its behalf) shall exercise any such Issue Date Interest Rate Hedge Transaction on any Business Day when EURIBOR is greater than the strike price set out in the applicable Issue Date Interest Rate Hedge Transaction. The Issuer (or the Collateral Manager on its behalf) may be permitted to novate any Issue Date Interest Rate Hedge Transaction in certain circumstances.

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 in the event of any withholding or deduction for or on account of tax required to be paid on such payments. The relevant Hedge Counterparty may or may not be obliged to gross up any payments to Issuer in the event of any withholding or deduction for or on account of tax required to be paid on such payments depending on the terms of the relevant Hedge Agreement. Any such event may result in a "Tax Event" which is a "Termination Event" (each such term as defined in the applicable Hedge Agreement) for the purposes of the relevant Hedge Agreement. In the event of the occurrence of a Tax Event, 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 applicable 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 applicable Hedge Agreement and all Transactions thereunder to that substitute principal obligor so as to avoid the requirement to withhold or deduct for or on account of tax subject to satisfaction of the conditions specified therein (including receipt of Rating Agency Confirmation).

Limited Recourse and Non-Petition

The obligations of the Issuer under each Hedge Agreement will be limited to the proceeds of enforcement of the Collateral as applied in accordance with the Priorities of Payment set out in Condition 3(c) (*Priorities of Payment*); provided that any Counterparty Downgrade Collateral standing to the credit of a Counterparty Downgrade Collateral Account shall be applied and delivered by the Issuer (or by the Collateral Manager on its behalf) in accordance with Condition 3(j)(v) (*Counterparty Downgrade Collateral Accounts*). The Issuer will have the benefit of non-petition language similar to the language set out in Condition 4(c) (*Limited Recourse and Non-Petition*).

Termination Provisions

Each Hedge Agreement may terminate by its terms, whether or not the Notes have been paid in full prior to such termination, upon the earlier to occur of certain events, which may include without limitation:

(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, each 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 rating 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.

Hedge Agreements commonly also contain provisions which allow a Hedge Counterparty to terminate a Hedge Transaction upon the occurrence of certain credit events or restructurings related to the underlying Non-Euro Obligation. These events could potentially be triggered in circumstances where the related Collateral Obligation would not constitute a Defaulted Obligation.

A termination of a Hedge Agreement or a Hedge Transaction will not constitute an Event of Default under the Notes though the repayment in full of the Notes may be an additional termination event under a Hedge Agreement.

Upon the occurrence of any Event of Default or Termination Event (each as defined in the applicable Hedge Agreement), a Hedge Agreement may be terminated by the Hedge Counterparty or the Issuer (or the Collateral Manager on its behalf) in accordance with the detailed provisions thereof and a lump sum (the "**Termination Payment**") may become payable by the Issuer to the applicable Hedge Counterparty or vice versa. Such Termination Payment will be determined by the applicable Hedge Counterparty and/or Issuer (or the Collateral Manager on its behalf) by reference to market quotations obtained in respect of the entry into of a replacement swap(s) on the same terms as that terminated or as otherwise described in the applicable Hedge Agreement or, under certain circumstances, 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 thereto (or, as relevant, its guarantor) is subject to a rating withdrawal or downgrade by the Rating Agencies which causes the applicable Rating Requirement not to be satisfied. Such provisions may include a requirement that a Hedge Counterparty (or, if applicable, its guarantor) must provide collateral or transfer the Hedge Agreement to another entity or procure that a guarantor guarantees its obligations under the Hedge Agreement, in each case in a manner that satisfies the applicable Rating Requirement, or otherwise take other actions subject to Rating Agency Confirmation.

Transfer and Modification

The Collateral Manager, acting on behalf of the Issuer, may not modify any Hedge Transaction or Hedge Agreement without Rating Agency Confirmation in relation to such modification, save to the extent that it would constitute a Form Approved Hedge following such modification. A Hedge Counterparty may transfer its rights and obligations under a Hedge Agreement to any institution which (or whose credit support provider (as defined in the applicable Hedge Agreement)) satisfies the applicable Rating Requirement and provided that such institution has the regulatory capacity to enter into derivatives transactions with Irish 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 Collateral Manager, on behalf of the Issuer, may from time to time enter into agreements (each a "**Reporting Delegation Agreement**") 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 Conditions.

Monthly Reports

The Collateral Administrator, not later than the eighth Business Day after the last Business Day of each month (save in respect of any month for which a Payment Date Report has been prepared) commencing in October 2019 on behalf, and at the expense, of the Issuer and in consultation with the Collateral Manager, shall compile and make available via a secured website currently located at https://sf.citidirect.com (or such other website as may be notified in writing by the Collateral Administrator to the Issuer, Initial Purchaser, Trustee, Hedge Counterparties, Collateral Manager, Rating Agencies and Noteholders from time to time) to the Issuer, the Trustee, the Initial Purchaser, each Hedge Counterparty, the Collateral Manager, each Rating Agency, any Noteholder (upon request therefor in accordance with Condition 4(f) (*Information Regarding the Collateral*), a competent authority (as determined under the Securitisation Regulation) and any person who certifies to the Collateral Administrator (such certification to be in the form set out in the Collateral Management and Administration Agreement) that it is a potential investor in the Notes, a monthly report (the "**Monthly Report**"), which shall contain, without limitation, the information set out below with respect to the Portfolio (and, where applicable, the Notes), determined by the Collateral Administrator as at the last Business Day of each month in consultation with the Collateral Manager.

In addition, for so long as any of the Notes are Outstanding, the Monthly Report will be available for inspection at the offices of, and copies thereof may be obtained free of charge upon request from, the Issuer. For the purposes of the Reports, obligations which are to constitute Collateral Obligations in respect of which the Issuer has entered into a binding commitment to purchase, but which have not yet settled, shall be included as Collateral Obligations as if such purchase had been completed and obligations in respect of which the Issuer has entered into a binding commitment to sell, but in respect of which such sale has not yet settled, shall be excluded from being Collateral Obligations as if such sale had been completed.

Each Monthly Report shall include notice that: (A) each Noteholder must be either (x) a QIB that is a QP or (y) a person outside the United States that is not a U.S. person (as defined in Regulation S); and (B) the Notes may only be transferred to investors which also meet such criteria.

Portfolio

(a) the Aggregate Principal Balance of the Collateral Obligations and Eligible Investments representing Principal Proceeds;

(b) the Collateral Principal Amount of the Collateral Obligations;

(c) the Adjusted Collateral Principal Amount of the Collateral Obligations;

(d) subject to any confidentiality obligations binding on the Issuer, in respect of each Collateral Obligation, its Principal Balance (in the case of Deferring Securities, both including and excluding capitalised or deferring interest), LoanX ID, FIGI, CUSIP number, ISIN or identification thereof, annual interest rate or spread (and EURIBOR, if any), facility, Collateral Obligation Stated Maturity, Obligor, the Domicile of the Obligor, Moody's Rating, Moody's Default Probability Rating, Fitch Rating, Fitch Recovery Rating, and any other public rating (other than any confidential credit estimate), its Fitch industrial classification, 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 Obligation, whether such Collateral Obligation is a Secured Senior Obligation, Unsecured Senior Obligation, Second Lien Loan, Mezzanine Obligation, High Yield Bond, Fixed Rate Collateral Obligation, Corporate Rescue Loan, Semi-Annual Obligation, Current Pay Obligation, Revolving Obligation, Delayed Drawdown Collateral Obligation, Bridge Loan, Discount Obligation, a Swapped Non-Discount Obligation, Deferring Security, Senior Secured Floating Rate Note or Cov-Lite Loan;

(f) subject to any confidentiality obligations binding on the Issuer, in respect of each Collateral Enhancement Obligation and Exchanged Equity Security (to the extent applicable), its Principal Balance, face amount, annual interest rate, Collateral Obligation Stated Maturity and Obligor, details of the type of instrument it represents and details of any amounts payable thereunder or other rights accruing pursuant thereto, and the amount of any Trading Gains resulting from such sale paid into the Interest Account;

(g) subject to any confidentiality obligations binding on the Issuer, the number, identity and, if applicable, Principal Balance of, respectively, any Collateral Obligations, Collateral Enhancement Obligations or Exchanged Equity Securities that were released for sale or other disposition (specifying the reason for such sale or other disposition and the section in the Collateral Management and Administration Agreement pursuant to which such sale or other disposition was made), the Aggregate Principal Balances of Collateral Obligations released for sale or other disposition at the Collateral Manager's discretion (expressed as a percentage of the Adjusted Collateral Principal Amount and measured at the date of determination of the last Monthly Report), the sale price thereof and the identity of any of the purchasers thereof (if any) that are Affiliated with the Collateral Manager;

(h) subject to any confidentiality obligations binding on the Issuer, the purchase or sale price of each Collateral Obligation, Eligible Investment and Collateral Enhancement Obligation acquired by the Issuer and in which the Issuer has granted a security interest to the Trustee, and each Collateral Obligation, Eligible Investment and Collateral Enhancement Obligation sold by the Issuer since the date of determination of the last Monthly Report and the identity of the purchasers or sellers thereof if any, that are Affiliated with the Issuer or the Collateral Manager;

(i) subject to any confidentiality obligations binding on the Issuer, the identity of each Collateral Obligation which became a Defaulted Obligation or Deferring Security or in respect of which an Exchanged Equity Security has been received since the date of determination of the last Monthly Report and the identity and Principal Balance of each Caa Obligation, CCC Obligation and Current Pay Obligation;

(j) subject to any confidentiality obligations binding on the Issuer, the identity of each Collateral Obligation which became a Restructured Obligation and its Obligor, as well as, where applicable, the name of the Obligor prior to the restructuring and the Obligor's new name after the Restructuring Date;

(k) the Aggregate Principal Balance of Collateral Obligations which were upgraded or downgraded since the most recent Monthly Report and of which the Collateral Administrator or the Collateral Manager has actual knowledge;

(l) the approximate Market Value of, respectively, the Collateral Obligations and the Collateral Enhancement Obligations;

(m) in respect of each Collateral Obligation, its Moody's Rating and Fitch Rating (other than any confidential credit estimate) as at (i) the date of acquisition; (ii) the date of the previous Monthly Report; and (iii) the date of the current Monthly Report;

(n) the Aggregate Principal Balance of Collateral Obligations comprising Participations in respect of which the Selling Institutions are not the lenders of record; and

(o) for so long as any Notes are rated by Fitch, the applicable point in the Fitch Test Matrix being applied for the purposes of the Collateral Quality Test.

Accounts

(a) the Balances standing to the credit of each of the Accounts; and

(b) the purchase price, principal amount, redemption price, annual interest rate, maturity date and Obligor under each Eligible Investment purchased from funds in the Accounts.

Hedge Transactions and Counterparty Rating Requirements

(a) the outstanding notional amount of each Hedge Transaction and the current rate of EURIBOR;

(b) the amount scheduled to be received and paid by the Issuer pursuant to each Hedge Transaction on or before the next Payment Date;

(c) the then current Fitch rating and, if applicable, Moody's rating in respect of each Hedge Counterparty, Account Bank and Custodian and the current Moody's rating in respect of the Principal Paying Agent and whether such Hedge Counterparty, Account Bank, Custodian and Principal Paying Agent satisfies the Rating Requirements; and

(d) the maturity date, the strike price and the underlying currency notional amount of each currency option, the upfront premium paid or payable by the Issuer thereunder and, in relation to each currency option exercised, the date of exercise, the spot foreign exchange rate at the time of exercise, the notional amount of the optional exercised, the aggregate notional amount of the option which remains unexercised and the aggregate premium received.

Coverage Tests and Collateral Quality Tests

(a) a statement as to whether each of the Par Value Tests is satisfied and details of the relevant Par Value Ratios;

(b) a statement as to whether each of the Interest Coverage Tests is satisfied and details of the relevant Interest Coverage Ratios;

(c) from the Effective Date until the expiry of the Reinvestment Period, a statement as to whether the Reinvestment Overcollateralisation Test is satisfied;

(d) from the expiry of the Non-Call Period, a statement as to whether the Principal Purchase Test is satisfied;

(e) so long as any Notes rated by Moody's are Outstanding, the Moody's Weighted Average Recovery Rate and a statement as to whether the Moody's Minimum Weighted Average Recovery Rate Test is satisfied;

(f) the Weighted Average Life and a statement as to whether the Weighted Average Life Test is satisfied;

(g) the Weighted Average Spread (both including and excluding the Aggregate Excess Funded Spread), the Weighted Averaged Fixed Coupon and the Weighted Average Coupon Adjustment Percentage;

(h) so long as any Notes rated by Fitch are Outstanding, a statement as to whether the Fitch Minimum Weighted Average Spread Test is satisfied and the Minimum Weighted Average Fixed Coupon relating thereto;

(i) so long as any Notes rated by Moody's are Outstanding, a statement as to whether the Moody's Minimum Weighted Average Spread Test is satisfied and the Minimum Weighted Average Fixed Coupon relating thereto;

(j) so long as any Notes rated by Fitch are Outstanding, the Fitch Weighted Average Recovery Rate and a statement as to whether the Fitch Minimum Weighted Average Recovery Rate Test (if applicable) is satisfied;

(k) so long as any Notes rated by Moody's are Outstanding, the Moody's Weighted Average Rating Factor and a statement as to whether the Moody's Minimum Weighted Average Rating Factor Test is satisfied;

(l) so long as any Notes rated by Fitch are Outstanding, the Fitch Weighted Average Rating Factor and a statement as to whether the Fitch Maximum Weighted Average Rating Factor Test is satisfied;

(m) so long as any Notes rated by Moody's are Outstanding, the Diversity Score and a statement as to whether the Moody's Minimum Diversity Test is satisfied; and

(n) a statement identifying any Collateral Obligation in respect of which the Collateral Manager has made its own determination of "Market Value" (pursuant to the definition thereof) for the purposes of any of the Coverage Tests.

Portfolio Profile Tests

(a) in respect of each Portfolio Profile Test, a statement as to whether such test is satisfied, together with details of the result of the calculations required to be made in order to make such determination which details shall include the applicable numbers, levels and/or percentages resulting from such calculations;

(b) the identity and Fitch Rating and Moody's Rating of each Selling Institution, together with any changes in the identity of such entities since the date of determination of the last Monthly Report and details of the aggregate amount of Participations entered into with each such entity;

(c) a statement as to whether the limits specified in the Bivariate Risk Table are met by reference to the Fitch Ratings and Moody's Ratings of Selling Institutions and, if such limits are not met, a statement as to the nature of the non-compliance; and

(d) if more than 10.0 per cent. of the Collateral Principal Amount consists of obligations which are Fixed Rate Collateral Obligations, a statement as to the maximum permitted percentage amount of the Aggregate Principal Balance consisting of obligations which are Fixed Rate Collateral Obligations calculated in accordance with the provisions set out in the section of this Offering Circular entitled "*The Portfolio — Portfolio Profile Tests and Collateral Quality Tests—Fitch Test Matrices*", where in relation to a Fitch Test Matrix selected by the Collateral Manager, such Fitch Test Matrix applies a maximum percentage of the Aggregate Principal Balance that can comprise Fixed Rate Collateral Obligations.

Risk Retention

Confirmation that the Collateral Administrator has received written confirmation from the Collateral Manager that:

(a) it continues to retain the Retention Notes in accordance with the Collateral Management and Administration Agreement;

(b) it has not sold, hedged or otherwise mitigated its credit risk under or associated with the Retention Notes or the underlying portfolio of Collateral Obligations, except to the extent permitted in accordance with the Collateral Management and Administration Agreement;

(c) a statement as to whether the Originator Requirement has been satisfied; and

(d) confirmation from the Retention Holder that it has established and is managing the securitisation scheme constituted by the issuance of the Notes by the Issuer.

Distribution Switch Event

Confirmation as to whether the Collateral Administrator has received written confirmation from the Collateral Manager that an event of a type described in paragraph (a) of the definition of Distribution Switch Event in the Conditions has occurred.

Collateral Manager Advances and Reinvestment Amounts

(a) a statement as to whether the Issuer has received any Collateral Manager Advances (to the extent not already specified in a prior Report) and the amounts thereof; and

(b) a statement as to whether the Issuer has received any Reinvestment Amounts (to the extent not already specified in a prior Report) and the amounts thereof.

CM Removal and Replacement Voting Notes / CM Removal and Replacement Non-Voting Notes/ CM Removal and Replacement Exchangeable Non-Voting Notes

(a) For so long as any Class A Notes are Outstanding:

(i) the aggregate Principal Amount Outstanding of all Class A Notes in the form of CM Removal and Replacement Voting Notes;

(ii) the aggregate Principal Amount Outstanding of all Class A Notes in the form of CM Removal and Replacement Non-Voting Notes; and

(iii) the aggregate Principal Amount Outstanding of all Class A Notes in the form of CM Removal and Replacement Exchangeable Non-Voting Notes.

(b) For so long as any Class B-1 Notes are Outstanding:

(i) the aggregate Principal Amount Outstanding of all Class B-1 CM Removal and Replacement Voting Notes;

(ii) the aggregate Principal Amount Outstanding of all Class B-1 CM Removal and Replacement Non-Voting Notes; and

(iii) the aggregate Principal Amount Outstanding of all Class B-1 CM Removal and Replacement Exchangeable Non-Voting Notes.

(c) For so long as any Class B-2 Notes are Outstanding:

(i) the aggregate Principal Amount Outstanding of all Class B-2 CM Removal and Replacement Voting Notes;

(ii) the aggregate Principal Amount Outstanding of all Class B-2 CM Removal and Replacement Non-Voting Notes; and

(iii) the aggregate Principal Amount Outstanding of all Class B-2 CM Removal and Replacement Exchangeable Non-Voting Notes.

(d) For so long as any Class C Notes are Outstanding:

(i) the aggregate Principal Amount Outstanding of all Class C CM Removal and Replacement Voting Notes;

(ii) the aggregate Principal Amount Outstanding of all Class C CM Removal and Replacement Non-Voting Notes; and

(iii) the aggregate Principal Amount Outstanding of all Class C CM Removal and Replacement Exchangeable Non-Voting Notes.

(e) For so long as any Class D Notes are Outstanding:

(i) the aggregate Principal Amount Outstanding of all Class D CM Removal and Replacement Voting Notes;

(ii) the aggregate Principal Amount Outstanding of all Class D CM Removal and Replacement Non-Voting Notes; and

(iii) the aggregate Principal Amount Outstanding of all Class D CM Removal and Replacement Exchangeable Non-Voting Notes.

Payment Date Report

The Collateral Administrator, on behalf, and at the expense, of the Issuer and in consultation with the Collateral Manager, shall compile a report (the "**Payment Date Report**"):

(a) prepared and determined as of each Determination Date, and make available no later than the Business Day preceding the related Payment Date (and (i) prior to the first Payment Date and (ii) following the occurrence of a Frequency Switch Event, not more than three months after the most recent publication thereof, prepared and determined as of the last Business Day of the preceding month); and

(b) initially prepared and determined as of the last Business Day of September 2019 and made available on 15 October 2019,

and in each case, shall make such Payment Date Reports available via a secured website currently located at https://sf.citidirect.com (or such other website as may be notified in writing by the Collateral Administrator to the Issuer, Initial Purchaser, Trustee, Hedge Counterparties, Collateral Manager, Rating Agencies and Noteholders from time to time) to the Issuer, the Initial Purchaser, the Trustee, each Hedge Counterparty, the Collateral Manager, each Rating Agency, a competent authority (as determined under the Securitisation Regulation) and any person who certifies to the Collateral Administrator (such certification to be in the form set out in the Collateral Management and Administration Agreement) that it is a potential investor in the Notes no later than the related Payment Date. In addition, for so long as any of the Notes are Outstanding, the Payment Date Report will be available for inspection at the offices of, and copies thereof may be obtained free of charge upon request from, the Issuer.

Each Payment Date Report shall include notice that: (A) each Noteholder must be either (x) a QIB that is a QP or (y) a person outside the United States that is not a U.S. person (as defined in Regulation S); and (B) the Notes may only be transferred to investors which also meet such criteria.

Upon issue of each Payment Date Report, the Collateral Administrator, in the name and at the expense of the Issuer, shall notify Euronext Dublin 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, provided that in respect of such Payment Date Report prepared for a date other than a Payment Date, such Payment Date Report shall not contain any information that would otherwise only be available or obtainable in respect of a Payment Date:

Portfolio

(a) the Aggregate Principal Balance of the Collateral Obligations as of the close of business on such Determination Date (or the last Business Day of the month prior to the due date for a Payment Date Report prepared on a date that is not a Payment Date), after giving effect to (A) Principal Proceeds received on the Collateral Obligations with respect to the related Due Period and the reinvestment of such Principal Proceeds in Substitute Collateral Obligations during such Due Period and (B) the disposal of any Collateral Obligations during such Due Period;

(b) subject to any confidentiality obligations binding on the Issuer, a list of, respectively, the Collateral Obligations and Collateral Enhancement Obligations indicating the Principal Balance and Obligor of each; and

(c) the information required pursuant to "*Monthly Reports — Portfolio*" above.

Notes

(a) the Principal Amount Outstanding of the Notes of each Class and such aggregate amount as a percentage of the original aggregate Principal Amount Outstanding of the Notes of such Class at the beginning of the Accrual Period, the amount of principal payments to be made on the Notes of each Class on the related Payment Date, and the aggregate amount of the Notes of each Class Outstanding

and such aggregate amount as a percentage of the original aggregate amount of the Notes of such Class Outstanding after giving effect to the principal payments, if any, on the next Payment Date;

(b) the interest payable in respect of each Class of Notes (as applicable), including the amount of any Deferred Interest payable on the related Payment Date (in the aggregate and by Class);

(c) the Interest Amount payable in respect of each Class of Rated Notes on the next Payment Date;

(d) EURIBOR for the related Due Period and the Rate of Interest applicable to each Class of Rated Notes during the related Due Period; and

(e) whether a Frequency Switch Event (including the calculations in respect thereof) has occurred on the relevant Frequency Switch Measurement Date.

Payment Date Payments

(a) the amounts payable pursuant to the Interest Priority of Payments, the Principal Priority of Payments and the Post-Acceleration Priority of Payments;

(b) the Trustee Fees and Expenses, the amount of any Collateral Management Fees and Administrative Expenses payable on the related Payment Date, in each case, on an itemised basis; and

(c) any Defaulted Currency Hedge Termination Payments and Defaulted Interest Rate Hedge Termination Payments.

