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AN INVESTMENT IN THE REFINANCING NOTES INVOLVES CERTAIN RISKS, INCLUDING THE RISK THAT INVESTORS MAY LOSE THEIR ENTIRE INVESTMENT. PRIOR TO INVESTING IN THE REFINANCING NOTES, PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER THE LATEST MONTHLY REPORT PREPARED AS OF 20 MAY 2019 (AND POSTED ON 31 MAY 2019) WHICH IS AVAILABLE AT HTTP://WWW.RNS-PDF.LONDONSTOCKEXCHANGE.COM/RNS/4186B_1-2019-6-6.PDF (THE "**LATEST MONTHLY REPORT**", AND TOGETHER WITH ANY PREVIOUS REPORTS, THE "**RELEVANT REPORTS**").

NEITHER THE ARRANGER NOR THE INITIAL PURCHASER (I) HAVE PARTICIPATED IN THE PREPARATION OF ANY RELEVANT REPORTS OR ANY FINANCIAL STATEMENTS OF THE ISSUER, (II) HAVE MADE A DUE DILIGENCE INQUIRY AS TO THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED IN ANY RELEVANT REPORT OR ANY FINANCIAL STATEMENTS OF THE ISSUER AND (III) SHALL HAVE ANY RESPONSIBILITY WHATSOEVER FOR THE CONTENTS OF ANY RELEVANT REPORT AND ANY FINANCIAL STATEMENTS OF THE ISSUER. THE ARRANGER AND THE INITIAL PURCHASER ARE RELYING ON REPRESENTATIONS FROM THE ISSUER AS TO THE ACCURACY AND COMPLETENESS OF THE INFORMATION CONTAINED IN ANY RELEVANT REPORT AND ANY FINANCIAL STATEMENTS OF THE ISSUER.

THE RELEVANT REPORTS ARE BEING PROVIDED BY THE ISSUER AND WERE PREPARED THROUGH THE ISSUER'S AGENT AND THE COLLATERAL ADMINISTRATOR (AND REVIEWED BY THE COLLATERAL MANAGER). OTHER THAN A LIMITED SCOPE REVIEW OF THE RELEVANT REPORTS BY INDEPENDENT ACCOUNTANTS, THE RELEVANT REPORTS HAVE NOT BEEN PREPARED, AUDITED OR OTHERWISE REVIEWED BY ANY ACCOUNTING FIRM, INDEPENDENT ACCOUNTANTS OR ANY OTHER THIRD PARTY, EITHER IN CONNECTION WITH THE OFFERING OF THE REFINANCING NOTES OR OTHERWISE AND IS BASED ON MATERIALS PROVIDED BY THE COLLATERAL MANAGER AND OTHER THIRD PARTY SOURCES. NO OTHER INDEPENDENT THIRD PARTY HAS REVIEWED, VERIFIED OR CONFIRMED THE INFORMATION SET FORTH THEREIN OR THE ASSUMPTIONS, INTERPRETATIONS OR CONCLUSIONS NECESSARY TO PREPARE THE RELEVANT REPORTS. THE ARRANGER AND THE INITIAL PURCHASER, THE COLLATERAL MANAGER AND THE COLLATERAL ADMINISTRATOR ARE NOT RESPONSIBLE TO INVESTORS FOR, AND NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, IS MADE BY THE ARRANGER AND THE INITIAL PURCHASER, THE COLLATERAL ADMINISTRATOR OR THE COLLATERAL MANAGER OR ANY OTHER PARTY AS TO THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION AND NOTHING CONTAINED HEREIN IS, OR SHALL BE RELIED UPON AS, A REPRESENTATION, WHETHER AS TO THE PAST, THE PRESENT OR THE FUTURE ACCURACY OF SUCH INFORMATION.

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

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

Confirmation of Your Representation: In order to be eligible to view the document or make an investment decision with respect to the Refinancing Notes, investors must either be (a) U.S. persons (as defined in Regulation S under the Securities Act) that are QIBs that are also QPs or (b) non-U.S. persons (as defined in Regulation S under the Securities Act) outside the U.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) U.S. persons that are both QIBs and QPs or (b) non-U.S. persons and that the electronic email address that you gave us and to which this email has been delivered is not located in the U.S., (2) such acceptance and access to the document by you and any customer that you represent is not unlawful in the jurisdiction where it is being made to you and any customers you represent, (3) you consent to delivery of the document by electronic transmission and (4) you consent to accept the delivery by electronic transmission of the final offering circular on distribution and publication of the same.

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, 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 fall 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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BLACKROCK EUROPEAN CLO II DESIGNATED ACTIVITY COMPANY

(*a designated activity company incorporated under the laws of Ireland with registered number 582858 and having its registered office in Ireland*)

€244,000,000 Class A Senior Secured Floating Rate Notes due 2030
€48,000,000 Class B Senior Secured Floating Rate Notes due 2030
€23,000,000 Class C Senior Secured Deferrable Floating Rate Notes due 2030
€20,000,000 Class D Senior Secured Deferrable Floating Rate Notes due 2030
€25,000,000 Class E Senior Secured Deferrable Floating Rate Notes due 2030

The final prospectus dated 13 December 2016 (the "**2016 Prospectus**") relating to the 2016 Notes (defined below) is included herein as Annex A and forms an integral part of this Offering Circular. Capitalised terms used herein and not otherwise defined shall have the meanings given to such terms in the 2016 Prospectus, as amended by this Offering Circular. The 2016 Prospectus is attached hereto as Annex A.

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

On 15 December 2016 (the "**Original Issue Date**") BlackRock European CLO II Designated Activity Company (the "**Issuer**") issued €244,000,000 Class A Senior Secured Floating Rate Notes due 2030 (the "**Original Class A Notes**"), €48,000,000 Class B Senior Secured Floating Rate Notes due 2030 (the "**Original Class B Notes**"), €23,000,000 Class C Senior Secured Deferrable Floating Rate Notes due 2030 (the "**Original Class C Notes**"), €20,000,000 Class D Senior Secured Deferrable Floating Rate Notes due 2030 (the "**Original Class D Notes**"), €25,000,000 Class E Senior Secured Deferrable Floating Rate Notes due 2030 (the "**Original Class E Notes**" and, together with the Original Class A Notes, the Original Class B Notes, the Original Class C Notes and the Original Class D Notes, the "**Refinanced Notes**"), €12,000,000 Class F Senior Secured Deferrable Floating Rate Notes due 2030 (the "**Class F Notes**") and €43,800,000 Subordinated Notes due 2030 (the "**Subordinated Notes**" and, together with the Original Class A Notes, the Original Class B Notes, the Original Class C Notes, the Original Class D Notes, the Original Class E Notes and the Class F Notes, the "**2016 Notes**").

The 2016 Notes were issued and secured pursuant to a trust deed (together with any other security document entered into in respect of the 2016 Notes) dated the Original Issue Date, made between (amongst others) the Issuer and U.S. Bank National Association in its capacity as trustee (the "**Trustee**") (the "**Original Trust Deed**").

On 15 July 2019 (the "**Closing Date**" and, with respect to the Refinancing Notes, the "**Refinancing Date**"), the Issuer will, subject to certain conditions, refinance the Original Class A Notes, the Original Class B Notes, the Original Class C Notes, the Original Class D Notes and the Original Class E Notes by issuing €244,000,000 Class A Senior Secured Floating Rate Notes due 2030 (the "**Class A Notes**"), €48,000,000 Class B Senior Secured Floating Rate Notes due 2030 (the "**Class B Notes**"), €23,000,000 Class C Senior Secured Deferrable Floating Rate Notes due 2030 (the "**Class C Notes**"), €20,000,000 Class D Senior Secured Deferrable Floating Rate Notes due 2030 (the "**Class D Notes**" and €25,000,000 Class E Senior Secured Deferrable Floating Rate Notes due 2030 (the "**Class E Notes**" and, together with the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes, the "**Refinancing Notes**"). The Refinancing Notes, together with the Class F Notes and the Subordinated Notes, the "**Notes**".

The Refinancing Notes will be issued and secured pursuant to the Original Trust Deed as amended, restated and supplemented by a deed of supplement, amendment and restatement (the "**Deed of Supplement, Amendment and Restatement**") dated on or about the Closing Date, made between (amongst others) the Issuer and the Trustee. The Original Trust Deed as supplemented and amended by the Deed of Supplement, Amendment and Restatement, the "**Trust Deed**".

Interest on the Refinancing Notes will be payable quarterly in arrears on 15 January, 15 April, 15 July and 15 October prior to the occurrence of a Frequency Switch Event and semi-annually in arrears 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 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 (or, in each case, if such day is not a Business Day, then on the next succeeding Business Day (unless it would fall in the following month, in which case it shall be moved to the immediately preceding Business Day)) in each year, commencing in October 2019 and ending on the Maturity Date in accordance with the Priorities of Payment described herein.

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

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

This Offering Circular does not constitute a prospectus for the purposes of Article 5 of Directive 2003/71/EC (as amended) (the "**Prospectus Directive**"). The Issuer is not offering the Refinancing Notes in any jurisdiction in circumstances that would require a prospectus to be prepared pursuant to the Prospectus Directive.

Application has been made to Euronext Dublin to approve this Offering Circular as listing particulars. Application has been made to the Irish Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**") for the Notes (including the Class F Notes and the Subordinated Notes) to be admitted to the Official List and trading on the Global Exchange Market of Euronext Dublin (the "**Global Exchange Market**"). The Class F Notes and the Subordinated Notes will simultaneously be removed from listing on the regulated market of Euronext Dublin (the "**Regulated Market**"). It is anticipated that such listing and admission to trading of the Notes will take place on or about the Closing Date. There can be no assurance that such listing and admission to trading will be granted.

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

The Refinancing Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") and will be offered only: (a) outside the United States to non-U.S. persons (as defined in Regulation S under the Securities Act ("**Regulation S**")) in offshore transactions as defined in 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 and qualified purchasers for the purposes of Section 3(c)(7) of the United States Investment Company Act of 1940, as amended (the "**Investment Company Act**"). The Issuer will not be registered under the Investment Company Act.

Interests in the Refinancing Notes will be subject to certain restrictions on transfer, and each purchaser of the Refinancing Notes offered hereby in making its purchase will be deemed to have made (or, in the case of Definitive Certificates, will be required to make) certain acknowledgements, representations and agreements (actual or deemed). See "*Plan of Distribution*" and "*Transfer Restrictions*".

The Refinancing Notes are being offered by the Issuer through Morgan Stanley & Co International plc in its capacity as initial purchaser of the offering of such Refinancing Notes (the "**Initial Purchaser**") subject to prior sale, when, as and if delivered to and accepted by the Initial Purchaser, and to certain conditions. It is expected that delivery of the Refinancing Notes will be made on or about the Closing Date. Each of the Issuer and the Initial Purchaser may offer the Refinancing Notes at prices as may be negotiated at the time of sale which may vary among different purchasers and which may be different to the issue price of the Refinancing Notes.

Morgan Stanley & Co International plc
Arranger and Initial Purchaser

The date of this Offering Circular is 11 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 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 – Regulatory Initiatives – U.S. Risk Retention" in respect of the last part of the third sentence thereof only, "Risk Factors – Conflicts of Interest – Certain Conflicts of Interest Involving or Relating to the Collateral Manager" 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 accepts responsibility for the information contained in this Offering Circular in the section headed "Description of the Collateral Administrator" (the "**Collateral Administrator Information**"). To the best of the knowledge and belief of the Collateral Administrator (which has taken reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information. The Retention Holder accepts responsibility for the information contained in the section of this document headed "Risk Factors – Risk Retention and Due Diligence Requirements – Specific Requirements Relating to Originator Retention Holders" in respect of the third sentence under the second paragraph only, "The Retention Holder and Retention Requirements – Description of the Retention Holder" and "Risk Factors – Regulatory Initiatives – Securitisation, Risk Retention and Due Diligence Requirements – Specific Requirements Relating to Originator Retention Holders" in respect of the fifth paragraph only (the "**Retention Holder Information**"). To the best of the knowledge and belief of the Retention Holder (which has taken reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information. Each of the Collateral Manager, the Retention Holder and Collateral Administrator accepts responsibility for any information contained in the 2016 Prospectus that it has accepted responsibility for as being correct at the date of the 2016 Prospectus. 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.*

*The Collateral Manager Information, the Retention Holder Information, the Collateral Administrator Information and the information contained in the section of this Offering Circular headed "Risk Factors – Conflicts of Interest – Conflicts of Interest Involving or Relating to the Initial Purchaser and its Affiliates" (the "**Initial Purchaser Information**" and, together with the Collateral Manager Information and the Collateral Administrator Information, the "**Third Party Information**") has been reproduced from information published by, respectively, the Collateral Manager, the Retention Holder, the Collateral Administrator, the Initial Purchaser and the Arranger. The Issuer has only made very limited enquiries with regards to the accuracy and completeness of the Third Party Information. As far as the Issuer is aware and is able to ascertain from information published by, respectively, the Collateral Manager, the Retention Holder, the Collateral Administrator, the Initial Purchaser and the Arranger, this information has been accurately reproduced and no facts have been omitted which would render the reproduced information inaccurate or misleading. Prospective investors in the Refinancing Notes should not rely upon, and should make their own independent investigations and enquiries in respect of, the accuracy and completeness of the Third Party Information and the Initial Purchaser Information.*

None of the Initial Purchaser, the Arranger, the Collateral Manager (save in respect of the Collateral Manager Information), the Retention Holder (save in respect of the Retention Holder Information), the Trustee, any Agent, any Hedge Counterparty or any other party has separately verified the information contained in this Offering Circular and, accordingly, none of the Initial Purchaser, the Arranger, the Trustee, the Collateral Manager (save as specified above), the Retention Holder (save as specified above), the Collateral Administrator (save in respect of the Collateral Administrator Information), any other Agent, any Hedge Counterparty, or any other party (save for the Issuer as specified above) makes any representation, recommendation or warranty, express or implied, regarding the accuracy, adequacy, reasonableness or completeness of the information contained in this Offering Circular or in any further notice or other document which may at any time be supplied in connection with the Refinancing Notes or their distribution or accepts any responsibility or liability therefor. None of the Initial Purchaser, the Arranger, the Trustee, the Collateral Manager, the Retention Holder, any Agent, any Hedge Counterparty or any other party undertakes to

review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Offering Circular nor to advise any investor or potential investor in the Refinancing Notes of any information coming to the attention of any of the aforementioned parties which is not included in this Offering Circular. None of the Initial Purchaser, the Arranger, the Trustee, the Collateral Manager, the Retention Holder, the Collateral Administrator, any other 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.

None of the Initial Purchaser, the Arranger, the Collateral Manager, the Retention Holder, the Trustee, any Agent or any Hedge Counterparty shall be responsible for, any matter which is the subject of, any statement, representation, warranty or covenant of the Issuer contained in the Refinancing Notes or any Transaction Documents, or any other agreement or document relating to the Refinancing Notes or any Transaction Document, or for the execution, legality, effectiveness, adequacy, genuineness, validity, enforceability or admissibility in evidence thereof. In making an investment decision, investors must rely on their own examination of the terms of this offering, including the merits and risks involved. The contents of this Offering Circular should not be construed as providing legal, business, accounting or tax advice. Each prospective investor should consult its own legal, business, accounting and tax advisers prior to making a decision to invest in the Refinancing Notes.

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

THE REFINANCING 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.

In connection with the issue and sale of the Refinancing Notes, no person is authorised to give any information or to make any representation not contained in this Offering Circular and, if given or made, such information or representation must not be relied upon as having been authorised by or on behalf of the Issuer, the Initial Purchaser, the Arranger, the Trustee, the Collateral Manager or the Agents. 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.

Each of Moody's Investors Service Ltd and Standard & Poor's Credit Market Services Europe Limited are established in the EU and are registered under Regulation (EC) No 1060/2009 (as amended).

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

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 technical meaning may be ascribed to them under applicable law.

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

IRISH REGULATORY POSITION

The Issuer is not and will not be regulated by the Central Bank of Ireland (the "**Central Bank**") by virtue of issuing the Refinancing Notes. Any investment in the Refinancing 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.

SECURITISATION REGULATION

With respect to the requirements of the Securitisation Regulation, each prospective investor in the Refinancing Notes is required to independently assess and determine whether the information provided herein (including in respect of the structural features of the transaction) and in any reports provided to investors in relation to this transaction are sufficient to comply with the Securitisation Regulation or any other regulatory requirement. None of the Issuer, the Collateral Manager, the Retention Holder, any Collateral Manager Related Person, the Initial Purchaser, the Arranger, the Collateral Administrator, the Trustee, the Agents, their respective Affiliates or any other Person makes any representation, warranty or guarantee that any such information or structure 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 structure or any failure of the transactions contemplated hereby to satisfy the requirements of the Securitisation Regulation. Each prospective investor in the Refinancing Notes which is subject to the due diligence requirements of the Securitisation Regulation or any other regulatory requirement should consult with its own legal, accounting, business, tax, regulatory and other advisors and/or its national regulator to determine whether, and to what extent, such information or structure is sufficient for such purposes and any other requirements of which it is uncertain. Investors are directed to the further descriptions of the requirements of the Securitisation Regulation in "*Risk Factors – Regulatory Initiatives – Securitisation, Risk Retention and Due Diligence Requirements – EU Securitisation Regulation*" and "*The EU Retention Requirements*" below.

In connection with the EU Disclosure Requirements under the Securitisation Regulation, the Issuer has been designated as the entity required to make available the reports and information necessary to fulfil the EU Disclosure Requirements and the Collateral Manager and, to the extent agreed by the Collateral Administrator, the Collateral Administrator will provide certain assistance to the Issuer in this regard pursuant to the Collateral Management Agreement. See further "*Risk Factors – Regulatory Initiatives – Securitisation, Risk Retention and Due Diligence Requirements – EU Securitisation Regulation*" and the section "*Description of the Refinancing Notes - Amendments to the Collateral Management Agreement*" below as to how the relevant information and reports can be accessed.

The Monthly Reports will include a statement as to the receipt by the Issuer 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 Trustee, the Arranger and the Initial Purchaser on a monthly basis.

VOLCKER RULE

Section 619 of the Dodd-Frank Act and the corresponding implementing rules (the "**Volcker Rule**") prevents "banking entities" (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

(i) engaging in proprietary trading in financial instruments, and (ii) acquiring and/or retaining any "ownership interest" in, or sponsoring, a "covered fund", subject to certain exemptions and exclusions.

A "covered fund" is defined widely, and includes any issuer which would be an investment company under the Investment Company Act 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 (which would extend to the Issuer given its intention to rely on section 3(c)(7)) 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 (except in a narrow range of circumstances) 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. It is uncertain whether any of the Rated Notes may be characterised as ownership interests. For instance, there is currently uncertainty as to whether the rights of Noteholders to participate in the removal of, and/or selection of a replacement for, the Collateral Manager for cause in and of itself will be construed as indicative of an ownership interest by the Noteholders of the relevant Class of Refinancing Notes. Such characterisation may have adverse effects on the Issuer and the liquidity and value of the Refinancing Notes in so far as it will prohibit most "banking entities" from investing in such Refinancing Notes, including limiting the secondary market of the Refinancing Notes and affecting the Issuer's access to liquidity and ability to hedge its exposures.

If the Issuer is deemed to be a covered fund, then in the absence of regulatory relief, the provisions of the Volcker Rule and its related regulatory guidance will prohibit or severely limit the ability of "banking entities" to hold an ownership interest in the Issuer or enter into certain credit-related financial transactions with the Issuer. 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 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 by the applicable U.S. regulator responsible for implementing and enforcing the Volcker Rule.

As discussed in "*Risk Factors—Regulatory Initiatives—Issuer Reliance on Rule 3a-7*" of the 2016 Prospectus, the Transaction Documents contain certain requirements that are intended to allow the Issuer to rely on the exemption from the definition of "investment company" of Rule 3a-7 under the Investment Company Act. However, there can be no assurance that the Issuer will be viewed by a US regulator with responsibility for Volcker Rule compliance as having complied with Rule 3a-7 or that compliance with those requirements will be adequate for the Issuer to rely on the exemption under Rule 3a-7. Investors should conduct their own analysis to determine whether the Issuer is a "covered fund" for their purposes. See further also "*Risk Factors—Regulatory Initiatives—Issuer Reliance on Rule 3a-7*" of the 2016 Prospectus. In any event, if it were determined that the Issuer did not qualify for the exclusion provided by Rule 3a-7 there is a high likelihood that the Issuer would be determined to be a "covered fund".