Accounts

(a) the Balance standing to the credit of the Interest Account at the end of the related Due Period;

(b) the Balance standing to the credit of the Principal Account at the end of the related Due Period;

(c) the Balance standing to the credit of the Interest Account immediately after all payments and deposits to be made on the next Payment Date;

(d) the Balance standing to the credit of the Principal Account immediately after all payments and deposits to be made on the next Payment Date;

(e) the amounts payable from the Interest Account through a transfer to the Payment Account pursuant to the Priorities of Payment on such Payment Date;

(f) the amounts payable from the Principal Account through a transfer to the Payment Account pursuant to the Priorities of Payment on such Payment Date;

(g) the amounts payable from any other Accounts (through a transfer to the Payment Account) pursuant to the Priorities of Payment on such Payment Date, together with details of whether such amounts constitute Interest Proceeds or Principal Proceeds;

(h) the Balance standing to the credit of each of the other Accounts at the end of the related Due Period;

(i) the purchase price, principal amount, redemption price, annual interest rate, maturity date of and Obligor of each Eligible Investment purchased from funds in the Accounts;

(j) the Principal Proceeds received during the related Due Period;

(k) the Interest Proceeds received during the related Due Period; and

(l) the Collateral Enhancement Obligation Proceeds received during the related Due Period.

Coverage Tests, Collateral Quality Tests 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 and Counterparty Rating Requirements*" above.

Risk Retention

The information required pursuant to "*Monthly Reports – Risk Retention*" above.

CM Removal and Replacement Voting Notes / CM Removal and Replacement Non-Voting Notes/ CM Removal and Replacement Exchangeable Non-Voting Notes

The information required pursuant to "Monthly Reports – CM Removal and Replacement Voting Notes / CM Removal and Replacement Non-Voting Notes/ CM Removal and Replacement Exchangeable Non-Voting Notes " above.

Summary of Transaction Parties

(a) details of all the entity names of all current parties to the transaction, their roles and, where subject to a Rating Requirement, their credit ratings as notified to the Collateral Administrator by the Issuer or, in the case of the Agents and the Trustee, as such credit ratings appear on the following website: https://www.citigroup.com/citi/investor/rate.htm (or such other website as may be notified in writing by the Collateral Administrator to the Issuer and the Collateral Manager);

(b) details of the Issuer and the Collateral Manager's LEI and Note ISINs as notified to the Collateral Administrator by the Issuer; and

(c) details of any ratings downgrades and/or replacements of the Initial Purchaser, the Collateral Manager, the Trustee, the Principal Paying Agent, the Account Bank, the Calculation Agent, the Custodian and each Hedge Counterparty (as applicable) as notified to the Collateral Administrator by the Issuer or, in the case of the Agents and the Trustee, as such credit ratings appear on the following website: https://www.citigroup.com/citi/investor/rate.htm (or such other website as may be notified in writing by the Collateral Administrator to the Issuer and the Collateral Manager).

EU Disclosure Requirements

The following description of the transparency requirements consists of a summary of certain provisions of the EU Disclosure Requirements which does not purport to be complete and is qualified by reference to the detailed provisions of the Collateral Management and Administration Agreement. Capitalised terms used in this section and not defined in this Offering Circular shall have the meaning given to them in the Collateral Management and Administration Agreement.

In accordance with Article 7(2) of the Securitisation Regulation, each of the originator, the sponsor and the Issuer (as applicable) are required to designate amongst themselves one entity to fulfil the reporting obligations of Article 7(1) of the Securitisation Regulation. Pursuant to the Collateral Management and Administration Agreement, the Issuer has undertaken to be designated as the entity (the **Reporting Entity**) responsible to fulfil the reporting obligations of Article 7(1) of the Securitisation Regulation and to adhere to its obligations in respect thereof.

Pursuant to the Collateral Management and Administration Agreement, the Collateral Manager and/or the Issuer shall provide to the Collateral Administrator all reports, data and other information (to the extent that such information is within its possession, is not subject to a duty of confidentiality under law or contract and is not

already otherwise available to the Collateral Administrator) reasonably necessary for the proper performance by the Issuer, as the Reporting Entity, of its reporting obligations under the EU Disclosure Requirements.

Prior to the adoption of final disclosure templates in respect of the EU Disclosure Requirements, the Issuer intends to fulfil the reporting requirements contained in subparagraphs (a) and (e) of Article 7(l) of the Securitisation Regulation through the Payment Date Reports and as soon as reasonably practicable following the adoption of the final reporting templates pursuant to the EU Disclosure Requirements, the Issuer and the Collateral Manager shall propose to the Collateral Administrator in writing the form, timing, method of distribution and content of the information required to be disclosed in accordance with the EU Disclosure Requirements. The Collateral Administrator shall consult with the Issuer and the Collateral Manager and, if it agrees to provide such reporting on such proposed terms shall confirm in writing to the Issuer and the Collateral Manager. To the extent agreed by the Collateral Administrator, the Collateral Administrator shall make such information, including each Portfolio Report and each Investor Report, available via a secure website currently located at https://sf.citidirect.com or by such other method of dissemination as is required by the Securitisation Regulation (as instructed to the Collateral Administrator by the Issuer or the Collateral Manager on its behalf) (or such other website as may be notified in writing by the Collateral Administrator to the Issuer, the Initial Purchaser, the Trustee, the Collateral Manager, the Hedge Counterparties, the Rating Agencies and the Noteholders from time to time, or otherwise as may be required by the applicable competent authorities or by the Issuer to comply with its obligations as reporting entity (as instructed to the Collateral Administrator by the Issuer or the Collateral Manager on its behalf)) which shall be accessible to any Noteholder, any competent authority (as determined under the Securitisation Regulation) and any person who certifies in the form set out in the Collateral Management and Administration Agreement and which certificate may be given electronically and upon which certificate the Collateral Administrator may rely absolutely and without enquiry or liability) to the Collateral Administrator that it is a potential investor in the Notes, any such information required to be disclosed in accordance with the EU Disclosure Requirements received from, and acting on the instructions of, the Collateral Manager or also by the Issuer, in each case in accordance with and to comply with the EU Disclosure Requirements.

For the avoidance of doubt, if the Collateral Administrator agrees to assist the Issuer with providing such information and reporting on behalf of the Issuer, the Collateral Administrator will not assume any responsibility for the Issuer's obligations as the entity responsible to fulfil the reporting obligations under the EU Disclosure Requirements. In providing such services, the Collateral Administrator also assumes no responsibility or liability to any third party, including, any Noteholder or any potential Noteholder, and including for their use and/or onward disclosure of such information, and shall have the benefit of the powers, protections and indemnities granted to it under the Transaction Documents.

The Issuer shall procure that (i) any disclosure as required by Articles 7(1)(f) and 7(1)(g) of the Securitisation Regulation is published without delay and (ii) copies of the relevant Transaction Documents required to be disclosed pursuant to Article 7 of the Securitisation Regulation and this Offering Circular in final form are made available not less than one Business Day following receipt thereof.

Miscellaneous

Each report shall state that it is for the purposes of information only, that certain information included in the report is estimated, approximated or projected and that it is provided without any representations or warranties as to the accuracy or completeness thereof and that none of the Collateral Administrator, the Trustee, the Issuer or the Collateral Manager will have any liability for estimates, approximations or projections contained therein.

In addition, the Collateral Administrator shall provide the Issuer with such other information and in such a format relating to the Portfolio as the Issuer may reasonably request and which is in the possession of the Collateral Administrator in order for the Issuer to satisfy its obligation to make certain filings of information with the Central Bank and in respect of the preparation of its financial statements and tax returns.

TAX CONSIDERATIONS

1. General

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

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

2. Irish Taxation

The following is a summary of the principal Irish tax consequences for individuals and companies of ownership of the Notes based on the laws and practice of the Irish Revenue Commissioners currently in force in Ireland and may be subject to change. It deals with Noteholders who beneficially own their Notes as an investment. Particular rules not discussed below may apply to certain classes of taxpayers holding Notes, such as dealers in securities, trusts etc. The summary does not constitute tax or legal advice and the comments below are of a general nature only. Prospective investors in the Notes should consult their professional advisers on the tax implications of the purchase, holding, redemption or sale of the Notes and the receipt of interest thereon under the laws of their country of residence, citizenship or domicile.

Taxation of Noteholders

Withholding Tax

In general, tax at the standard rate of income tax (currently 20 per cent.), is required to be withheld from payments of Irish source interest which should include interest payable on the Notes.

The Issuer will not be obliged to make a withholding or deduction for or on account of Irish income tax from a payment of interest on a Note so long as the interest paid on the relevant Note falls within one of the following categories:

1. ***Interest paid on a quoted Eurobond*: The Issuer will not be obliged to make a withholding or deduction for or on account of Irish income tax from a payment of interest on a Note where:**

   (a) the Notes are quoted Eurobonds i.e. securities which are issued by a company (such as the Issuer), which are listed on a recognised stock exchange (such as the Global Exchange Market of Euronext Dublin) and which carry a right to interest; and

   (b) the person by or through whom the payment is made is not in Ireland, or if such person is in Ireland, either:

      (i) the Notes are held in a clearing system recognised by the Irish Revenue Commissioners; (Euroclear and Clearstream, Luxembourg are, amongst others, so recognised); or

      (ii) the person who is the beneficial owner of the Notes and who is beneficially entitled to the interest is not resident in Ireland and has made a declaration to a relevant person (such as a paying agent located in Ireland) in the prescribed form; and

(c) one of the following conditions is satisfied:

(i) the Noteholder is resident for tax purposes in Ireland; or

(ii) the Noteholder is subject, without any reduction computed by reference to the amount of such interest, premium or other distribution, to a tax in a relevant territory which generally applies to profits, income or gains received in that territory, by persons, from sources outside that territory; or

(iii) the Noteholder is not a company which, directly or indirectly, controls the Issuer, is controlled by the Issuer, or is controlled by a third company which also directly or indirectly controls the Issuer, and neither the Noteholder, nor any person connected with the Noteholder, is a person or persons:

(A) from whom the Issuer has acquired assets;

(B) to whom the Issuer has made loans or advances; or

(C) with whom the Issuer has entered into a swap agreement,

where the aggregate value of such assets, loans, advances or swap agreements represents not less than 75 per cent. of the assets of the Issuer; or

(iv) at the time of issue of the Notes, the Issuer was not in possession, or aware, of any information which could reasonably be taken to indicate that the interest, premium or other distribution payable pursuant to the Notes would not be subject, without any reduction computed by reference to the amount of such interest, to a tax in a relevant territory which generally applies to profits, income or gains received in that territory from sources outside that territory .

where the term:

"**relevant territory**" means a member state of the European Union (other than Ireland) or a country with which Ireland has signed a double tax treaty ("**Relevant Territory**"); and

"**swap agreement**" means any agreement, arrangement or understanding that—

I. provides for the exchange, on a fixed or contingent basis, of one or more payments based on the value, rate or amount of one or more interest or other rates, currencies, commodities, securities, instruments of indebtedness, indices, quantitative measures, or other financial or economic interests or property of any kind, or any interest therein or based on the value thereof, and

II. transfers to a person who is a party to the agreement, arrangement or understanding or to a person connected with that person, in whole or in part, the financial risk associated with a future change in any such value, rate or amount without also conveying a current or future direct or indirect ownership interest in an asset (including any enterprise or investment pool) or liability that incorporates the financial risk so transferred.

Thus, so long as the Notes continue to be quoted on the Global Exchange Market of Euronext Dublin, are held in Euroclear and/or Clearstream, Luxembourg, and one of the conditions set out in paragraph 1(c) above is met, interest on the Notes can be paid by any paying agent acting on behalf of the Issuer free of any withholding or deduction for or on account of Irish income tax. If the Notes continue to be quoted but cease to be held in a recognised clearing system, interest on the Notes may be paid without any withholding or deduction for or on account of Irish income tax

provided such payment is made through a paying agent outside Ireland and one of the conditions set out in paragraph 1(c) above is met.

2. ***Interest paid by a qualifying company to certain non-residents:***

If, for any reason, the exemption referred to above ceases to apply, interest payments may still be made free of withholding tax provided that:

(a) the Issuer remains a "qualifying company" as defined in Section 110 of the TCA and the Noteholder is a person which is resident in a Relevant Territory, and, where the recipient is a body corporate, the interest is not paid to it in connection with a trade or business carried on by it in Ireland through a branch or agency. The test of residence is determined by reference to the law of the Relevant Territory in which the Noteholder claims to be resident. The Issuer must be satisfied that the terms of the exemption are satisfied; and

(b) one of the following conditions is satisfied:

(i) the Noteholder is a pension fund, government body or other person (which satisfies paragraph 1(c)(iii) above), which is resident in a Relevant Territory and which, under the laws of that territory, is exempted from tax that corresponds to income tax or corporation tax in Ireland and which generally applies to profits, income or gains in that territory; or

(ii) the interest is subject, without any reduction computed by reference to the amount of such interest, to a tax in a Relevant Territory which corresponds to income tax or corporation tax in Ireland and which generally applies to profits, income or gains received in that territory, by persons, from sources outside that territory.

3. ***Deductibility of Interest***

Section 110 (5A) of the TCA applies to qualifying companies which carry on a business of holding, managing or both holding and managing "specified mortgages", units in an IREF or shares in companies deriving their value from Irish land.

A "specified mortgage" for this purpose is:

(a) a loan which is secured on, and which derives its value from, or the greater part of its value from, directly or indirectly, land in Ireland;

(b) a specified agreement which derives all of its value, or the greater part of its value, directly or indirectly, from land in Ireland or a loan to which paragraph (a) applies. A specified agreement is defined in Section 110 TCA and includes certain derivatives, swaps or similar arrangements. A specified mortgage does not include a specified agreement which derives its value or the greater part of its value from a CLO transaction, a CMBS/RMBS transaction, a loan origination business or a sub-participation transaction (as defined in Section 110 TCA); or

(c) any portion of a security issued by another qualifying company which carries on the business of holding or managing specified mortgages and which carries a right to results dependent or non-commercial interest.

The holding of specified mortgages, (and from 19 October 2017) units in an IREF (within the meaning of Chapter 1B of Part 27 TCA) or shares that derive their value, or greater part of their value from, directly or indirectly land in Ireland is defined as a "specified property business". Where the qualifying company carries on a specified property business in addition to other activities, it must treat the specified property business as a separate business and apportion its expenses on a just and reasonable basis between the separate businesses.

Where the qualifying company has financed itself with loans carrying interest which is dependent on the results of that company's business or interest which represents more than a reasonable commercial

return for the use of the principal, or has entered into specified agreements (such as swaps) then the interest or return payable will not be deductible for Irish tax purposes to the extent it exceeds a reasonable commercial return which is not dependent on the results of the qualifying company.

This restriction is subject to a number of exceptions. Transactions which qualify as "CLO transactions" should not be subject to the restrictions described above. A CLO transaction is defined as a securitisation transaction carried out in conformity with:

a) a prospectus, within the meaning of the Prospectus Directive;

b) listing particulars, where any securities issued by the qualifying company are listed on an exchange, other than the main exchange, of Ireland or a relevant EU member state; or

c) where the securities issued by the qualifying company will not be listed on an exchange in Ireland or a relevant EU member state, legally binding documents;

that

i. may provide for a warehousing period, which means a period not exceeding 3 years during which time the qualifying company is preparing to issue securities; and

ii. provide for investment eligibility criteria that govern the type and quality of assets to be acquired.

Finally, based on the documents referred to in paragraphs (a) to (c) and the activities of the qualifying company, in order for a transaction to be a CLO transaction it must not be reasonable to consider that the main purpose, or one of the main purposes, of the qualifying company was to acquire specified mortgages.

In order to benefit from the exception, the qualifying company must not carry out any activities, other than activities which are incidental or preparatory to the transaction or business of a CLO transaction.

Accordingly, on the basis that this offering circular will constitute "listing particulars" and as the Notes will be listed on the Global Exchange Market of Euronext Dublin (see the "*General Information*" section above) and on the basis that the Issuer does not have as its main purpose, or one of its main purposes, the acquisition of 'specified mortgages' within the meaning of Section 110 TCA, the restrictions on deductibility described above should not apply to this transaction.

Encashment Tax

In certain circumstances, Irish tax will be required to be withheld at the standard rate of income tax (currently 20 per cent.) from interest on any Note, where such interest is collected or realised by a bank or encashment agent in Ireland on behalf of any Noteholder. There is an exemption from encashment tax where the beneficial owner of the interest is not resident in Ireland and has made a declaration to this effect in the prescribed form to the encashment agent or bank.

Income Tax, PRSI and Universal Social Charge

Notwithstanding that a Noteholder may receive interest on the Notes free of withholding tax, the Noteholder may still be liable to pay Irish tax with respect to such interest. Noteholders resident or ordinarily resident in Ireland who are individuals may be liable to pay Irish income tax, social insurance (PRSI) contributions and the universal social charge in respect of interest they receive on the Notes.

Interest paid on the Notes may have an Irish source and therefore may be within the charge to Irish income tax, notwithstanding that the Noteholder is not resident in Ireland. In the case of Noteholders who are non-resident individuals such Noteholders may also be liable to pay the universal social charge in respect of interest they receive on the Notes.

Ireland operates a self-assessment system in respect of tax and any person, including a person who is neither resident nor ordinarily resident in Ireland, with Irish source income comes within its scope.

There are a number of exemptions from Irish income tax available to certain non-residents. Firstly, interest payments made by the Issuer are exempt from income tax so long as the Issuer is a qualifying company for the purposes of Section 110 of the TCA, the recipient is not resident in Ireland and is resident in a Relevant Territory and the interest is paid out of the assets of the Issuer. Secondly, interest payments made by the Issuer in the ordinary course of its trade or business to a company are exempt from income tax provided the recipient company is not resident in Ireland and is either resident for tax purposes in a Relevant Territory which imposes a tax that generally applies to interest receivable in that territory by companies from sources outside that territory and which corresponds to income tax or corporation tax in Ireland or the interest is exempted from the charge to Irish income tax under the terms of a double tax agreement which is either in force or which will come into force once all ratification procedures have been completed. Thirdly, interest paid by the Issuer free of withholding tax under the quoted Eurobond exemption is exempt from income tax where the recipient is a person not resident in Ireland and is resident in a Relevant Territory or is a company not resident in Ireland which is under the control, whether directly or indirectly, of person(s) who by virtue of the law of a Relevant Territory are resident for the purposes of tax in a Relevant Territory and is not under the control of person(s) who are not so resident or is a company not resident in Ireland, where the principal class of shares of the company or its 75 per cent. parent is substantially and regularly traded on a recognised stock exchange. For the purposes of these exemptions and where not specified otherwise, residence is determined under the terms of the relevant double taxation agreement or in any other case, the law of the country in which the recipient claims to be resident. Interest falling within the above exemptions is also exempt from the universal social charge.

Notwithstanding these exemptions from income tax, a corporate recipient that carries on a trade in Ireland through a branch or agency in respect of which the Notes are held or attributed, may have a liability to Irish corporation tax on the interest.

Relief from Irish income tax may also be available under the specific provisions of a double tax treaty between Ireland and the country of residence of the recipient.

Interest on the Notes which does not fall within the above exemptions is within the charge to income tax, and, in the case of Noteholders who are individuals, the charge to the universal social charge.

Capital Gains Tax

A Noteholder will not be subject to Irish tax on capital gains on a disposal of Notes unless such Noteholder is either resident or ordinarily resident in Ireland or carries on a trade in Ireland through a branch or agency in respect of which the Notes were used or held or to which or to whom the Notes are attributable and, in the case of Notes which derive their value or more than 50% of their value from Irish real estate, mineral rights or exploration rights, unless the Notes cease to be quoted on a stock exchange.

Capital Acquisitions Tax

A gift or inheritance comprising Notes will be within the charge to capital acquisitions tax (which subject to available exemptions and reliefs, is currently levied at 33 per cent.) if either (i) the disponer or the donee/successor in relation to the gift or inheritance is resident or ordinarily resident in Ireland (or, in certain circumstances, if the disponer is domiciled in Ireland irrespective of his residence or that of the donee/successor) on the relevant date or (ii) if the Notes are regarded as property situate in Ireland (i.e. if the Notes are physically located in Ireland or if the register of the Notes is maintained in Ireland). The Notes may be regarded as situated in Ireland regardless of their physical location or the location of the register if they are secured over Irish property, and they themselves secure a debt due by an Irish resident debtor. Accordingly, if such Notes are comprised in a gift or inheritance, the gift or inheritance may be within the charge to tax regardless of the residence status of the disponer or the donee/successor.

Stamp Duty

No stamp duty or similar tax is imposed in Ireland (on the basis of an exemption provided for in Section 85(2)(c) of the Stamp Duties Consolidation Act, 1999 so long as the Issuer is a qualifying company for the purposes of Section 110 of the TCA and the proceeds of the Notes are used in the course of the Issuer's business), on the issue, transfer or redemption of the Notes.

3. United States Federal Income Taxation

Introduction

This is a discussion of certain U.S. federal income tax consequences of the acquisition, ownership, disposition, and retirement of the Notes. Except as expressly set out below, this discussion does not describe all of the tax consequences that may be relevant to investors in light of their particular circumstances, nor does it address any aspect of state, local or non-U.S. tax laws, alternative minimum tax and Medicare contribution tax consequences, the possible application of U.S. federal gift or estate taxes, or special tax accounting rules as a result of any item of gross income with respect to the Notes being taken into account on an applicable financial statement. In particular, except as expressly set out below, this discussion does not address differing tax consequences that may apply to an investor subject to special treatment, for instance:

(i) a financial institution, insurance company, real estate investment trust, regulated investment company or grantor trust;

(ii) a dealer or trader in securities that uses a mark-to-market method of tax accounting with respect to the Notes;

(iii) an investor holding notes as part of a "straddle" or integrated transaction;

(iv) a former citizen or resident of the United States;

(v) a U.S. holder (as defined below) whose functional currency is not the U.S. dollar;

(vi) a tax-exempt entity; or

(vii) a partnership or other pass through entity for U.S. federal income tax purposes.

This discussion considers only investors that will hold Notes as capital assets, is generally limited to the tax consequences to initial investors that purchase Notes upon their initial issuance and, in the case of Rated Notes, at their initial issue price, and, except as expressly set forth below, does not address the consequences to U.S. holders of the contribution of cash to the Issuer by a holder of Subordinated Notes or of the issuance of additional Notes.

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

(i) a citizen or individual resident of the United States;

(ii) a corporation created or organised under the laws of the United States or any political subdivision thereof or therein; or

(iii) an estate or trust, the income of which is subject to U.S. federal income tax regardless of the source.

The term "**non-U.S. holder**" means, for purposes of this discussion, a beneficial owner of a Note, other than a partnership, that is not a U.S. holder.

In the case of an investor that is a partnership for U.S. federal income tax purposes, the U.S. federal income tax treatment of such partnership and its partners will generally depend on the partnership's activities and status of the partners. Such a partner or partnership should consult its own tax advisor as to the consequences of the acquisition, ownership, disposition and retirement of the Notes.

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

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

United States Taxation of the Issuer

Generally. The Issuer will be treated as a foreign corporation for U.S. federal income tax purposes.

United States Federal Income Taxes. The Issuer intends to operate so as not to be subject to U.S. federal income tax on its net income. In this regard, the Issuer will receive an opinion of Cadwalader, Wickersham & Taft LLP to the effect that, if the Issuer and the Collateral Manager comply with the Trust Deed and the Collateral Management and Administration Agreement, including certain investment guidelines referenced therein (the "**Trading Restrictions**") and certain other assumptions specified in the opinion are satisfied, the Issuer will not be treated as engaged in a trade or business within the United States for U.S. federal income tax purposes under current law. Failure of the Issuer to comply with the Trading Restrictions or the Trust Deed may not give rise to a default or an Event of Default under the Trust Deed or the Collateral Management and Administration Agreement and may not give rise to a claim against the Issuer or the Collateral Manager. In the event of such a failure, the Issuer could be treated as engaged in a U.S. trade or business for U.S. federal income tax purposes. In addition, the Trading Restrictions permit the Issuer to receive advice from other nationally recognised U.S. tax counsel to the effect that any changes in its structure and operations or deviations from the Trading Restrictions will not cause the Issuer to be treated as engaged in a trade or business within the United States for U.S. federal income tax purposes. The opinion of Cadwalader, Wickersham & Taft LLP will assume the correctness of any such advice. The opinion of Cadwalader, Wickersham & Taft LLP is not binding on the IRS or the courts. Moreover, a change in law or its interpretation could result in the Issuer being treated as engaged in a trade or business in the United States for U.S. federal income tax purposes, or otherwise subject to U.S. federal income tax on a net income basis. Finally, the opinion of Cadwalader, Wickersham & Taft LLP does not address the effects of any supplemental trust deeds.

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 would be subject under the Code to the regular U.S. corporate income tax on such effectively connected taxable income (computed possibly without any allowance for deductions) and possibly to a 30% branch profits tax and state and local taxes as well. The imposition of such taxes on the Issuer would 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.

Withholding and Gross Income Taxes. Although the Issuer does not intend to be subject to U.S. federal income tax with respect to its net income, income derived by the Issuer may be subject to withholding or gross income taxes imposed by the United States or other countries, and the imposition of such taxes could materially affect its financial ability to make payments on the Notes. In this regard and subject to certain exceptions, the Issuer may generally only acquire a particular Obligation if, at the time of commitment to purchase, either the interest payments thereon are not subject to withholding tax or the issuer of the Obligation is required to make "gross-up" payments. Notwithstanding the foregoing, there can be no assurance that income derived by the Issuer will not become subject to withholding or gross income taxes as a result of changes in law, contrary conclusions by the IRS, or other causes. In that event, such withholding or gross income taxes could be applied retroactively to fees or other income previously received by the Issuer. To the extent that withholding or gross income taxes are imposed

and not paid through withholding, the Issuer may be directly liable to the taxing authority to pay such taxes.

Representations. Each holder and beneficial owner of a Class E Note, Class F Note or Subordinated Note that is not a "United States person" (as defined in Section 7701(a)(30) of the Code) will make, or by acquiring such Note or an interest therein will be deemed to make, a representation to the effect that (A) either (i) it is not a bank (or an affiliate of a bank), (ii) it is a person that is eligible for benefits under an income tax treaty with the United States that eliminates U.S. federal income taxation of U.S. source interest not attributable to a permanent establishment in the United States or (iii) 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 (B) it is not purchasing the Note in order to reduce its U.S. federal income tax liability pursuant to a tax avoidance plan within the meaning of U.S. Treasury Regulation Section 1.881-3.

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

Characterisation of the Rated Notes. Upon the issuance of the Notes, Allen & Overy LLP will deliver an opinion generally to the effect that under current law, assuming compliance with the Transaction Documents, and based on certain assumptions and factual representations made by the Issuer and/or the Collateral Manager, the Class X Notes, the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes will be treated, and the Class E Notes should be treated, as debt of the Issuer for U.S. federal income tax purposes. No opinion will be given in respect of the Class F Notes, although the Issuer intends to treat the Class F Notes as debt of the Issuer for U.S. federal income tax purposes.

The Issuer has agreed and, by its acceptance of a Rated Note, each Noteholder of a Rated Note (or any interest therein) will be deemed to have agreed, to treat the Rated Notes as debt of the Issuer for U.S. federal income tax purposes, except as otherwise required by applicable law. The determination of whether a Rated Note will or should be treated as debt for United States federal income tax purposes is based on the facts and circumstances existing at the time the Rated Note is issued. Prospective investors should be aware that opinions of counsel are not binding on the IRS, and there can be no assurance that the IRS will not seek to characterise as something other than indebtedness any particular Class or Classes of the Rated Notes. Except as discussed under "*—Alternative Characterisation of the Rated Notes*" below, the balance of this discussion assumes that the Rated Notes of all Classes will be characterised as debt of the Issuer for U.S. federal income tax purposes.

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

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

interest, a U.S. holder may have additional foreign currency gain or loss upon a subsequent disposition of the Euro received.

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

Prospective U.S. holders should note that to the extent that interest payments on the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes (together the "**Deferrable Notes**") are not made on a relevant Payment Date, such unpaid interest amounts will, unless the relevant Class of Notes is the Controlling Class and a Frequency Switch Event has occurred, be deferred and the amount thereof added to the aggregate principal amount of such Notes. Consequently, such interest is not unconditionally payable in cash or property at least annually and will not be treated as "qualified stated interest". Therefore, all of the stated interest payments on each of the Deferrable Notes, will be included in the stated redemption price at maturity of such Notes, and as a result the Deferrable Notes will be treated as issued with OID.

It is possible, however, that the IRS could assert, and a court ultimately hold, that some other method of accruing OID, such as the provisions of Section 1272(a)(6) of the Code (debt instruments that may be accelerated by reason of the prepayment of other debt obligations securing such debt instruments) are applicable to the Rated Notes that are treated as issued with OID. Special tax rules principally relating to the accrual of OID, market discount, and bond premium apply to debt instruments described in Section 1272(a)(6). Further, those debt instruments may not be treated for U.S. federal income tax purposes as part of an integrated transaction with a related hedge under Treasury Regulation Section 1.1275-6. Prospective investors should consult with their own tax advisors regarding the effects of Section 1272(a)(6) of the Code.

If a U.S. holder holds a Rated Note with OID (an "**OID Note**") such U.S. holder may be required to include OID in income before receipt of the associated cash payment, regardless of the U.S. holder's accounting method for tax purposes. If the U.S. holder is an initial purchaser of an OID Note, the amount of the OID includible in income is the sum of the daily accruals of the OID for the Note for each day during the taxable year (or portion of the taxable year) in which such U.S. holder held the OID Note. The daily portion is determined by allocating the OID for each day of the accrual period. An accrual period may be of any length and the accrual periods may even vary in length over the term of the OID Note, provided that each accrual period is no longer than one year and each scheduled payment of principal or interest occurs either on the first day of an accrual period or on the final day of an accrual period. The amount of OID allocable to an accrual period is equal to the difference between: (a) the product of the "adjusted issue price" of the OID Note at the beginning of the accrual period and its yield to maturity (computed generally on a constant yield method and compounded at the end of each accrual period, taking into account the length of the particular accrual period); and (b) the amount of any qualified stated interest allocable to the accrual period. The "adjusted issue price" of an OID Note at the beginning of any accrual period is the sum of the issue price of the OID Note plus the amount of OID allocable to all prior accrual periods reduced by any payments the U.S. holder received on the OID Note that were not qualified stated interest. Under these rules, the U.S. holder generally will have to include in income increasingly greater amounts of OID in successive accrual periods.

Each class of Rated Notes will be "variable rate debt instruments" if such class of Rated Notes (a) has an issue price that does not exceed the total non-contingent principal payments on such class of Rated Notes by more than an amount equal to the lesser of: (i) 0.015 multiplied by the product of such total non-contingent principal payments and the number of complete years to maturity of such class of Rated Notes; and (ii) 15 per cent. of the total non-contingent principal payments on such class of Rated Notes; (b) provides for stated interest (compounded or paid at least annually) at the current value of one or

more qualified floating rates, including the EURIBOR rate, on such class of Rated Notes; and (c) does not provide for any principal payments that are contingent. The Rated Notes will qualify as variable rate debt instruments, provided the issue price is not more than 115,000 Euro per 100,000 Euro principal amount. Interest payments on certain "variable rate debt instruments" may be considered qualified stated interest.

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

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

Interest on the Notes received by a U.S. holder will generally be treated as foreign source "passive income" for U.S. foreign tax credit purposes, or, in certain cases, "general category income".

Noteholders should consult their own tax advisors with respect to the federal income tax treatment of any contribution, including the likelihood that such contribution will be treated as an equity interest in the Issuer.

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

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

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

Reference Rate Amendment. The Issuer may enter into one or more supplemental trust deeds or another modification to change the reference rate in respect of the Floating Rate Notes to an alternative reference rate (such change, a "**Reference Rate Amendment**"). It is possible that a Reference Rate

Amendment will be treated as a deemed exchange of old notes for new notes, which may be taxable to U.S. Holders. U.S. Holders should consult with their own tax advisors regarding the potential consequences of a Reference Rate Amendment.

Alternative Characterisation of the Rated Notes. As described above under "*U.S. Federal Tax Treatment of the U.S. Holders of the Rated 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 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 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 (although such a protective election may not be respected by the IRS because current regulations do not specifically authorize such an election). Such a U.S. Holder also will be required to file an annual PFIC report. The Issuer will provide, upon request and at the holder's expense, all information and documentation that a U.S. Holder of Class E Notes or Class F Notes is required to obtain for U.S. federal income tax purposes in order to make and maintain a "protective" QEF election. If the Class E Notes or Class F Notes are treated as equity, a U.S. Holder will also 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 generally would be subject to the rules discussed below under "*U.S. Federal Tax Treatment of U.S. Holders of Subordinated Notes—Investment in a Controlled Foreign Corporation*" with respect to its Class E Notes or Class F Notes.

If the Issuer holds a Collateral Obligation that is 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 will 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 will be required to file an IRS Form 5471 with the IRS if the U.S. Holder is treated as owning (actually or constructively) at least 10 per cent. by 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.

U.S. Tax Treatment of U.S. holders of the Subordinated Notes

The Issuer has agreed and, by its acceptance of a Subordinated Note, each Noteholder of a Subordinated Note will be deemed to have agreed, to treat all Subordinated Notes as equity in the Issuer for U.S. federal income tax purposes, except as otherwise required by any U.S. governmental authority. If U.S. holders of the Subordinated Notes were treated as owning debt of the Issuer, the U.S. federal income tax consequences to those U.S. holders would be as described under "*U.S. Federal Tax Treatment of U.S. Holders of the Rated Notes*". The balance of this discussion assumes that the Subordinated Notes will properly be characterised as equity in the Issuer. Prospective investors should consult their own tax advisors regarding the consequences of acquiring, holding or disposing of the Subordinated Notes.

Amounts contributed to the Issuer as a contribution that otherwise would have been distributed on the Notes will be deemed (for federal income tax purposes) paid to the contributing Noteholder and then contributed to the Issuer. In addition, a contribution may be treated as equity in the Issuer and could affect the allocation of income to all of the Subordinated Notes under the QEF and CFC rules discussed below. Prospective Noteholders should consult their own tax advisors with respect to the federal income tax treatment of a contribution (including the likelihood that such contribution will be treated as an equity interest in the Issuer).

Investment in a Passive Foreign Investment Company. A non-U.S. corporation will be classified as a PFIC for U.S. federal income tax purposes if 75 per cent. or more of its gross income (including the pro rata share of the gross income of any corporation in which the non-U.S. corporation is considered to own 25 per cent. or more of the shares by value) in a taxable year is passive income. Alternatively, a non-U.S. corporation will be classified as a PFIC if at least 50 per cent. of its assets, averaged over the year and generally determined based on fair market value (including the pro rata share of the assets of any corporation in which the Issuer is considered to own 25 per cent., or more of the shares by value) are held for the production of, or produce, passive income.

Based on the assets that the Issuer expects to hold and the income anticipated thereon, it is highly likely that the Issuer will be classified as a PFIC for U.S. federal income tax purposes. Accordingly, the following discussion assumes that the Issuer will be a PFIC throughout the term of the Subordinated Notes, and U.S. holders of Subordinated Notes should assume that they will be subject to the U.S. federal income tax consequences described below that result from owning stock in a PFIC (subject to the discussion below under "*Investment in a Controlled Foreign Corporation*").

Unless a U.S. holder elects to treat the Issuer as a QEF (as described in the next paragraph), upon certain distributions ("excess distributions") by the Issuer and upon a disposition of the Subordinated Notes at a gain, the U.S. holder will be liable to pay tax at the highest tax rate on ordinary income in effect for each period to which the income is allocated plus interest on the tax, as if such distributions and gain had been recognised rateably over the U.S. holder's holding period for the Subordinated Notes. An interest charge is also applied to the deferred tax amount resulting from the deemed rateable distribution.

If a U.S. holder elects to treat the Issuer as a QEF for the first year of its holding period, distributions and gain will not be taxed as if recognised rateably over the U.S. holder's holding period or subject to an interest charge. Instead, a U.S. holder that makes a QEF election is required for each taxable year to include in income the U.S. holder's pro rata share of the ordinary earnings of the qualified electing fund as ordinary income and a pro rata share of the net capital gain of the qualified electing fund as capital

gain, regardless of whether such earnings or gain have in fact been distributed (assuming the discussion below under "*Investment in a Controlled Foreign Corporation*" does not apply), and subject to a separate election to defer payment of taxes, which deferral is subject to an interest charge. Consequently, in order to comply with the requirements of a QEF election, a U.S. holder must receive from the Issuer certain information ("**QEF Information**"). The Issuer will cause its independent accountants to provide U.S. holders of the Class E Notes, Class F Notes or the Subordinated Notes, upon request by such U.S. holder and at the Issuer's expense, with the information reasonably available to the Issuer that a U.S. holder would need to make a QEF election. Except as expressly noted, the discussion below assumes that a QEF election will not be made.

As a result of the nature of the Collateral Obligations that the Issuer intends to hold, the Issuer may hold investments treated as equity of foreign corporations that are PFICs. In such a case, assuming that the Issuer is a PFIC, a U.S. holder would be treated as owning its pro rata share of the stock of the PFIC owned by the Issuer. Such a U.S. holder would be subject to the rules generally applicable to shareholders of PFICs discussed above with respect to distributions received by the Issuer from such PFIC and dispositions by the Issuer of the stock of such PFIC (even though the U.S. holder may not have received the proceeds of such distribution or disposition). Assuming the Issuer receives the necessary information from the PFIC in which it owns stock, certain U.S. holders may make the QEF election discussed above with respect to the stock of such PFIC at the Issuer's expense (as discussed above). However, no assurance can be given that the Issuer will be able to provide U.S. holders with such information.

If the Issuer is a PFIC, each U.S. holder of a Subordinated Note must make an annual return on IRS Form 8621, reporting distributions received and gains realised with respect to each PFIC in which the U.S. holder holds a direct or indirect interest. Prospective purchasers should consult their tax advisors regarding the potential application of the PFIC rules. Special rules apply to certain regulated investment companies that own interests in PFICs and any such investor should consult with its own tax advisor regarding the consequences to it of acquiring Subordinated Notes. If a U.S. holder does not file Form 8621, the statute of limitations on the assessment and collection of U.S. federal income taxes of such U.S. holder for the related tax year may not close before the date which is three years after the date on which such report is filed. Prospective investors should consult their own tax advisors regarding the potential application of the PFIC rules.

Investment in a Controlled Foreign Corporation. Depending on the degree of ownership of the Subordinated Notes and other equity interests in the Issuer by U.S. holders and whether the Subordinated Notes are treated as voting securities, the Issuer may constitute a CFC. In general, a non-U.S. corporation will constitute a CFC if more than 50 per cent. of the shares of the corporation, measured by reference to combined voting power or value, are owned, directly or indirectly, by "U.S. 10 per cent. Shareholders". A "**U.S. 10 per cent. Shareholder**", for this purpose, is any U.S. person that owns or is treated as owning under specified attribution rules, 10 per cent. or more of the combined voting power or value of all classes of shares of a non-U.S. corporation.

If the Issuer were treated as a CFC, a U.S. 10 per cent. Shareholder of the Issuer would be treated, subject to certain exceptions, as receiving a distribution, taxable as ordinary income at the end of the taxable year of the Issuer in an amount equal to that person's pro rata share of the "subpart F income" and investments in U.S. property of the Issuer. Among other items, and subject to certain exceptions, "subpart F income" includes dividends, interest, annuities, gains from the sale of shares and securities, certain gains from commodities transactions, certain types of insurance income and income from certain transactions with related parties. It is likely that, if the Issuer were to constitute a CFC, substantially all of its income would be subpart F income. In addition, special rules apply to determine the appropriate exchange rate to be used to translate such amounts treated as a distribution and the amount of any foreign currency gain or loss with respect to distributions of previously taxed amounts attributable to movements in exchange rates between the times of deemed and actual distributions. Certain income derived with respect to such CFC could be recharacterised as U.S. source income for U.S. foreign tax credit purposes. Unless otherwise noted, the discussion below assumes that the Issuer is not a CFC. U.S. holders should consult their tax advisors regarding these special rules.

If the Issuer were to constitute a CFC, for the period during which a U.S. holder of Subordinated Notes is a U.S. 10 per cent. Shareholder of the Issuer, such Noteholder generally would be taxable on the subpart F income and investments in U.S. property of the Issuer under rules described in the preceding

paragraph and not under the PFIC rules previously described. A U.S. holder that is a U.S. 10 per cent. Shareholder of the Issuer subject to the CFC rules for only a portion of the time during which it holds Subordinated Notes should consult its own tax advisor regarding the interaction of the PFIC and CFC rules. The Issuer will cause its independent accountants to provide U.S. holders of the Subordinated Notes, upon request by such U.S. holder and at the Issuer's expense, with the information reasonably available to the Issuer that a U.S. holder would need to comply with the CFC rules.

Distributions on the Subordinated Notes. Except to the extent that distributions are attributable to amounts previously taxed pursuant to the CFC rules or a QEF election is made, some or all of any distributions with respect to the Subordinated Notes may constitute excess distributions, taxable as previously described. Distributions of current or accumulated earnings and profits of the Issuer which are not excess distributions will be taxed as dividends when received. The amount of such income is determined by translating Euro received into U.S. dollars at the spot rate on the date of receipt. A U.S. holder may realise foreign currency gain or loss on a subsequent disposition of the Euro received.

Disposition of the Subordinated Notes. In general, a U.S. holder of a Subordinated Note will recognise gain or loss upon the sale or exchange of the Subordinated Note equal to the difference between the amount realised and such Noteholder's adjusted tax basis in such Subordinated Note. Initially, the tax basis of a U.S. holder should equal the amount paid for a Subordinated Note. Such basis will be increased by amounts taxable to such Noteholder by virtue of the QEF or CFC rules (if applicable), and decreased by actual distributions from the Issuer that are deemed to consist of such previously taxed amounts or are treated as a non-taxable return of capital. A U.S. holder that receives foreign currency upon the sale or other disposition of the Subordinated Notes generally will realise an amount equal to the U.S. Dollar value of the foreign currency on the date of sale. A U.S. holder will have a tax basis in the foreign currency received equal to the U.S. Dollar amount realised. If, however, the Subordinated Notes are traded on an established securities market, a cash basis U.S. holder or electing accrual basis U.S. holder will determine the amount realised on the settlement date.

Unless a QEF election is made, it is highly likely that any gain realised on the sale or exchange of a Subordinated Note will be treated as an excess distribution and taxed as ordinary income under the special tax rules described above (assuming that the PFIC rules apply and not the CFC rules).

Subject to a special limitation for individual U.S. holders that have held the Subordinated Notes for more than one year, if the Issuer were treated as a CFC and a U.S. holder were treated as a U.S. 10 per cent. Shareholder therein, then any gain realised by such Noteholder upon the disposition of Subordinated Notes would be treated as ordinary income to the extent of the U.S. holder's pro rata share of current and accumulated earnings and profits of the Issuer. In this respect, earnings and profits would not include any amounts previously taxed pursuant to the CFC rules.

Foreign Currency Gain or Loss. A U.S. holder of Subordinated Notes (or other Notes treated as equity interests in the Issuer) that recognises income from the Subordinated Notes under the QEF or CFC rules discussed above will recognise foreign currency gain or loss attributable to movement in foreign exchange rates between the date when it recognised income under those rules and the date when the income actually is distributed. Any such foreign currency gain or loss will be treated as ordinary income or loss from the same source as the associated income inclusion.

A U.S. holder that receives foreign currency upon the sale or other disposition of the Subordinated Notes generally will realise an amount equal to the U.S. dollar value of the foreign currency on the date of sale or disposition. A U.S. holder will have a tax basis in the foreign currency received equal to the U.S. dollar amount realised. Any gain or loss realised by a U.S. holder upon the subsequent disposition of any foreign currency will be foreign currency gain or loss, generally treated as U.S. source ordinary income or loss.

As a result of the uncertainty regarding the U.S. federal income tax consequences to U.S. holders with respect to the Notes and the complexity of the foregoing rules, each U.S. holder of a Note is urged to consult its own tax advisor regarding the U.S. federal income tax consequences to the holder of the purchase, ownership and disposition of the Note.

Transfer and Other Reporting Requirements

In general, U.S. holders who acquire Subordinated Notes (or any Class of Notes that is recharacterised as equity in the Issuer) for cash may be required to file a Form 926 with the IRS and to supply certain additional information to the IRS if (i) such U.S. holder owns (directly or indirectly) immediately after the transfer, at least 10 per cent. by vote or value of the Issuer or (ii) the transfer when aggregated with all related transfers under applicable regulations, exceeds U.S.$100,000. In the event a U.S. holder that is required to file fails to file such form, that U.S. holder could be subject to a penalty of up to U.S.$100,000 (computed as 10 per cent. of the gross amount paid for the Subordinated Notes) or more if the failure to file was due to intentional disregard of its obligation.

In addition, a U.S. holder of Subordinated Notes (or any Class of Notes that is recharacterised as equity in the Issuer) that owns (actually or constructively) at least 10 per cent., by vote or value of the Issuer (and each officer or director of the Issuer that is a U.S. citizen or resident) may be required to file an information return on IRS Form 5471. A U.S. holder of Subordinated Notes generally is required to provide additional information regarding the Issuer annually on IRS Form 5471 if it owns (actually or constructively) more than 50 per cent. by vote or value of the Issuer. U.S. holders should consult their own tax advisors regarding whether they are required to file IRS Form 5471. In the event a U.S. holder that is required to file such form fails to file such form, the U.S. holder could be subject to a penalty of U.S.$ 10,000 for each such failure to file (in addition to other consequences).