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 Initial Purchaser, the Collateral Manager, the Retention Holder, the Trustee or the Arranger nor any of their Affiliates makes any representation to any prospective investor or purchaser of the Refinancing Notes regarding the application of the Volcker Rule to the Issuer, or to such investor's investment in the Refinancing Notes on the Closing 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 Refinancing Notes and, in addition, may have a negative impact on the price and liquidity of the Refinancing Notes in the secondary market. Investors should conduct their own analysis to determine whether the Issuer is a "covered fund" and whether the Refinancing Notes are "ownership interests" for their purposes.

Information as to placement within the United States

The Refinancing Notes of each Class offered in this Offering 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 of Refinancing Notes will each be represented on issue by beneficial interests in one or more permanent global certificates of such Class (each, a "**Rule 144A Global Certificate**" and together, the "**Rule 144A Global Certificates**") or, in the case of Rule 144A Notes which are 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 Closing Date with, and registered in the name of, a nominee of a common depositary for Euroclear Bank S.A./N.V., as operator of the Euroclear System ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**") or, in the case of Rule 144A Definitive Certificates, the registered holder thereof.

The Refinancing Notes of each Class (the "**Regulation S Notes**") sold outside the United States in this Offering to non-U.S. persons (as defined in Regulation S) ("**Regulation S**") under the Securities Act will each be represented on issue by beneficial interests in one or more permanent global certificates of such Class (each, a "**Regulation S Global Certificate**" and together, the "**Regulation S Global Certificates**") or in some cases by definitive certificates of such Class (each a "**Regulation S Definitive Certificate**" and together, the "**Regulation S Definitive Certificates**"), in each case in fully registered form, without interest coupons or principal receipts, which will be deposited on or about the Closing Date with, and registered in the name of, a nominee of a common depositary for Euroclear and Clearstream, Luxembourg or, in the case of Regulation S Definitive Certificates, the registered holder thereof. Neither U.S. persons (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. Refinancing Notes in definitive certificated form will be issued only in limited circumstances.

As at the Closing Date, the Issuer has not been registered under the Investment Company Act in reliance on Section 3(c)(7) of the Investment Company Act. Exemptions or exclusions from registration as an investment company under the Investment Company Act other than those set out in sections 3(c)(1) and 3(c)(7) of the Investment Company Act may be available to the Issuer, but it is unlikely, and there can be no assurance that, any such exemptions or exclusions will be available or that the Issuer will elect to rely on such exemptions. Each purchaser of an interest in the Refinancing Notes (other than a non-U.S. person (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 Refinancing Note, by such purchase, agrees that such Refinancing Note is being acquired for its own account and not with a view to distribution (other than in the case of the 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 Refinancing Notes and the offering thereof described herein, including the merits and risks involved.

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

Available Information

To permit compliance with the Securities Act in connection with the sale of the Refinancing Notes in reliance on Rule 144A, the Issuer will be required under the Trust Deed to furnish upon request to a holder or beneficial owner who is

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

General Notice

EACH PURCHASER OF THE REFINANCING NOTES MUST COMPLY WITH ALL APPLICABLE LAWS AND REGULATIONS IN FORCE IN EACH JURISDICTION IN WHICH IT PURCHASES, OFFERS OR SELLS SUCH REFINANCING 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 REFINANCING NOTES UNDER THE LAWS AND REGULATIONS IN FORCE IN ANY JURISDICTIONS TO WHICH IT IS SUBJECT OR IN WHICH IT MAKES SUCH PURCHASES, OFFERS OR SALES, AND NONE OF THE ISSUER, THE INITIAL PURCHASER, THE ARRANGER, THE COLLATERAL MANAGER, THE TRUSTEE OR THE COLLATERAL ADMINISTRATOR SPECIFIED HEREIN (OR ANY OF THEIR RESPECTIVE AFFILIATES) SHALL HAVE ANY RESPONSIBILITY THEREFOR.

THE REFINANCING NOTES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED, PLEDGED 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 U.S. COMMODITY EXCHANGE ACT OF 1936, AS AMENDED (THE "**CEA**")) 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" ("**CPO**") OR A "COMMODITY TRADING ADVISOR" ("**CTA**") (AS SUCH TERMS ARE DEFINED IN 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 CPO AND/OR A 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 "*RISK FACTORS - REGULATORY INITIATIVES – COMMODITY POOL REGULATION*".

FURTHER, THE TRADING OR ENTERING INTO SUCH HEDGE AGREEMENTS MUST NOT ELIMINATE THE ISSUER'S ABILITY TO RELY ON RULE 3A-7 UNDER THE INVESTMENT COMPANY ACT, UNLESS AND UNTIL THE ISSUER ELECTS (WHICH ELECTION MAY BE MADE ONLY UPON CONFIRMATION FROM THE COLLATERAL MANAGER THAT IT HAS OBTAINED LEGAL ADVICE FROM REPUTABLE INTERNATIONAL LEGAL COUNSEL KNOWLEDGEABLE IN SUCH MATTERS TO THE EFFECT THAT TO DO SO WOULD NOT RESULT IN THE ISSUER BEING CONSTRUED AS A "COVERED FUND" IN RELATION TO ANY HOLDER OF OUTSTANDING NOTES FOR THE PURPOSES OF THE VOLCKER RULE) TO RELY SOLELY ON THE EXEMPTION UNDER SECTION 3(C)(7) OF THE INVESTMENT COMPANY ACT.

MiFID II

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

PRIIPS

The Refinancing Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area. 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 Directive 2014/65/EU (as amended, "**MiFID II**"); or (ii) a customer within the meaning of Directive 2002/92/EC (as amended or superseded, 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 (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended or superseded, 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 Refinancing Notes or otherwise making them available to retail investors in the European Economic Area has been prepared and therefore offering or selling the Refinancing Notes or otherwise making them available to any retail investor in the European Economic Area may be unlawful under the PRIIPs Regulation.

Benchmark Regulation

Amounts payable on the Refinancing Notes are calculated by reference to EURIBOR. As at the date of this Offering Circular, the administrator of EURIBOR (being the European Money Markets Institute) is included in ESMA's register of administrators under Article 36 of Regulation (EU) No. 2016/1011) (the "**Benchmark Regulation**").

Investor Notice

In connection with the issue of the Refinancing Notes (the "**Transaction**"), Morgan Stanley & Co International plc ("**Morgan Stanley**") does not act for or provide services, including providing any advice, in relation to the Transaction to any person other than the Issuer and the Collateral Manager. Morgan Stanley will not regard any person other than the Issuer and the Collateral Manager, including actual or prospective holders of the Refinancing Notes, as its client in relation to the Transaction. Accordingly, Morgan Stanley will not be responsible to anyone other the Issuer for providing the protections (regulatory or otherwise) afforded to its clients.

NONE OF THE ARRANGER, THE TRUSTEE, THE COLLATERAL MANAGER, THE RETENTION HOLDER, THE AGENTS OR THE INITIAL PURCHASER SHALL BE RESPONSIBLE FOR ANY MATTER WHICH IS THE SUBJECT OF ANY STATEMENT, REPRESENTATION, WARRANTY OR COVENANT OF THE ISSUER CONTAINED IN THE REFINANCING NOTES OR ANY TRANSACTION DOCUMENTS, OR ANY OTHER AGREEMENT OR DOCUMENT RELATING TO THE REFINANCING NOTES OR ANY TRANSACTION DOCUMENT, OR FOR THE EXECUTION, LEGALITY, EFFECTIVENESS, ADEQUACY, GENUINENESS, VALIDITY, ENFORCEABILITY OR ADMISSIBILITY IN EVIDENCE THEREOF. IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE TERMS OF THIS OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE CONTENTS OF THIS OFFERING CIRCULAR SHOULD NOT BE CONSTRUED AS PROVIDING LEGAL, BUSINESS, ACCOUNTING OR TAX ADVICE. EACH PROSPECTIVE INVESTOR SHOULD CONSULT ITS OWN LEGAL, BUSINESS, ACCOUNTING AND TAX ADVISERS PRIOR TO MAKING A DECISION TO INVEST IN THE REFINANCING NOTES.

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OVERVIEW

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

Issuer	BlackRock European CLO II Designated Activity Company, a designated activity company limited by shares duly incorporated under the laws of Ireland with registered number 582858 and having its registered office at 3rd Floor, Kilmore House, Park Lane, Spencer Dock, Dublin 1, Ireland
Collateral Manager	BlackRock Investment Management (UK) Limited
Trustee	U.S. Bank National Association
Initial Purchaser	Morgan Stanley & Co International plc
Collateral Administrator	U.S. Bank Global Corporate Trust Limited

Refinancing Notes

Class of Refinancing Notes	Principal Amount	Initial Stated Interest Rate[1]	Alternative Stated Interest Rate[2]	Moody's Ratings of at least[34]	S&P Ratings of at least[34]	Maturity Date	Initial Offer Price[5]
A	€244,000,000	3 month EURIBOR + 0.88%	6 month EURIBOR + 0.88%	"Aaa(sf)"	"AAA(sf)"	15 January 2030	100.0%
B	€48,000,000	3 month EURIBOR + 1.50%	6 month EURIBOR + 1.50%	"Aa2(sf)"	"AA(sf)"	15 January 2030	100.0%
C	€23,000,000	3 month EURIBOR + 2.20%	6 month EURIBOR + 2.20%	"A2(sf)"	"A(sf)"	15 January 2030	100.0%
D	€20,000,000	3 month EURIBOR + 3.10%	6 month EURIBOR + 3.10%	"Baa2(sf)"	"BBB(sf)"	15 January 2030	100.0%
E	€25,000,000	3 month EURIBOR + 5.95%	6 month EURIBOR + 5.95%	"Ba2(sf)"	"BB(sf)"	15 January 2030	100.0%

1 Applicable at all times prior to the occurrence of a Frequency Switch Event.

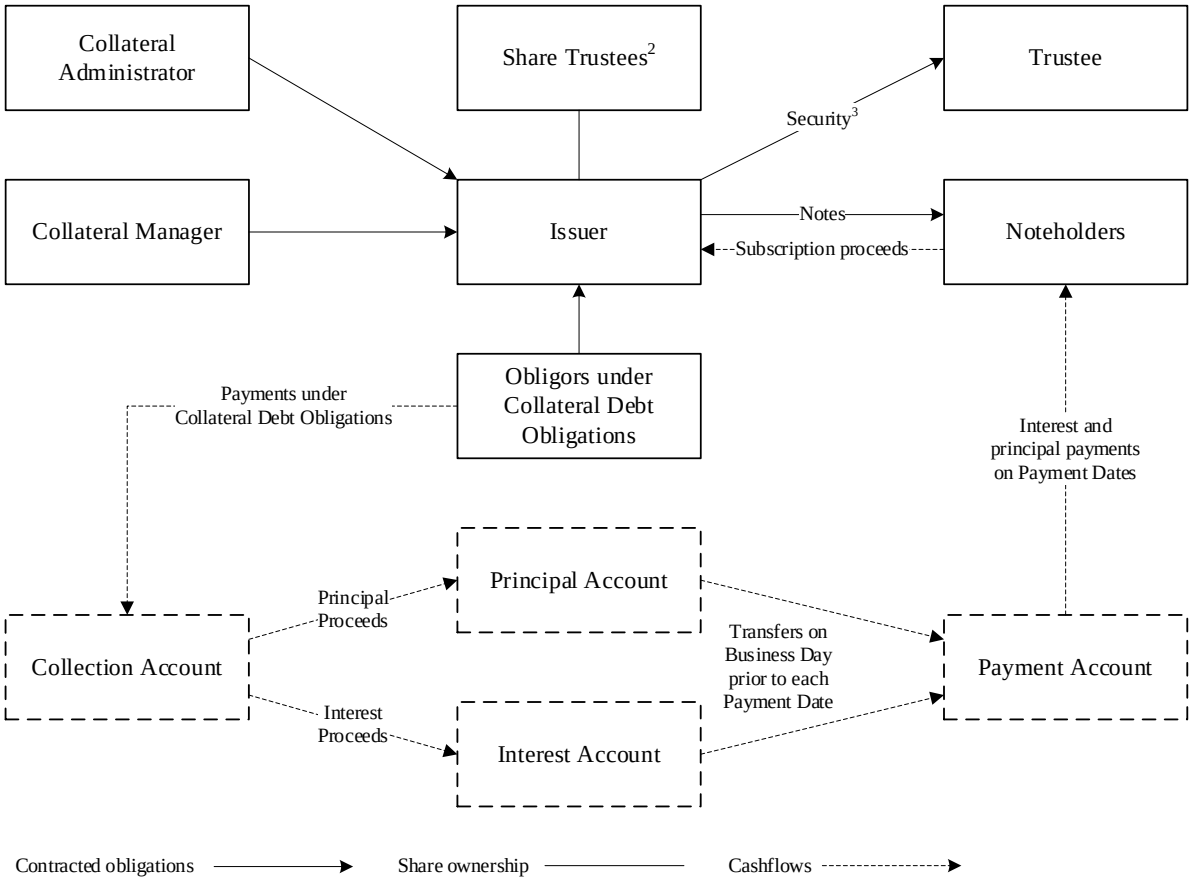
2 Applicable at all times following the occurrence of a Frequency Switch Event, provided that the rate of interest of the Refinancing Notes of each Class for the period from, and including, the final Payment Date before the Maturity Date to, but excluding, the Maturity Date will, if such first mentioned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

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

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

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

Transaction Structure Diagram



1. This diagram presents a simplified version of the on-going and Closing Date cashflows. See Condition 3(j) (*Payments to and from the Accounts*) for further detail.

2. The Issuer has issued three Shares, which are fully paid up and are held directly or indirectly by three Irish companies limited by guarantee, Registered Shareholder Services No. 1 Company Limited by Guarantee (formerly called Eurydice Charitable Trust Limited), Registered

Shareholder Services No. 2 Company Limited by Guarantee (formerly called Medb Charitable Trust Limited) and Registered Shareholder Services No. 3 Company Limited by Guarantee (formerly called Badb Charitable Trust Limited) (each a "*Share Trustee*" and together, the "**Share Trustees**") on trust for charitable purposes. See "*The Issuer – General*" of the 2016 Prospectus.

3. The Refinancing Notes will be secured in favour of the Trustee for the benefit of the Secured Parties by security over substantially all of the Issuer's assets (including the Collateral Debt Obligations). See Condition 4(a) (*Security*).

Eligible Purchasers	The Refinancing Notes of each Class will be offered: (a) outside of the United States to non-U.S. persons in "offshore transactions" in reliance on Regulation S; and (b) within the United States to persons and outside the United States to U.S. persons, in each case, who are QIB/QPs in reliance on Rule 144A.
Original Issue Date	15 December 2016
Refinancing Date	15 July 2019
Payment Dates	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 15 April and 15 October (where the Payment Date immediately following the occurrence of a Frequency Switch Event falls in either April or October) following the occurrence of a Frequency Switch Event, in each year commencing in October 2019 and ending on the Maturity Date (subject to any earlier redemption of the Refinancing Notes and in each case to adjustment for non-Business Days in accordance with the Conditions).
Stated Note Interest	Interest in respect of the Refinancing Notes of each Class will be payable quarterly in arrears prior to the occurrence of a Frequency Switch Event and semi-annually in arrears following the occurrence of a Frequency Switch Event, in each case on each Payment Date (with the first Payment Date occurring on 15 October 2019) in accordance with the Interest Proceeds Priority of Payments.
Non-Payment and Deferral of Interest	Failure on the part of the Issuer to pay the Interest Amounts due and payable on the Class A Notes or the Class B Notes pursuant to Condition 6 (*Interest*) and the Priorities of Payment shall not be an Event of Default unless and until such failure continues for a period of at least five Business Days (save in the case of an administrative error or omission only, where such failure continues for a period of at least seven Business Days), and except, 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*). Failure on the part of the Issuer to pay interest payments due and payable on the Class C Notes, the Class D Notes, the Class E Notes or the Class F Notes pursuant to Condition 6 (Interest) and the Priorities of Payment will not constitute an Event of

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

Non-payment of amounts due and payable on the Subordinated Notes as a result of the insufficiency of available Interest Proceeds or Principal Proceeds will not constitute an Event of Default.

Redemption of the Notes

See the section entitled "*Redemption of the Notes*" within the "*Overview*" section in the 2016 Prospectus, which is amended herein to remove the right for redemption of the Notes to be made:

(a) in whole (with respect to all Classes of Rated Notes) from Refinancing Proceeds prior to 15 January 2020 pursuant to Condition 7(b)(i)(A) (*Optional Redemption in Whole – Subordinated Noteholders*); and

(b) in part prior to 15 January 2020 by the redemption in whole of one or more Classes of the Rated Notes, where such Rated Notes are Refinancing Notes, from Refinancing Proceeds pursuant to Condition 7(b)(ii) (*Optional Redemption in Part – Subordinated Noteholders or Collateral Manager*).

The Portfolio

The operation of the S&P CDO Monitor BDR, the Moody's Test Matrix, the Weighted Average Life Test and the Eligibility Criteria are being amended, each as set out in section entitled "*The Portfolio*" below. Purchasers of the Class A Notes will be deemed to have approved the amendment of the Weighted Average Life Test and the Eligibility Criteria, as contained in the Deed of Supplement, Amendment and Restatement, by their subscription for the Class A Notes and the Subordinated Noteholders have consented to the amendments contained in the Deed of Supplement, Amendment and Restatement acting by way of Ordinary Resolution. See the section entitled "*The Portfolio*" below and in the 2016 Prospectus.

The Latest Monthly Report has been filed with Euronext Dublin and is available for viewing at: http://www.rns-pdf.londonstockexchange.com/rns/4186B_1-2019-6-6.pdf.

Listing

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 Refinancing Notes in any jurisdiction in circumstances that would require a prospectus to be prepared pursuant to the Prospectus Directive.

Application has been made to Euronext Dublin for the Notes (including the Class F Notes and the Subordinated Notes) to be admitted to the Official List and trading on the Global Exchange Market. The Class F Notes and the Subordinated Notes will simultaneously be removed from listing on the Regulated Market. It is anticipated that such listing and admission to trading of the Notes will take place on or about the Closing Date. There can be no assurance that such listing and admission to trading will be granted.

Form, Registration and Transfer of the Notes

The Regulation S Notes of each Class of Refinancing Notes (other than in certain circumstances as described below, the Class E Notes) sold to non-U.S. Persons in "offshore transactions" 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 Closing Date with, and registered in the name of a nominee of, a common depositary for Euroclear Bank SA/NV, as operator of the Euroclear System ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**"). Beneficial interests in a Regulation S Global Certificate may at any time be held only through, and transfers thereof will only be effected through, records maintained by Euroclear or Clearstream, Luxembourg. See "*Form of the Notes*" and "*Book Entry Clearance Procedures*" in the 2016 Prospectus. Interests in any Regulation S Note may not at any time be held by any U.S. Person or U.S. Resident.

The Rule 144A Notes of each Class (other than in certain circumstances as described below, the Class E Notes) sold to persons who are both QIBs and QPs in reliance on Rule 144A will be represented on issue by beneficial interests in one or more Rule 144A Global Certificates in fully registered form, without interest coupons or principal receipts, which will be deposited on or about the Closing Date with, and registered in the name of a nominee of, a common depositary for Euroclear and Clearstream, Luxembourg. Beneficial interests in a Rule 144A Global Certificate may at any time only be held through, and transfers thereof will only be effected through, records maintained by Euroclear or Clearstream, Luxembourg. See "*Book Entry Clearance Procedures*" and "*Form of the Notes*" in the 2016 Prospectus.

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

No beneficial interest in a Rule 144A Global Certificate may be transferred to a person who takes delivery thereof through a Regulation S Global Certificate unless the transferor provides the Trustee and the Transfer Agent with a written certification substantially in the form set out in the Trust Deed regarding compliance with certain of such transfer restrictions and such other additional requirements as may be required by the Trustee and/or the Transfer Agent. Any transfer of a beneficial interest in a Regulation S Global Certificate to a person who takes delivery through an interest in a Rule 144A Global Certificate is also subject to certification requirements substantially in the form set out in the Trust Deed and each transferee thereof shall be deemed to represent that such transferee is both a QIB and a QP. In addition, interests in any of the Regulation S Notes may not at any time be held by any U.S. Person or U.S. Resident. See "*Form of the Notes*" and "*Book Entry Clearance Procedures*" in the 2016 Prospectus.