Prospective investors in the Subordinated Notes (or any Class of Notes or other interest that could be recharacterised as equity in the Issuer) should consult with their own tax advisors regarding whether they are required to file IRS Form 8886 in respect of the Notes. Such filing generally will be required if such investors file U.S. federal income tax returns or U.S. federal information returns and recognise losses in excess of a specified threshold, and significant penalties may be imposed on taxpayers that fail to file the form timely. Such filing will also generally be required by a U.S. holder of the Subordinated Notes if the Issuer both participates in certain types of transactions that are treated as "reportable transactions," such as a transaction in which its loss exceeds a specified threshold, and either (x) such U.S. holder owns 10 per cent, or more of the aggregate amount of the Subordinated Notes and makes a QEF Election with respect to the Issuer or (y) the Issuer is treated as a CFC and such U.S. holder is a "U.S. 10 per cent. Shareholder" (as defined above) of the Issuer. If the Issuer does participate in a reportable transaction, it will make reasonable efforts to make such information available. Significant penalties may be imposed on taxpayers required to file Form 8886 that fail to do so timely.

Certain U.S. holders will be subject to reporting obligations with respect to their Notes if they do not hold them in an account maintained by a financial institution and the aggregate value of their Notes and certain other "specified foreign financial assets" exceeds certain U.S. dollar thresholds. Significant penalties can apply if a U.S. holder is required to disclose its Notes and fails to file IRS Form 8938. Prospective investors in the Notes should consult their own tax advisors concerning any possible disclosure obligations with respect to their ownership or disposition of the Notes in light of their particular circumstances.

Failure to file an applicable IRS Form will generally extend the statute of limitations for all or a portion of a taxpayer's related income tax return until at least three years after the date on which the relevant form is subsequently filed.

U.S. Tax Treatment of Non-U.S. holders of Notes

Subject to the discussions below under "*Information Reporting and Backup Withholding*" and "*Foreign Account Tax Compliance Act*", payments, including interest, OID and any amounts treated as dividends, on a Note to a non-U.S. holder and gain realised on the sale, exchange or retirement of a Note by a non-U.S. holder, will not be subject to U.S. federal income or withholding tax, unless (a) such income is effectively connected with a trade or business conducted by such non-U.S. holder in the United States; or (b) in the case of U.S. federal income tax imposed on gain, such non-U.S. holder is a non-resident alien individual who holds a Note as a capital asset and is present in the United States for 183 days or more in the taxable year of sale and certain other conditions are satisfied.

Information Reporting and Backup Withholding

The amount of interest and principal paid or accrued on the Notes, and the proceeds from the sale of a Note, in each case, paid within the United States or by a U.S. payor or U.S. middleman to a U.S. person (other than a corporation or other exempt recipient) will be reported to the IRS. Under the Code, a U.S. person may be subject, under certain circumstances, to "backup withholding tax" with respect to interest and principal on a Note or the gross proceeds from the sale of a Note paid within the United States or by a U.S. middleman or U.S. payor to a U.S. person. Backup withholding tax generally applies only if the U.S. person: (a) fails to furnish its social security or other taxpayer identification number within a reasonable time after the request therefore; (b) furnishes an incorrect taxpayer identification number; (c) is notified by the IRS that it has failed to properly report interest OID or dividends; or (d) fails, under certain circumstances, to provide a certified statement, signed under penalty of perjury, that it has furnished a correct taxpayer identification number and has not been notified by the IRS that it is subject to backup withholding tax for failure to report interest and dividend payments.

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

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

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

4. ***Foreign Account Tax Compliance Act***

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

The Issuer will use best efforts to comply with the US-Ireland IGA and the Irish legislation and regulations implementing the US-Ireland IGA. The Issuer expects to require (and that an intermediary will require) each Noteholder to provide certifications and identifying information about itself and its owners (or beneficial owners) in order to enable the Issuer (or an intermediary) to identify and report on certain Noteholders and certain of the Noteholder's direct and indirect U.S. beneficial owners to the IRS or the Irish Revenue Commissioners. Further, the Noteholder will be required to permit the Issuer to share such information with the relevant taxing authority. Although certain exceptions to these

disclosure requirements could apply, each Noteholder should assume that if it fails to provide the required information or otherwise prevents the Issuer from achieving FATCA Compliance, the Issuer (or an intermediary) may be compelled to force the sale of the Noteholder's Notes (and such sale could be for less than its then fair market value). FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on regulations, official guidance and the US-Ireland IGA, all of which are subject to change or may be implemented in a materially different form.

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

CERTAIN ERISA CONSIDERATIONS

ERISA imposes certain requirements on "employee benefit plans" subject thereto including entities (such as collective investment funds, insurance company separate accounts and some insurance company general accounts) the underlying assets of which include the assets of such plans (collectively, "**ERISA Plans**"), and on those persons who are fiduciaries with respect to ERISA Plans. Investments by ERISA Plans are subject to ERISA's general fiduciary requirements, including the requirement of prudence, diversification, and that investments be made in accordance with the documents governing the plan. The prudence of a particular investment must be determined by the responsible fiduciary of an ERISA Plan by taking into account the ERISA Plan's particular circumstances and all of the facts and circumstances of the investment.

Section 406 of ERISA and Section 4975 of the Code prohibit certain transactions involving the assets of an ERISA Plan, as well as assets of those plans that are not subject to ERISA but which are subject to Section 4975 of the Code, such as individual retirement accounts and Keogh plans, and entities the underlying assets of which include the assets of such plans (together with ERISA Plans, "**Plans**") and certain persons (referred to as "parties in interest" under ERISA or "disqualified persons" under the Code (collectively, "**Parties in Interest**")) having certain relationships to such Plans, unless a statutory or administrative exception or exemption is applicable to the transaction. A Party in Interest who engages in a prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and the Code and the transaction may have to be rescinded at significant cost to the Issuer.

Governmental plans (as defined in Section 3(32) of ERISA), certain church plans (as defined in Section 3(33) of ERISA) and non-U.S. plans (as described in Section 4(b)(4) of ERISA), while not subject to the fiduciary responsibility or prohibited transaction provisions of ERISA or the provisions of Section 4975 of the Code, may nevertheless be subject to rules under federal, state, local or non-U.S. laws or regulations that are substantially similar to Section 406 of ERISA and/or Section 4975 of the Code, and may be subject to the prohibited transaction rules of Section 503 of the Code.

Under ERISA and a regulation issued by the United States Department of Labor (29 C.F.R. Section 2510.3-101, as modified by Section 3(42) of ERISA, (the "**Plan Asset Regulation**")), if a Plan invests in an "equity interest" of an entity that is neither a "publicly offered security" nor a security issued by an investment company registered under the Investment Company Act of 1940, the Plan's assets are deemed to include both the equity interest and an undivided interest in each of the entity's underlying assets, unless it is established (a) that the entity is an "operating company," as that term is defined in the Plan Asset Regulation, or (b) that less than 25 per cent. of the total value of each class of equity interest in the entity, disregarding the value of any equity interests held by persons (other than Benefit Plan Investors) with discretionary authority or control over the assets of the entity or who provide investment advice for a fee (direct or indirect) with respect to such assets (such as the Collateral Manager), and their respective Affiliates (each a "**Controlling Person**"), is held by Benefit Plan Investors (the "**25 per cent. Limitation**"). A "Benefit Plan Investor" means (1) an employee benefit plan (as defined in Section 3(3) of ERISA), subject to the provisions of Part 4 of Subtitle B of Title I of ERISA, (2) a plan to which Section 4975 of the Code applies, or (3) any entity whose underlying assets include “plan assets” by reason of such an employee benefit plan or plan's investment in such entity.

If the underlying assets of the Issuer are deemed to be Plan assets, the obligations and other responsibilities of Plan sponsors, Plan fiduciaries and Plan administrators, and of Parties in Interest, under Parts 1 and 4 of Subtitle B of Title I of ERISA and Section 4975 of the Code, as applicable, may be expanded, and there may be an increase in their exposure to liability under these and other provisions of ERISA and the Code. In addition, various providers of fiduciary or other services to the Issuer, and any other parties with authority or control with respect to the Issuer, could be deemed to be Plan fiduciaries or otherwise parties in interest or disqualified persons by virtue of their provision of such services (and there could be an improper delegation of authority to 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 X Notes, 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 X Notes, 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. The characteristics of the Class E Notes, the Class F Notes, the Class M-1 Subordinated Notes, the Class M-2 Subordinated Notes and

the Class M-3 Subordinated Notes for purposes of the Plan Asset Regulation are less certain. The Class E Notes, the Class F Notes, the Class M-1 Subordinated Notes, the Class M-2 Subordinated Notes and the Class M-3 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, Class F Notes, Class M-1 Subordinated Notes, the Class M-2 Subordinated Notes and Class M-3 Subordinated Notes. In reliance on representations (deemed and actual) made by investors in the Class E Notes, the Class F Notes, the Class M-1 Subordinated Notes, the Class M-2 Subordinated Notes and the Class M-3 Subordinated Notes, the Issuer intends to limit investment by Benefit Plan Investors in each of the Class E Notes, the Class F Notes, the Class M-1 Subordinated Notes, the Class M-2 Subordinated Notes and the Class M-3 Subordinated Notes to less than 25 per cent. of the total value of the Class E Notes, the Class F Notes, the Class M-1 Subordinated Notes, the Class M-2 Subordinated Notes and the Class M-3 Subordinated Notes (determined separately by class) at all times (excluding for purposes of such calculation the Class E Notes, the Class F Notes, the Class M-1 Subordinated Notes, the Class M-2 Subordinated Notes and the Class M-3 Subordinated Notes (and any interests therein) held by a Controlling Person). Each prospective purchaser (including a transferee) of a Class E Note, a Class F Note, a Class M-1 Subordinated Note, a Class M-2 Subordinated Note or a Class M-3 Subordinated Note (or any interest in any such Note) will be required to make, or will be deemed to have made, 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 Notes, Class F Notes, Class M-1 Subordinated Notes, Class M-2 Subordinated Notes or Class M-3 Subordinated Notes will be sold or transferred to purchasers that have represented that they are Benefit Plan Investors or Controlling Persons to the extent that such sale may result in Benefit Plan Investors owning 25 per cent. or more of the total value of the Class E Notes, the Class F Notes, the Class M-1 Subordinated Notes, the Class M-2 Subordinated Notes and the Class M-3 Subordinated Notes (determined separately by class and in accordance with the Plan Asset Regulation and the Trust Deed). Except as otherwise provided by the Plan Asset Regulation, each Class E Note, Class F Note, Class M-1 Subordinated Note, Class M-2 Subordinated Note and Class M-3 Subordinated Note (and any interest therein) held by persons that have represented that they are Controlling Persons will be disregarded and will not be treated as outstanding for purposes of determining compliance with such 25 per cent. limitation.

If the purchaser or transferee of any Notes or beneficial interest therein is a Benefit Plan Investor, it will be deemed to represent, warrant and agree that (i) none of the Issuer, the Initial Purchaser, the Trustee or the Collateral Manager or any of their respective affiliates has provided any investment advice within the meaning of Section 3(21) of ERISA to the Benefit Plan Investor, or to any fiduciary or other person investing the assets of the Benefit Plan Investor ("**Fiduciary**"), in connection with its acquisition of Notes, and (ii) the Fiduciary is exercising its own independent judgment in evaluating the investment in the Notes.

Even assuming the Class X Notes, the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes are not treated as equity interests in the Issuer for purposes of ERISA, it is possible that an investment in such Notes (or an investment in the Class E Notes, the Class F Notes, the Class M-1 Subordinated Notes, the Class M-2 Subordinated Notes or the Class M-3 Subordinated Notes) by a Benefit Plan Investor (or with the use of the assets of a Benefit Plan Investor) could be treated as a prohibited transaction under ERISA and/or Section 4975 of the Code. Such a prohibited transaction, however, may be subject to a statutory or administrative exemption. Even if an exemption were to apply, such exemption may not, however, apply to all of the transactions that could be deemed prohibited transactions in connection with an investment in the Notes by a Benefit Plan Investor.

Each of the Issuer, the Initial Purchaser, the Collateral Manager, a Collateral Manager Related Person 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 the Notes using the assets of a Plan over which any of such parties has investment authority might be deemed to be a violation of the prohibited transaction rules of ERISA and/or Section 4975 of the Code for which no exemption may be available. Accordingly, the Notes may not be acquired using the assets of any Plan if any of the Issuer, the Initial Purchaser, the Collateral Manager, a Collateral Manager Related Person or their respective Affiliates has investment authority with respect to such assets (except to the extent (if any) that a favourable statutory or administrative exemption or exception applies, or the transaction is not otherwise prohibited).

It should be noted that an insurance company's general account may be deemed to include assets of Plans under certain circumstances, e.g., where a Plan purchases an annuity contract issued by such an insurance company, based on the reasoning of the United States Supreme Court in John Hancock Mutual Life Ins. Co. v. Harris Trust and Savings Bank, 510 U.S. 86 (1993). An insurance company considering the purchase of Notes with

assets of its general account should consider such purchase and the insurance company's ability to make the representations described above in light of John Hancock Mutual Life Ins. Co. v. Harris Trust and Savings Bank, Section 401(c) of ERISA and a regulation promulgated by the U.S. Department of Labor under that Section of ERISA, 29 C.F.R. Section 2550.401c-1.

Each purchaser and transferee of a Class X Note, 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 substantially similar to the prohibited transaction provisions of Section 406 of ERISA and/or Section 4975 of the Code ("**Other Plan Law**"), and no part of the assets to be used by it to acquire or hold such Note or any interest therein constitutes the assets of any Benefit Plan Investor or such governmental, church, non-U.S. or other plan, or (B) its acquisition, holding and disposition of such Note (or any interest therein) will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code, or, in the case of a governmental, church, non-U.S. or other plan, a violation of any Other Plan Law, and (ii) it will not sell or transfer such Note (or interest therein) to a transferee acquiring such Note (or interest therein) unless the transferee makes or is deemed to make the foregoing representations, warranties and agreements described in clause (i) hereof.

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, or any interest in such Note, will be deemed to represent, warrant and agree that (i) it is not, and is not acting on behalf of (and for so long as it holds any such Note or interest therein will not be, and will not be acting on behalf of), a Benefit Plan Investor or Controlling Person unless it receives the written consent of the Issuer, provides an ERISA certificate to the Issuer as to its status as a Benefit Plan Investor or Controlling Person and, unless the written consent of the Issuer to the contrary is obtained with respect to securities purchased by an initial investor on the Issue Date, holds such Note in the form of a Definitive Certificate; (ii) (A) if it is, or is acting on behalf of, a Benefit Plan Investor, its acquisition, holding and disposition of such Note (or any interest therein) will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code, and (B) if it is a governmental, church, non-U.S. or other plan, (1) it is not, and for so long as it holds such Note or interest therein will not be, subject to any federal, state, local, non-U.S. or other law or regulation that could cause the underlying assets of the Issuer to be treated as assets of the investor in any Note (or any interest therein) by virtue of its interest and thereby subject the Issuer or the Collateral Manager (or other persons responsible for the investment and operation of the Issuer's assets) to any Other Plan Law ("**Similar Law**"), and (2) its acquisition, holding and disposition of such Note (or any interest therein) will not constitute or result in a violation of any Other Plan Law; and (iii) it agrees to certain transfer restrictions regarding its interest in such Note.

If it is a purchaser or transferee of a Class E Note, Class F Note or Subordinated Note in the form of a Definitive Certificate, it will be required to (i) represent and warrant in writing to the Issuer (1) whether or not, for so long as it holds such Note or interest therein, it is, or is acting on behalf of, a Benefit Plan Investor, (2) whether or not, for so long as it holds such Note or interest therein, it is a Controlling Person and (3) that (a) if it is, or is acting on behalf of, a Benefit Plan Investor, its acquisition, holding and disposition of such Note (or any interest therein) will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code and (b) if it is a governmental, church, non-U.S. plan or other plan, (x) it is not, and for so long as it holds such Note or interest therein will not be, subject to any Similar Law and (y) its acquisition, holding and disposition of such Note (or any interest therein) will not constitute or result in a violation of any Other Plan Law, and (ii) it agrees to certain transfer restrictions regarding its interest in such Note.

No transfer of Class E Notes, Class F Notes, Class M-1 Subordinated Notes, Class M-2 Subordinated Notes or Class M-3 Subordinated Notes, or any interest in such 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 Subordinated Notes, Class M-2 Subordinated Notes or Class M-3 Subordinated Notes (determined separately by class).

Any Plan fiduciary considering whether to acquire a Note on behalf of a Plan or an employee benefit plan not subject to ERISA or Section 4975 of the Code should consult with its counsel regarding the potential consequences of such investment, the applicability of the fiduciary responsibility and prohibited transaction provisions of ERISA, Section 4975 of the Code, Similar Law and 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

The following section consists of a summary of certain provisions of the Subscription Agreement *which does not purport to be complete and is qualified by reference to the detailed provisions of such agreements.*

Placement

Morgan Stanley & Co. International 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 "**Placed Notes**") pursuant to the Subscription Agreement, at the following issue prices:

(a) Class X Notes, 100.00 per cent.;

(b) Class A Notes, 100.00 per cent.;

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

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

(e) Class C Notes, 100.00 per cent.;

(f) Class D Notes, 100.00 per cent.;

(g) Class E Notes, 96.75 per cent.;

(h) Class F Notes, 93.66 per cent.;

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

(j) Class M-2 Subordinated Notes, 100.00 per cent; and

(k) Class M-3 Subordinated Notes, 100.00 per cent.

in each case less certain fees and expenses to be agreed between the Issuer and the Initial Purchaser.

The Subscription Agreement entitles the Initial Purchaser to terminate it in certain circumstances prior to payment being made to the Issuer. The Initial Purchaser may offer the Placed Notes at prices as may be privately negotiated at the time of sale, which may vary among different purchasers and may be different from the issue price of the Placed Notes.

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 X Notes: €2,000,000, Class A Notes: €244,000,000, Class B-1 Notes: €30,000,000, Class B-2 Notes: €15,000,000, Class C Notes: €23,300,000, Class D Notes: €26,000,000, Class E Notes: €20,000,000, Class F Notes: €11,800,000, Class M-1 Subordinated Notes: €16,500,000, Class M-2 Subordinated Notes: €18,600,000 and Class M-3 Subordinated Notes: €100,000.

The Collateral Manager has agreed with the Initial Purchaser, subject to the satisfaction of certain conditions, to purchase the Retention Notes on the Issue Date from the Initial Purchaser at a price not less than their respective issue prices specified herein pursuant to a retention notes purchase agreement to be entered into by the Initial Purchaser and the Retention Holder.

Under the terms of the Subscription Agreement, the Issuer has agreed to indemnify the Initial Purchaser and certain of its related parties against certain liabilities or to contribute to payments they may be required to make in respect thereof.

Certain of the Collateral Obligations may have been originally underwritten or placed by the Initial Purchaser or its Affiliates. In addition, the Initial Purchaser or its Affiliates may have in the past performed and may in the future perform investment banking services or other services for issuers of the Collateral Obligations. In addition, the Initial Purchaser and its Affiliates may from time to time, as a principal or through one or more

investment funds that it or they manage, make investments in the equity securities of one or more of the issuers of the Collateral Obligations, with a result that one or more of such issuers may be or may become controlled by the Initial Purchaser or its Affiliates.

In addition, in the ordinary course of their business activities, the Initial Purchaser and its Affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivatives securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments (including the Notes) of the Issuer. The Initial Purchaser and its Affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

No action has been or will be taken by the Issuer, the Initial Purchaser or the Collateral Manager that would permit a public offering of the Notes or possession or distribution of this Offering Circular or any other offering material in relation to the Notes in any jurisdiction where action for the purpose is required. No offers, sales or deliveries of any Notes, or distribution of this Offering Circular or any other offering material relating to the Notes, may be made in or from any jurisdiction, except in circumstances which will result in compliance with any applicable laws and regulations and will not impose any obligations on the Issuer or the Initial Purchaser.

United States of America - General

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 (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 Initial Purchaser proposes to resell each Class of the Notes (a) outside the United States to non-U.S. persons (as defined in Regulation S) 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/QPs. The Initial Purchaser may retain a certain proportion of the Notes in its portfolio 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.

Notes of each Class of Rated Notes in the form of Regulation S Notes will be issued in minimum denominations of €100,000 and integral multiples of €1,000 in excess thereof.

Each Class of Rated Notes in the form of Rule 144A Notes 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. persons (as defined in Regulation S) 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 (as defined in Regulation S) 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 Euronext Dublin. The Issuer, the Initial Purchaser reserves 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 the 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 (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.

General

The Initial Purchaser has also agreed to comply with the following selling restrictions:

(a) All applicable laws and regulations must be observed in any jurisdiction in which the Notes may be offered, sold or delivered. The Initial Purchaser has agreed that it will not offer, sell or deliver any of the Notes, directly or indirectly, or distribute this Offering Circular or any other offering material relating to the Notes, in or from any jurisdiction except under circumstances that will result in compliance with the applicable laws and regulations thereof and that will not impose any obligations on the Issuer except as set out in the Subscription Agreement.

(b) ***United Kingdom***: The Initial Purchaser has represented and agreed that:

(i) it has only communicated or caused to be communicated and will only communicated 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 (as amended) ("**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, from or otherwise involving the United Kingdom.

(c) ***State of Connecticut*****:** The Notes have not been registered under the Connecticut Securities Law. The securities are subject to restrictions on transferability and sale.

(d) ***State of Florida*****:** The Notes offered hereby will be sold to, and acquired by, the holder in a transaction exempt under Section 517.061 of the Florida Securities Act. The Notes have not been registered under the Florida Securities Act in the state of Florida. In addition, if sales are made to five or more persons in Florida, all Florida purchasers other than exempt institutions specified in Section 517.061(7) of the Florida Securities Act shall have the privilege of voiding the purchase within three (3) days after the first tender of consideration is made by such purchaser to the Issuer, an agent of the Issuer, or an escrow agent.

(e) ***State of Georgia*****:** The Notes have been issued or sold in reliance on paragraph (13) of Code Section 10-5-9 of the Georgia Securities Act of 1973, and will therefore not be sold or transferred except in a transaction which is exempt under such Act or pursuant to an effective registration under such Act.

(f) ***Prohibition of Sales to EEA Retail Investors***:

Initial Purchaser has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any 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:

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

(2) 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

(3) 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 Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

(g) ***Austria***: No offering circular or prospectus has been or will be approved and/or published pursuant to the Austrian Capital Markets Act (*Kapitalmarktgesetz*– KMG) (the "**KMG**") as amended. Neither this Offering Circular nor any other document connected therewith constitutes a prospectus according to the KMG and neither this Offering Circular 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.

(h) ***Bahrain***: This Offering Circular has not been approved by the Central Bank of Bahrain which takes no responsibility for its contents. The Initial Purchaser has represented and agreed that no offer to the public to purchase the Notes will be made in the Kingdom of Bahrain and this Offering Circular is intended to be read by the addressee only and will not be passed to, issued to, or shown to the public generally.

(i) ***Belgium***: The offering of Notes has not been and will not be notified to the Belgian Financial Services and Markets Authority (autoriteit voor financiële diensten en markten/autorité des services et marchés financiers) nor has this Offering Circular been, nor will it be, approved by the Belgian Financial Services and Markets Authority. The Notes may not be distributed in Belgium by way of an offer of the Notes to the public, as defined in Article 3, §1 of the Act of 16 June 2006 relating to public offers of investment instruments, as amended or replaced from time to time and taking into account the provisions of Directive 2010/73/EU that are sufficiently clear, precise and unconditional to be capable of vertical direct effect, save in those circumstances (commonly called 'private placement') set out in Article 3 §2 of the Act of 16 June 2006 relating to public offers of investment instruments, as amended or replaced from time to time and taking into account the provisions of Directive 2010/73/EU that are sufficiently clear, precise and unconditional to be capable of vertical direct effect. This document will be distributed in Belgium only to such investors for their personal use and exclusively for the purposes of this offering of the Notes. The Initial Purchaser has represented and agreed that it will not:

(i) offer for sale, sell or market the Notes in Belgium otherwise than in conformity with the Act of 16 June 2006 taking into account the provisions of Directive 2010/73/EU that are sufficiently clear, precise and unconditional to be capable of vertical direct effect; and

(ii) offer for sale, sell or market the Notes to any person qualifying as a consumer within the meaning of Article I.1 of the Code of Economic Law, as modified, otherwise than in conformity with such code and its implementing regulations.

(j) ***Cayman Islands***: The Initial Purchaser has represented and agreed that it will not make any invitation to the public in the Cayman Islands to subscribe for the Notes.

(k) ***Cyprus***: This document does not constitute an offer or solicitation to the public in Cyprus or to anyone in Cyprus other than a firm offering investment services, an insurance company or an undertaking for collective investment in transferable securities. This document does not constitute an offer or solicitation to any person to whom it is unlawful to make such an offer or solicitation.

(l) ***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 Chapter 6 or Chapter 12 of the Danish Notes Trading Act (Consolidated Act No. 883 of 9 August 2011, as amended from time to time) and the Danish Executive Order No. 223 of 10 March 2010 or the Danish Executive Order No. 222 of 10 March 2010, as amended from time to time, issued pursuant thereto.

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.

(m) ***France***: Neither this Offering Circular nor any other offering material relating to the Notes has been submitted to the clearance procedures of the Autorité des Marchés Financiers ("**AMF**") or to the competent authority of another member state of the European Economic Area and subsequently

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:

(1) released, issued, distributed or caused to be released, issued or distributed to the public in France; or

(2) 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:

(1) to qualified investors (investisseurs qualifiés) and/or to a restricted circle of investors (cercle restreint d'investisseurs), in each case investing for their own account, all as defined in, and in accordance with, Articles l.411-2, D.411-1, D.411-2, D.734-1, D.744-1, D.754-1 and D.764-1 of the French Code Monétaire et Financier ("**CMF**");

(2) to investment services providers authorised to engage in portfolio management on behalf of third parties; or

(3) 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.

(n) ***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.

(o) ***Hong Kong***: The contents of this Offering Circular have not been reviewed by any regulatory authority in Hong Kong. The Initial Purchaser has therefore represented and agreed that:

(i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes (except for Notes which are a 'structured products' as defined in the Securities and Futures Ordinance (cap. 571) of Hong Kong) other than (a) to 'professional investors' as defined in the Securities and Futures Ordinance and any rules made under that ordinance ("**professional investors**"); or (b) in other circumstances which do not result in the document being a 'prospectus' as defined in the Companies Ordinance (cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that ordinance; and

(ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if

permitted to do so under the Securities Laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors.

(p) ***India***: This Offering Circular has not been and will not be registered as a prospectus with the Registrar of Companies in India or with the Securities and Exchange Board of India. This Offering Circular or any other material relating to these Notes is for information purposes only and may not be circulated or distributed, directly or indirectly, to the public or any members of the public in India and in any event to not more than 50 persons in India. Further, persons into whose possession this Offering Circular comes are required to inform themselves about and to observe any such restrictions. Each prospective investor is advised to consult its advisors about the particular consequences to it of an investment in these Notes. Each prospective investor is also advised that any investment in these Notes by it is subject to the regulations prescribed by the Reserve Bank of India and the Foreign Exchange Management Act and any regulations framed thereunder.

(q) ***Ireland***: The Initial Purchaser has represented and agreed that:

(i) it has not and will not underwrite the issue of; or place the Notes otherwise than in conformity with the provisions of S.I. No. 375 of 2017 European Union (Markets in Financial Instruments) Regulations 2017 (as amended), and any codes of conduct or rules issued in connection therewith and any conditions or requirements, or other enactments, imposed or approved by the Central Bank of Ireland, and the provisions of the Investor Compensation Act 1998 (as amended);

(ii) it has not and will not underwrite the issue of, or place, the Notes, otherwise than in conformity with the provisions of the Irish Central Bank Acts 1942 to 2018 (as amended) and any codes of practice made under Section 117(1) of the Irish Central Bank Act 1989 (as amended) or any regulations made pursuant to Part 8 of the Central Bank (Supervision and Enforcement) Act 2013 (as amended);

(iii) it has not and will not underwrite the issue of, or place, or do anything in Ireland in respect of the Notes, otherwise than in conformity with the provisions of the Prospectus (Directive 2003/71/EC) Regulations 2005 (as amended), the Irish Companies Act 2014 and any rules issued under Section 1363 of the Irish Companies Act 2014, by the Central Bank of Ireland; and

(iv) it has not and will not underwrite the issue of, or place or otherwise act in Ireland in respect of the 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 of the Council of 16 April 2014 on market abuse and any rules issued under Section 1370 of the Irish Companies Act 2014 by the Central Bank of Ireland.

(r) ***Israel***: This Offering Circular has not been approved by the Israeli Securities Authority and will only be distributed to Israeli residents in a manner that will not constitute 'an offer to the public' under sections 15 and 15a of the Israel Securities Law, 5728–1968 (the "**Securities Law**").

The Initial Purchaser has represented and agreed that the Notes will be offered to a limited number of investors (35 investors or fewer during any given 12 month period) and/or those categories of investors listed in the First Addendum (the "**Addendum**") to the Securities Law ("**Sophisticated Investors**"), namely joint investment funds or mutual trust funds, provident funds, insurance companies, banking corporations (purchasing the Notes for themselves or for clients who are Sophisticated Investors), portfolio managers (purchasing the Notes for themselves or for clients who are Sophisticated Investors), investment advisors or investment marketers (purchasing the Notes for themselves), members of the Tel–Aviv Stock Exchange (purchasing the Notes for themselves or for clients who are Sophisticated Investors), underwriters (purchasing the Notes for themselves), venture capital funds engaging mainly in the capital market, an entity which is wholly–owned by Sophisticated Investors,

corporations, other than formed for the specific purpose of an acquisition pursuant to an offer, with a shareholder's equity in excess of NIS 50 million, and individuals in respect of whom the terms of item 9 in the Schedule to the Investment Advice Law hold true, investing for their own account, each as defined in the said Addendum, as amended from time to time, and who in each case have provided written confirmation that they qualify as Sophisticated Investors, and that they are aware of the consequences of such designation and agree thereto; in all cases under circumstances that will fall within the private placement or other exemptions of the Securities Law and any applicable guidelines, pronouncements or rulings issued from time to time by the Israeli Securities Authority.

(s) ***Italy***: The sale of the Notes has not been cleared by CONSOB (the Italian Securities Exchange Commission) and the Bank of Italy pursuant to Italian Securities Legislation and, accordingly, the Initial Purchaser has represented and agreed that no Notes will be offered, sold or delivered, nor will copies of this Offering Circular or of any other document relating to the Notes be distributed in the Republic of Italy, except:

(i) to qualified investors (investitori qualificati) as defined under Article 34, paragraph 1, letter b), of CONSOB Regulation No. 11971 of 14 May 1999, as amended ("**Regulation 11971/1999**"); or

(ii) in circumstances which are exempted from the rules on offers of notes to be made to the public pursuant to Article 100 of Legislative Decree No. 58 of 24 February 1998 ("**Financial Services Act**") and Article 34, first paragraph, of Regulation 11971/1999.

The Initial Purchaser acknowledges that any offer, sale or delivery of the Notes in the Republic of Italy or distribution of copies of this Offering Circular or any other document relating to the Notes in the Republic of Italy under (i) and (ii) above must be:

(i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007 and Legislative Decree no. 385 of 1 September 1993, as amended; and

(ii) in compliance with any other applicable laws and regulations.

Investors should also note that in accordance with Article 100–BIS of the Financial Services Act, where no exemption under (ii) above applies, any subsequent distribution of the Notes on the secondary market in Italy must be made in compliance with the rules on offers of Notes to be made to the public provided under the Financial Services Act and the regulation 11971/1999. Failure to comply with such rules may result, *inter alia*, in the sale of such Notes being declared null and void and in the liability of the intermediary transferring the Notes for any damages suffered by the investors.

(t) ***Japan***: The Notes have not been and will not be registered pursuant to Article 4, paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended) and, accordingly, the Initial Purchaser has represented and agreed that none of the Notes nor any interest therein will be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any Japanese person, or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese person except under circumstances which will result in compliance with all applicable laws, regulations and guidelines promulgated by the relevant Japanese governmental and regulatory authorities and in effect at the relevant time. For this purpose, a "Japanese person" means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

(u) ***Jersey***: The Notes may not be offered to, sold to or purchased or held by persons (other than financial institutions) resident for income tax purposes in Jersey.

The Notes may only be issued or allotted exclusively to:

(i) a person whose ordinary activities involve him in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of his business or who it is reasonable to expect will acquire, hold, arrange or dispose of investments (as principal or agent) for the purposes of his business; or

(ii) a person who has received and acknowledged a warning to the effect that (a) the securities are only suitable for acquisition by a person who (i) has a significantly substantial asset base such as would enable him to sustain any loss that might be incurred as a result of acquiring the securities; and (ii) is sufficiently financially sophisticated to be reasonably expected to know the risks involved in acquiring the securities and (b) neither the issue of the securities nor the activities of any functionary with regard to the issue of the Notes are subject to all the provisions of the Financial Services (Jersey) Law 1998.

Each person who acquires securities will be deemed, by such acquisition, to have represented that he or it is one of the foregoing persons.

(v) ***The Grand Duchy of Luxembourg***:

The Notes may not be offered to the public in Luxembourg, except that they may be offered in Luxembourg in the following circumstances:

(i) in the period beginning on the date of publication of a prospectus in relation to those Notes which have been approved by the Commission de surveillance du secteur financier (the "**CSSF**") in Luxembourg or, where appropriate, approved in another relevant European Union Member State and notified to the CSSF, all in accordance with the Prospectus Directive and ending on the date which is 12 months after the date of such publication;

(ii) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;

(iii) at any time to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts; or

(iv) at any time in any other circumstances which do not require the publication by the Issuers of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer of Securities to the public" in relation to any Notes in Luxembourg 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 the Notes, as defined in the Law of 10 July 2005 on prospectuses for securities and implementing Directive 2003/71/EC on the prospectus to be published when securities are offered to the public or admitted to trading (the "**Prospectus Directive**"), or any variation thereof or amendment thereto.

(w) ***Netherlands***: The Notes may only be offered, sold or delivered in The Netherlands to qualified investors (as defined in the Dutch FSA) that do not qualify as "public" (within the meaning of the article 4(1) of the CRR).

(x) ***New Zealand***: This offer of Notes does not constitute an 'offer of securities to the public' for the purposes of the Securities Act 1978 and, accordingly, there is neither a registered prospectus nor an investment statement available in respect of the offer. The Initial Purchaser has therefore represented and agreed that the Notes will only be offered to persons whose principal business is the investment of money or who, in the course of and for the purposes of their business, habitually invest money in accordance with the Securities Act 1978 and the Securities Regulations 2009.

(y) ***Norway***: The Initial Purchaser has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in Norway (the "**Relevant Implementation Date**") it has not made and will not make an offer of notes to the public in Norway except that it may, with effect from and including the Relevant Implementation Date, make an offer of the notes to the public in Norway at any time:

(i) to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in notes;

(ii) to professional investors as defined in Section 1 of Annex II to Directive 2004/29/EC (as implemented in Norway); or

(iii) in any other circumstances which do not require the publication by the Issuer or any other entity of a document pursuant to Article 3 of the Prospectus Directive.

For the purposes of the provision above, the expression an 'offer of notes to the public' in relation to any Notes in Norway means the communication in any form and by any means of sufficient information on the terms of the offer and the notes to be offered so as to enable an investor to decide to purchase or subscribe for the notes, as the same may be varied in Norway by any measure implementing the Prospectus Directive in Norway and the expression 'Prospectus Directive' means Directive 2003/71/EC (as amended) and includes any relevant implementing measure in Norway.

(z) ***Portugal***: The Initial Purchaser has represented and agreed with the Issuers that: (i) it has not advertised, offered or sold and will not, directly or indirectly, advertise, offer or sell the Notes in circumstances which could qualify as a public offer of Notes pursuant to the Portuguese Securities Code (*Código dos Valores Mobiliário*s, the "**CVM**") which would require the publication by the Issuer of a prospectus under the Prospectus Directive or in circumstances which would qualify as an issue or public placement of notes in the Portuguese market; (ii) it has not distributed or caused to be distributed to the public in the Republic of Portugal this Offering Circular or any other offering material relating to the notes; (iii) all applicable provisions of the CVM, any applicable *Comissão do Mercado de Valores Mobiliários* (Portuguese Securities Market Commission, the "**CMVM**") Regulations and all applicable provisions of the Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003/Prospectus Directive have been complied with regarding the Notes, in any matters involving the Republic of Portugal.

(aa) ***Qatar***: The Initial Purchaser has represented and agreed that the Notes will only be offered to a limited number of investors who are willing and able to conduct an independent investigation of the risks involved in an investment in such Notes.

(bb) ***Saudi Arabia***: This Offering Circular may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Offers of Securities Regulations issued by the Saudi Arabian Capital Market Authority.

(cc) ***Singapore***: This Offering Circular has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, the Initial Purchaser has represented and agreed that the Notes will not be offered or sold or made the subject of an invitation for subscription or purchase, nor will this Offering Circular or any other offering document or material in connection with the offer or sale, or invitation for subscription or purchase of such Notes be circulated or distributed, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act (the "**SFA**"), (ii) to a relevant person pursuant to Section 275(1) of the SFA or any person pursuant to Section 275(1a) of the SFA, and in each case in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 by a relevant person which is:

(i) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(ii) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

'securities' (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within 6 months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

(1) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA or to any person where the transfer arises from an offer referred to in Section 275(1a) or Section 276(4)(i)(b) of the SFA;

(2) where no consideration is or will be given for the transfer;

(3) where the transfer is by operation of law; or

(4) as specified in Section 276(7) of the SFA.

(dd) ***South Korea***: The Notes have not been registered with the Financial Services Commission of Korea for a public offering in Korea. The Initial Purchaser has therefore represented and agreed that the Notes have not been and will not be offered, sold or delivered directly or indirectly, or offered, sold or delivered to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea, except as otherwise permitted under applicable Korean Laws and regulations, including the Financial Investment Services and Capital Markets Act and the Foreign Exchange Transaction Law and the decrees and regulations thereunder.

(ee) ***Spain***: Neither the Notes nor this Offering Circular have been approved or registered with the Spanish Notes Markets Commission (Comisión Nacional del Mercado de Valores). Accordingly, the Initial Purchaser has represented and agreed that the Notes will not be offered or sold in Spain except in circumstances which do not constitute a public offering of notes within the meaning of Article 30–BIS of the Spanish Notes Market Law of 28 July 1988 (LEY 24/1988, de 28 de julio, del Mercado de Valores), as amended and restated, and supplemental rules enacted thereunder.

(ff) ***Switzerland***: The Initial Purchaser acknowledges that this Offering Circular is being distributed in or from Switzerland to a small number of selected investors only and that the Notes are not being offered to the public in or from Switzerland, and neither this Offering Circular, nor any other offering materials relating to the Notes may be distributed in Switzerland in connection with any such public offering.

(gg) ***Taiwan***: The Notes may be made available outside Taiwan for purchase by investors residing in Taiwan (either directly or through properly licensed Taiwan intermediaries acting on behalf of such investors) but may not be offered or sold in Taiwan.

(hh) ***Turkey*****:** The Notes have not been and will not be registered with the Turkish Capital Market Board (the "**CMB**") under the provisions of the Capital Market Law (Law No. 2499). Accordingly neither this Offering Circular nor any other offering material related to the offering may be utilised in connection with any offering to the public within the Republic of Turkey without the prior approval of the CMB. However, according to Article 15(d)(ii) of the Decree No. 32 there is no restriction on the purchase or sale of the Notes by residents of the Republic of Turkey, provided that: they purchase or sell such Notes in the financial markets outside of the Republic of Turkey; and such sale and purchase is made through banks and/or licensed brokerage institutions in the Republic of Turkey.

TRANSFER RESTRICTIONS

Because of the following restrictions, purchasers are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of the Notes.

Rule 144A Notes

Each prospective purchaser of Rule 144A Notes, by accepting delivery of this Offering Circular, will be deemed to have represented and agreed that such person acknowledges that this Offering Circular is personal to it and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire Notes other than pursuant to Rule 144A or in offshore transactions in accordance with Regulation S. Distribution of this Offering Circular, or disclosure of any of its contents to any person other than such offeree and those persons, if any, retained to advise it with respect thereto is unauthorised and any disclosure of any of its contents, without the prior written consent of the Issuer, is prohibited.

Each purchaser of Notes represented by a Rule 144A Global Certificate will be deemed to have represented and agreed and each purchaser of 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 (as defined in Regulation S) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S and (b) in accordance with all applicable securities laws including the securities laws of any state of the United States. The purchaser understands that the Issuer has not been registered under the Investment Company Act. The purchaser understands that before any interest in a Rule 144A Note may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in the Regulation S Notes, the Registrar is required to receive a written certification from the purchaser (in the form provided in the Trust Deed) as to compliance with the transfer restrictions described herein. The purchaser understands and agrees that any purported transfer of the Rule 144A Notes to a purchaser that does not comply with the requirements of this paragraph (2) will be of no force and effect, will be void *ab initio* and the Issuer will have the right to direct the purchaser to transfer its Rule 144A Notes to a Person who meets the foregoing criteria.

(3) The purchaser is not purchasing such Rule 144A Notes with a view toward the resale, distribution or other disposition thereof in violation of the Securities Act. The purchaser understands that an investment in the Rule 144A Notes involves certain risks, including the risk of loss of its entire investment in the Rule 144A Notes under certain circumstances. The purchaser has had access to such financial and other information concerning the Issuer and the Notes as it deemed necessary or appropriate in order to make an informed investment decision with respect to its purchase of the Rule 144A Notes, including an opportunity to ask questions of, and request information from, the Issuer.

(4) In connection with the purchase of the Rule 144A Notes: (a) none of the Issuer, the Initial Purchaser, the Trustee, the Collateral Manager or the Collateral Administrator is acting as a fiduciary or financial adviser for the purchaser; (b) the purchaser is not relying (for purposes of making any investment decision or otherwise) upon any advice, counsel or representations (whether written or oral) of the Issuer, the Initial Purchaser, the Trustee, the Collateral Manager or the Collateral Administrator other than in this Offering Circular for such Notes and any representations expressly set forth in a written agreement with such party; (c) none of the Issuer, the Initial Purchaser, the Trustee, the Collateral Manager or the Collateral Administrator has given to the purchaser (directly or indirectly through any other person) any assurance, guarantee or representation whatsoever as to the expected or projected success, profitability, return, performance, result, effect, consequence or benefit (including legal,

regulatory, tax, financial, accounting or otherwise) as to an investment in the Rule 144A Notes; (d) the purchaser has consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisors to the extent it has deemed necessary, and it has made its own investment decisions (including decisions regarding the suitability of any transaction pursuant to the Trust Deed) based upon its own judgment and upon any advice from such advisors as it has deemed necessary and not upon any view expressed by the Issuer, the Initial Purchaser, the Trustee, the Collateral Manager or the Collateral Administrator; (e) the purchaser has evaluated the rates, prices or amounts and other terms and conditions of the purchase and sale of the Rule 144A Notes with a full understanding of all of the risks thereof (economic and otherwise), and it is capable of assuming and willing to assume (financially and otherwise) those risks; and (f) the purchaser is a sophisticated investor.

(5) The purchaser and each account for which the purchaser is acquiring such Rule 144A Notes is a QP. The purchaser is acquiring the Rule 144A Notes in a principal amount of not less than €250,000. The purchaser and each such account is acquiring the Rule 144A Notes as principal for its own account for investment and not for sale in connection with any distribution thereof. The purchaser and each such account: (a) was not formed for the specific purpose of investing in the Rule 144A Notes (except when each beneficial owner of the purchaser and each such account is a QP); (b) to the extent the purchaser is a private investment company formed before April 30, 1996, the purchaser has received the necessary consent from its beneficial owners; (c) is not a pension, profit sharing or other retirement trust fund or plan in which the partners, beneficiaries or participants, as applicable, may designate the particular investments to be made; and (d) is not a broker dealer that owns and invests on a discretionary basis less than U.S.$25,000,000 in securities of unaffiliated 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) With respect to the acquisition, holding and disposition of any Class X Note, 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 Note or any interest therein constitutes the assets of any Benefit Plan Investor or such governmental, church, non-U.S. or other plan, or (B) its acquisition, holding and disposition of such Note (or interest therein) will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code, or, in the case of a governmental, church, non-U.S. or other plan, a violation of any Other Plan Law, and (ii) it will not sell or transfer such Note (or interest therein) to an acquiror acquiring such Note (or interest therein) unless the acquiror makes or is deemed to make the foregoing representations, warranties and agreements described in clause (i) hereof. Any purported transfer of Notes in violation of the requirements set forth in this paragraph shall be null and void *ab initio* and the acquiror understands that the Issuer will have the right to cause the sale of such Notes to another acquiror that complies with the requirements of this paragraph in accordance with the terms of the Trust Deed.