Except in the limited circumstances described herein, Refinancing Notes in definitive, certificated, fully registered form ("**Definitive Certificates**") will not be issued in exchange for beneficial interests in either the Regulation S Global Certificates or the Rule 144A Global Certificates (other than, in certain circumstances as described below, with respect to the Class E Notes). See "*Form of the Notes—Exchange for Definitive Certificates*" below.

A transferee of a Class E Note, a Class F Note or a Subordinated Note in the form of a Rule 144A Global Certificate or a Regulation S Global Certificate will be deemed to represent (among other things) that it is not, and is not acting on behalf of (and for so long as it holds such Note or interest therein will not be, and will not be acting on behalf of), a Benefit Plan Investor or a Controlling Person. If a transferee is unable to make such deemed representation, such transferee may not acquire such Class E Note, Class F Note or Subordinated Note, as applicable, in the form of a Rule 144A Global Certificate or a Regulation S Global Certificate unless such transferee (i) obtains the written consent of the Issuer, (ii) provides an ERISA certificate in or substantially in the form set out in the Trust Deed, to a Transfer Agent and the Issuer as to its status as a Benefit Plan Investor or Controlling Person and (iii) holds such Class E Note, Class F Note or Subordinated Note, as applicable, in the form of a Definitive Certificate and, in such case, provides the Issuer and a Transfer Agent with a duly completed declaration (in the form set out in Schedule 8 (*Form of Irish Tax Declaration*) to the Trust Deed), other than in the case where the transferee is acquiring Class E Notes on the Closing Date or acquired the Class F Notes or Subordinated Notes on the Original Issue Date, in which case they may acquire such Class E Notes, Class F Notes or Subordinated Notes in the form of a Rule 144A Global Certificate or a Regulation S Global Certificate.

	Transfers of interests in the Refinancing Notes are subject to certain restrictions and must be made in accordance with the procedures set forth in the Trust Deed. See "*Book Entry Clearance Procedures*" and "*Form of the Notes*" in the 2016 Prospectus and "*Transfer Restrictions*" below. Each purchaser of Refinancing Notes in making its purchase will be required to make, or will be deemed to have made, certain acknowledgements, representations and agreements. See "*Transfer Restrictions*" below. The transfer of Refinancing Notes in breach of certain of such representations and agreements will result in affected Refinancing Notes becoming subject to certain forced transfer provisions. See Condition 2(h) (*Forced Transfer of Rule 144A Notes*), Condition 2(i) (*Forced Sale pursuant to FATCA*) and Condition 2(j) (*Forced Transfer pursuant to ERISA*).
Tax Status	See "*Tax Considerations*" below.
Certain ERISA Considerations	See "*Certain ERISA Considerations*" in the 2016 Prospectus and "*Additional ERISA Considerations*" below.
Withholding Tax	No gross up of any payments to the Noteholders will be required of the Issuer. See Condition 9 (*Taxation*).
EU Retention Requirements	Certain of the Retention Notes were acquired by the Collateral Manager on the Original Issue Date pursuant to the Risk Retention Letter. Certain of the Refinancing Notes will be acquired by the Collateral Manager on the Refinancing Date pursuant to the 2019 Risk Retention Letter. Pursuant to the 2019 Risk Retention Letter, the Collateral Manager will undertake to retain the Retention Notes with the intention of complying on an ongoing basis with the EU Retention Requirements. See "*The EU Retention Requirements" and "Risk Factors – Regulatory Initiatives*" below.
EU Disclosure Requirements	In connection with the EU Disclosure Requirements, the Issuer has been designated as the entity required to make available the reports and information necessary to fulfil the EU Disclosure Requirements and the Collateral Manager and the Collateral Administrator (in the case of the Collateral Administrator to the extent agreed by the Collateral Administrator), will provide certain assistance to the Issuer in this regard pursuant to the Collateral Management Agreement. If the Collateral Administrator does not agree to provide such assistance, another service provider may be engaged and the Collateral Manager shall assist the Issuer in this regard. See further "*Risk Factors – Regulatory Initiatives – EU Securitisation Regulation*".

RISK FACTORS

An investment in the Refinancing Notes of any Class involves certain risks, including risks relating to the Collateral securing such Refinancing Notes and risks relating to the structure and rights of such Refinancing Notes and the related arrangements. There can be no assurance that the Issuer will not incur losses or that investors will receive a return on their investments. Prospective investors should carefully consider the following factors and the "Risk Factors" in the 2016 Prospectus, in addition to the matters set forth elsewhere in this Offering Circular and the 2016 Prospectus, prior to investing in any Refinancing Notes. Terms not defined in this section and not otherwise defined above have the meanings set out in Condition 1 (Definitions) of the "Terms and Conditions of the Notes" in the 2016 Prospectus, as amended by this Offering Circular.

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

The Arranger and the Initial Purchaser (i) did not participate in the preparation of any Monthly Report, any Payment Date Report or the financial statements of the Issuer, (ii) is relying on representations from the Issuer as to the accuracy and completeness of the information contained in the Monthly Reports, the Payment Date Reports and the financial statements of the Issuer, and (iii) shall have no responsibility whatsoever for the contents of any Monthly Report, any Payment Date Report or the financial statements of the Issuer.

1 GENERAL

1.1 Relating to the Refinancing Notes

The Issuer commenced operations under the Trust Deed on the Original Issue Date. While the most recent Monthly Report prior to the Refinancing Date, dated as of 20 May 2019 (and posted on 31 May 2019), with respect to the Portfolio has been filed with the Irish Stock Exchange plc trading as Euronext Dublin (the "**Latest Monthly Report**"), such information has not been audited or otherwise reviewed by any accounting firm.

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

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

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

1.2 Prior Activities of the Issuer

The only operations that an issuer of structured rated notes similar to the Refinancing Notes is ordinarily permitted to perform prior to the issue date thereof is the entry into the warehouse arrangements in respect of the acquisition of certain assets on which such notes are to be secured on or prior to such issue date. This is to mitigate the risk that creditors of the issuer may exist as a result of the activities of such issuer who may be able to take action against the issuer should it not perform its obligations to the extent that such creditors have not entered into limited recourse and non-petition provisions similar to those to which the Secured Parties are subject pursuant to the Trust Deed. This risk is potentially increased in the case of the Issuer, as a result of it having issued the 2016 Notes on the Original Issue Date and having entered into the related collateralised loan obligation transactions on and since such date.

1.3 UK Referendum on Membership of the European Union

On 29 March 2017, the UK invoked Article 50 of the Lisbon Treaty and officially notified the EU of its decision to withdraw from the EU. 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 EU (the "**Article 50 Withdrawal Agreement**"). As part of those negotiations, a transitional period has been agreed in principle which would extend the application of EU law, and provide for continuing access to the EU single market, until the end of 2020.

At the current time, the European Council have agreed to extend the two-year period for the UK's withdrawal from the EU until 30 October 2019, with the intention of giving the UK a further period in order to agree the terms of their withdrawal from the EU. At this time it is not possible to state with any certainty what the terms and effective date of any withdrawal agreement might be, or whether there will be any further extensions to the process and, if there are, what the duration of such extensions will be.

If the Article 50 Withdrawal Agreement is not ratified by the 30 October 2019 (or such further extended date as agreed to by the European Council), 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. The UK Government is said to have 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 the withdrawal date. The European authorities have not provided UK firms and businesses with similar assurances in preparation for a "hard Brexit".

Due to the on-going political uncertainty as regards the terms of the UK's withdrawal from the EU and the structure of the future relationship, the precise impact on the business of the Issuer is difficult to determine. As such, no assurance can be given that such matters would not adversely affect the ability of the Issuer to satisfy its obligations under the Refinancing Notes and/or the market value and/or the liquidity of the Refinancing Notes in the secondary market.

1.4 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 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 other things, (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 Refinancing 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 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 and in the European leveraged loans market, 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 or transactions may suffer as a result. It is also possible that the Collateral will experience higher default rates than anticipated and that performance will suffer.

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

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

1.5 Euro and Euro Zone Risk

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

As a result of the credit crisis in Europe, the European Commission created the European Financial Stability Facility (the "**EFSF**") and the European Financial Stability Mechanism (the "**EFSM**") to provide funding to Euro zone countries in financial difficulties that seek such support. Subsequently, the European Council agreed that Euro zone countries would establish a permanent stability mechanism, the European Stability Mechanism (the "**ESM**"), to assume the role of the EFSF and the EFSM in providing external financial assistance to Euro zone countries which has been active since 1 July 2013.

Despite these and other measures, concerns persist regarding the 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 Refinancing Notes.

1.6 S&P

On 21 January 2015, the SEC entered into administrative settlement agreements with S&P with respect to, among other things, multiple allegations of making misleading public statements with respect to its ratings methodology and certain misleading publications concerning criteria and research, in each case relating to commercial mortgage-backed securities transactions. S&P neither admitted nor denied the charges in these settlements. As a result of these settlement agreements, the SEC ordered S&P censured and enjoined S&P from violating the statutory provisions and rules related to the allegations described above. Additionally, S&P agreed to pay civil penalties and other disgorgements exceeding $76 million. On 3 February 2015, S&P entered into a settlement agreement with the United States Justice Department, 19 States and the District of Columbia, to settle lawsuits relating to S&P's alleged inflation of ratings on subprime mortgage bonds. S&P did not admit to any wrongdoing in connection with such settlement. Also on 3 February 2015, S&P entered into a settlement agreement with the California Public Employees Retirement System to resolve claims over three structured investment vehicles. Under the 3 February 2015 settlement agreements, S&P agreed to pay approximately $1.5 billion in the aggregate to the related claimants.

While none of these settlements concern S&P ratings of CLOs, alleged inaccuracy of S&P ratings for one type of securitisation may raise questions as to their accuracy for other types of securitisations, including CLOs.

1.7 Flip Clauses

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

The Supreme Court of the United Kingdom has, in *Belmont Park Investments Pty Limited v BNY Corporate Trustee Services Limited and Lehman Brothers Special Financing Inc.* [2011] UKSC 38, upheld the validity of a flip clause contained in an English-law governed security document under the United Kingdom "anti-deprivation" laws, stating that, provided such provisions form part of a commercial transaction entered into in good faith which does not have

as its predominant purpose, or one of its main purposes the deprivation of the property of one of the parties on bankruptcy, the anti-deprivation principle was not breached by such provisions.

In contrast, the U.S. Bankruptcy Court for the Southern District of New York in *Lehman Brothers Special Financing Inc. v. BNY Corporate Trustee Services Limited.* (*In re Lehman Brothers Holdings Inc*.), Adv. Pro. No. 09-1242-JMP (Bankr. S.D.N.Y. May 20, 2009) examined a flip clause and held that such a provision, which seeks to modify one creditor's position in a priority of payments when that creditor files for bankruptcy, is unenforceable under the U.S. Bankruptcy Code. Judge Peck acknowledged that this has resulted in the U.S. courts coming to a decision "directly at odds with the judgment of the English Courts". While BNY Corporate Trustee Services Ltd filed a motion for and was granted leave to appeal with the U.S. Bankruptcy Court, the case was settled before the appeal was heard. On 28 June 2016, Judge Shelley Chapman in the same court disagreed with Judge Peck and ruled in a different group of proceedings 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. Given the current state of U.S. and English law, this is likely to be an area of continued judicial focus particularly in respect of multi-jurisdictional insolvencies.

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

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

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 Refinancing Notes. If any rating assigned to the Refinancing Notes is lowered, the market value of the Refinancing Notes may reduce.

1.8 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.

For example, in the EU a regulation (the "**Benchmark Regulation**") on indices used as benchmarks in financial instruments and financial contracts entered into force on 30 June 2016. It is directly applicable law across the EU. The applicable date for the majority of its provisions was 1 January 2018.

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

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

(b) the methodology or other terms of the "benchmark" could be changed in order to comply with the terms of the Benchmark Regulation; and

(c) an index may be discontinued if it does not comply with the requirements of the Benchmark Regulation, or if its administrator does not obtain authorisation.

In addition, in a speech on 27 July 2017, Andrew Bailey, the Chief Executive of the FCA, announced the FCA's intention to cease sustaining LIBOR from the end of 2021. The FCA has statutory powers to compel panel banks to contribute to LIBOR where necessary. The FCA has decided not to ask, or to require, that panel banks continue to submit contributions to LIBOR beyond the end of 2021. The FCA has indicated that the current panel banks will voluntarily sustain LIBOR until the end of 2021. The FCA's intention is that after 2021, it will no longer be necessary for the FCA to persuade, or to compel, banks to submit to LIBOR. The FCA does not intend to sustain LIBOR through using its influence or legal powers beyond that date.

The use of LIBOR as a benchmark rate is pervasive throughout the financial markets. While the FCA envisages that market participants will transition away from LIBOR, it is not yet clear what rate or rates would replace it for any particular financial product and how any such change or changes would be implemented.

It remains possible that the LIBOR administrator, ICE Benchmark Administration, and the panel banks could continue to produce LIBOR on the current basis after 2021, if they are willing and able to do so. However, the survival of LIBOR in its current form, or at all, is not guaranteed after 2021.

In response to the Benchmark Regulation, the International Swaps and Derivatives Association, Inc. ("**ISDA**") has, on 19 September 2018, published the ISDA Benchmarks Supplement (the "**ISDA Supplement**"), which gives parties the ability to improve the contractual robustness of derivatives that reference interest rate, FX, equity and commodities benchmarks. It enables parties to specify fallbacks if a "Benchmark Trigger Event" occurs with respect to a "Relevant Benchmark" (including LIBOR or EURIBOR) (each term as defined in the ISDA Supplement) used in a relevant swap transaction (such as a Hedge Transaction). A Benchmark Trigger Event means:

(a) a public statement or publication of information by or on behalf of the administrator of the relevant benchmark announcing that it has ceased or will cease to provide the relevant benchmark permanently or indefinitely (provided there is no successor administrator), or another event which constitutes an "Index Cessation Event" (as defined in the ISDA Supplement); and

(b) delivery of a notice by one party to the transaction specifying (and citing publicly available information) that any authorisation, registration, recognition, endorsement, equivalence decision, approval or inclusion in any official register in respect of the relevant benchmark or the administrator of the relevant benchmark has not been obtained or as been, or will be, rejected, refused, suspended or withdrawn by the relevant competent authority or other relevant official body (i.e. an "Administrator/Benchmark Event").

Upon the occurrence of a "Benchmark Trigger Event", assuming no priority fallback is provided for in the definition of the relevant benchmark itself, then unless otherwise agreed, the parties shall be required to use commercially reasonable effort to apply an "Alternative Continuation Fallback", being (in the following order of priority): (i) agreement between the parties, (ii) application of any alternative pre-nominated index (identified by the parties to the transaction), (iii) application of any post-nominated index (formally designated, nominated or recommended by a relevant nominating body or the administrator or sponsor of the benchmark), and (iv) application of a calculation agent nominated replacement index (in each case, with the potential for adjustment payments or spreads being applied to the relevant swap transaction).

If no continuation amendment can be made under any of the alternative continuation fallbacks provided for in the ISDA Supplement, then by close of business on the applicable cut-off date, there shall be an additional termination event in respect of each affected transaction on the basis that both parties shall be "Affected Parties".

Investors should be aware that:

(a) any of the international, national or other measures or proposals for reform, or general increased regulatory scrutiny of "benchmarks" could have a material adverse effect on the costs and risks of administering or otherwise participating in the setting of a "benchmark" and complying with any such regulations or

requirements. Such factors may have the effect of discouraging market participants from continuing to administer or participate in certain "benchmarks", trigger changes in the rules or methodologies used in certain "benchmarks" or lead to the disappearance of certain "benchmarks";

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

(c) if any payment to be made under a Hedge Transaction is calculated with reference to a benchmark which is subject to a Benchmark Trigger Event and (as anticipated in respect of certain of the Hedge Agreements) the relevant Hedge Agreement is deemed to incorporate the terms of the ISDA Supplement by reference, then:

(i) such payment will instead be calculated by reference to a fallback rate or benchmark determined in accordance with the terms of the ISDA Supplement, which may differ from the fallback provisions applicable to any affected Collateral Debt Obligation, creating the potential risk for mismatch as described in item (d)(ii) below; and

(ii) although the terms of the relevant Hedge Agreement shall require the Issuer and relevant Hedge Counterparty, where necessary to reduce or eliminate any such mismatch, to use commercially reasonable efforts to apply an alternative fallback (and to make alternative adjustments, amendments and payments) to those provided for in the ISDA Supplement, this may result in an adjustment payment becoming payable by the Issuer to the relevant Hedge Counterparty to reflect any consequential change in the economics of the Hedge Transaction. This could reduce amounts that would otherwise be available to the Issuer for making payments to the Noteholders.

(d) if the applicable rate of interest on any Collateral Debt Obligation is calculated with reference to a benchmark (or currency or tenor) which is discontinued or affected by a material disruption or change in methodology:

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

(ii) there may be a mismatch between the replacement rate of interest applicable to the affected Collateral Debt Obligation and the rate of interest the Issuer must pay under any applicable Hedge Transaction. This could lead to the Issuer receiving amounts from affected Collateral Debt Obligations which are insufficient to make the due payment under the Hedge Transaction, consequential amendments being made to the terms of the relevant Hedging Agreement (if so provided for therein) and/or potential termination of the Hedge Transaction and/or Hedge Agreement;

(e) if any of the relevant EURIBOR benchmarks referenced in Condition 6 (*Interest*) is discontinued, interest on the Notes will be calculated under Condition 6(e) (*Interest on the Rated Notes*). In general, fallback mechanisms which may govern the determination of interest rates where a benchmark rate is not available (such as those described at items (c), (d) and (e) immediately above) are not suitable for long term use. Accordingly, in the event a benchmark rate is permanently discontinued, it may be desirable to amend the applicable interest rate provisions in the affected Collateral Debt Obligation, Hedge Agreement or the Notes.; and

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

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

1.9 U.S. Federal Income Tax Implications of LIBOR and EURIBOR Reform

If certain events described above regarding the discontinuation of, or significant change to, LIBOR or EURIBOR, (a "**Reference Rate Change**") occur, there is a risk that for U.S. federal income tax purposes, the Reference Rate Change could be viewed as an alternation or modification of the Notes. In such case, if the Reference Rate Change were treated as a "significant modification" for U.S. federal income tax purposes (which would generally occur if such Reference Rate Change causes a change in the yield of a Note by more than the greater of (x) 0.25 per cent. or (y) 5.0 per cent. of the annual yield of the Note prior to the Reference Rate Change), then unless the Reference Rate Change is treated as a tax-free "recapitalization" for U.S. federal income tax purpose or another exception exists at the time of the Reference Rate Change, the Reference Rate Change could cause a U.S. holder of a Note to recognise gain for U.S. federal income tax purposes equal to the difference, if any, between (i) the fair market value of the modified Note (if the Note is treated as publicly traded) or its principal amount (if the Note is not treated as publicly traded), in each case not including any accrued but unpaid interest (which will be taxable as such) and (ii) the holder's tax basis in the Note. Any gain will be long-term capital gain if the Note was held for more than one year at the time of the Reference Rate Change, or otherwise short-term capital gain. The tax on any such gain may exceed the after-tax distributions on the Note during the taxable year in which the Reference Rate Change occurs, in which case the U.S. holder would be required to fund its tax liability in respect of the gain from other sources. In the event that a Reference Rate Change is treated as a significant modification for U.S. federal income tax purposes, then unless the Reference Rate Change is treated as a tax-free "recapitalization" for U.S. federal income tax purposes the U.S. holder's holding period in respect of the modified Note will begin on the day following the modification. U.S. holders may not be permitted to recognize loss upon a Reference Rate Change. In addition, a Reference Rate Change could create or change the amount of any OID that U.S. holders are required to include with respect to their Rated Notes.

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

Many jurisdictions have adopted wide-ranging anti-money laundering, anti-terrorism, economic and trade sanctions, and anti-corruption and anti-bribery laws and regulations (collectively, the "**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, the Agents 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 Requirements of the United States of America and other countries, and will disclose any information required or requested by authorities in connection therewith. Noteholders may also be obliged to provide information in respect of Requirements.