(b) (i) With respect to the acquisition, holding and disposition of any Class E Note, Class F Note or Subordinated Note in the form of a Rule 144A Global Certificate, or any interest in such Note: (i) it is not, and is not acting on behalf of (and for so long as it holds any such Note or interest therein will not be, and will not be acting on behalf of), a Benefit Plan Investor or Controlling Person unless it receives the written consent of the Issuer, provides an ERISA certificate to the Issuer as to its status as a Benefit Plan Investor or Controlling Person and, unless the written consent of the Issuer to the contrary is obtained with respect to securities purchased by an initial

investor on the Issue Date, holds such Note in the form of a Definitive Certificate; and (ii) (A) if it is, or is acting on behalf of, a Benefit Plan Investor, its acquisition, holding and disposition of such Note (or any interest therein) will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code, and (B) if it is a governmental, church, non-U.S. or other plan, (1) it is not, and for so long as it holds such Note or interest therein will not be, subject to any Similar Law and (2) its acquisition, holding and disposition of such Note (or any interest therein) will not constitute or result in a violation of any Other Plan Law; and (iii) it agrees to certain transfer restrictions regarding its interest in such Note.

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

Any purported transfer of Class E Notes, Class F Notes or Subordinated Notes in violation of the requirements set forth in this paragraph (b) or which otherwise would violate the 25 per cent. Limitation 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 (b) in accordance with the terms of the Trust Deed.

(c) If the purchaser or transferee of any Notes or beneficial interest therein is a Benefit Plan Investor, it will be deemed to represent, warrant and agree that (i) none of the Issuer, the Initial Purchaser, the Trustee or the Collateral Manager or any of their respective affiliates has provided any investment advice within the meaning of Section 3(21) of ERISA to the Benefit Plan Investor, or to any fiduciary or other person investing the assets of the Benefit Plan Investor ("**Fiduciary**"), in connection with its acquisition of Notes, and (ii) the Fiduciary is exercising its own independent judgment in evaluating the investment in the Notes.

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

(7) 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 Notes 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 (as defined in Regulation S) that are not QIB/QPs. Before any interest in a Rule 144A Global Certificate may be offered, resold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in a Regulation S Global Certificate, the transferor will be required to provide the Transfer Agent with a written certification (in the form provided in the Trust Deed) as to compliance with the transfer restrictions.

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

COMPANY ACT OF 1940, AS AMENDED (THE "**INVESTMENT COMPANY ACT**"). THE HOLDER HEREOF, BY PURCHASING THE NOTES IN RESPECT OF WHICH THIS NOTE HAS BEEN ISSUED, AGREES FOR THE BENEFIT OF THE ISSUER THAT THE NOTES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (A)(1) TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT, OR (2) TO A NON-U.S. PERSON (AS DEFINED UNDER REGULATION S) 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 PURPOSE OF SECTION 3(c)(7) OF THE INVESTMENT COMPANY ACT, (W) WAS NOT FORMED FOR THE PURPOSE OF INVESTING IN THE ISSUER (EXCEPT WHEN EACH BENEFICIAL OWNER OF THE PURCHASER IS A QUALIFIED PURCHASER), (X) HAS RECEIVED THE NECESSARY CONSENT FROM ITS BENEFICIAL OWNERS WHEN THE PURCHASER IS A PRIVATE INVESTMENT COMPANY FORMED BEFORE APRIL 30, 1996, (Y) IS NOT A BROKER-DEALER THAT OWNS AND INVESTS ON A DISCRETIONARY BASIS LESS THAN U.S.$25,000,000 IN SECURITIES OF UNAFFILIATED ISSUERS AND (Z) IS NOT A PENSION, PROFIT SHARING OR OTHER RETIREMENT TRUST FUND OR PLAN IN WHICH THE PARTNERS, BENEFICIARIES OR PARTICIPANTS, AS APPLICABLE, MAY DESIGNATE THE PARTICULAR INVESTMENTS TO BE MADE, AND IN A TRANSACTION THAT MAY BE EFFECTED WITHOUT LOSS OF ANY APPLICABLE INVESTMENT COMPANY ACT EXEMPTION OR IN THE CASE OF CLAUSE (2), IN A PRINCIPAL AMOUNT OF NOT LESS THAN €100,000 AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE UNITED STATES AND ANY APPLICABLE STATE IN WHICH AN OFFERING HAS BEEN MADE. ANY TRANSFER IN VIOLATION OF THE FOREGOING WILL BE OF NO FORCE AND EFFECT, WILL BE VOID AB INITIO AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO THE TRANSFEREE, NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE ISSUER, THE TRANSFER AGENT OR ANY INTERMEDIARY. IN ADDITION TO THE FOREGOING, IN THE EVENT OF A VIOLATION OF (V) THROUGH (Z), THE ISSUER MAINTAINS THE RIGHT TO DIRECT THE RESALE OF ANY NOTES PREVIOUSLY TRANSFERRED TO NON-PERMITTED NOTEHOLDERS (AS DEFINED IN THE TRUST DEED) IN ACCORDANCE WITH AND SUBJECT TO THE TERMS OF THE TRUST DEED. EACH TRANSFEROR OF THIS NOTE WILL PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET FORTH HEREIN AND IN THE TRUST DEED TO ITS TRANSFEREE.

PRINCIPAL OF THIS NOTE IS PAYABLE AS SET FORTH HEREIN. ACCORDINGLY, THE OUTSTANDING PRINCIPAL OF THIS NOTE AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ON THE FACE HEREOF. ANY PERSON ACQUIRING THIS NOTE MAY ASCERTAIN ITS CURRENT PRINCIPAL AMOUNT BY INQUIRY OF THE COLLATERAL ADMINISTRATOR.

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS X NOTES, 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 BE DEEMED TO HAVE REPRESENTED, WARRANTED AND AGREED THAT (I) EITHER (A) IT IS NOT, AND IS NOT ACTING ON BEHALF OF (AND FOR SO LONG AS IT HOLDS THIS NOTE (OR INTEREST HEREIN) WILL NOT BE, AND WILL NOT BE ACTING ON BEHALF OF), AN EMPLOYEE BENEFIT PLAN, AS DEFINED IN SECTION 3(3) OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**"), THAT IS SUBJECT TO THE PROVISIONS OF PART 4 OF SUBTITLE B OF TITLE I OF ERISA, A PLAN TO WHICH SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**") APPLIES, OR AN ENTITY WHOSE UNDERLYING ASSETS INCLUDE “PLAN ASSETS” BY REASON OF SUCH AN EMPLOYEE BENEFIT PLAN OR PLAN'S INVESTMENT IN SUCH ENTITY ("**BENEFIT PLAN INVESTOR**"), OR A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN WHICH IS SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT IS SUBSTANTIALLY

SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE ("**OTHER PLAN LAW**"), AND NO PART OF THE ASSETS TO BE USED BY IT TO ACQUIRE OR HOLD THIS NOTE OR ANY INTEREST HEREIN CONSTITUTES THE ASSETS OF ANY BENEFIT PLAN INVESTOR OR SUCH GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, OR (B) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE (OR INTEREST HEREIN) WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE, OR, IN THE CASE OF A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, A VIOLATION OF ANY OTHER PLAN LAW, AND (II) IT WILL NOT SELL OR TRANSFER THIS NOTE (OR INTEREST HEREIN) TO AN ACQUIROR ACQUIRING THIS NOTE (OR INTEREST HEREIN) UNLESS THE ACQUIROR MAKES OR IS DEEMED TO MAKE THE FOREGOING REPRESENTATIONS, WARRANTIES AND AGREEMENTS DESCRIBED IN CLAUSE (I) HEREOF. ANY PURPORTED TRANSFER OF THIS NOTE IN VIOLATION OF THE REQUIREMENTS SET FORTH IN THIS PARAGRAPH SHALL BE NULL AND VOID AB INITIO AND THE ACQUIROR UNDERSTANDS THAT THE ISSUER WILL HAVE THE RIGHT TO CAUSE THE SALE OF THIS NOTE TO ANOTHER ACQUIROR THAT COMPLIES WITH THE REQUIREMENTS OF THIS PARAGRAPH IN ACCORDANCE WITH THE TERMS OF THE TRUST DEED.]

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS E NOTES, THE CLASS F NOTES AND THE SUBORDINATED NOTES IN THE FORM OF RULE 144A GLOBAL CERTIFICATES ONLY*] [EACH HOLDER OF THIS CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE (OR ANY INTEREST HEREIN) WILL BE REQUIRED OR DEEMED TO REPRESENT AND WARRANT AND AGREE THAT (1) IT IS NOT, AND IS NOT ACTING ON BEHALF OF (AND FOR SO LONG AS IT HOLDS THIS NOTE (OR INTEREST HEREIN) WILL NOT BE, AND WILL NOT BE ACTING ON BEHALF OF), A BENEFIT PLAN INVESTOR OR CONTROLLING PERSON UNLESS IT RECEIVES THE WRITTEN CONSENT OF THE ISSUER, IT PROVIDES AN ERISA CERTIFICATE TO THE ISSUER AS TO ITS STATUS AS A BENEFIT PLAN INVESTOR OR CONTROLLING PERSON AND, UNLESS THE WRITTEN CONSENT OF THE ISSUER TO THE CONTRARY IS OBTAINED WITH RESPECT TO SECURITIES PURCHASED BY AN INITIAL INVESTOR ON THE ISSUE DATE, IT HOLDS THIS NOTE IN THE FORM OF A DEFINITIVE CERTIFICATE, AND (2) (A) IF IT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE (OR ANY INTEREST HEREIN) WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**") OR SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**"), AND (B) IF IT IS A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, (I) IT IS NOT, AND FOR SO LONG AS IT HOLDS THIS NOTE (OR AN INTEREST HEREIN) WILL NOT BE, SUBJECT TO ANY FEDERAL, STATE, LOCAL, NON-U.S. OR OTHER LAW OR REGULATION THAT COULD CAUSE THE UNDERLYING ASSETS OF THE ISSUER TO BE TREATED AS ASSETS OF THE INVESTOR IN ANY NOTE (OR INTEREST THEREIN) BY VIRTUE OF ITS INTEREST AND THEREBY SUBJECT THE ISSUER OR THE COLLATERAL MANAGER (OR OTHER PERSONS RESPONSIBLE FOR THE INVESTMENT AND OPERATION OF THE ISSUER'S ASSETS) TO LAWS OR REGULATIONS THAT ARE SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**"), AND (II) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE (OR ANY INTEREST HEREIN) WILL NOT CONSTITUTE OR RESULT IN A VIOLATION OF ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT IS SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE ("**OTHER PLAN LAW**"). "**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 ERISA) THAT IS SUBJECT TO THE PROVISIONS OF PART 4 OF SUBTITLE B 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 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 "AFFI**L**IATE" OF A PERSON INCLUDES ANY PERSON, DIRECTLY OR INDIRECTLY THROUGH ONE OR MORE INTERMEDIARIES, CONTROLLING, CONTROLLED BY OR UNDER COMMON CONTROL WITH THE PERSON. "**CONTROL**" WITH RESPECT TO A PERSON OTHER THAN AN INDIVIDUAL MEANS THE POWER TO EXERCISE A CONTROLLING INFLUENCE OVER THE MANAGEMENT OR POLICIES OF SUCH PERSON. ANY PURPORTED TRANSFER OF CLASS E NOTES, CLASS F NOTES OR 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, A CLASS M-1 SUBORDINATED NOTE, A CLASS M-2 SUBORDINATED NOTE OR A CLASS M-3 SUBORDINATED NOTE OR ANY INTEREST THEREIN WILL BE PERMITTED, AND THE ISSUER WILL NOT RECOGNISE ANY SUCH TRANSFER, IF IT WOULD CAUSE 25 PER CENT. OR MORE OF THE TOTAL VALUE OF THE CLASS E NOTES, CLASS F NOTES, CLASS M-1 SUBORDINATED NOTES, CLASS M-2 SUBORDINATED NOTES OR CLASS M-3 SUBORDINATED NOTES (DETERMINED SEPARATELY BY CLASS) TO BE HELD BY BENEFIT PLAN INVESTORS, DISREGARDING CLASS E NOTES, CLASS F NOTES, CLASS M-1 SUBORDINATED NOTES, CLASS M-2 SUBORDINATED NOTES OR CLASS M-3 SUBORDINATED NOTES (OR INTERESTS THEREIN) HELD BY CONTROLLING PERSONS ("**25 PER CENT. LIMITATION**").

THE ISSUER HAS THE RIGHT, UNDER THE TRUST DEED, TO COMPEL ANY BENEFICIAL OWNER OF A CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE WHO HAS MADE OR HAS BEEN DEEMED TO MAKE A PROHIBITED TRANSACTION, BENEFIT PLAN INVESTOR, CONTROLLING PERSON, OTHER PLAN LAW OR SIMILAR 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 SUCH CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER.]

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS E NOTES, THE CLASS F NOTES AND THE SUBORDINATED NOTES IN THE FORM OF DEFINITIVE CERTIFICATES ONLY*] [EACH HOLDER OF THIS CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE (OR ANY INTEREST HEREIN) WILL BE REQUIRED TO REPRESENT AND WARRANT 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 (OR ANY INTEREST HEREIN) WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**") OR SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**") AND (2) IF IT IS A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, (a) IT IS NOT, AND FOR SO LONG AS IT HOLDS THIS CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE (OR AN INTEREST HEREIN) WILL NOT BE, SUBJECT TO ANY FEDERAL, STATE, LOCAL, NON-U.S. OR OTHER LAW OR REGULATION THAT COULD CAUSE THE UNDERLYING ASSETS OF THE ISSUER TO BE TREATED AS ASSETS OF THE INVESTOR IN ANY NOTE (OR INTEREST THEREIN) BY VIRTUE OF ITS INTEREST AND THEREBY SUBJECT THE ISSUER OR THE COLLATERAL MANAGER (OR OTHER PERSONS RESPONSIBLE FOR THE INVESTMENT AND OPERATION OF THE ISSUER'S ASSETS) TO LAWS OR REGULATIONS THAT ARE SUBSTANTIALLY 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 (OR ANY INTEREST HEREIN) WILL NOT CONSTITUTE OR RESULT IN A VIOLATION OF ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT IS SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE ("**OTHER PLAN LAW**"). EACH PURCHASER OR SUBSEQUENT TRANSFEREE, AS APPLICABLE, OF A CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE IN THE FORM OF A DEFINITIVE CERTIFICATE 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 ERISA) THAT IS SUBJECT TO THE PROVISIONS OF PART 4 OF SUBTITLE B 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 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 THIS NOTE IN VIOLATION OF THE REQUIREMENTS SET FORTH IN THIS PARAGRAPH SHALL BE NULL AND VOID AB INITIO AND THE ACQUIROR UNDERSTANDS THAT THE ISSUER WILL HAVE THE RIGHT TO CAUSE THE SALE OF THIS NOTE TO ANOTHER ACQUIROR THAT COMPLIES WITH THE REQUIREMENTS OF THIS PARAGRAPH IN ACCORDANCE WITH THE TERMS OF THE TRUST DEED.

NO TRANSFER OF A CLASS E NOTE, A CLASS F NOTE, A CLASS M-1 SUBORDINATED NOTE, A CLASS M-2 SUBORDINATED NOTE OR A CLASS M-3 SUBORDINATED NOTE OR ANY INTEREST THEREIN WILL BE PERMITTED, AND THE ISSUER WILL NOT RECOGNISE ANY SUCH TRANSFER, IF IT WOULD CAUSE 25 PER CENT. OR MORE OF THE TOTAL VALUE OF CLASS E NOTES, CLASS F NOTES, CLASS M-1 SUBORDINATED NOTES, THE CLASS M-2 SUBORDINATED NOTES OR CLASS M-3 SUBORDINATED NOTES (DETERMINED SEPARATELY BY CLASS) TO BE HELD BY BENEFIT PLAN INVESTORS, DISREGARDING CLASS E NOTES, CLASS F NOTES, CLASS M-1 SUBORDINATED NOTES, CLASS M-2 SUBORDINATED NOTES OR CLASS M-3 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, OTHER PLAN LAW OR SIMILAR 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 SUCH CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER.]

THE FAILURE TO PROVIDE THE ISSUER AND ANY PAYING AGENT WITH THE PROPERLY COMPLETED AND SIGNED TAX CERTIFICATIONS (GENERALLY, IN THE CASE OF U.S. FEDERAL INCOME TAX, AN INTERNAL REVENUE SERVICE FORM W-9 (OR APPLICABLE SUCCESSOR FORM) IN THE CASE OF A PERSON THAT IS A "UNITED STATES PERSON" WITHIN THE MEANING OF SECTION 7701(a)(30) OF THE CODE OR THE APPROPRIATE INTERNAL REVENUE SERVICE FORM W-8 (OR APPLICABLE SUCCESSOR FORM) IN THE CASE OF A PERSON THAT IS NOT A "UNITED STATES PERSON" WITHIN THE MEANING

OF SECTION 7701(a)(30) OF THE CODE) MAY RESULT IN U.S. FEDERAL BACKUP WITHHOLDING FROM PAYMENTS IN RESPECT OF SUCH NOTE.

EACH HOLDER AND BENEFICIAL OWNER OF A NOTE AGREES TO PROVIDE THE ISSUER WITH ANY INFORMATION REASONABLY REQUESTED (IN THE SOLE DETERMINATION OF THE ISSUER) BY THE ISSUER IN CONNECTION WITH FATCA. IT UNDERSTANDS AND ACKNOWLEDGES THAT THE ISSUER OR AN AGENT MAY PROVIDE SUCH INFORMATION AND ANY OTHER INFORMATION CONCERNING ITS INVESTMENT IN THE NOTES TO THE U.S. INTERNAL REVENUE SERVICE AND ANY OTHER APPLICABLE NON-U.S. TAXING AUTHORITY. THE PURCHASER UNDERSTANDS AND ACKNOWLEDGES THAT THE ISSUER HAS THE RIGHT, UNDER THE TRUST DEED, (I) TO COMPEL ANY BENEFICIAL OWNER OF AN INTEREST IN THE NOTES THAT FAILS TO COMPLY WITH THE INFORMATION REQUIREMENTS OF ABOVE, THAT IS A NON-PARTICIPATING FFI OR THAT OTHERWISE PREVENTS THE ISSUER FROM QUALIFYING AS, OR COMPLYING WITH ANY OBLIGATIONS OR REQUIREMENTS IMPOSED ON, A "PARTICIPATING FFI" OR A "DEEMED-COMPLIANT FFI" (AS SUCH TERMS ARE USED FOR THE PURPOSES OF FATCA), TO SELL ITS INTEREST IN SUCH NOTES, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER AND (II) TO MAKE ANY AMENDMENTS TO THE TRUST DEED TO ENABLE THE ISSUER TO COMPLY WITH FATCA. THE PURCHASER ALSO UNDERSTANDS AND ACKNOWLEDGES THAT THE ISSUER HAS THE RIGHT, UNDER THE TRUST DEED, TO WITHHOLD UP TO 30 PER CENT. ON ALL PAYMENTS MADE TO ANY BENEFICIAL OWNER OF AN INTEREST IN THE NOTES THAT FAILS TO COMPLY WITH THE INFORMATION REQUIREMENTS ABOVE OR THAT IS A NON-PARTICIPATING FFI.

EACH HOLDER OF A NOTE (OR ANY INTEREST THEREIN) WILL BE DEEMED TO HAVE REPRESENTED AND AGREED TO TREAT THE ISSUER AND THE NOTES AS DESCRIBED IN THE "TAX CONSIDERATIONS—UNITED STATES FEDERAL INCOME TAXATION" SECTION OF THE OFFERING CIRCULAR FOR ALL U.S. FEDERAL, STATE AND LOCAL INCOME TAX PURPOSES AND TO TAKE NO ACTION INCONSISTENT WITH SUCH TREATMENT UNLESS REQUIRED BY LAW.

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS C NOTES, CLASS D NOTES, CLASS E NOTES, 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 32 MOLESWORTH STREET, DUBLIN 2, IRELAND.]

EACH HOLDER AND BENEFICIAL OWNER OF A CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE THAT IS NOT A "UNITED STATES PERSON" (AS DEFINED IN SECTION 7701(A)(30) OF THE CODE) WILL MAKE, OR BY ACQUIRING SUCH NOTE OR AN INTEREST THEREIN WILL BE DEEMED TO MAKE, A REPRESENTATION TO THE EFFECT THAT (I) IT IS NOT PURCHASING THE NOTE IN ORDER TO REDUCE ITS U.S. FEDERAL INCOME TAX LIABILITY PURSUANT TO A TAX AVOIDANCE PLAN WITHIN THE MEANING OF U.S. TREASURY REGULATION SECTION 1.881-3 AND (II) EITHER (A) IT IS NOT A BANK OR (B) IT IS A PERSON THAT IS ELIGIBLE FOR BENEFITS UNDER AN INCOME TAX TREATY WITH THE UNITED STATES THAT ELIMINATES U.S. FEDERAL INCOME TAXATION OF U.S. SOURCE INTEREST NOT ATTRIBUTABLE TO A PERMANENT ESTABLISHMENT IN THE UNITED STATES, OR (C) IT HAS PROVIDED AN INTERNAL REVENUE SERVICE 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 WITHIN THE UNITED STATES.

[*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 CM REMOVAL AND REPLACEMENT NON-VOTING NOTES OR CM 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 VOTING ON A CM REMOVAL RESOLUTION AND/OR A CM REPLACEMENT RESOLUTION.]

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS X NOTES, CLASS A NOTES, CLASS B NOTES, CLASS C NOTES AND CLASS D NOTES IN THE FORM OF CM 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 VOTING ON A CM REMOVAL RESOLUTION AND/OR A CM REPLACEMENT RESOLUTION.]

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

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

(10) Each Holder and beneficial owner of a Note agrees to provide the Issuer with any information reasonably requested (in the sole determination of the Issuer) by the Issuer in connection with FATCA. It understands and acknowledges that the Issuer or an agent may provide such information and any other information concerning its investment in the Notes to the U.S. Internal Revenue Service and any other applicable non-U.S. taxing authority. The purchaser understands and acknowledges that the Issuer has the right, under the Trust Deed, (i) to compel any beneficial owner of an interest in the Notes that fails to comply with the information requirements of the above, that is a Non-Participating FFI or that otherwise prevents the Issuer from qualifying as, or complying with any obligations or requirements imposed on, a "**Participating FFI**" or a "deemed-compliant FFI" (as such terms are used for the purposes of FATCA), to sell its interest in such Notes, or may sell such interest on behalf of such owner and (ii) to make any amendments to the Trust Deed to enable the Issuer to comply with FATCA. The purchaser also understands and acknowledges that the Issuer has the right, under the Trust Deed, to withhold up to 30 per cent. on all payments made to any beneficial owner of an interest in the Notes that fails to comply with the information requirements above or that is a Non-Participating FFI.