1.11 CRA Regulation

Aspects of Regulation (EU) 462/2013 of the European Parliament and of the European Council amending Regulation EC 1060/2009 on credit rating agencies ("**CRA3**") came into force on 20 June 2013. Article 8(c) of CRA3 introduced a requirement that where an issuer or a related third party intends to solicit a credit rating of a structured finance instruments, it shall obtain two independent ratings for such instruments. Article 8(d) of CRA3 has introduced a requirement that where an issuer or a related third party intends to appoint at least two credit rating agencies to rate the same instrument, the issuer or a related third party shall consider appointing at least one rating agency having less than a 10.0 per cent. market share among agencies capable of rating that instrument. Investors should consult their legal advisors as to the applicability of CRA3 and any consequence of non-compliance in respect of their investment in the Refinancing Notes.

1.12 EU Bank Recovery and Resolution Directive

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

2 TAXATION

2.1 UK Taxation of the Issuer

In the context of the activities to be carried on under the Transaction Documents, the Issuer will be subject to United Kingdom corporation tax only if it is (i) tax resident in the United Kingdom or (ii) carries on a trade in the United Kingdom through a permanent establishment.

The Issuer will not be treated as being tax resident in the United Kingdom provided that it is not incorporated in the United Kingdom 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 that it does not become resident in the United Kingdom for taxation purposes. The Issuer would be liable to pay (in accordance with the Priorities of Payment (as applicable)) United Kingdom tax on its United Kingdom taxable profits if it were treated as being tax resident in the United Kingdom.

The Issuer would generally be regarded as having a permanent establishment in the United Kingdom if it has (i) a fixed place of business in the United Kingdom or (ii) a dependent agent in the United Kingdom who has and habitually exercises authority in the United Kingdom to do business on the Issuer's behalf. The Issuer does not intend to have a fixed place of business in the United Kingdom. The Collateral Manager is an agent which will, however, have and is expected to habitually exercise authority to do business on behalf of the Issuer in the United Kingdom.

The Issuer should not be subject to United Kingdom 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 if the domestic UK tax exemption for profits generated in the UK by an investment manager on behalf of its non-resident clients (section 1146 of the Corporation Tax Act 2010) (the "**Investment Manager Exemption**") applies. This domestic exemption will be available in the context of this transaction if, amongst other conditions, the Collateral Manager (and certain connected entities) holds no more than 20 per cent. of the Notes (in aggregate). However, if the Investment Manager Exemption is not available, it should not be subject to UK taxation if the exemption in Article 8(1) of the United Kingdom Ireland tax treaty applies. This exemption will apply if the Collateral Manager is regarded as an independent agent acting in the ordinary course of its business for the purpose of Article 5(6) of the United Kingdom Ireland tax treaty.

In the event that the Collateral Manager were assessed to United Kingdom tax on behalf of the Issuer, it will in certain circumstances be entitled to an indemnity from the Issuer. Any payment to be made by the Issuer under this indemnity will be paid as Administrative Expenses of the Issuer. Administrative Expenses are payable by the Issuer on any Payment Date in accordance with the Priorities of Payment (as applicable). Investors should also note that United Kingdom tax legislation makes it possible for H.M. Revenue & Customs to seek to assess the Issuer to United Kingdom tax directly rather than through the Collateral Manager as its United Kingdom representative. Should the Issuer be assessed on this basis, the Issuer will be liable to pay United Kingdom tax on its United Kingdom taxable profit attributable to its United Kingdom activities in accordance with the Priorities of Payment (as applicable).

If the United Kingdom imposed corporation tax on the net income or profits of the Issuer this may, in certain circumstances, constitute a Note Tax Event. If a Note Tax Event were to occur the Notes may be redeemed in Condition 7(g) (*Redemption Following Note Tax Even*t) in whole but not in part at the direction of Controlling Class or the Subordinated Noteholders, in each case acting by way of Extraordinary Resolution, subject to certain conditions.

2.2 OECD Action Plan on Base Erosion and Profit Shifting

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

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

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

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

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 in the risk factor entitled "*UK Taxation of the Issuer*", whether the Issuer will be subject to United Kingdom corporation tax may depend on whether it can benefit from Articles 5 and 8 of the United Kingdom Ireland double tax treaty. Further, the Issuer may 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 deposited 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 both the United Kingdom and Ireland submitted non-provisional lists 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 if 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, if adopted, would be applied by either the tax authorities of those jurisdictions from which payments are made to the Issuer or the United Kingdom in relation to the application of Article 5 and 8 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 and the United Kingdom Ireland double tax treaty is amended to incorporate a PPT for Action 6 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 Taxation 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).

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 the Issuer 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 could in certain circumstances constitute a Note Tax Event. If a Note Tax Event were to occur the Notes may be redeemed in accordance with Condition 7(g) (*Redemption Following Note Tax Event*) in whole but not in part at the direction of Controlling Class or the Subordinated Noteholders, in each case acting by way of Extraordinary Resolution, subject to certain conditions.

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 Debt Obligation net of any applicable withholding tax, the Interest Coverage Tests and the Minimum Weighted Average Spread Test 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 Debt Obligations during any Due Period is equal to or in excess of 6.0 per cent. of the aggregate interest payments due on all Collateral Debt 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 may be implemented in a manner which affects the tax position of the Issuer.

2.3 EU Anti-Tax Avoidance Directive

As part of its anti-tax avoidance package, and to provide a framework for a harmonised implementation of a number of BEPS conclusions across the EU, the EU Commission published a draft Anti-Tax Avoidance Directive on 28 January 2016, which was formally adopted by the EC Council on 12 July 2016 in Council Directive (EU) 2016/1164 (the "**Anti-Tax Avoidance Directive**"). The Anti-Tax Avoidance Directive was to be implemented by each Member State by 31 December 2018, subject to derogations for Member States which have equivalent measures in their

domestic law. In respect of the Issuer's jurisdiction, Ireland is in the process of seeking a derogation in respect of such implementation. Amongst the measures contained in the Anti-Tax Avoidance Directive is an interest deductibility limitation rule similar to the recommendation contained in the BEPS Action 4 proposals. The Anti-Tax Avoidance Directive provides that interest costs in excess of the higher of (a) EUR 3,000,000 or (b) 30.0 per cent. of an entity's earnings before interest, tax, depreciation and amortisation will not be deductible in the year in which they are incurred but would remain available to be carried forward and deducted in future years. However, the restriction on interest deductibility would only apply in respect of the amount by which the borrowing costs exceed "interest revenues and other equivalent taxable revenues from financial assets". Accordingly, as the Issuer will generally fund interest payments it makes under the Notes from interest payments to which it is entitled under Collateral Debt Obligations (that is such that the Issuer pays limited or no net interest), the restriction may be of limited relevance to the Issuer even if the Anti-Tax Avoidance Directive were implemented as originally published. There is also a carve out in the Anti-Tax Avoidance Directive for financial undertakings, although as currently drafted the Issuer would not be treated as a financial undertaking. The European Commission is also pursuing other initiatives, such as the introduction of a common corporate tax base, the impact of which, if implemented, is uncertain. On 21 February 2017, the Economic and Financial Affairs Council of the European Union agreed an amendment to the Anti-Tax Avoidance Directive to provide for minimum standards for counteracting hybrid mismatches involving EU Member States and third countries ("**Anti-Tax Avoidance Directive 2**"). Anti-Tax Avoidance Directive 2 needs to be implemented in the EU Member States' national laws and regulations by 31 December 2019 and will have to apply as of 1 January 2020, except for the provision on reverse hybrid mismatches for which implementation can be postponed to 31 December 2021, and will apply as of 1 January 2022.

Anti-Tax Avoidance Directive 2 requires EU Member States to delay or deny deduction of payments, expenses or losses or include payments as taxable income, in case of hybrid mismatches (broadly being scenarios 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.

2.4 Diverted Profits Tax

With effect from 1 April 2015 a new tax was introduced in the United Kingdom called the "diverted profits tax" ("**DPT**"). The DPT is charged at a rate of 25.0 per cent. on any "taxable diverted profits".

The DPT may apply in circumstances including where arrangements are designed to ensure either: (i) 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 (ii) that a tax reduction is secured through the involvement of entities or transactions lacking economic substance.

The DPT is a new tax and its scope and the basis upon which it will be applied by HM Revenue & Customs remains uncertain.

In the event that the Collateral Manager were assessed to DPT, it would in certain circumstances be entitled to an indemnity from the Issuer. Any payments to be made by the Issuer under this indemnity will be paid as Administrative Expenses in accordance with the Priorities of Payment (as applicable). It should be noted that HM Revenue & Customs would be entitled to seek to assess the Issuer to any diverted profits tax due directly rather than through the Collateral Manager as its UK tax representative. Should the Issuer be assessed directly on this basis, the Issuer will be liable to pay such amounts in accordance with the Priorities of Payment (as applicable).

Imposition of the DPT by the United Kingdom tax authorities in these circumstances may also give rise to a Note Tax Event. If a Note Tax Event were to occur the Notes may be redeemed in accordance with Condition 7(g) (*Redemption*

Following Note Tax Event) in whole but not in part at the direction of Controlling Class or the Subordinated Noteholders, in each case acting by way of Extraordinary Resolution, subject to certain conditions.

2.5 EU Savings Directive

Council Directive 2003/48/EC was repealed by the Council on 10 November 2015.

2.6 Financial Transaction Tax

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

Under the Commission Proposal, the proposed FTT would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a Participating Member State or the financial instrument in which the parties are dealing is issued in a Participating Member State. The FTT may apply to both transaction parties where one of these circumstances applies. The FTT may also apply to dealings in the Collateral to the extent the Collateral constitutes financial instruments within its scope, such as bonds. In such circumstances, it is not possible to predict with certainty what effect the proposed FTT might have on the business of the Issuer. There will be no gross-up by any party to the transaction and amounts due to Noteholders may be adversely affected.

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

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

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

3 REGULATORY INITIATIVES

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 the initial phase of the Basel III reforms from 1 January 2013 and the second phase from 1 January 2022, subject to transitional and phase-in arrangements for certain requirements (for example, the LCR requirements refer to implementation from the start of 2015, with full implementation by January 2019, and the NSFR requirements refer to implementation from January 2018). As

implementation of any changes to the Basel framework (including those made via Basel III) requires legislation in each jurisdiction, the final rules and the timetable for its implementation in each jurisdiction, as well as the treatment of asset-backed securities (for example, as LCR eligible assets or not), may be subject to some level of variation between jurisdictions. It should also be noted that changes to regulatory capital requirements have been introduced for insurance and reinsurance undertakings through jurisdiction-specific initiatives, such as the Solvency II framework in the European Union.

The Basel Committee has proposed further reforms to Basel III, including an introduction of capital floors based on standardised approaches. In December 2017, the Basel Committee agreed to further reforms to Basel III, including reforms relating to the standardised and internal ratings-based approaches for credit risk, and a revised output floor. The Basel Committee expects member countries to implement these 2017 reforms, sometimes referred to as Basel IV, by 1 January 2022 (with the exception of those relating to the output floor, which will be phased in from 1 January 2022).

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

3.2 Securitisation, Risk Retention and Due Diligence Requirements

EU Securitisation Regulation

Investors should be aware of EU Regulation No 2017/2402 (including any secondary legislation, technical standards and official guidance relating thereto) (the "**Securitisation Regulation**") which affects certain investors, sponsors, original lenders, originators and securitisation special purposes entities ("**SSPEs**") in relation to securitisations issued from and including 1 January 2019.

There are material differences between the regulatory rules which applied to securitisations issued prior to 1 January 2019 and the regulatory rules under the Securitisation Regulation. Unlike the previous regime, and in addition to requirements which apply to investors (as to which see further the sub-section "*Investor Requirements*" below), the Securitisation Regulation imposes direct obligations on originators, sponsors, original lenders and SSPEs (such as the Issuer). Among other things, the originator, sponsor or original lender in respect of the relevant securitisation is required to retain, on an on-going basis, a net economic interest of no less than 5.0 per cent. in respect of certain specified credit risk tranches or securitised exposures. In this regard, the Retention Holder made a commitment for this transaction in the Risk Retention Letter on the Original Issue Date and will make a new commitment in the 2019 Risk Retention Letter on the Refinancing Date to hold the Retention Notes, as described in "*The EU Retention Requirements*" section below.

The Securitisation Regulation also introduces a new regime on reporting and disclosure. The originator, sponsor and SSPE of a securitisation are required to make certain information available to investors in the prescribed manner– please refer to the sub-section "*EU Disclosure Requirements*" below.

The rules establishing sanctions for negligence or intentional infringement and remedial measures on the originator, sponsor, original lender and/or SSPE for failing to meet the requirements of the Securitisation Regulation are to be set by the individual member states of the EU in accordance with the framework set out in the Securitisation Regulation. Among other things, this framework allows for criminal sanctions and specifies maximum fines of at least EUR 5,000,000 (or equivalent) or of up to 10.0 per cent. of total annual net turnover, or (even if that is higher than the other maximum levels stated) at least twice the amount of the benefit derived from the infringement. The Issuer shall not be entitled to indemnification by the Collateral Manager in respect of any such sanction unless the relevant circumstances are caused by a Collateral Manager Breach. Investors should note that Article 32 of the Securitisation Regulation refers to a liability standard of "negligence and intentional infringement" whereas the definition of Collateral Manager

Breach refers to a less onerous liability standard of "bad faith, fraud, wilful misconduct, wilful default or gross negligence (with such term given its meaning under New York law) in the performance, or reckless disregard, of the Collateral Manager's obligations under the express terms of the Collateral Management Agreement" – see risk factor 5.19 "*Collateral Manager*" in the 2016 Prospectus. Investors should also be aware that the Collateral Manager will be entitled to indemnification by the Issuer in respect of any pecuniary sanctions to which the Collateral Manager may become liable pursuant to Article 32 of the Securitisation Regulation not arising as a result of any act or omission that constitutes a Collateral Manager Breach. Please see "*EU Disclosure Requirements in relation to the Securitisation Regulation*" below for more information. Investors should be aware that the Issuer could therefore face a pecuniary charge under the Securitisation Regulation as a result of both (a) any act by the Collateral Manager triggering the liability of the Issuer under Article 32 of the Securitisation Regulation but with such act by the Collateral Manager falling below the less onerous liability standard under New York law required for indemnification by the Collateral Manager and (b) the Issuer being required to indemnify the Collateral Manager for an act by the Collateral Manager triggering its own liability under Article 32 of the Securitisation Regulation but such act falling below the less onerous liability standard under New York law under a Collateral Manager Breach that would preclude any indemnification by the Issuer. Furthermore, the Collateral Management Agreement provides that the Collateral Manager shall not be responsible or liable in respect of the services to be provided to the Issuer in respect of the EU Retention Requirements and/or the EU Disclosure Requirements if any information requested or required by the Issuer for the purpose of its obligations under the EU Disclosure Requirements cannot be procured or sourced by the Collateral Manager. There is therefore no guarantee that the Collateral Manager will be able to procure or source for the Issuer at all or in timely fashion the information required by the Issuer to satisfy the Issuer's obligations in respect of the EU Retention Requirements and/or the EU Disclosure Requirements.

Investors should note that there may be variance in the way individual member states implement their respective rules relating to remedies for failing to meet the requirements of the Securitisation Regulation and in the manner the same are applied by the competent authorities designated by each member state.

The European Union (General Framework for Securitisation and Specific Framework for Simple, Transparent and Standardised Securitisation) Regulations 2018 of Ireland (the "**Irish STS Regulations**") came into operation on 1 January 2019 and gives full effect to the Securitisation Regulation in Ireland. The Irish STS Regulations appointed the Central Bank as the national competent authority in Ireland and it has the power to (i) give directions to the originator, sponsor, SSPE, or other original lender or any other person, (ii) issue a contravention notice to an originator, sponsor, SSPE or other original lender to ensure compliance with, or to prevent a breach of the Securitisation Regulation or the Irish STS Regulations, or to direct that reporting errors or omissions be corrected, (iii) appoint an assessor to investigate a breach by a non-regulated entity of the Securitisation Regulation or the Irish STS Regulations, and impose sanctions for such a breach (including pecuniary sanctions of up to EUR 5,000,000, or, of up to 10.0 per cent. of the total annual net turnover), and (iv) apply its administrative sanctions procedure to any negligent or intentional contravention of the Securitisation Regulation or the Irish STS Regulations by a regulated financial services provider.

The imposition of sanctions or remedial measures on the Issuer may directly and adversely affect the amounts payable under the Notes and otherwise affect the performance of the Issuer's obligations. The imposition of sanctions or remedial measures on the Retention Holder may adversely affect the Retention Holder's performance of its ongoing obligations under the Transaction Documents and consequently may adversely affect the sums payable under the Notes. The matters described in this section "*EU Securitisation Regulation*" may also have a negative impact on the price and liquidity of the Notes in the secondary market.

To date, certain technical standards which are expected to provide more granular guidance on the application of the provisions of the Securitisation Regulation are still in the process of being produced and/or finalised. Without limiting the foregoing, investors should be aware that at this time, there is limited binding guidance relating to the satisfaction of the Securitisation Regulation requirements. Aspects of the requirements and what is or will be required to demonstrate compliance to national regulators remain unclear.

Investors should therefore make themselves aware of such requirements (and any corresponding implementing rules of their regulators), where applicable to them, in addition to any other regulatory requirements applicable to them with respect to their investment in the Refinancing Notes. Any costs incurred by the Issuer in connection with satisfying

the requirements of the Securitisation Regulation and the Irish STS Regulations shall be paid by the Issuer as Administrative Expenses.

The Retention Holder has not undertaken in the Risk Retention Letter or the 2019 Risk Retention Letter to change the quantum or nature of its holding of the Retention Notes due to any future changes in the Securitisation Regulations or in the interpretation thereof. Please refer to "*The EU Retention Requirements*" below.

The Collateral Manager in its capacity as Retention Holder may be subject to administrative sanctions in the case of negligence or intentional infringement of the requirements of Article 6 of the Securitisation Regulation, including pecuniary sanctions of at least EUR5,000,000 (or its equivalent) or 10.0 per cent. of total annual net turnover. Any such pecuniary sanction levied on the Collateral Manager (as Retention Holder) may materially adversely affect 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.

Investors are themselves responsible for monitoring and assessing any changes to European securitisation laws and regulations. Without limitation to the foregoing, no assurance can be given that the Securitisation Regulation, or the interpretation or application thereof, will not change, and, if any such change is effected, whether such change would directly or indirectly affect current or future investors in the Notes.

All of the requirements described above and below, any other changes to such requirements, the interpretation or application of any law or regulation may (directly or indirectly through application to the Retention Holder, the Collateral Manager and/or the Issuer) negatively impact individual investors.

Specific Requirements Relating to Originator Retention Holders

Under the Securitisation Regulation, for the purposes of the retention of net economic interest prescribed by the regulation, an entity shall not be considered to be an originator where the entity has been established or operates for the sole purpose of securitising exposures. In this regard, please see "*The EU Retention Requirements*" below.

Under the Securitisation Regulation, originators shall not select assets to be transferred to the SSPE of a securitisation with the aim of rendering losses on the assets transferred to an SSPE, measured over the life of the transaction higher than the losses over the same period on comparable assets held on the balance sheet of the originator. Originators may select assets to be transferred to the SSPE that *ex ante* have a higher-than-average credit-risk profile compared to the average credit-risk profile of comparable assets that remain on the balance sheet of the originator, as long as the higher credit-risk profile of the assets transferred to the SSPE is clearly communicated to the investors or potential investors. In this regard, investors should be aware that the Retention Holder has notified the Issuer that it may have selected assets to be transferred to the Issuer whose credit-risk profile was higher than that of comparable assets held on the balance sheet of the Retention Holder.

In addition, originators, sponsors and original lenders are required under the Securitisation Regulation to: (a) apply to exposures to be securitised the same sound and well-defined criteria for credit-granting which they apply to non-securitised exposures; (b) to that end, apply the same clearly established processes for approving and, where relevant, amending, renewing and refinancing credits; and (c) have effective systems in place to apply those criteria and processes in order to ensure that credit-granting is based on a thorough assessment of the obligor's creditworthiness taking appropriate account of factors relevant to verifying the prospect of the obligor meeting his obligations under the credit agreement.

The Securitisation Regulation also specifies that where an originator purchases a third party's exposures for its own account and then securitises them, that originator shall verify that the entity which was, directly or indirectly, involved in the original agreement which created the obligations or potential obligations to be securitised fulfils the requirements referred to in the paragraph above.

In this regard the Retention Holder has confirmed to the Issuer that it has taken such steps as it deems necessary or appropriate to verify such matters in respect of the original lender(s) to the Collateral Debt Obligations acquired by the Issuer directly from the Retention Holder.

EU Disclosure Requirements in relation to the Securitisation Regulation

The EU Disclosure Requirements under the Securitisation Regulation provide that the originator, sponsor and SSPE of a securitisation are required to make at least the information prescribed under such regulation available to holders of a securitisation position, to the competent authorities and, upon request, to potential investors. The originator, sponsor and SSPE are obliged to designate amongst themselves one entity to fulfil the applicable EU Disclosure Requirements (except for the requirements under Article 7(1)(c)). The Retention Holder, the Collateral Manager and the Issuer have designated the Issuer to fulfil the EU Disclosure Requirements. The Collateral Manager will and the Collateral Administrator may, to the extent agreed by the Collateral Administrator, provide certain assistance to the Issuer in this regard pursuant to the terms of the Collateral Management Agreement. If the Collateral Administrator does not agree to provide such assistance, another service provider may be engaged and the Collateral Manager shall assist the Issuer in this regard. The Issuer 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 pecuniary sanctions of at least EUR5,000,000 (or its equivalent) or 10.0 per cent. of total annual net turnover.

The Collateral Management Agreement provides that the Collateral Manager shall not be liable to the extent any information requested or required by the Issuer for the purpose of its obligations under the EU Disclosure Requirements is unable to be procured or sourced by the Collateral Manager and shall also not be liable in any regard or be in breach of any of its obligations under the Transaction Documents or the EU Disclosure Requirements to the extent that its obligations under the EU Disclosure Requirements cannot be completed due to technological difficulties.

Notwithstanding the above, the Collateral Manager may also be responsible for ensuring compliance with the disclosure requirements. If the Collateral Manager acts with negligence or intentional infringement in breaching the reporting requirements of Article 7 of the Securitisation Regulation, the Collateral Manager could be subject to administrative sanctions, including pecuniary sanctions of at least EUR5,000,000 (or its equivalent) or 10.0 per cent. of its total annual net turnover. Any such pecuniary sanction levied on the Collateral Manager will be reimbursed by the Issuer as Administrative Expenses to the extent funds are available in accordance with and subject to the limitations contained in the Collateral Management Agreement and the Priorities of Payment unless such sanction arose as a result of the gross negligence (with such term given its meaning under New York law), bad faith or wilful misconduct of the Collateral Manager. Any such payment by the Issuer to the Collateral Manager may directly and adversely affect the amounts payable under the Notes and otherwise affect the performance of the Issuer's obligations.

The information required to made available includes:

(a) information on the underlying exposures;

(b) underlying documentation;

(c) where a prospectus has not been drawn up in compliance with Directive 2003/71/EC, a transaction summary or overview of the main features of the securitisation; and

(d) quarterly investor reports.

Such information also includes notification of any inside information relating to the securitisation that the originator, sponsor or SSPE is obliged to make public under the Market Abuse Regulation (Regulation (EU) No. 596/2014) and the European Union (Market Abuse) Regulations 2016 of Ireland, as amended, or, where the same does not apply, of any significant event in relation to the securitisation.

Prior to the Refinancing Date (including prior to the date that the transaction is priced), drafts of certain transaction documents for the transaction in substantially agreed form and a preliminary version of this Offering Circular were made available for the purposes of satisfying Articles 7(1)(b) and 7(1)(c) of the Securitisation Regulation via a website located at https://pivot.usbank.com (or such other website as may be notified in writing by the Collateral Administrator to the Issuer, the Trustee, the Collateral Manager and the Initial Purchaser) to any person: (A) as instructed to the Collateral Administrator by the Collateral Manager; or (B) that appears on a pre-authorisation list to be provided to the Collateral Administrator by the Collateral Manager (including any Competent Authorities).

Following the Refinancing Date, certain transaction documents for the transaction and this Offering Circular will be available: (A) via a website currently located at https://pivot.usbank.com (or such other website as may be notified in writing by the Collateral Administrator to the Issuer, the Initial Purchaser, the Arranger, the Trustee, each Hedge Counterparty, the Collateral Manager, the Rating Agencies, the Principal Paying Agent and the Noteholders) which shall be accessible to any person: (i) as notified to the Collateral Manager by the Collateral Administrator and approved (such approval not to be unreasonably withheld or delayed) by the Collateral Manager in writing (which may be by way of email); or (ii) that appears on the pre-authorisation list to be provided to the Collateral Administrator by the Collateral Manager (including any Competent Authorities) and/or (B) by such other method of dissemination as is required or permitted by the Securitisation Regulation and the Irish STS Regulations (as instructed by the Issuer or the Collateral Manager on its behalf and, to the extent that they are at the relevant time the applicable service provider, as agreed with the Collateral Administrator).

Any person who purchases any of the Notes after the Refinancing Date (or intends to do so) and desires access to the documents mentioned above should seek access via the website at https://pivot.usbank.com and be prepared to certify or evidence their holding of the Notes or intention to purchase, as may be reasonably required by the Collateral Administrator and/or the Collateral Manager.

Investors should note that while Article 7(1)(b) of the Securitisation Regulation requires the "final offering circular" and the "closing transaction documentation" to be made available before pricing, this is not possible, therefore the Issuer has made such documents available in as final form as was reasonably possible prior to pricing and will make final versions of such documents available as soon as possible thereafter. In a "Questions and Answers" document produced by ESMA on 31 January 2019 and updated on 27 May 2019, ESMA indicated that if a securitisation has not yet been issued, the transaction documents may be provided in draft form. As such, investors should be aware that there may be changes to such documents between the versions made available prior to pricing and the final versions. None of the Issuer, the Collateral Manager, the Initial Purchaser, the Arranger, the Trustee 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.

The information required to be disclosed in relation to underlying exposures and quarterly investor reports is to be made available on each Quarterly Reporting Date (as to which see further "*Description of the Refinancing Notes – Amendments to the Collateral Management Agreement*" and "*Description of the Reports*" below and "*Description of the Reports*" in the 2016 Prospectus).

The issuance of the Refinancing Notes is not a transaction in respect of which a prospectus has to be drawn up in compliance with Directive 2003/71/EC and accordingly the Issuer is not required to make the information required by the Securitisation Regulation available by means of a securitisation repository, in each case in accordance with the requirements of the Securitisation Regulation. Information on underlying exposures, underlying documents and investor reports are made available through a website maintained by the Collateral Administrator or another third party provider – see "*Description of the Refinancing Notes – Amendments to the Collateral Management Agreement*" below. In relation to item (c) above, this Offering Circular is intended to serve as the transaction summary for the purposes of Article 7(1)(c) of the Securitisation Regulation.

On 31 January 2019, the Financial Conduct Authority (the "**FCA**") and the Prudential Conduct Authority (the "**PRA**") issued a joint direction on private securitisation reporting (the "**Joint Direction**") requiring an originator, sponsor or SSPE of a securitisation who is established in the United Kingdom to notify a summary of the transaction to the FCA or PRA, as applicable, prior to the pricing of each issuance of securities by such securitisation via a notification template (the "**Pre-Pricing Notification**"). Further, from 1 January 2019, a notification must be provided by an originator, sponsor or SSPE of a securitisation who is established in the United Kingdom upon any information having to be made available to holders of a securitisation position under Article 7(1)(f) or (g) of the Securitisation Regulation. The Collateral Manager as Retention Holder has confirmed to the Issuer its compliance with the Joint Direction as of the Refinancing Date (see "*The EU Retention Requirements*").

Pursuant to the Irish STS Regulations, the Issuer must make a notification to the Central Bank within 15 working days of the issue of the Refinancing Notes and in the manner prescribed in Regulation 6 of the Irish STS Regulations (the

"**15 Day Notification**"). Pursuant to the Trust Deed, the Issuer will covenant to make the 15 Day Notification within the period required under the Irish STS Regulations.

The Securitisation Regulation provides for ESMA to develop draft regulatory technical standards to specify the information required to be disclosed in respect of underlying exposures and quarterly investor reports. ESMA published its final report including draft regulatory technical standards and disclosure templates on 22 August 2018. On 18 December 2018, the European Commission indicated in a letter to ESMA that it would only endorse ESMA's technical standards once certain amendments were introduced. ESMA published an opinion (the "**ESMA Opinion**") containing a revised set of draft regulatory standards on 31 January 2019; however, such revised regulatory technical standards have not yet been adopted by the European Commission. As a result, the Securitisation Regulation transitional provisions will apply for the interim period until the technical standards are formally finalised. The transitional provisions require that the disclosure templates set out in CRA3 be used until the ESMA disclosure templates are adopted.

In relation to information on underlying exposures as required under Article 7(1)(a) of the Securitisation Regulation, there is no CRA3 template for corporate loan assets of a type generally consistent with the nature of the Collateral Debt Obligations. In light of the above, the Issuer intends to provide in the Payment Date Report and the Monthly Report the information on underlying assets set out in "*Description of the Refinancing Notes – Amendments to the Collateral Management Agreement*" and "*Description of the Reports*" below and "*Description of the Reports*" in the 2016 Prospectus, 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 as required under Article 7(1)(e) of the Securitisation Regulation, CRA3 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.

Investors should note the statement on 30 November 2018 from ESMA and the other European Supervisory Authorities ("**ESAs**") regarding these transitional provisions. While from a legal perspective, neither the ESAs nor the Competent Authorities possess any formal power to allow the disapplication of directly applicable EU legal text, the ESAs stated that they expect Competent Authorities to generally apply their supervisory powers in their day-to-day supervision and enforcement of applicable legislation in a proportionate and risk-based manner. This approach entails that Competent Authorities can, when examining reporting entities' compliance with the disclosure requirements of the Securitisation Regulation take into account the type and extent of information already being disclosed by reporting entities. This approach does not entail general forbearance, but a case-by-case assessment by the Competent Authorities of the degree of compliance with the Securitisation Regulation. Notwithstanding that the transitional provisions on disclosure will apply to this transaction initially, as the ESA's statement does not "grandfather" transactions that are issued after 1 January 2019 but before the final disclosure templates are formally adopted, such transactions, including the transaction described herein, will need to comply with the disclosure templates required by Article 7 of the Securitisation Regulation once they are adopted.

Investors should note that CRA3 requires the investor reports to include, *inter alia*, a list of all counterparties involved in a transaction, their role and their credit ratings. The Trustee, the Agents and the Collateral Manager will each covenant to notify the Issuer of any changes to their respective credit ratings. However, the Issuer may enter into Hedge Agreements which do not impose a similar ratings notification obligation on the relevant Hedge Counterparty, in which case the Issuer may not be able to include details of the Hedge Counterparty's credit ratings in the investor reports to the extent that such information is not publically available.

Having regard to the ESAs' statement, while the Issuer believes that by the approach described above the Issuer is taking reasonable steps to comply with the transitional provisions, no assurance can be given as to how such approach will be viewed by the ESAs or any Competent Authority. As stated earlier in the section "*EU Securitisation Regulation*", the imposition of sanctions or remedial measures on the Issuer or the Collateral Manager may directly and adversely affect the amounts payable under Notes and have a negative impact on the price and liquidity of the Notes in the secondary market.

As soon as reasonably practicable following the finalisation of the Transparency RTS and, if possible, prior to the Securitisation Regulation Reporting Effective Date, the Issuer and the Collateral Manager shall propose in writing to

the Collateral Administrator, the form, timing, frequency of distribution, method of distribution and content of the reporting related to the requirements of the Transparency RTS. The Collateral Administrator shall then 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. If the Collateral Administrator does not agree to compile such report another service provider may be engaged and the Collateral Manager shall assist the Issuer in this regard, provided that, if the Collateral Administrator does not agree to provide such reporting, it will use reasonable endeavours to assist (at the request and cost of the Issuer) the Issuer in transferring all relevant information held by it to such other service provider.

For the avoidance of doubt, if the Collateral Administrator agrees to provide such services 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 Securitisation Regulation. In providing such services, the Collateral Administrator also assumes no responsibility or liability to any third party, including any Noteholder or potential investor in the Notes, 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 (any such indemnities shall be payable as Administrative Expenses).

As of the date of this Offering Circular, it is not clear what form the final version of the regulatory technical standards related to disclosure, reporting and transparency will take or whether or not the Issuer will be able to comply with the requirements therein. As stated earlier in this section "*EU Securitisation Regulation*", the imposition of sanctions or remedial measures on the Issuer or the Retention Holder may directly and adversely affect the amounts payable under Notes and have a negative impact on the price and liquidity of the Notes in the secondary market.

In addition, the Issuer and the Collateral Manager may incur additional costs and expenses in seeking to comply with such disclosure obligations and certain amendments may be required in relation to the Transaction Documents. Such costs and expenses would be payable by the Issuer as Administrative Expenses.

Investor Requirements in relation to the Securitisation Regulation

In addition to the obligations under the Securitisation Regulation in relation to securitisations which apply directly on the sponsor, originator or original lender and the SSPE of a securitisation, the Securitisation Regulation also imposes due diligence requirements on investors who are "institutional investors" as defined under the Securitisation Regulation, being one of the following:

(a) an insurance undertaking as defined in point (1) of Article 13 of Directive 2009/138/EC;

(b) a reinsurance undertaking as defined in point (4) of Article 13 of Directive 2009/138/EC;

(c) an institution for occupational retirement provision falling within the scope of Directive (EU) 2016/2341 of the European Parliament and of the Council in accordance with Article 2 thereof, unless a Member States has chosen not to apply that Directive in whole or in parts to that institution in accordance with Article 5 of that Directive; or an investment manager or an authorised entity appointed by an institution for occupational retirement provision pursuant to Article 32 of Directive (EU) 2016/2341;

(d) an alternative investment fund manager (AIFM) as defined in point (b) of Article 4(1) of Directive 2011/61/EU that manages and/or markets alternative investment funds in the EEA;

(e) an undertaking for the collective investment in transferable securities (UCITS) management company, as defined in point (b) of Article 2(1) of Directive 2009/65/EC;

(f) an internally managed UCITS, which is an investment company authorised in accordance with Directive 2009/65/EC and which has not designated a management company authorised under that directive for its management; or

(g) a credit institution as defined in point (1) of Article 4(1) of Regulation (EU) No 575/2013 for the purposes of that regulation or an investment firm as defined in point (2) of Article 4(1) of that regulation.

Amongst other things, such requirements restrict such an institutional investor from investing in securitisations unless it has verified that:

(i) where the originator or original lender established in the EU is not a credit institution or an investment firm as defined in the CRR, the originator or original lender grants all the credits giving rise to the underlying exposures on the basis of sound and well-defined criteria and clearly established processes for approving, amending, renewing and financing those credits and has effective systems in place to apply those criteria and processes in accordance with the credit granting provisions of the Securitisation Regulation (with a similar requirement applying where the originator or original lender is established in a third country);

(ii) if the originator, sponsor or original lender who retains a material net economic interest is established in the EU, such retention is disclosed to the institutional investor in accordance with the relevant provisions of the Securitisation Regulation; and

(iii) the originator, sponsor or SSPE has complied with the disclosure requirements under the Securitisation Regulation.

Further, the Securitisation Regulation requires that an institutional investor carry out a due diligence assessment which enables it to assess the risks involved prior to investing including but not limited to the risk characteristics of the individual investment position and the underlying assets and all the structural features of the securitisation that can materially impact the performance of the investment. In addition, pursuant to the Securitisation Regulation an institutional investor holding a securitisation position is subject to various monitoring obligations in relation to the investment, including but not limited to: (a) establishing appropriate written procedures to monitor compliance with the due diligence requirements and the performance of the investment and of the underlying assets; (b) performing stress tests on the cash flows and collateral values supporting the underlying assets; (c) ensuring internal reporting to its management body; and (d) being able to demonstrate to its Competent Authorities, upon request, that it has a comprehensive and thorough understanding of the investment and underlying assets and that it has implemented written policies and procedures for the risk management and as otherwise required by the Securitisation Regulation.

Failure to comply with one or more of the requirements may result in various penalties including, in the case of those investors subject to regulatory capital requirements, the imposition of a punitive capital charge on the Notes acquired by the relevant investor and could also have a negative impact on the price and liquidity of the Notes in the secondary market. In addition, changes in the regulatory capital treatment of the Notes may negatively impact the regulatory position of individual investors.

Investors should therefore make themselves aware of the requirements of the Securitisation Regulation (and any corresponding implementing rules of their respective Competent Authorities), where applicable to them, in addition to any other regulatory requirements applicable to them with respect to their investment in the Refinancing Notes.

Investors are themselves responsible for monitoring and assessing any changes to European securitisation laws and regulations.

Relevant investors are required to independently assess and determine the sufficiency of the information described above for the purposes of complying with any relevant requirements and none of the Issuer, the Initial Purchaser, the Arranger, the Collateral Manager (other than in its capacity as Retention Holder as described in "*The EU Retention Requirements*" below), the Trustee nor any of their respective Affiliates or any other person makes any representation that the information described therein is sufficient in all circumstances for such purposes or any other purpose or that the structure of the Notes (including the holding of the Retention Notes) and the transactions described herein are compliant with the requirements described above or any other applicable legal or regulatory or other requirements and no such person shall have any liability to any prospective investor or any other person with respect to any deficiency in such information or any failure of the transactions or structure contemplated hereby to comply with or otherwise satisfy such requirements.

3.3 U.S. Risk Retention

On 24 December 2016, the final rules implementing the credit risk retention requirements of Section 941 of the Dodd-Frank Act (the "**U.S. Risk Retention Rules**") became effective and generally require one of the "sponsor" of asset-backed securities or a "majority-owned affiliate" thereof to retain not less than 5.0 per cent. of the credit risk of the assets collateralising the issuer's securities. On 9 February 2018, the U.S. Court of Appeals for the District of Columbia Circuit held that the federal agencies responsible for the U.S. Risk Retention Rules exceeded their statutory authority when designating the collateral manager of an open-market CLO as the securitizer of the open-market CLO (such decision, the "**DC Circuit Ruling**"), and subsequently issued a mandate to the lower court (the "**District Court**") requiring the District Court to implement the DC Circuit Ruling. The District Court has so implemented the DC Circuit Ruling, and as a result, the Collateral Manager has informed the Issuer that none of the Collateral Manager, its affiliates or any other party intends to purchase or retain a risk retention interest under the U.S. Risk Retention Rules on or after the Refinancing Date. While the DC Circuit Ruling described a generic CLO transaction, and did not specifically address all of the features of the current transaction (including the Collateral Manager's activities prior to the Refinancing Date to comply with the EU Retention Requirements and the Issuer's ability to purchase High Yield Bonds), the Collateral Manager has determined that the holding of the DC Circuit Ruling should apply to the current transaction. However, there can be no assurance that the federal agencies responsible for the U.S. Risk Retention Rules will agree with the Collateral Manager's determination and such federal agencies may seek to distinguish this transaction from the open-market CLOs covered by the DC Circuit Ruling and apply the U.S. Risk Retention Rules to this transaction.

None of the transaction parties, their respective affiliates, nor any other person makes any representation, warranty or guarantee that the Collateral Manager, its affiliates or the transaction contemplated by this Offering Circular will be in compliance with the U.S. Risk Retention Rules.

3.4 EMIR

The European Market Infrastructure Regulation EU 648/2012 and its various delegated regulations and technical standards ("**EMIR**") impose certain obligations on parties to OTC derivative contracts according to whether they are "financial counterparties", such as European investment firms, alternative investment funds, credit institutions and insurance companies, or other entities such as "non-financial counterparties" or third country entities equivalent to "financial counterparties" or "non-financial counterparties".

Financial counterparties (as defined in EMIR) will, assuming that the aggregate notional value of OTC derivative contracts to which it is party exceeds an applicable threshold and depending on the identity of their counterparty, be subject to a general obligation (the "**clearing obligation**") to clear all "eligible" OTC derivative contracts entered into with other counterparties subject to the clearing obligation 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 collection (together, the "**risk mitigation obligations**"). Non-cleared OTC derivatives entered into by financial counterparties must also be marked to market and collateral must be exchanged (the "**margin requirement**"). To the extent that the Issuer becomes a financial counterparty, this may lead to a termination of the Hedge Agreements or restricting of their terms.