(11) Each holder of a Note (or any interest therein) will be deemed to have represented and agreed to treat the Issuer and the Notes as described in the "*Tax Considerations — United States Federal Income Taxation*" section of this Offering Circular for all U.S. federal, state and local income tax purposes and to take no action inconsistent with such treatment unless required by law.

(12) No purchase or transfer of a Class E Note, Class F Note or Subordinated Note will be recorded or otherwise recognised unless the purchaser or transferee has provided the Issuer with an ERISA certificate substantially in the form of Annex B hereto.

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

(14) Each holder and beneficial owner of a Class E Note, Class F Note or Subordinated Note that is not a "United States person" (as defined in Section 7701(a)(30) of the Code) will make, or by acquiring such Note or an interest therein will be deemed to make, a representation to the effect that (i) it is not purchasing the Note in order to reduce its U.S. federal income tax liability pursuant to a tax avoidance plan within the meaning of U.S. Treasury Regulation Section 1.881-3 and (ii) either (A) it is not a bank; or (B) it is a person that is eligible for benefits under an income tax treaty with the United States that eliminates U.S. federal income taxation of U.S. source interest not attributable to a permanent

establishment in the United States or (C) 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.

(15) The purchaser understands that the Issuer may receive a list of participants holding positions in its securities from one or more book-entry depositories.

(16) In the case of a 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 1.1471-5), represents that it will (A) ensure that any member of such expanded affiliated group (assuming that the Issuer is a "participating FFI" within the meaning of Treasury regulations section 1.1471-1(b)(91)) 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 1.1471-1(b), 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 1.1471-1(b), in each case except to the extent that the Issuer or its agents have provided such purchaser with an express waiver of this clause (16).

Regulation S Notes

Each purchaser of Regulation S Notes will be deemed to have made the representations set forth in clauses (4), (6) and (8) through (16) (inclusive) above (except that references to Rule 144A Notes shall be deemed to be references to Regulation S Notes and references to Rule 144A shall be deemed to be references to Regulation S) and to have further represented and agreed as follows:

(1) The purchaser is not a U.S. person (as defined in Regulation S).

(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 (as defined in Regulation S) in an offshore transaction in accordance with Rule 903 or Rule 904 (as applicable) of 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.

(4) 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 (AS DEFINED IN REGULATION S) 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 PURPOSE OF SECTION 3(c)(7) OF THE INVESTMENT COMPANY ACT, (W) WAS NOT FORMED FOR THE PURPOSE OF INVESTING IN THE ISSUER (EXCEPT WHEN EACH BENEFICIAL OWNER OF THE PURCHASER IS A QUALIFIED PURCHASER), (X) HAS RECEIVED THE NECESSARY CONSENT FROM ITS BENEFICIAL OWNERS WHEN THE PURCHASER IS A PRIVATE INVESTMENT COMPANY FORMED BEFORE APRIL 30, 1996, (Y) IS NOT A BROKER-DEALER THAT OWNS AND INVESTS ON A DISCRETIONARY BASIS LESS THAN U.S.$25,000,000 IN SECURITIES OF UNAFFILIATED ISSUERS AND (Z) IS NOT A PENSION, PROFIT SHARING OR OTHER RETIREMENT TRUST FUND OR PLAN IN WHICH THE PARTNERS, BENEFICIARIES OR PARTICIPANTS, AS APPLICABLE, MAY DESIGNATE THE PARTICULAR INVESTMENTS TO BE MADE, AND IN A TRANSACTION THAT MAY BE EFFECTED WITHOUT LOSS OF ANY APPLICABLE INVESTMENT COMPANY ACT EXEMPTION OR IN THE CASE OF CLAUSE (2), IN A PRINCIPAL AMOUNT NOT LESS THAN €100,000 AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE UNITED STATES AND ANY APPLICABLE STATE IN WHICH AN OFFERING HAS BEEN MADE. ANY TRANSFER IN VIOLATION OF THE FOREGOING WILL BE OF NO FORCE AND EFFECT, WILL BE VOID AB INITIO AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO THE TRANSFEREE, NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE ISSUER, THE TRANSFER AGENT OR ANY INTERMEDIARY. IN ADDITION TO THE FOREGOING, IN THE EVENT OF A VIOLATION OF (V) THROUGH (Z), THE ISSUER MAINTAINS THE RIGHT TO DIRECT THE RESALE OF ANY NOTES PREVIOUSLY TRANSFERRED TO NON-PERMITTED NOTEHOLDERS (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 COLLATERAL ADMINISTRATOR.

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS X NOTES, 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 BE DEEMED TO HAVE REPRESENTED, WARRANTED AND AGREED THAT (I) EITHER (A) IT IS NOT, AND IS NOT ACTING ON BEHALF OF (AND FOR SO LONG AS IT HOLDS THIS NOTE (OR INTEREST HEREIN) WILL NOT BE, AND WILL NOT BE ACTING ON BEHALF OF), AN EMPLOYEE BENEFIT PLAN, AS DEFINED IN SECTION 3(3) OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**"), THAT IS SUBJECT TO THE PROVISIONS OF PART 4 OF SUBTITLE B OF TITLE I OF ERISA, A PLAN TO WHICH SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**"), APPLIES, OR AN ENTITY WHOSE UNDERLYING ASSETS INCLUDE “PLAN ASSETS” BY REASON OF SUCH AN EMPLOYEE BENEFIT PLAN OR PLAN'S INVESTMENT IN SUCH ENTITY ("**BENEFIT PLAN INVESTOR**"), OR A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN WHICH IS SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT IS SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE ("**OTHER PLAN LAW**"), AND NO PART OF THE ASSETS TO BE USED BY IT TO ACQUIRE OR HOLD THIS NOTE (OR ANY INTEREST HEREIN) CONSTITUTES THE ASSETS OF ANY BENEFIT PLAN INVESTOR OR SUCH GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, OR (B) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE (OR INTEREST HEREIN) WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE, OR, IN THE CASE OF A

GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, A VIOLATION OF ANY OTHER PLAN LAW, AND (II) IT WILL NOT SELL OR TRANSFER THIS NOTE (OR INTEREST HEREIN) TO AN ACQUIROR ACQUIRING THIS NOTE (OR INTEREST HEREIN) UNLESS THE ACQUIROR MAKES OR IS DEEMED TO MAKE THE FOREGOING REPRESENTATIONS, WARRANTIES AND AGREEMENTS DESCRIBED IN CLAUSE (I) HEREOF. ANY PURPORTED TRANSFER OF THIS NOTE IN VIOLATION OF THE REQUIREMENTS SET FORTH IN THIS PARAGRAPH SHALL BE NULL AND VOID AB INITIO AND THE ACQUIROR UNDERSTANDS THAT THE ISSUER WILL HAVE THE RIGHT TO CAUSE THE SALE OF THIS NOTE TO ANOTHER ACQUIROR THAT COMPLIES WITH THE REQUIREMENTS OF THIS PARAGRAPH IN ACCORDANCE WITH THE TERMS OF THE TRUST DEED.]

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS E NOTES, THE CLASS F NOTES AND THE SUBORDINATED NOTES IN THE FORM OF REGULATION S GLOBAL CERTIFICATES ONLY*] [EACH HOLDER OF THIS CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE (OR ANY INTEREST HEREIN) WILL BE REQUIRED OR DEEMED TO REPRESENT AND WARRANT AND AGREE THAT (1) IT IS NOT, AND IS NOT ACTING ON BEHALF OF (AND FOR SO LONG AS IT HOLDS THIS NOTE (OR INTEREST HEREIN) WILL NOT BE, AND WILL NOT BE ACTING ON BEHALF OF), A BENEFIT PLAN INVESTOR OR CONTROLLING PERSON UNLESS IT RECEIVES THE WRITTEN CONSENT OF THE ISSUER, IT PROVIDES AN ERISA CERTIFICATE TO THE ISSUER AS TO ITS STATUS AS A BENEFIT PLAN INVESTOR OR CONTROLLING PERSON AND UNLESS THE WRITTEN CONSENT OF THE ISSUER TO THE CONTRARY IS OBTAINED WITH RESPECT TO SECURITIES PURCHASED BY AN INITIAL INVESTOR ON THE ISSUE DATE, IT HOLDS THIS NOTE IN THE FORM OF A DEFINITIVE CERTIFICATE, AND (2) (A) IF IT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE (OR ANY INTEREST HEREIN) WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**") OR SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**"), AND (B) IF IT IS A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, (I) IT IS NOT, AND FOR SO LONG AS IT HOLDS THIS NOTE (OR AN INTEREST HEREIN) WILL NOT BE, SUBJECT TO ANY FEDERAL, STATE, LOCAL, NON-U.S. OR OTHER LAW OR REGULATION THAT COULD CAUSE THE UNDERLYING ASSETS OF THE ISSUER TO BE TREATED AS ASSETS OF THE INVESTOR IN ANY NOTE (OR INTEREST THEREIN) BY VIRTUE OF ITS INTEREST AND THEREBY SUBJECT THE ISSUER OR THE COLLATERAL MANAGER (OR OTHER PERSONS RESPONSIBLE FOR THE INVESTMENT AND OPERATION OF THE ISSUER'S ASSETS) TO LAWS OR REGULATIONS THAT ARE SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**"), AND (II) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE (OR ANY INTEREST HEREIN) WILL NOT CONSTITUTE OR RESULT IN A VIOLATION OF ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT IS SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE ("**OTHER PLAN LAW**"). "**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 ERISA) THAT IS SUBJECT TO THE PROVISIONS OF PART 4 OF SUBTITLE B 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 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 SUCH CLASS E NOTES, CLASS F NOTES OR SUBORDINATED NOTES IN VIOLATION OF

THE REQUIREMENTS SET FORTH IN THIS PARAGRAPH SHALL BE NULL AND VOID AB INITIO AND THE ACQUIROR UNDERSTANDS THAT THE ISSUER WILL HAVE THE RIGHT TO CAUSE THE SALE OF SUCH CLASS E NOTES, CLASS F NOTES OR SUBORDINATED NOTES TO ANOTHER ACQUIROR THAT COMPLIES WITH THE REQUIREMENTS OF THIS PARAGRAPH IN ACCORDANCE WITH THE TERMS OF THE TRUST DEED.

NO TRANSFER OF A CLASS E NOTE, A CLASS F NOTE, A CLASS M-1 SUBORDINATED NOTE, A CLASS M-2 SUBORDINATED NOTE OR A CLASS M-3 SUBORDINATED NOTE OR ANY INTEREST THEREIN WILL BE PERMITTED, AND THE ISSUER WILL NOT RECOGNISE ANY SUCH TRANSFER, IF IT WOULD CAUSE 25 PER CENT. OR MORE OF THE TOTAL VALUE OF THE CLASS E NOTES, CLASS F NOTES, CLASS M-1 SUBORDINATED NOTES, CLASS M-2 SUBORDINATED NOTES OR CLASS M-3 SUBORDINATED NOTES (DETERMINED SEPARATELY BY CLASS) TO BE HELD BY BENEFIT PLAN INVESTORS, DISREGARDING CLASS E NOTES, CLASS F NOTES, CLASS M-1 SUBORDINATED NOTES, CLASS M-2 SUBORDINATED NOTES OR CLASS M-3 SUBORDINATED NOTES (OR INTERESTS THEREIN) HELD BY CONTROLLING PERSONS ("**25 PER CENT. LIMITATION**").

THE ISSUER HAS THE RIGHT, UNDER THE TRUST DEED, TO COMPEL ANY BENEFICIAL OWNER OF A CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE WHO HAS MADE OR HAS BEEN DEEMED TO MAKE A PROHIBITED TRANSACTION, BENEFIT PLAN INVESTOR, CONTROLLING PERSON, OTHER PLAN LAW OR SIMILAR 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 SUCH CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER.]

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS E NOTES, THE CLASS F NOTES AND THE SUBORDINATED NOTES IN THE FORM OF DEFINITIVE CERTIFICATES ONLY*] [EACH HOLDER OF THIS CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE (OR ANY INTEREST HEREIN) WILL BE REQUIRED TO REPRESENT AND WARRANT 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 (OR ANY INTEREST HEREIN) WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**") OR SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**") AND (2) IF IT IS A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, (a) IT IS NOT, AND FOR SO LONG AS IT HOLDS THIS CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE (OR AN INTEREST HEREIN) WILL NOT BE, SUBJECT TO ANY FEDERAL, STATE, LOCAL, NON-U.S. OR OTHER LAW OR REGULATION THAT COULD CAUSE THE UNDERLYING ASSETS OF THE ISSUER TO BE TREATED AS ASSETS OF THE INVESTOR IN ANY NOTE (OR INTEREST THEREIN) BY VIRTUE OF ITS INTEREST AND THEREBY SUBJECT THE ISSUER OR THE COLLATERAL MANAGER (OR OTHER PERSONS RESPONSIBLE FOR THE INVESTMENT AND OPERATION OF THE ISSUER'S ASSETS) TO LAWS OR REGULATIONS THAT ARE SUBSTANTIALLY 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 (OR ANY INTEREST HEREIN) WILL NOT CONSTITUTE OR RESULT IN A VIOLATION OF ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT IS SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE ("**OTHER PLAN LAW**"). EACH PURCHASER OR SUBSEQUENT TRANSFEREE, AS APPLICABLE, OF A CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE IN THE FORM OF A DEFINITIVE CERTIFICATE 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 ERISA) THAT IS SUBJECT TO THE PROVISIONS OF PART 4 OF SUBTITLE B 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 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 THIS NOTE IN VIOLATION OF THE REQUIREMENTS SET FORTH IN THIS PARAGRAPH SHALL BE NULL AND VOID AB INITIO AND THE ACQUIROR UNDERSTANDS THAT THE ISSUER WILL HAVE THE RIGHT TO CAUSE THE SALE OF THIS NOTE TO ANOTHER ACQUIROR THAT COMPLIES WITH THE REQUIREMENTS OF THIS PARAGRAPH IN ACCORDANCE WITH THE TERMS OF THE TRUST DEED.

NO TRANSFER OF A CLASS E NOTE, A CLASS F NOTE, A CLASS M-1 SUBORDINATED NOTE, A CLASS M-2 SUBORDINATED NOTE OR A CLASS M-3 SUBORDINATED NOTE OR ANY INTEREST THEREIN WILL BE PERMITTED, AND THE ISSUER WILL NOT RECOGNISE ANY SUCH TRANSFER, IF IT WOULD CAUSE 25 PER CENT. OR MORE OF THE TOTAL VALUE OF CLASS E NOTES, CLASS F NOTES, CLASS M-1 SUBORDINATED NOTES, CLASS M-2 SUBORDINATED NOTES OR CLASS M-3 SUBORDINATED NOTES (DETERMINED SEPARATELY BY CLASS) TO BE HELD BY BENEFIT PLAN INVESTORS, DISREGARDING CLASS E NOTES, CLASS F NOTES, CLASS M-1 SUBORDINATED NOTES, CLASS M-2 SUBORDINATED NOTES OR CLASS M-3 SUBORDINATED NOTES (OR INTERESTS THEREIN) HELD BY CONTROLLING PERSONS ("**25 PER CENT. LIMITATION**").

THE ISSUER HAS THE RIGHT, UNDER THE TRUST DEED, TO COMPEL ANY BENEFICIAL OWNER OF A CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE WHO HAS MADE OR HAS BEEN DEEMED TO MAKE A PROHIBITED TRANSACTION, BENEFIT PLAN INVESTOR, CONTROLLING PERSON, OTHER PLAN LAW OR SIMILAR 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 SUCH CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER.]

THE FAILURE TO PROVIDE THE ISSUER AND ANY PAYING AGENT WITH THE PROPERLY COMPLETED AND SIGNED TAX CERTIFICATIONS (GENERALLY, IN THE CASE OF U.S. FEDERAL INCOME TAX, AN INTERNAL REVENUE SERVICE FORM W-9 (OR APPLICABLE SUCCESSOR FORM) IN THE CASE OF A PERSON THAT IS A "UNITED STATES PERSON" WITHIN THE MEANING OF SECTION 7701(a)(30) OF THE CODE OR THE APPROPRIATE INTERNAL REVENUE SERVICE FORM W-8 (OR APPLICABLE SUCCESSOR FORM) IN THE CASE OF A PERSON THAT IS NOT A "UNITED STATES PERSON" WITHIN THE MEANING OF SECTION 7701(a)(30) OF THE CODE) MAY RESULT IN U.S. FEDERAL BACKUP WITHHOLDING FROM PAYMENTS IN RESPECT OF SUCH NOTE.

EACH HOLDER AND BENEFICIAL OWNER OF A NOTE AGREES TO PROVIDE THE ISSUER WITH ANY INFORMATION REASONABLY REQUESTED (IN THE SOLE DETERMINATION OF THE ISSUER) BY THE ISSUER IN CONNECTION WITH FATCA. IT UNDERSTANDS AND ACKNOWLEDGES THAT THE ISSUER OR AN AGENT MAY PROVIDE SUCH INFORMATION AND ANY OTHER INFORMATION CONCERNING ITS INVESTMENT IN THE NOTES TO THE U.S. INTERNAL REVENUE SERVICE AND ANY OTHER APPLICABLE NON-U.S. TAXING

AUTHORITY. THE PURCHASER UNDERSTANDS AND ACKNOWLEDGES THAT THE ISSUER HAS THE RIGHT, UNDER THE TRUST DEED, (I) TO COMPEL ANY BENEFICIAL OWNER OF AN INTEREST IN THE NOTES THAT FAILS TO COMPLY WITH THE INFORMATION REQUIREMENTS OF ABOVE, THAT IS A NON-PARTICIPATING FFI OR THAT OTHERWISE PREVENTS THE ISSUER FROM QUALIFYING AS, OR COMPLYING WITH ANY OBLIGATIONS OR REQUIREMENTS IMPOSED ON, A "PARTICIPATING FFI" OR A "DEEMED-COMPLIANT FFI" (AS SUCH TERMS ARE USED FOR THE PURPOSES OF FATCA), TO SELL ITS INTEREST IN SUCH NOTES, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER AND (II) TO MAKE ANY AMENDMENTS TO THE TRUST DEED TO ENABLE THE ISSUER TO COMPLY WITH FATCA. THE PURCHASER ALSO UNDERSTANDS AND ACKNOWLEDGES THAT THE ISSUER HAS THE RIGHT, UNDER THE TRUST DEED, TO WITHHOLD UP TO 30 PER CENT. ON ALL PAYMENTS MADE TO ANY BENEFICIAL OWNER OF AN INTEREST IN THE NOTES THAT FAILS TO COMPLY WITH THE INFORMATION REQUIREMENTS ABOVE OR THAT IS A NON-PARTICIPATING FFI.

EACH HOLDER OF A NOTE (OR ANY INTEREST THEREIN) WILL BE DEEMED TO HAVE REPRESENTED AND AGREED TO TREAT THE ISSUER AND THE NOTES AS DESCRIBED IN THE "TAX CONSIDERATIONS—UNITED STATES FEDERAL INCOME TAXATION" SECTION OF THE OFFERING CIRCULAR FOR ALL U.S. FEDERAL, STATE AND LOCAL INCOME TAX PURPOSES AND TO TAKE NO ACTION INCONSISTENT WITH SUCH TREATMENT UNLESS REQUIRED BY LAW.

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS C NOTES, CLASS D NOTES, CLASS E NOTES, 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 32 MOLESWORTH STREET, DUBLIN 2, IRELAND.]

EACH HOLDER AND BENEFICIAL OWNER OF A CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE THAT IS NOT A "UNITED STATES PERSON" (AS DEFINED IN SECTION 7701(A)(30) OF THE CODE) WILL MAKE, OR BY ACQUIRING SUCH NOTE OR AN INTEREST THEREIN WILL BE DEEMED TO MAKE, A REPRESENTATION TO THE EFFECT THAT (I) IT IS NOT PURCHASING THE NOTE IN ORDER TO REDUCE ITS U.S. FEDERAL INCOME TAX LIABILITY PURSUANT TO A TAX AVOIDANCE PLAN WITHIN THE MEANING OF U.S. TREASURY REGULATION SECTION 1.881-3 AND (II) EITHER (A) IT IS NOT A BANK; OR (B) IT IS A PERSON THAT IS ELIGIBLE FOR BENEFITS UNDER AN INCOME TAX TREATY WITH THE UNITED STATES THAT ELIMINATES U.S. FEDERAL INCOME TAXATION OF U.S. SOURCE INTEREST NOT ATTRIBUTABLE TO A PERMANENT ESTABLISHMENT IN THE UNITED STATES OR (C) 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.

[*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 CM REMOVAL AND REPLACEMENT NON-VOTING NOTES OR CM 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 VOTING ON A CM REMOVAL RESOLUTION AND/OR A CM REPLACEMENT RESOLUTION.]

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS X NOTES,CLASS A NOTES, CLASS B NOTES, CLASS C NOTES AND CLASS D NOTES IN THE FORM OF CM 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 VOTING ON A CM REMOVAL RESOLUTION AND/OR A CM REPLACEMENT RESOLUTION.]

(5) The purchaser understands that the Regulation S Notes may not, at any time, be held by, or on behalf of, U.S. persons (as defined in Regulation S) or U.S. Residents.

(6) The purchaser acknowledges that the Issuer, the Initial Purchaser, the Trustee, the Collateral Manager or the Collateral Administrator, the Agents and their Affiliates, and others, will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

A transferor who transfers an interest in a Regulation S Note to a transferee who will hold the interest in the same form is not required to make any additional representation or certification.