Non-financial counterparties (as defined in EMIR) are subject to certain of the risk mitigation obligations, but 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" (as defined in EMIR), excluding eligible hedging transactions, exceed certain thresholds (set per asset class of OTC derivatives) and its counterparty is also subject to the clearing obligation. If the Issuer (to the extent deemed a non-financial counterparty) 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 threshold, the Issuer would be subject to the clearing obligation (in respect of the relevant class of OTC derivative contract only), or if the relevant contract is not a type required to be cleared, to the risk mitigation obligations, including the margin requirement (in each case, as and when such requirements

become applicable for that particular counterparty pair). The process for implementing the initial margining requirements for non-centrally cleared trades took effect from 4 February 2017 for the largest institutions and is being phased in for other entities by reference to aggregate notional value of outstanding uncleared OTC derivative contracts until 1 September 2020. Variation margining requirements for non-centrally cleared trades took effect for all other institutions that are within scope from 1 March 2017.

The clearing obligation came into effect in 2016 for certain types of OTC interest rate derivatives denominated in the G4 currencies (euro, pounds sterling, USD and Japanese Yen) and remains subject to phase-in with respect to other classes of OTC derivatives.

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 and currency 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 certain applications of EMIR and which may allow the relevant Hedge Counterparty to terminate a Hedge Transaction upon the occurrence of such event(s). The termination of a Hedge Transaction in these circumstances may result in a termination payment being payable by the Issuer. See "*Hedging Arrangements*" in the 2016 Prospectus.

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

On 28 May 2019, Regulation (EU) 2019/834 (the "**EMIR Refit Regulation**") was published in the Official Journal of the EU. The EMIR Refit Regulation came into force on 17 June 2019 and aims to make targeted amendments to EMIR in order to make compliance more straightforward and proportionate, particularly for non-financial counterparties.

The EMIR Refit Regulation introduces, among other things, certain key changes relating to the clearing obligation, including a requirement for non-financial counterparties, for the purpose of determining whether a clearing threshold has been exceeded, to calculate their aggregate month-end average notional position in OTC derivatives for the previous 12 months (instead of the 30 day rolling average determination of positions as provided for previously under EMIR). This new requirement will become effective immediately once the EMIR Refit Regulation comes into force. If, on such date (17 June 2019) or any anniversary thereafter, the Issuer (or an agent acting on behalf of the Issuer) either (i) calculates its average notional and determines that it has exceeded one or more clearing thresholds, or (ii) does not perform the relevant calculation, then it must immediately notify ESMA and Central Bank and will become subject to the clearing obligation for the class or classes of OTC derivative contracts in which it has exceeded the threshold or failed to perform the calculation, starting four months following the date of such notification.

Investors should consult their own independent advisers and make their own assessment about the potential risks posed by EMIR (and any prospective or recent changes thereto) in making any investment decision in respect of the Refinancing Notes.

3.5 Commodity Pool Regulation

The Issuer's ability to enter into Hedge Transactions may cause the Issuer to be a "commodity pool" as defined in the United States Commodity Exchange Act of 1936, as amended (the "**CEA**") and the Collateral Manager to be a "commodity pool operator" ("**CPO**") and/or a "commodity trading advisor" ("CTA"), each as defined in the CEA in

respect of the Issuer. The CEA, as amended by the Dodd-Frank Act, defines a "commodity pool" to include certain investment vehicles operated for the purpose of trading in "commodity interests" which includes swaps. CPOs and CTAs are subject to regulation by the Commodity Futures Trading Commission ("**CFTC**") and must register with the CFTC and the National Futures Association ("**NFA**") unless an exemption from registration is available. Based on CFTC interpretive guidance, the Issuer is not expected to fall within the definition of a "commodity pool" under the CEA and as such, the Issuer (or the Collateral Manager) on the Issuer's behalf) may enter into Hedge Agreements (or any other agreement that would fall within the definition of a "swap" as set out in the CEA), provided that the Collateral Manager shall only cause the Issuer to enter into Hedge Agreements if the Hedging Condition is satisfied, prior to entering into such Hedge Agreement. Such Hedging Condition requires that the Collateral Manager is in receipt of legal advice from reputable legal counsel to the effect that the entry into such Hedge Agreement shall not require any of the Issuer, its directors or officers or the Collateral Manager, its directors, officers or employees to register with the United States Commodity Futures Trading Commission as a CPO or a CTA pursuant to the CEA and that unless and until the Issuer elects (which election may be made only upon confirmation from the Collateral Manager that it has obtained legal advice from reputable international legal counsel knowledgeable in such matters to the effect that to do so would not result in the Issuer being construed as a "covered fund" in relation to any holder of Outstanding Notes for the purposes of the Volcker Rule) to rely solely on the exemption under Section 3(c)(7) under the Investment Company Act, the Issuer or Collateral Manager obtains legal advice from reputable international legal counsel knowledgeable in such matters that the acquisition of or entry into such Hedge Agreement will not eliminate the Issuer's ability to rely on Rule 3a-7 under the Investment Company Act.

Notwithstanding the above, in the event that the CFTC guidance referred to above changes or the Issuer engages in one or more activities that might cause it to fall within the definition of "commodity pool" under the CEA and no exemption from registration is available, registration of the Collateral Manager as a CPO or a CTA may be required before the Issuer (or the Collateral Manager on the Issuer's behalf) may enter into any Hedge Agreement. Registration of the Collateral Manager as a CPO or a CTA could cause the Collateral Manager to be subject to extensive compliance and reporting requirements that would involve material costs which would be passed on to the Issuer. The scope of such compliance costs is uncertain but could adversely affect the amount of funds available to make payments on the Refinancing Notes. In addition, in the event an exemption from registration were available and the Collateral Manager elected to file for an exemption, the Collateral Manager would not be required to deliver certain CFTC mandated disclosure documents or a certified annual report to investors or satisfy on–going compliance requirements under Part 4 of the CFTC regulatory requirements (the "**CFTC Regulations**"), as would be the case for a registered CPO.

Further, the conditions of such exemption may constrain the extent to which the Issuer may be able to enter into swap transactions. In particular, the limits imposed by such exemptions may prevent the Issuer from entering into a Hedge Transaction that the Collateral Manager believes would be advisable or result in the Issuer incurring financial risks that would have been hedged pursuant to swap transactions absent such limits. In addition, the costs of obtaining and maintaining such exemption will be passed on to the Issuer.

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

3.6 Other CFTC Regulations

Pursuant to the Dodd-Frank Act, the Commodity Futures Trading Commission ("**CFTC**") has promulgated a range of regulatory requirements (the "**CFTC Regulations**") that may affect the pricing, terms and compliance costs associated with the entry into any Hedge Transaction by the Issuer and the availability of such Hedge Transactions. Some or all of the Hedge Transactions that the Issuer may enter into may be affected by (i) the requirement that certain

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

Furthermore, regulations promulgated by the CFTC or other relevant U.S. 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) went into effect in the United States, the European Union and other jurisdictions on 1 March 2017. While transactions existing prior to that date are not subject to these variation margin posting requirements, new Hedge Transactions may be subject to these requirements, as might existing Hedge Transactions that undergo a material amendment, based on guidance provided and positions taken by U.S. regulators in other contexts. The Trust Deed does not permit the Issuer to post variation margin. Accordingly, the application of U.S. regulations to a Hedge Transaction or a proposed Hedge Transaction could have a material, adverse effect on the Issuer's ability to hedge its interest or currency rate exposure, on the cost of such hedging or have other material adverse effects on the Issuer or the Noteholders.

3.7 Examination by the SEC

Recently the SEC has focused on issues related to private equity firms. More specifically, the SEC has indicated that its list of examination priorities includes, among other things, private equity firms' collection of fees and allocation of expenses, their marketing and valuation practices, allocation of investment opportunities and other conflicts of interests. The Collateral Manager and its Affiliates are regularly subject to requests for information and informal or formal investigations by the SEC and other regulatory authorities, with which they routinely cooperate. In the current environment, even historical practices that have been previously examined by regulators are being revisited. While it is difficult to predict what impact, if any, the foregoing may have, there can be no assurance that any of the foregoing would not have a material adverse effect on the ability of the Collateral Manager to perform its duties under the Transaction Documents. Even if an investigation or proceedings did not result in a sanction or the sanctions imposed against the Collateral Manager or its personnel by a regulator were small in monetary amount, the adverse publicity relating to the investigation, proceedings or imposition of these sanctions could have an adverse effect on the value of the Refinancing Notes.

3.8 Japanese Retention Requirements

The Japanese Financial Services Agency (the "**Japanese FSA**") recently published final rules, which become effective with respect to securities issued in securities transactions on and after 31 March 2019 to introduce risk retention and disclosure requirements for certain categories of Japanese investors (such investors, "**Japanese Affected Investors**") seeking to invest in securitisation transactions (the "**JRR Final Rules**"). Among other things, the JRR Final Rules require Japanese Affected Investors to apply higher risk weighting to securitisation exposures they hold unless the applicable "originator" (as defined in the JRR Proposal) commits to hold a retention piece of at least 5.0 per cent. of the total underlying assets in the securitisation transaction or such investors determine that the original assets collateralising the securitisation transaction were not inappropriately formed (the "**Japanese Retention Requirement**"). Under the JRR Final Rules, Japanese Affected Investors would be subject to punitive capital requirements and/or other regulatory penalties with respect to investments in securitization transactions that fail to comply with the Japanese Retention Requirement.

Each Noteholder is responsible for analysing its own regulatory position and is advised to consult with its own advisers regarding the suitability of the Refinancing Notes for investment and the applicability of the Japanese Retention Requirement. None of the Issuer, the Collateral Manager, the Arranger, the Initial Purchaser, the Trustee or any other person makes any representation, warranty or guarantee that the transaction described herein will be compliant with the Japanese Retention Requirements or any other applicable legal or regulatory requirements and no such person shall have any liability to any prospective investor or any other person with respect to any failure of the transactions contemplated hereby to comply with or otherwise satisfy such requirements.

3.9 Reliance on Rule 3a-7 and U.S. Investment Company Act of 1940

As discussed in the sections entitled "*Risk Factors—Regulatory Initiatives—Issuer Reliance on Rule 3a-7*" and "*Risk Factors—Relating to the Collateral—Trading Requirements*" of the 2016 Prospectus, the Transaction Documents contain certain requirements that are intended to allow the Issuer to rely on the exemption from the definition of "investment company" of Rule 3a-7 under the Investment Company Act. However, there can be no assurance that the Issuer will be viewed by a U.S. regulator with responsibility for Volcker Rule compliance as having complied with Rule 3a-7 or that compliance with such requirements will be adequate for the Issuer to rely on the exemption under Rule 3a-7.

In addition, as at the Refinancing Date, the Issuer has not been and will not be registered under the Investment Company Act in reliance on both Section 3(c)(7) of the Investment Company Act and Rule 3a-7 under the Investment Company Act. The Issuer has the right by notice to the Trustee to elect (which election may be made only upon confirmation from the Collateral Manager that it has obtained legal advice from reputable international legal counsel knowledgeable in such matters to the effect that to do so would not result in the Issuer being construed as a "covered fund" in relation to any holder of Outstanding Notes for the purposes of the Volcker Rule) to rely solely on the exemption under Section 3(c)(7) of the Investment Company Act and to no longer rely on the exemption from the Investment Company Act provided by Rule 3a-7. See the section entitled "*Risk Factors-Investment Company Act*" in the 2016 Prospectus.

Investors should conduct their own analysis to determine whether the Issuer is a "covered fund" for their purposes. See further also the sections entitled "*Risk Factors—Regulatory Initiatives—Issuer Reliance on Rule 3a-7*" and "*Risk Factors—Relating to the Collateral-Trading Requirements*" of the 2016 Prospectus. In any event, if it were determined that the Issuer did not qualify for the exclusion provided by Rule 3a-7 there is a high likelihood that the Issuer would be determined to be a "covered fund". None of the Issuer, the Initial Purchaser, the Arranger, the Collateral Manager, the Trustee nor any of their affiliates makes any representation to any prospective investor or purchaser of the Refinancing Notes as to how any regulator may interpret the application of the Volcker Rule to the Issuer, or to such investor's investment in the Refinancing Notes on the Refinancing Date or at any time in the future.

4 RELATING TO THE REFINANCING NOTES

4.1 Optional Redemption

Reference is made to the section "*Risk Factors – Relating to the Notes – The Notes are subject to Optional Redemption in Whole or in Part by Class*" in the 2016 Prospectus. Pursuant to the Conditions, the Rated Notes may not be redeemed in whole in accordance with Condition 7(b)(i)(A) (*Optional Redemption in Whole – Subordinated Noteholders*) from Refinancing Proceeds pursuant to Condition 7(b)(v) (*Optional Redemption effected in whole or in part through Refinancing*), prior to 15 January 2020. In addition, the Rated Notes which are Refinancing Notes may not be redeemed in part from Refinancing Proceeds pursuant to Condition 7(b)(ii) (*Optional Redemption in Part – Subordinated Noteholders or Collateral Manager*), prior to 15 January 2020. See Condition 7(b) (*Optional Redemption*). Investors should note that the Subordinated Noteholders will not be permitted, for this period, to call for the redemption of the Rated Notes by way of refinancing and, as such, barring any other type of redemption date occurring, the Rated Notes shall remain Outstanding for such period.

4.2 Limited Liquidity and Restrictions on Transfer

Refinancing Notes held in the form of CM Removal and Replacement Non-Voting Notes are not exchangeable at any time for Refinancing 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 Refinancing Notes held in the form of CM Removal and Replacement Exchangeable Non-Voting Notes may be exchanged for Refinancing Notes held in the form of CM Removal and Replacement Voting Notes. Such restrictions on exchange may limit their liquidity.

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

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

4.4 Average Life and Prepayment Considerations

Investors should note that pursuant to the Deed of Supplement, Amendment and Restatement, the Weighted Average Life Test will be amended. The amendment to the "Weighted Average Life Test" may affect the average lives of the Notes. See "*Risk Factors – Relating to the Notes – Average Life and Prepayment Considerations*" and "*The Portfolio – Portfolio Profile Tests and Collateral Quality Tests – Weighted Average Life Test*", in each case in the 2016 Prospectus.

4.5 Resolutions, Amendments and Waivers

Investors should refer to the section "*Risk Factors – Relating to the Notes – Resolutions, Amendments and Waivers*" in the 2016 Prospectus for a description of the processes for noteholder resolutions, amendments that can be made in the transaction (including the relevant required consents) and when waivers can be provided.

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 (acting by Ordinary Resolution).

4.6 U.S. Tax Characterisation of Refinancing Notes

Upon the issuance of the Refinancing Notes, Weil, Gotshal & Manges 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 Refinancing Notes (other than the Class D Notes) will be treated, and the Class D Notes should be treated, as debt of the Issuer for U.S. federal income tax purposes. The Issuer intends to treat the Refinancing Notes as debt for U.S. federal income tax purposes. Holders of the Refinancing Notes will be required to treat such Notes as debt for U.S. federal income tax purposes.

4.7 Reports Will Not Be Audited

From the Refinancing Date, the Monthly Reports, Securitisation Regulation Reports and Payment Date Reports made available to Noteholders will be compiled by the Collateral Administrator (in the case of the Securitisation Regulation Reports, to the extent agreed by the Collateral Administrator, provided that if the Collateral Administrator does not agree to compile such report another service provider may be engaged and the Collateral Manager shall assist the Issuer in this regard), 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 by a public accounting firm

5 RELATING TO THE COLLATERAL

Neither the Initial Purchaser nor the Arranger take any responsibility for, and have no obligations in respect of, the Issuer and neither will have any 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, the Arranger or any of their Affiliates own any Notes, they will have no responsibility to consider the interests of any other owner of any Notes with respect to actions they take or refrain from taking in such capacity.

5.1 International Investing

The Portfolio will consist of obligations of, or securities issued by, obligors organised under the laws of a variety of different countries. Investing in certain countries may involve greater risks than investing in other countries, including: (i) less publicly available information; (ii) varying levels of governmental regulation and supervision; (iii) the difficulty of enforcing legal rights in a foreign jurisdiction and uncertainties as to the status, interpretation and application of laws; and (iv) foreign exchange controls. Moreover accounting, auditing and financial reporting standards, practices and requirements may vary from jurisdiction to jurisdiction.

Different markets also have different clearance and settlement procedures, which could create delays in the purchase and sale of Portfolio. Delays in settlement could result in periods when assets of the Issuer are uninvested or invested in short term investments with low yields. The inability to sell Collateral Debt Obligations due to settlement problems could result in losses due to subsequent declines in the value of the Collateral Debt Obligations.

5.2 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 Debt Obligations, which would have an adverse effect on the amount available for distributions on Notes, beginning with the Subordinated Notes as the most junior Class of Notes.

Downward movements in interest rates could also adversely affect the performance of non-investment grade bonds with call or redemption features. Such a call or redemption feature would permit the issuer of such debt securities to repurchase such securities from the Issuer. If a call were exercised by such an issuer during a period of declining interest rates, the Issuer likely would have to replace such called non-investment grade Collateral Debt Obligations with lower yielding Collateral Debt Obligations.

6 CONFLICTS OF INTEREST

The Initial Purchaser and the Collateral Manager, are (or will be) 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

In general, the transaction will involve various potential and actual conflicts of interest.

Various potential and actual conflicts of interest may arise from the overall investment activity of the Collateral Manager, its clients and its Affiliates. The following briefly summarises some of these conflicts, but is not intended to be an exhaustive list of all such conflicts. By acquiring the Refinancing Notes, the Initial Purchaser and its Affiliates along with each holder of the Notes will be deemed to have acknowledged the existence of such potential and actual conflicts of interest and, to the fullest extent permitted by applicable law, to have waived any claims with respect to the existence of such conflicts of interest.

References in this conflicts discussion to the Collateral Manager include the Affiliates of the Collateral Manager unless otherwise specified or the context otherwise requires.

BlackRock, Inc. ("**BlackRock**") (together with its Affiliates) manages assets on behalf of institutions and individuals worldwide through a variety of equity, fixed income, multi-asset, real estate, cash management and alternative investment products. In addition, BlackRock provides risk management, strategic advisory and enterprise investment systems services to a growing number of institutional investors. Although these relationships and activities should help enable the Collateral Manager to offer attractive opportunities and service to the Issuer, such relationships and activities also create certain inherent conflicts of interest between the Collateral Manager, the Issuer, the Initial Purchaser and its Affiliates and/or each holder of Notes.

The Conditions provide that on each Payment Date, the Collateral Manager may be entitled to the Incentive Collateral Management Fee subject to the satisfaction of a specified internal rate of return on the Subordinated Notes. Payment of the Incentive Collateral Management Fee will be dependent to a large extent on the yield earned on the Collateral Debt Obligations. This fee structure could create an incentive for the Collateral Manager to manage the Issuer's investments in a manner as to seek to maximise the yield on the Collateral Debt Obligations relative to investments of higher creditworthiness. Managing the Portfolio with the objective of increasing yield, even though the Collateral Manager is constrained by the Eligibility Criteria and, where applicable, the Reinvestment Criteria, could result in riskier or more speculative investments for the Issuer than would otherwise be the case and in an increase in defaults or volatility, and could contribute to a decline in the aggregate market value of the Collateral Debt Obligations, each of which, together or individually, may have a negative impact on certain holders of the Notes.

In addition, the Conditions provide that the Collateral Manager will be paid the Senior Collateral Management Fee and the Subordinated Collateral Management Fee (in accordance with the Priorities of Payment), both of which are to be calculated as a percentage of the Aggregate Collateral Balance and calculated semi-annually following the occurrence of a Frequency Switch Event and quarterly at all other times, in each case on the basis of a 360-day year and the actual number of days elapsed in such Due Period. As with the Incentive Collateral Management Fee, by reason of the Senior Collateral Management Fee and the Subordinated Collateral Management Fee, the Collateral Manager may have a conflict between its obligation to manage the Portfolio prudently and the financial incentive created by such fees for the Collateral Manager to make investments that are riskier or more aggressive than would be the case in the absence of such fees. The Collateral Manager is under no obligation to manage the Portfolio in a manner which will favour any of the Noteholders. Furthermore, in consideration of the Collateral Manager's role in structuring the transaction, the Issuer may pay a fee to the Collateral Manager.

Certain investments may be appropriate for the Issuer and also for other clients advised by the Collateral Manager, including other registered and unregistered funds and separate accounts. The Collateral Manager's allocation of investment opportunities among various client accounts presents inherent conflicts of interest, as clients may have conflicting investment objectives, targeted returns, fee structures, investment time frames or legal, tax and regulatory considerations. As an example, the Collateral Manager serves as collateral manager or investment advisor for other clients and other entities organised to invest in or issue collateralised debt obligations secured by bank loans and/or high yield securities, and in the future the Collateral Manager may serve as collateral manager or investment advisor for other clients or entities organised to invest in or issue collateralised debt obligations or other structured products secured by bank loans and/or high yield securities. In addition, the respective Affiliates, principals and partners of the Collateral Manager and certain of its agents and advisors currently hold equity interests in such existing entities, may purchase the Notes and in the future such Affiliates and persons may invest in or be affiliated with other entities

organised to invest in or issue collateralised debt obligations or other structured products secured by bank loans and/or high yield securities.

The Issuer will participate in all investments selected by the Collateral Manager that are appropriate for the Issuer's investment program in accordance with the investment allocation policies of the Collateral Manager (the "**Allocation Policies**"). The Collateral Manager may change its Allocation Policies and other procedures relating thereto from time to time without the consent of or notice to the Issuer, the Initial Purchaser, the Trustee, each holder of the Notes or any other person. The Allocation Policies as in effect at any time are intended to ensure that investment opportunities are allocated fairly and consistently among applicable client accounts over time. To the extent the investment programs of the Issuer and the other applicable client accounts of the Collateral Manager change and develop over time, additional issues and considerations may affect the Allocation Policies and the expectations of the Collateral Manager with respect to the allocation of investment opportunities to the Issuer and the other client accounts of the Collateral Manager. In addition, the allocation of investment opportunities to the Collateral Manager's clients' accounts other than the Issuer may present inherent conflicts of interest, as competing investment objectives or investment time frames, for instance, among such client accounts and the Issuer may arise. Certain business units of the Collateral Manager or one of its Affiliates may have separate allocation policies that differ from the policy applicable for the Issuer, and such other business units' client accounts may face the Issuer in the marketplace.

The Issuer may invest in indebtedness of issuers in which the Collateral Manager or a client account managed or advised by the Collateral Manager has an equity or other interest. Such investments may benefit the Collateral Manager. While it is expected that the Collateral Manager will only make investment decisions for the Issuer in good faith and in a manner that is consistent with its fiduciary obligations to the Issuer and the Standard of Care, without regard to the benefits to the Collateral Manager, the Collateral Manager may be incentivised not to undertake certain actions on behalf of the Issuer in connection with such investments, including the exercise of certain rights that it may have as a creditor, in view of the Collateral Manager's involvement with the applicable issuer.

Conflicts will also arise in cases where the Issuer and/or other client accounts managed or advised by the Collateral Manager invest in different parts of an issuer's capital structure, including in different tranches of loans or classes of securities of (or other assets, instruments or obligations issued by) the same issuer. If an issuer in which the Issuer and one or more other such client accounts hold different tranches of loans or classes of securities (or other assets, instruments or obligations issued by such issuer) encounters financial problems, decisions over the terms of any workout will raise conflicts of interests (including, for example, conflicts over proposed waivers and amendments to debt covenants). As a result, one or more such client accounts may 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.

There are also certain risks involved in making investments in issuers that become insolvent. It is possible that in connection with an insolvency, winding up, bankruptcy, examinership 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 the Collateral Manager, including, for this purpose, funds or other accounts the Collateral Manager manages or in which it invests.

The Collateral Manager may provide financial, consulting and other services to, and receive compensation from, an entity which is the issuer of a loan or security held by the Issuer. In addition, the Collateral Manager may purchase property (including securities) from, sell property (including securities) or lend funds to, or otherwise deal with, any entity which is the issuer of a loan or security held by the Issuer. Any fees or other compensation received by the Collateral Manager and its affiliates in connection with such activities will not be shared with the Issuer.

The Collateral Manager and/or any of its Affiliates may from time to time incur expenses jointly on behalf of the Issuer, other accounts managed or advised by them and one or more subsequent entities established or advised by them. Although the Collateral Manager and/or its Affiliates will attempt to allocate such expenses on a basis that they consider equitable, there can be no assurance that such expenses will, in all cases, be allocated appropriately among such parties. The level of expenses allocated to the Issuer may have an adverse effect. A high level of expenses may result in a decreased return on the Notes. In each case, the level of expenses may have a material adverse effect on the performance of the Issuer and thus the return to each holder of the Notes.

The Collateral Manager may, by virtue of the relationships described above or otherwise, at the date hereof or at any time hereafter, be in possession of information regarding certain of the issuers of Collateral Debt Obligations and their respective Affiliates, that is or may be material in the context of the Notes and that is or may not be known to the general public. The Collateral Manager does not have any obligation, and the offering of the Notes will not create any obligation on its part, to disclose to any holder of the Notes any such relationship or information, whether or not confidential.

In addition, BlackRock may come into possession of inside information with respect to an issuer. Should this occur, the Collateral Manager would be restricted from buying or selling securities, derivatives or loans of such issuer on behalf of the Issuer until such time as the information became public or was no longer deemed material to preclude the Issuer from participating in an investment. As a result the Issuer may miss out on opportunities which could have resulted in greater returns on its investments. Disclosure of such information to the Collateral Manager's personnel responsible for the affairs of the Issuer will be on a need-to-know basis only, and the Issuer may not be free to act upon any such information. Therefore, the Issuer may not have access to inside information in the possession of the Collateral Manager's Affiliates which might be relevant to an investment decision to be made by the Issuer, and the Issuer may initiate a transaction or sell a Collateral Debt Obligation which, if such information had been known to it, may not have been undertaken. Due to these restrictions, the Issuer may not be able to initiate a transaction that it otherwise might have initiated and may not be able to sell a Collateral Debt Obligation that it otherwise might have sold, all of which could have a material adverse effect on the performance of the Issuer and thus the return to each holder of the Notes.

The Collateral Manager, its Affiliates and their employees may trade for their own account in securities and other instruments suitable for the Issuer only if such transactions are consistent with applicable law and the Collateral Manager's policies, including its personal trading policy.

There is no prohibition on the purchase of Notes by any of the Collateral Manager, any Affiliate of the Collateral Manager, BlackRock, any Affiliate of BlackRock, any director, employee, officer, personnel, partner, member and/or other professional staff of the Collateral Manager or BlackRock or any of their Affiliates, or any fund, entity or account for which the Collateral Manager, BlackRock, or any of their respective Affiliates acts as an investment or collateral manager or exercises discretionary voting authority on behalf of such fund, entity or account (each a "**Collateral Manager Related Person**"). Any such purchases may create potential and/or actual conflicts of interest between the Collateral Manager and/or Collateral Manager Related Persons and other investors in the Notes. Such purchases may be in the secondary market and may occur a significant amount of time after the Closing Date. Resulting conflicts of interest could include, but are not limited to: (a) divergent economic interests; or (b) a differing position on the voting of the Notes, in each case between the Collateral Manager and/or Collateral Manager Related Persons, on the one hand, and other investors in the Notes, on the other hand.

While no funds, securities or property of the Issuer will be commingled by the Collateral Manager with the property of any other fund or person, the Collateral Manager may in its sole discretion aggregate orders for its clients' accounts (including, without limitation, the Issuer's account).

The Collateral Manager and any of its Affiliates may at certain times seek to purchase or sell investments from or to the Issuer as principal for its own account or for the account of an Affiliate. Under the Collateral Management Agreement, the Collateral Manager, at its option and sole discretion, may, subject to applicable law and regulation, effect such principal transactions between such entities. Such principal transactions will present a conflict between the interests of the Collateral Manager or its Affiliates and/or their other clients, and the interests of the Issuer.

In addition, under the Collateral Management Agreement, the Collateral Manager and any of its Affiliates are authorised to engage in "agency cross" transactions in which one or more Affiliates of the Collateral Manager will act as a broker for compensation for both the Issuer and another person on the other side of the same transaction. Such other person may be an account or client for which the Collateral Manager or any affiliate serves as investment adviser. The Issuer has agreed to permit agency cross transactions; provided that: (i) such consent can be revoked at any time by the Issuer; and (ii) certain agency cross transactions require the advance consent of the Issuer in accordance with applicable law.

The Collateral Manager may also engage in "client cross" transactions, subject to the terms of the Collateral Management Agreement, in which the Collateral Manager causes a transaction to be effected between the Issuer and another account advised by the Collateral Manager without the Collateral Manager or any of its Affiliates receiving any compensation for such transaction. These transactions enable the Collateral Manager to purchase or sell a block of securities for the Issuer at a set price and to possibly avoid an unfavourable price movement that may be created through entrance into the market with such purchase or sell order. Such client cross transactions are to be conducted in a manner that is intended to be fair and equitable to the clients involved.

The Collateral Manager's duties and obligations under the Collateral Management Agreement will be owed to the Issuer (and to the extent that the Issuer has granted security over its rights under the Collateral Management Agreement to the Trustee). Other than pursuant to arrangements described below in relation to agreements with one or more holders of the Notes, the Collateral Manager will not be in contractual privity with, and will owe no separate duties or obligations to, any of the holders of the Notes in their capacity as Noteholders.

Although personnel providing services to the Collateral Manager will devote as much time to the management of the Collateral Debt Obligations of the Issuer as the Collateral Manager deems appropriate, such personnel may have conflicts in allocating their working time and services among the Issuer and the other accounts now or hereafter advised by the Collateral Manager and/or its Affiliates.

The Collateral Manager or one or more of its Affiliates may also act as counterparty with respect to one or more derivatives contracts, if any, entered into by the Issuer at a time when the Conditions permits the Issuer to enter into derivatives contracts, which may create certain conflicts of interest.

The Collateral Manager may enter into agreements with one or more holders of the Notes pursuant to which the Collateral Manager may agree, subject to its obligations under the Trust Deed, the Collateral Management Agreement and applicable law, to take actions with respect to such holders of the Notes that it will not take with respect to other holders of the Notes. The Collateral Manager plans to rebate, defray or otherwise provide an accommodation with respect to the management fees attributable to any client funds or BlackRock employees holding Subordinated Notes or other clients or affiliates that invest in the Notes from time to time. In addition, the Collateral Manager may enter into agreements which provide that the Initial Purchaser and/or its Affiliates and/or certain Noteholders will be entitled to receive a portion of the Collateral Management Fees payable on one or more Payment Dates during the term of the transaction. The performance and incentives of the Collateral Manager may be negatively impacted by any such fee or fee rebate arrangements.

BlackRock is an independent, publicly traded company, with no single majority shareholder and over two-thirds of its board of directors consisting of independent directors. As of 31 March 2019, the PNC Financial Services Group, Inc. ("**PNC**"), through a wholly-owned subsidiary, owned 22.4 per cent. of BlackRock and institutional investors, employees and the public held voting shares of 77.6 per cent. With regard to voting common stock, PNC, through a wholly-owned subsidiary, owned 22.0 per cent. and institutional investors, employees and the public owned 78.0 per cent. of economic interest.

The relationship between BlackRock and PNC may give rise to certain conflicts of interest in the ordinary course of business of BlackRock, PNC and the investment activities of the Issuer. The following discussion enumerates certain potential and actual conflicts of interest arising out of the ownership interests of PNC in BlackRock. By acquiring the Notes, the Initial Purchaser and its Affiliates along with each holder of the Notes will be deemed to have acknowledged the existence of such potential and actual conflicts of interest and, to the fullest extent permitted by applicable law, to have waived any claims with respect to the existence of such conflicts of interest.

- Retail banking, investment services and other businesses of PNC. PNC and its Affiliates may provide deposit, lending, cash, management, trust and investment services and other commercial and private banking products to issuers in which the Issuer may invest as well as to other funds managed by the Collateral Manager. PNC and its Affiliates may also provide brokerage, investment banking and financial advisory services to issuers in which the Issuer may invest. PNC and its Affiliates serve as collateral managers and trustees for various employee benefit plans and charitable and endowment assets that could potentially have relationships with any issuers in which the Issuer may invest. PNC and its Affiliates also engage in asset-based lending and real

estate financing to issuers in which the Issuer may invest or otherwise transact business. PNC and its Affiliates also provide fund accounting and administration, transfer agency, global custody and securities lending services, sub-accounting services, marketing and distribution services, managed account services, alternative investment services, banking transaction services and advanced output solutions. Through any of the foregoing, PNC and its Affiliates may receive fees from issuers or other counterparties in which the Issuer may invest or from the Issuer, and may have interests that conflict with those of the Issuer.

- Other services and activities. PNC may provide a variety of other services, including research, advisory, brokerage or support services, to any companies in which the Issuer may invest or, to the extent permitted by the Investment Advisers Act and other applicable laws, to the Issuer. To the extent permitted by the Investment Advisers Act and other applicable laws, PNC may act as broker, dealer, agent or otherwise for the Issuer, and the applicable PNC entities involved in such transactions will retain all commissions, fees and other compensation in connection therewith. Issuers of loans or securities held by the Issuer or by one or more other BlackRock client accounts may have publicly or privately traded securities in which PNC is an investor or makes a market. PNC is not prohibited from purchasing or selling the loans or securities of or otherwise investing in or financing issuers in which the Issuer or another BlackRock client account has an interest. PNC may also engage in proprietary investment activities from time to time without reference to the positions held by the Issuer or other BlackRock client accounts. Such proprietary trading activities could have an adverse effect on the value of the positions held by the Issuer or such other client accounts, or may result in PNC having interests adverse to those of the Issuer (and holders of the Notes) or such other client accounts. There can be no assurance that any of the foregoing arrangements will not, in whole or in part, give rise to conflicts of interest affecting the investment activities of the Issuer. In addition to the foregoing, based on the investment parameters of the Issuer, PNC or one of its respective Affiliates may, from time to time, participate in investment opportunities related to the Issuer's portfolio investments. Given the past and continuing relationship with PNC, such transactions may give rise to inherent conflicts of interest.

- Investments in service clients or portfolio companies of BlackRock or PNC. PNC provides a variety of products and services for and advice (including investment banking services, fairness opinions and extensions of credit provided by PNC) to various clients, including issuers of securities that the Collateral Manager may purchase or sell for the Issuer, and may generally receive fees for these services (including fees which may be contingent on the successful placement of securities and successful closing of a transaction). As a result of the relationships between BlackRock and PNC, the Collateral Manager may have an incentive to invest in securities the issuers of which utilise such services and pay such fees. The Collateral Manager believes, however, that the nature and range of clients to whom PNC renders such services is such that it would be inadvisable to exclude the securities of these issuers from the Issuer's account. Accordingly, absent a specific investment restriction or direction or regulatory restriction, it is likely that the Issuer's account may include the securities of issuers for whom PNC performs services.

PNC, a bank holding company regulated as a "financial holding company" (an "**FHC**") by the Board of Governors of the Federal Reserve System (the "**Federal Reserve**") under the Bank Holding Company Act of 1956 (the "**BHC Act**"), currently has a minority investment in BlackRock's capital stock. Based on the Federal Reserve's interpretation of the BHC Act, the Federal Reserve currently takes the position that this ownership interest causes PNC to "control" BlackRock and therefore causes BlackRock and the Collateral Manager to be treated as nonbank subsidiaries of PNC for purposes of the BHC Act, thereby subjecting BlackRock and the Collateral Manager to banking regulation as an affiliate of a financial holding company, including the supervision and regulation of the Federal Reserve and to most banking laws, regulations and orders that apply to PNC. Because of this position, and because the Collateral Manager may be deemed to exercise corporate control over the Issuer for purposes of the BHC Act, each of the Issuer, the Collateral Manager and BlackRock must comply with the investment and activities restrictions applicable to PNC as an FHC. Under the BHC Act, an FHC and its Affiliates may engage in, and may acquire interests in or control of, companies engaged in, among other things, a wide range of activities that are "financial in nature," including certain banking, securities, investment management, merchant banking, and insurance activities. Other activities or investments may be limited or prohibited under the BHC Act. Any failure by PNC to qualify as an FHC under the BHC Act could result in restrictions on the activities and investments of the Issuer described above. The Collateral Manager generally expects substantially all of the Issuer's investments to qualify as permissible investments for an FHC under the BHC Act.

Investments by the Issuer may be subject to various monitoring, reporting, and other regulatory requirements under the BHC Act. These requirements may be greater with respect to investments over which the Issuer, BlackRock or PNC are deemed to have control or a significant influence, including any circumstances wherein the Issuer and other BlackRock clients, in aggregate, own 25.0 per cent. or more of an issuer. Such control attributions could also result in investment restrictions applying to the Issuer's investments under applicable regulation.

The Collateral Manager reserves the right to rely on any applicable exemptions and to take all reasonable steps deemed necessary, advisable, or appropriate to comply with the BHC Act, including disposing of or refraining from making any investment that would not conform with BHC Act requirements. The BHC Act and Federal Reserve regulations and interpretations thereunder may be amended over the term of the Notes. The Dodd-Frank Act has substantially amended or supplemented the BHC Act and various other federal statutes in certain respects.

The Collateral Manager may utilise the personnel or services of its Affiliates in a variety of ways to make BlackRock's global capabilities available to the Issuer. Although the Collateral Manager believes this practice is generally in the best interests of its clients, it is possible that conflicts with respect to allocation of investment opportunities, portfolio execution, client servicing or other matters may arise due to differences in regulatory requirements in various jurisdictions, time differences or other reasons. The Collateral Manager will seek to ameliorate any conflicts that arise and may determine not to utilise the personnel or services of a particular affiliate in circumstances where it believes the potential conflict or adverse impact of ameliorative steps may outweigh the potential benefits.

The Collateral Manager may from time to time consult with, receive input from and provide information to third parties (who may or may not be or become direct and indirect holders of the Notes) in respect of obligations being considered for acquisition by the Issuer. Some of those same third parties may have interests adverse to those of the holders of the Notes and may take a short position (for example, by buying protection under a credit default swap) relating to any such obligations or securities.

Furthermore, so long as the Issuer is relying on the exception from the Investment Company Act provided by Rule 3a-7, it is not permitted to acquire or dispose of Collateral Debt Obligations, or Eligible Investments for the primary purpose of recognising gains or decreasing losses from market value changes. This could prevent the Issuer (or the Collateral Manager on its behalf) from selling assets that the Collateral Manager expects may decline in value or from reinvesting principal payments or sale proceeds in Collateral Debt Obligations.

The Issuer has the right by notice to the Trustee to elect (which election may be made only upon confirmation from the Collateral Manager that it has obtained legal advice from reputable international legal counsel knowledgeable in such matters to the effect that to do so would not result in the Issuer being construed as a "covered fund" in relation to any holder of Outstanding Notes for the purposes of the Volcker Rule) to rely solely on the exception contained in Section 3(c)(7) of the Investment Company Act and to no longer rely on Rule 3a-7. Unless and until the Issuer so elects, the Collateral Manager will be restricted from causing the Issuer to acquire any Collateral Debt Obligation or Eligible Investment which is not an "eligible asset" under Rule 3a-7. The Collateral Debt Obligations, Collateral Enhancement Obligations or Eligible Investments being acquired or disposed of by the Issuer will be subject to the terms and conditions set forth in the Trust Deed and the other Transaction Documents. Unless and until the Issuer elects to rely solely on the exception under Section 3(c)(7) of the Investment Company Act, the Collateral Manager will be restricted from causing the acquisition or disposition of any Collateral Debt Obligation, Collateral Enhancement Obligation or Eligible Investment if such acquisition or disposition would result in the downgrade or withdrawal of the then-current rating issued by the Rating Agencies on any Class of Notes (other than the Subordinated Notes). Until the Issuer elects to rely solely on the exception contained in Section 3(c)(7) of the Investment Company Act in the circumstances described above, the Collateral Manager will also be restricted from causing the Issuer to dispose of any Collateral Debt Obligation, Collateral Enhancement Obligation or Eligible Investment or acquire any Collateral Debt Obligation, Collateral Enhancement Obligation or Eligible Investment for the primary purpose of recognising gains or decreasing losses resulting from market value changes. These restrictions mean that the Issuer may be required to hold a Collateral Debt Obligation, Collateral Enhancement Obligation or Eligible Investment or be precluded from acquiring a Collateral Debt Obligation, Collateral Enhancement Obligation or Eligible Investment when it would have sold such Collateral Debt Obligation, Collateral Enhancement Obligation or Eligible Investment or acquired such Collateral Debt Obligation, Collateral Enhancement Obligation or Eligible Investment, as applicable, had it based such determination on expected market value changes. As a result, greater losses on the Portfolio may be sustained and there may be insufficient proceeds on any Payment Date to pay in full any expenses of the Issuer or any

amounts payable prior to payments in respect of the principal of and interest on the Notes. See "*Risk Factors—Regulatory Initiatives—Issuer Reliance on Rule 3a-7*" and "*Risk Factors—Relating to the Collateral-Trading Requirements*" of the 2016 Prospectus. The Collateral Manager, in its capacity as agent of the Issuer, has the discretion to advise the Issuer to make the election referred to above and accordingly the Issuer may cease to rely upon the exception provided by Rule 3a-7 in the future. The Collateral Manager, in making any such a recommendation, and the Issuer in electing to cease to rely upon Rule 3a-7, do not have a duty to act in a way that is favourable to individual or classes of Noteholders and conflicts of interests may arise accordingly.