GENERAL INFORMATION

Clearing Systems

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

	Regulation S Notes		Rule 144A Notes	
	ISIN	Common Code	ISIN	Common Code
Class X Notes	XS2004871252	200487125	XS2004871336	200487133
Class A CM Removal and Replacement Voting Notes	XS2004871419	200487141	XS2004871682	200487168
Class A CM Removal and Replacement Non-Voting Notes	XS2004871500	200487150	XS2004871849	200487184
Class A CM Removal and Replacement Exchangeable Non-Voting Notes	XS2004871765	200487176	XS2004871922	200487192
Class B-1 CM Removal and Replacement Voting Notes	XS2004872060	200487206	XS2004872490	200487249
Class B-1 CM Removal and Replacement Non-Voting Notes	XS2004872144	200487214	XS2004872573	200487257
Class B-1 CM Removal and Replacement Exchangeable Non-Voting Notes	XS2004872227	200487222	XS2004872656	200487265
Class B-2 CM Removal and Replacement Voting Notes	XS2004872730	200487273	XS2004873035	200487303
Class B-2 CM Removal and Replacement Non-Voting Notes	XS2004872813	200487281	XS2004873118	200487311
Class B-2 CM Removal and Replacement Exchangeable Non-Voting Notes	XS2004872904	200487290	XS2004873209	200487320
Class C CM Removal and Replacement Voting Notes	XS2004873464	200487346	XS2004873894	200487389
Class C CM Removal and Replacement Non-Voting Notes	XS2004873381	200487338	XS2004873621	200487362
Class C CM Removal and Replacement Exchangeable Non-Voting Notes	XS2004873548	200487354	XS2004873977	200487397
Class D CM Removal and Replacement Voting Notes	XS2004875329	200487532	XS2004875592	200487559
Class D CM Removal and Replacement Non-Voting	XS2004874199	200487419	XS2004874355	200487435

Notes				
Class D CM Removal and Replacement Exchangeable Non-Voting Notes	XS2004874272	200487427	XS2004874439	200487443
Class E Notes	XS2004875675	200487567	XS2004874512	200487451
Class F Notes	XS2004874603	200487460	XS2004875758	200487575
Class M-3 Subordinated Notes	XS2004875162	200487516	XS2004875246	200487524

Identification Numbers in respect of Class M-1 Subordinated Notes and Class M-2 Subordinated Notes

	Regulation S Notes	Rule 144A Notes
	Identification Number	Identification Number
Class M-1 Subordinated Notes	IE00BK4PGX57	IE00BK4PGY64
Class M-2 Subordinated Notes	IE00BK4PGZ71	IE00BK4PH091

Listing

Application has been made to Euronext Dublin 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 listing will be maintained.

Legal Entity Identifier (LEI)

The Issuer's LEI is 549300HY2YH2ENUCCU61.

Unique Indentifier

The unique identifier assigned by the Issuer for the purposes of the Securitisation Regulation to the transaction contemplated by this Offering Circular is 549300HY2YH2ENUCCU61N201901.

Consents and Authorisations

The Issuer has obtained all necessary consents, approvals and authorisations in Ireland (if any) in connection with the issue and performance of the Notes. The issue of the Notes was authorised by resolutions of the board of Directors of the Issuer passed on or about 1 July 2019.

No Significant or Material Change

There has been no material adverse change in the financial position or prospects of the Issuer since its incorporation on 13 February 2018.

No Litigation

The Issuer is not involved, and has not been involved, in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) which may have or have had since the date of its incorporation a significant effect on the Issuer's financial position or profitability.

Accounts

Since the date of its incorporation, other than entering into the Warehouse Arrangements, the Issuer has not commenced operations and has not produced accounts.

So long as any Note remains outstanding, copies of the most recent annual audited financial statements of the Issuer can be obtained at the specified offices of the Principal Paying Agent during normal business hours. The first financial statements of the Issuer will be in respect of the period from incorporation to 31 December 2018. The annual accounts of the Issuer will be audited. The Issuer will not prepare interim financial statements.

The Trust Deed requires the Issuer to provide written confirmation to the Trustee on an annual basis and otherwise promptly on request that no Event of Default or Potential Event of Default (as defined in the Trust Deed) or other matter which is required to be brought to the Trustee's attention has occurred.

Listing Agent

In respect of listing, Maples and Calder is acting solely in its capacity as listing agent for the Issuer in relation to the Notes and is not itself seeking admission of the Notes to the Official List of Euronext Dublin or to trading on the Global Exchange Market of Euronext Dublin.

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 registered office of the Issuer during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) for the term of the Notes.

(a) the constitution of the Issuer;

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

(c) the Agency and Account Bank Agreement;

(d) the Collateral Management and Administration Agreement;

(e) the Corporate Services Agreement;

(f) each Monthly Report; and

(g) each Payment Date Report.

Post Issuance Reporting

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

Enforceability of Judgments

The Issuer is a designated activity company limited by shares incorporated under the laws of Ireland. None of the directors and officers of the Issuer are residents of the United States, and all or a substantial portion of the assets of the Issuer and such persons may be located outside of the United States at any time. As a result, it may not be possible for investors to effect service of process within the United States upon the Issuer or such persons or to enforce against any of them in the United States courts judgments obtained in United States courts, including judgments predicated upon civil liability provisions of the securities laws of the United States or any State or territory within the United States.

As the United States is not a party to a convention with Ireland in respect of the enforcement of judgments, common law rules apply in order to determine whether a judgment of the United States courts is enforceable in Ireland. A judgment of the United States courts will be enforced by the courts of Ireland if the following general requirements are met:

(i) the United States courts must have had jurisdiction in relation to the particular defendant according to Irish conflict of law rules (the submission to jurisdiction by the defendant would satisfy this rule); and

(ii) the judgment must be final and conclusive and the decree must be final and unalterable in the court which pronounces it. A judgment can be final and conclusive even if it is subject to appeal or even if an

appeal is pending. Where, however, the effect of lodging an appeal under the applicable law is to stay execution of the judgment, it is possible that, in the meantime, the judgment should not be actionable in Ireland. It remains to be determined whether final judgment given in default of appearance is final and conclusive.

However, the Irish courts may refuse to enforce a judgment of the United States courts which meets the above requirements for one of the following reasons:

(a) if the judgment is not for a definite sum of money;

(b) if the judgment was obtained by fraud;

(c) the enforcement of the judgment in Ireland would be contrary to natural or constitutional justice; or

(d) the judgment is contrary to Irish public policy or involves certain United States laws which will not be enforced in Ireland.

Foreign Language

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

INDEX OF DEFINED TERMS

ANNEX A
MOODY'S RECOVERY RATES

The "**Moody's Recovery Rate**" is, with respect to any Collateral 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 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 Obligation, except with respect to Corporate Rescue Loans, the rate determined pursuant to the table below based on the number of rating subcategories difference between the Collateral Obligation's Moody's Rating and its Moody's Default Probability Rating (for purposes of clarification, if the Moody's Rating is higher than the Moody's Default Probability Rating, the rating subcategories difference will be positive and if it is lower, negative):

Number of Moody's Ratings Subcategories Difference Between the Moody's Rating and the Moody's Default Probability Rating	Moody's Senior Secured Loans	Secured Senior Obligations (other than Moody's Secured Senior Loans) and Second Lien Loans*	Unsecured Senior Loans, Unsecured Bonds, Mezzanine Obligations and High Yield Bonds
+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 Obligation is a Corporate Rescue Loan (other than a Corporate Rescue Loan which has been specifically assigned a recovery rate by Moody's), 50 per cent.

* If such Collateral Obligation does not have both a CFR and an Assigned Moody's Rating, such Collateral Obligation will be deemed to be an Unsecured Bond, Unsecured Senior Loan or High Yield Bond for the purposes 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 15 per cent. of the Obligor's senior debt (or more if Rating Agency Confirmation from Moody's has been obtained);

(ii) (x) is secured by a valid first priority perfected security interest or lien in, to or on specified collateral securing the obligor's obligations under the loan and (y) such specified collateral does not consist entirely of equity securities or common stock; provided that any loan that would be considered a Moody's 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 Collateral Manager determines in good faith that the value of the common stock of the subsidiary (or other equity interests in the subsidiary) securing such loan at or about the time of acquisition of such loan by the Issuer has a value that is at least equal to the outstanding principal balance of such loan and the outstanding principal balances of any other

obligations of such parent entity that are *pari passu* with such loan, which value may include, among other things, the enterprise value of such subsidiary of such parent entity; and

(iii) the value of the collateral securing the loan together with other attributes of the obligor (including, without limitation, its general financial condition, ability to generate cash flow available for debt service and other demands for that cash flow) is adequate (in the commercially reasonable judgment of the Collateral Manager) to repay the loan in accordance with its terms and to repay all other loans of equal seniority secured by a first lien or security interest in the same collateral); and

(b) the loan is not:

(i) a Corporate Rescue Loan; or

(ii) a loan for which the security interest or lien (or the validity or effectiveness thereof) in substantially all of its collateral attaches, becomes effective, or otherwise "springs" into existence after the origination thereof.

"**Senior Secured Bond**" means any obligation that (a) constitutes borrowed money, (b) is in the form of, or represented by, a bond, note (other than any note evidencing a loan), certificated debt security or other debt security, (c) is expressly stated to bear interest based upon a fixed rate, (d) does not constitute and is not secured by, Margin Stock, (e) if it is subordinated by its terms, is subordinated only to indebtedness for borrowed money, trade claims, capitalised leases or other similar obligations, or no other obligation of the Obligor has any higher priority security interest in such assets or stock, provided that a revolving loan of the Obligor that, pursuant to its terms, may require one or more advances to be made to the borrower may have a higher priority security interest in such assets or stock in the event of an enforcement in respect of such loan representing up to 15 per cent. of the Obligor's senior debt (or more if Rating Agency Confirmation from Moody's has been obtained) and (f) is secured by a valid first priority perfected security interest or lien in, to or on specified collateral securing the obligor's obligations under such obligation.

"**Unsecured Bond**" means any of a senior unsecured obligation that (a) constitutes borrowed money, (b) is in the form of, or represented by, a bond, note, certificated debt security or other debt security (other than any of the foregoing that evidences an Unsecured Senior Loan) and (c) which is not (and by its terms is not permitted to become) subordinate in right of payment to any other debt for borrowed money incurred by the obligor under such obligation except for 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 future advances to be made to the borrower may have a higher priority security interest in such assets or stock in the event of an enforcement in respect of such loan representing up to 15 per cent. of the Obligor's senior debt (or more if Rating Agency Confirmation from Moody's has been obtained).

ANNEX B
FORM OF ERISA AND TAX CERTIFICATE

The purpose of this ERISA and Tax Certificate (this "**Certificate**") is, among other things, to (i) endeavour to ensure that less than 25 per cent. of the total value of the [Class E Notes] [Class F Notes] [Class M-1 Subordinated Notes] [Class M-2 Subordinated Notes] [Class M-3 Subordinated Notes] (determined separately by class) issued by Aqueduct European CLO 4 - 2019 Designated Activity Company (the "**Issuer**") is held by (a) an employee benefit plan that is subject to the provisions of Part 4 of Subtitle B of Title I of the United States Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), (b) a plan that is subject to Section 4975 of the United States Internal Revenue Code of 1986, as amended (the "**Code**") or (c) any entity whose underlying assets include "plan assets" by reason of any such employee benefit plan or plan's investment in the entity (collectively, "**Benefit Plan Investors**"), (ii) obtain from you certain representations and agreements and (iii) provide you with certain related information with respect to your acquisition, holding and disposition of the [Class E Notes] [Class F Notes] [Class M-1 Subordinated Notes] [Class M-2 Subordinated Notes] [Class M-3 Subordinated Notes]. By signing this Certificate, you agree to be bound by its terms.

Please be aware that the information contained in this Certificate is not intended to constitute advice and the examples given below are not intended to be, and are not, comprehensive. You should contact your own counsel if you have any questions in completing this Certificate. Capitalised terms not defined in this Certificate shall have the meanings ascribed to them in the Trust Deed.

If a box is not checked, you are representing, warranting and agreeing that the applicable Section does not, and will not, apply to you.

1. ☐ Employee Benefit Plans Subject to ERISA or the Code. We, or the entity on whose behalf we are acting, are an "employee benefit plan" within the meaning of Section 3(3) of ERISA that is subject to the fiduciary responsibility provisions of Title I of ERISA or a "plan" within the meaning of Section 4975(e)(1) of the Code that is subject to Section 4975 of the Code.

Examples: (i) tax qualified retirement plans such as pension, profit sharing and Section 401(k) plans, (ii) welfare benefit plans such as accident, life and medical plans, (iii) individual retirement accounts or "IRAs" and "Keogh" plans and (iv) certain tax-qualified educational and savings trusts.

2. ☐ Entity Holding Plan Assets. We, or the entity on whose behalf we are acting, are an entity or fund whose underlying assets include "plan assets" by reason of a Benefit Plan Investor's investment in such entity.

Examples: (i) an insurance company separate account, (ii) a bank collective trust fund and (iii) a hedge fund or other private investment vehicle where 25 per cent. or more of the total value of any class of its equity is held by Benefit Plan Investors.

If you check Box 2, please indicate the maximum percentage of the entity or fund that will constitute "plan assets" for purposes of Title I of ERISA or Section 4975 of the Code: _____per cent.

AN ENTITY OR FUND THAT CANNOT PROVIDE THE FOREGOING PERCENTAGE HEREBY ACKNOWLEDGES THAT FOR PURPOSES OF DETERMINING WHETHER BENEFIT PLAN INVESTORS OWN LESS THAN 25 PER CENT. OF THE TOTAL VALUE OF THE [CLASS E NOTES] [CLASS F NOTES] [CLASS M-1 SUBORDINATED NOTES] [CLASS M-2 SUBORDINATED NOTES] [CLASS M-3 SUBORDINATED NOTES], 100 PER CENT. OF THE ASSETS OF THE ENTITY OR FUND WILL BE TREATED AS "PLAN ASSETS."

ERISA and the regulations promulgated thereunder are technical. Accordingly, if you have any questions regarding whether you may be an entity described in this Section 2, you should consult with your counsel.

3. ☐ Insurance Company General Account. We, or the entity on whose behalf we are acting, are an insurance company purchasing the [Class E Notes] [Class F Notes] [Class M-1 Subordinated Notes] [Class M-2 Subordinated Notes] [Class M-3 Subordinated Notes] with funds from our or their general account (i.e., the insurance company's corporate investment portfolio), whose assets, in whole or in part, constitute "plan assets" for purposes of 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" 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 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 Subordinated Notes] [Class M-2 Subordinated Notes] [Class M-3 Subordinated Notes] (or any interest therein) will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code.

6. Not Subject to Similar Law and No Violation of Other Plan Law. If we are a governmental, church, non-U.S. or other plan, we represent, warrant and agree that (a) we are not subject to any federal, state, local, non-U.S. or other law or regulation that could cause the underlying assets of the Issuer to be treated as assets of the investor in any Note (or interest therein) by virtue of its interest and thereby subject the Issuer or the Collateral Manager (or other persons responsible for the investment and operation of the Issuer's assets) to laws or regulations that are substantially similar to the prohibited transaction provisions of Section 406 of ERISA and/or Section 4975 of the Code, and (b) our acquisition, holding and disposition of the [Class E Notes] [Class F Notes] [Class M-1 Subordinated Notes] [Class M-2 Subordinated Notes] [Class M-3 Subordinated Notes] (or any interest therein) will not constitute or result in a violation of any law or regulation that is substantially similar to the prohibited transaction provisions of Section 406 of ERISA and/or Section 4975 of the Code.

7. ☐ Controlling Person. We are, or we are acting on behalf of any of: (i) the Collateral Manager, (ii) any person that has discretionary authority or control with respect to the assets of the Issuer, (iii) any person who provides investment advice for a fee (direct or indirect) with respect to such assets or (iv) any "affiliate" of any of the above persons. "Affiliate" shall have the meaning set forth in the Plan Asset Regulations. Any of the persons described in the first sentence of this Section 7 is referred to in this Certificate as a "Controlling Person."

Note: We understand that, for purposes of determining whether Benefit Plan Investors hold less than 25 per cent. of the total value of the [Class E Notes] [Class F Notes] [Class M-1 Subordinated Notes] [Class M-2 Subordinated Notes] [Class M-3 Subordinated Notes] (determined separately by class), the [Class E Notes] [Class F Notes] [Class M-1 Subordinated Notes] [Class M-2 Subordinated Notes] [Class M-3 Subordinated Notes] by Controlling Persons (other than Benefit Plan Investors) are required to be disregarded.

8. Compelled Disposition.

(i) if any representation, warranty or agreement that we made hereunder is subsequently shown to be false or misleading or our beneficial ownership otherwise causes a violation of the 25 per cent. Limitation, the Issuer shall, promptly after such discovery, send notice to us demanding that we transfer our interest to a person that is not a Non-Permitted ERISA Noteholder within 10 days after the date of such notice;

(ii) if we fail to transfer our [Class E Notes] [Class F Notes] [Class M-1 Subordinated Notes] [Class M-2 Subordinated Notes] [Class M-3 Subordinated Notes] (or our interests therein), the Issuer shall have the right, without further notice to us, to sell our [Class E Notes] [Class F Notes] [Class M-1 Subordinated Notes] [Class M-2 Subordinated Notes] [Class M-3 Subordinated Notes] or our interest in the [Class E Notes] [Class F Notes] [Class M-1 Subordinated Notes] [Class M-2 Subordinated Notes] [Class M-3 Subordinated Notes] to a purchaser selected by the Issuer that is not a Non-Permitted ERISA Noteholder on such terms as the Issuer may choose;

(iii) the Issuer may select the purchaser by soliciting one or more bids from one or more brokers or other market professionals that regularly deal in securities similar to the [Class E Notes] [Class F Notes] [Class M-1 Subordinated Notes] [Class M-2 Subordinated Notes] [Class M-3 Subordinated Notes] and selling such securities to the highest such bidder. However, the Issuer may select a purchaser by any other means determined by it in its sole discretion;

(iv) by our acceptance of the [Class E Notes] [Class F Notes] [Class M-1 Subordinated Notes] [Class M-2 Subordinated Notes] [Class M-3 Subordinated Notes] (or any interest therein), 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 of any proposed transfer by us of all or a specified portion of the [Class E Notes] [Class F Notes] [Class M-1 Subordinated Notes] [Class M-2 Subordinated Notes] [Class M-3 Subordinated Notes] (or any interest therein) and (b) will not initiate any such transfer after we have been informed by the Issuer in writing that such transfer would cause the 25 per cent. Limitation to be exceeded. We hereby agree and acknowledge that after the Issuer effects any permitted transfer of [Class E Notes] [Class F Notes] [Class M-1 Subordinated Notes] [Class M-2 Subordinated Notes] [Class M-3 Subordinated Notes] (or any interest therein) owned by us to a Benefit Plan Investor or a Controlling Person or receives notice of any such permitted change of status, the Issuer shall include such [Class E Notes] [Class F Notes] [Class M-1 Subordinated Notes] [Class M-2 Subordinated Notes] [Class M-3 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] [Class M-1 Subordinated Notes] [Class M-2 Subordinated Notes] [Class M-3 Subordinated Notes] or interests therein (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, acknowledgements and agreements contained in this Certificate shall be deemed made on each day from the date we make such representations, warranties, acknowledgements and agreements through and including the date on which we dispose of the [Class E Notes] [Class F Notes] [Class M-1 Subordinated Notes] [Class M-2 Subordinated Notes] [Class M-3 Subordinated Notes] (or our interests therein). We understand and agree that the information supplied in this Certificate will be used and relied upon by the Issuer to determine that Benefit Plan Investors own or hold less than 25 per cent. of the total value of the [Class E Notes] [Class F Notes] [Class M-1 Subordinated Notes] [Class M-2 Subordinated Notes] [Class M-3 Subordinated Notes] (determined separately by class) upon any subsequent transfer of the [Class E Notes] [Class F Notes] [Class M-1 Subordinated Notes] [Class M-2 Subordinated Notes] [Class M-3 Subordinated Notes] in accordance with the Trust Deed.

11. Further Acknowledgement and Agreement. We acknowledge and agree that (i) all of the representations, warranties, acknowledgements, agreements and assurances contained in this Certificate are for the benefit of the Issuer, the Trustee, the Initial Purchaser and the Collateral Manager as third party beneficiaries hereof, (ii) copies of this Certificate and any information contained herein may be provided to the Issuer, the Trustee, the Initial Purchaser, the Collateral Manager, any Collateral Manager Related Person, 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 Subordinated Notes] [Class M-2 Subordinated Notes] [Class M-3 Subordinated Notes] (or any interest therein) by us that is not in accordance with the provisions of this Certificate shall be null and void from the beginning, and of no legal effect.

12. Future Transfer Requirements.

Transferee Letter and its Delivery. We acknowledge and agree that a transferee of a [Class E Notes] [Class F Notes] [Class M-1 Subordinated Notes] [Class M-2 Subordinated Notes] [Class M-3 Subordinated Notes] in the form of a Global Certificate will be deemed to represent (among other things) that it is not a Benefit Plan Investor or a Controlling Person. If a transferee is unable to make such deemed or actual representation, as applicable, such transferee may not acquire such [Class E Notes] [Class F Notes] [Class M-1 Subordinated Notes] [Class M-2 Subordinated Notes] [Class M-3 Subordinated Notes] (or interests therein) unless such transferee: (i) obtains the written consent of the Issuer; (ii) provides an ERISA certificate to the Issuer as to its status as a Benefit Plan Investor or Controlling Person; and (iii) holds such [Class E Notes] [Class F Notes] [Class M-1 Subordinated Notes] [Class M-2 Subordinated Notes] [Class M-3 Subordinated Notes] in the form of a Definitive Certificate.

Note: Unless you are notified otherwise, the name and address of the Trustee is as follows: Citibank N.A., London Branch, Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom.

IN WITNESS WHEREOF, the undersigned has duly executed and delivered this Certificate.

_____

[Insert Purchaser's Name]

By:
Name:
Title:
Dated:

This Certificate relates to €_____ of [Class E Notes]/[Class F Notes]/[Class M-1 Subordinated Notes]/[Class M-2 Subordinated Notes]/[Class M-3 Subordinated Notes]

REGISTERED OFFICE OF THE ISSUER
Aqueduct European CLO 4 - 2019 Designated Activity Company
32 Molesworth Street
Dublin 2
Ireland

COLLATERAL MANAGER
HPS Investment Partners CLO (UK) LLP
Devonshire House
4th Floor
1 Mayfair Place
London W1J 8AJ
United Kingdom

COLLATERAL ADMINISTRATOR
Virtus Group LP
New Broad Street House
35 New Broad Street
London EC2M 1NH
United Kingdom

CALCULATION AGENT, PRINCIPAL PAYING AGENT, ACCOUNT BANK, CUSTODIAN, INFORMATION AGENT AND TRANSFER AGENT
Citibank N.A., London Branch
Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom

TRUSTEE
Citibank N.A., London Branch
Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom

REGISTRAR
Citigroup Global Markets Europe AG
Reuterweg 16
60323 Frankfurt
Germany

LEGAL ADVISERS

To the Initial Purchaser
as to English Law and U.S. Law
Allen & Overy LLP
One Bishops Square
London
E1 6AD

To the Collateral Manager
as to English Law and U.S. Law
Cadwalader, Wickersham & Taft LLP
Dashwood House
69 Old Broad Street
London, EC2M 1QS

To the Issuer
as to Irish Law
Maples and Calder
75 St. Stephen's Green
Dublin 2, Ireland

To the Trustee
as to English Law
Allen & Overy LLP
One Bishops Square
London
E1 6AD

LISTING AGENT
Maples and Calder
75 St. Stephen's Green
Dublin 2, Ireland

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