Rating Agencies

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

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

The Issuer will be subject to various conflicts of interest involving or relating to the Initial Purchaser and its Affiliates.

Morgan Stanley & Co. International plc ("**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 may have purchased prior to the Closing Date, and may purchase or sell after the Closing Date, Collateral Debt Obligations including from, to or through one or more of Morgan Stanley or its Affiliates. 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 from time to time hold some or all of the Refinancing Notes of any Class for investment trading or other purposes, and may sell at any time any or all Refinancing Notes held by them. Morgan Stanley and its Affiliates will have the right to vote the Refinancing Notes that they hold. The interests and incentives of Morgan Stanley or its Affiliates will not necessarily be aligned with those of the other Noteholders. The Initial Purchaser will purchase the Notes from the Issuer on the Closing Date and resell them in individually negotiated transactions at varying prices, which may result in a higher or lower fee being paid to the Initial Purchaser in respect of those Refinancing Notes. The Initial Purchaser may elect in its sole discretion to rebate a portion of its fees in respect of the Refinancing Notes to certain investors, including the Retention Holder. The Initial Purchaser may assist clients and counterparties in transactions related to the Refinancing Notes (including assisting clients in future purchases and sales of the Refinancing Notes and hedging transactions). The Initial Purchaser expects to earn fees and other revenues from these transactions.

In addition, the Issuer has purchased and may sell prior to the Closing Date, and may purchase or sell after the Closing Date, Collateral Debt Obligations from, to or through one or more of Morgan Stanley or its Affiliates (including purchases of Collateral Debt Obligations in anticipation of the Closing 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 Debt 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 Debt Obligations and may own either equity securities or debt obligations (including the debt obligations that constitute Collateral Debt 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 Debt Obligations. From time to time the Issuer may purchase, enter into, terminate or sell Collateral Debt 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 Debt Obligations or the issuers whose debt obligations constitute Collateral Debt 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 Debt Obligations and other terms of the transaction.

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

7 IRISH LAW CONSIDERATIONS

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. Under Regulation (EU) No. 2015/848 of the European Parliament and of the Council of 20 May 2015 on insolvency proceedings (recast) (the "**Recast EU Insolvency Regulation**"), the Issuer's centre of main interest ("**COMI**") is presumed to be the place of its registered office (i.e. Ireland) in the absence of proof to the contrary and provided that the Issuer did not move its registered office within the 3 months prior to a request to open insolvency proceedings.

As the Issuer's COMI is presumed to be Ireland, any main insolvency proceedings in respect of the Issuer would fall within the jurisdiction of the courts of Ireland. As to what might constitute "*proof to the contrary*" regarding the location of a company's COMI, the key decision is that in *Re Eurofood IFSC Ltd* ([2004] 4 IR 370 (Irish High Court); [2006] IESC 41 (Irish Supreme Court); [2006] Ch 508; ECJ Case C-341/04 (European Court of Justice)), given in respect of the equivalent provision in the previous EU Insolvency Regulation (Regulation (EC) No. 1346/2000). In that case, on a reference from the Irish Supreme Court, the European Court of Justice concluded that "*factors which are both objective and ascertainable by third parties*" would be needed to demonstrate that a company's actual situation is different from that which the location of its registered office is deemed to reflect. For instance, if a

company with its registered office in Ireland does not carry on any business in Ireland, that could rebut the presumption that the company's COMI is in Ireland.

As the Issuer has its registered office in Ireland, has Irish directors, is registered for tax in Ireland and has retained an Irish corporate services provider, the Issuer does not believe that factors exist that would rebut the presumption that its COMI is located in Ireland, 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 was found to be in another EU jurisdiction and not in Ireland, main insolvency proceedings would be opened in that jurisdiction instead.

Examinership

Examinership is a court moratorium/protection procedure which is available under Irish company law to facilitate the survival of Irish companies in financial difficulties. Where a company, which has its COMI in Ireland is, or is likely to be, unable to pay its debts an examiner may be appointed on a petition to the relevant Irish court under Section 509 of the Companies Act 2014.

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

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

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

If however, for any reason, an examiner were appointed while any amounts due by the Issuer under the Notes were unpaid, the primary risks to the holders of Securities would be as follows:

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

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

Preferred Creditors

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

(a) under the terms of the Trust Deed, the Refinancing Notes will be secured in favour of the Trustee for the benefit of itself and the other Secured Parties by security over a portfolio of Collateral Debt Obligations and assignments of various of the Issuer's rights under the Transaction Documents. Under Irish law, the claims of creditors holding fixed charges may rank behind other creditors (namely fees, costs and expenses of any

examiner appointed and certain capital gains tax liabilities) and, in the case of fixed charges over book debts, may rank behind claims of the Irish Revenue Commissioners for PAYE, pay related social insurance, local property tax and VAT;

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

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

DOCUMENTS INCORPORATED

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

Unless the context otherwise specifically requires, all references in the 2016 Prospectus to a relevant Class of Refinanced Notes shall be a reference to the same Class of Refinancing Notes as defined herein (as the context requires) and all references in the 2016 Prospectus to the Notes shall include the Refinancing Notes (as the context requires). All references in the 2016 Prospectus to (i) the Trust Deed shall be to the Trust Deed as modified by the Deed of Supplement, Amendment and Restatement, (ii) the Collateral Management Agreement shall be to the Collateral Management Agreement as modified by the Deed of Supplement, Amendment and Restatement, and (iii) the Agency Agreement shall be to the Agency Agreement as modified by the Deed of Supplement, Amendment and Restatement.

The audited financial statements of the Issuer as at and for the financial period ending December 2017, together with the audit reports thereon, have been filed with the Central Bank and Euronext Dublin and shall be deemed to be incorporated by reference in, and to form part of, this Offering Circular. The Initial Purchaser did not participate in the production of the financial statements, takes no responsibility in respect of any financial statement, provides no representations or warranties as to the accuracy or completeness thereof and will have no liability whatsoever for any information contained therein.

Such financial statements are located at http://www.rns-pdf.londonstockexchange.com/rns/2827B_1-2019-6-5.pdf.

DESCRIPTION OF THE REFINANCING NOTES

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

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

Purchasers of the Refinancing Notes will be deemed to have approved the modifications contained in the Deed of Supplement, Amendment and Restatement in the manner set out herein.

Except as expressly set forth herein, the Class A Notes will be subject to the same terms and conditions as the Original Class A Notes, the Class B Notes will be subject to the same terms and conditions as the Original Class B Notes, the Class C Notes will be subject to the same terms and conditions as the Original Class C Notes, the Class D Notes will be subject to the same terms and conditions as the Original Class D Notes and the Class E Notes will be subject to the same terms and conditions as the Original Class E Notes. Therefore, except as expressly set forth herein, the information regarding the Original Class A Notes, the Original Class B Notes, the Original Class C Notes, the Original Class D Notes and the Original Class E Notes set forth in the 2016 Prospectus also applies to the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes, respectively and all references to the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes in the Conditions shall be references to the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes issued on the Refinancing Date.

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

Deed of Supplement, Amendment and Restatement – Amendments to the Conditions, the Trust Deed, the Collateral Management Agreement and the Agency Agreement in respect of the Refinancing Notes

In connection with the Refinancing, the Issuer intends to enter into the Deed of Supplement, Amendment and Restatement which will, amongst other things, (i) supplement and amend the Trust Deed and amend the Collateral Management Agreement and the Agency Agreement, concurrently with the Refinancing, and (ii) provide for the resignation of U.S. Bank National Association from its roles as registrar and transfer agent (and the appointment of Elavon Financial Services DAC in these capacities), and of Elavon Financial Services DAC from its roles as calculation agent, information agent and collateral administrator (and the appointment of U.S. Bank Global Corporate Trust Limited in these capacities). The purchasers of Refinancing Notes will be deemed to approve the amendments to the Trust Deed, the Collateral Management Agreement and the Agency Agreement pursuant to the Deed of Supplement, Amendment and Restatement. See also the description of the amendments to the Collateral Management Agreement in the "*Portfolio*" section.

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

It is anticipated that the following amendments will be effected by entry into the Deed of Supplement, Amendment and Restatement by, among others, the Issuer and the Trustee.

Amendments to the Conditions

- A new definition of "2019 Retention Note Purchase Agreement" is added in Condition 1 (*Definitions*) as follows:

"**2019 Retention Note Purchase Agreement**" means an agreement entered on the Closing Date between the Placement Agent and the Retention Holder for the purchase of the Retention Notes by the Retention Holder in accordance with the 2019 Risk Retention Letter and the EU Retention Requirements.

- A new definition of "2019 Risk Retention Letter" is added in Condition 1 (*Definitions*) as follows:

"**2019 Risk Retention Letter**" means the letter entered into between the Issuer, the Retention Holder, the Trustee, the Collateral Administrator, the Initial Purchaser and the Arranger dated 15 July 2019.

- A new definition of "2019 Subscription Agreement" is added in Condition 1 (*Definitions*) as follows:

"**2019 Subscription Agreement**" means the subscription agreement between the Issuer and the Initial Purchaser executed on 15 July 2019.

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

"**Administrative Expenses**" means amounts due and payable by the Issuer in the following order of priority (in each case, including all VAT thereon, if any, and to the extent such Administrative Expenses relate to costs and expenses, such VAT to be limited to irrecoverable VAT):

(a) on a *pro-rata* and *pari passu* basis, to: (i) the Agents pursuant to the Agency Agreement (including by way of indemnity); (ii) the Collateral Administrator and the Information Agent, pursuant to the Collateral Management Agreement (including by way of indemnity); (iii) the Corporate Services Provider pursuant to the Corporate Services Agreement; and (iv) Euronext Dublin, or such other stock exchange or exchanges upon which any of the Notes are listed from time to time;

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

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

(ii) on a *pro rata* and *pari passu* basis, to each Reporting Delegate pursuant to any Reporting Delegation Agreement;

(iii) to the independent certified public accountants, auditors, agents (including the listing agent) and counsel of the Issuer and the share trustee of the Issuer, (other than amounts payable to the Agents pursuant to paragraph (a) above);

(iv) to the Collateral Manager pursuant to the Collateral Management Agreement (including, but not limited to, the indemnities provided for therein), but excluding any Collateral Management Fees or any VAT payable thereon and excluding any amount in respect of Collateral Manager Advance;

(v) to any other Person in respect of any governmental fee or charge (for the avoidance of doubt excluding any taxes) or any statutory indemnity or any pecuniary sanctions arising under Article 32 of the Securitisation Regulation or Regulation 24 of the Irish STS Regulations in relation to a failure by the Issuer or the Collateral Manager (provided that such costs do not result from a Collateral Manager Breach) to meet the EU Disclosure Requirements;

(vi) on a *pro rata* basis to any other Person in respect of any other fees or expenses contemplated in these 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, an amount up to €10,000 per annum in respect of fees and expenses incurred by the Issuer (in its sole and absolute discretion) in assisting in the preparation, provision or validation of data for purposes of Noteholder tax jurisdictions;

(vii) to the Placement Agent or the 2019 Initial Purchaser pursuant to the Placement Agency Agreement or the 2019 Subscription Agreement (as applicable) in respect of any indemnity payable to it thereunder;

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

(ix) 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); and

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

(c) 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 Rule 17g-5, 17g-10, EMIR, CRA3, AIFMD, the US Commodity Exchange Act of 1936 (as amended), Solvency II or the Dodd-Frank Act or any implementing and/or delegated regulations, technical standards or guidance related thereto;

(ii) on a *pro rata* basis to the costs of any Person (including the Collateral Manager) in connection with satisfying the Securitisation Regulation or the Irish STS Regulations requirements, in each case such costs as they relate to the Issuer only, including any costs or fees related to additional due diligence or reporting requirements;

(iii) any costs of complying with FATCA, including the fees and expenses of any person appointed by or on behalf of the Issuer to help ensure the Issuer's compliance with FATCA (and any other international automatic exchange of tax information regime such as the CRS and Council Directive 2011/16/EU of 15 February 2011 on administrative cooperation in the field of taxation as may be amended from time to time);

(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 U.S. Commodity Exchange Act of 1936, as amended (including rules and regulations promulgated thereunder);

(v) any Refinancing Costs (to the extent not already paid pursuant to the paragraphs above and to the extent not already paid as Trustee Fees and Expenses); and

(vi) except to the extent already provided for above, on a pro rata basis payment of any indemnities payable to any Person as contemplated in these Conditions or in the Transaction Documents,

provided that:

(A) the Collateral Manager may direct the payment of any Rating Agency fees set out in paragraph (b)(i) above other than in the order required by paragraph (b) above if the Collateral Manager, Trustee or Issuer has been advised by a Rating Agency that non-payment of its fees will immediately result in the withdrawal of any ratings on any Class of Rated Notes so long as no such payments are made in priority to any payments due and payable under paragraph (a) above; and

(B) the Collateral Manager may, in its reasonable judgement, determine that a payment other than in the order required by paragraphs (b) and (c) above is required to ensure the delivery of certain accounting services and reports so long as no such payments are made in priority to any payments due and payable under paragraph (a) above.

- A new definition of "Collateral Manager Related Person" is added in Condition 1 (*Definitions*) as follows:

"**Collateral Manager Related Person**" means any Affiliate of the Collateral Manager, BlackRock, Inc., any Affiliate of BlackRock, Inc., any director, employee, officer, personnel, partner, member and/or other professional staff of the Collateral Manager or BlackRock, Inc. or any of their Affiliates, or any fund, entity or account for which the Collateral Manager, BlackRock, or any of their respective Affiliates acts as an investment or collateral manager or exercises discretionary voting authority on behalf of such fund, entity or account.

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

"**Competent Authorities**" means the national competent authorities of EU member states for the purposes of the Securitisation Regulation.

- A new definition of "Deed of Supplement, Amendment and Restatement" is added in Condition 1 (*Definitions*) as follows:

"**Deed of Supplement, Amendment and Restatement**" means the deed of supplement, amendment and restatement dated 15 July 2019 between the Issuer, the Collateral Manager, the Retention Holder, the Trustee, the Original Registrar, the Original Transfer Agent, the Principal Paying Agent, the Custodian, the Original Calculation Agent, the Account Bank, the Original Information Agent, the Original Collateral Administrator, the Registrar, the Transfer Agent, the Collateral Administrator, the Calculation Agent and the Information Agent.

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

"**Due Period Start Date**" means:

(a) in the case of the period relating to the first Payment Date after the Original Issue Date, the Original Issue Date; and

(b) in the case of any subsequent Due Period, the day immediately following:

(i) if the immediately preceding Payment Date was a scheduled Payment Date, the eighth Business Day prior to the preceding Payment Date; or

(ii) if the immediately preceding Payment Date was an unscheduled Payment Date, the third Business Day prior to the preceding Payment Date.

- A new definition of "EU Disclosure Requirements" is added in Condition 1 (*Definitions*) as follows:

"**EU Disclosure Requirements**" means Article 7 of the Securitisation Regulation, including any implementing regulation, technical standards and official guidance related thereto, *provided that* any reference to the EU Disclosure Requirements shall be deemed to include any successor or replacement provisions of Article 7 of the Securitisation Regulation included in any European Union directive or regulation.

- A new definition of "EU Retention Requirements" is added in Condition 1 (*Definitions*) as follows:

"**EU Retention Requirements**" means Article 6 of the Securitisation Regulation, including any implementing regulation, technical standards and official guidance related thereto, *provided that* any reference to the EU Retention Requirements shall be deemed to include any successor or replacement provisions of Article 6 of the Securitisation Regulation included in any European Union directive or regulation.

Wherever the term "Retention Requirements" appears in the Conditions or the Transaction Documents, this will be replaced by a reference to EU Retention Requirements, where applicable, or a reference to both terms (as applicable).

- A new definition of "Global Exchange Market" is added to Condition 1 (*Definitions*) as follows:

"**Global Exchange Market**" means the Global Exchange Market of Euronext Dublin.

Wherever the term "Main Securities Market" appears in the Conditions or the Transaction Documents, this will be replaced by a reference to Global Exchange Market.

- A new definition of "Irish STS Obligations" is added in Condition 1 (*Definitions*) as follows:

"**Irish STS Obligations**" means any and all obligations of the Issuer from time to time pursuant to the Irish STS Regulations.

- A new definition of "Irish STS Regulations" is added in Condition 1 (*Definitions*) as follows:

"**Irish STS Regulations**" means the European Union (General Framework for Securitisation and Specific Framework for Simple, Transparent and Standardised Securitisation) Regulations 2018 of Ireland (as may be amended from time to time).

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

"**Issue Date**" means:

(a) in respect of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes, 15 July 2019; and

(b) in respect of the Class F Notes and the Subordinated Notes, 15 December 2016.

- The definition of "Main Securities Market" in Condition 1 (*Definitions*) is deleted.

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

"**Monthly Report**" means the monthly report or the Effective Date Report (where no Monthly Report is prepared in accordance with the Collateral Management Agreement) defined as such in the Collateral Management 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 Agreement, which shall include information regarding the status of certain of the Collateral pursuant to the Collateral Management Agreement made available alongside portfolio data in CSV format, amongst others:

(A) via a secured website currently located at https://pivot.usbank.com (or such other website as may be notified in writing by the Collateral Administrator to the Issuer, the Arranger, the Trustee, the Collateral Manager, the Hedge Counterparties, any relevant service provider (as determined by the Collateral Manager), any relevant information agencies as determined by the Collateral Manager and as further notified by the Issuer to the Rating Agencies and the Noteholders from time to time) which shall be accessible to any person: (i) as notified to the Collateral Manager by the Collateral Administrator and approved (such approval not to be unreasonably withheld or delayed) by the Collateral Manager in writing (which may be by way of email); or (ii) that appears on the pre-authorisation list to be provided to the Collateral Administrator by the Collateral Manager (including any Competent Authorities) and/or (B) by such other method of dissemination as is required or permitted by the Securitisation Regulation and the Irish STS Regulations (as instructed by the Issuer or the Collateral Manager on its behalf and, to the extent that they are at the relevant time the applicable service provider, as agreed with the Collateral Administrator).

- A new definition of "Original Calculation Agent" is added in Condition 1 (*Definitions*) as follows:

  "**Original Calculation Agent**" means Elavon Financial Services DAC.

- A new definition of "Original Collateral Administrator" is added in Condition 1 (*Definitions*) as follows:

  "**Original Collateral Administrator**" means Elavon Financial Services DAC.

- A new definition of "Original Information Agent" is added in Condition 1 (*Definitions*) as follows:

  "**Original Information Agent**" means Elavon Financial Services DAC.

- A new definition of "Original Issue Date" is added in Condition 1 (*Definitions*) as follows:

  "**Original Issue Date**" means 15 December 2016.

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

  "**Original Registrar**" means U.S. Bank National Association.

- A new definition of "Original Transfer Agent" is added in Condition 1 (*Definitions*) as follows:

  "**Original Transfer Agent**" U.S. Bank National Association.

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

  "**Payment Date Report**" means the report defined as such in the Collateral Management Agreement which is prepared and determined as of each Determination Date and complied by the Collateral Administrator (in consultation with the Collateral Manager) on behalf of the Issuer on each Quarterly Reporting Date and made available alongside portfolio data in CSV format, amongst others: (A) via a secured website currently located at https://pivot.usbank.com (or such other website as may be notified in writing by the Collateral Administrator to the Issuer, the Arranger, the Trustee, the Collateral Manager, the Hedge Counterparties, any relevant service provider (as determined by the Collateral Manager), any relevant information agencies as determined by the Collateral Manager and as further notified by the Issuer to the Rating Agencies and the Noteholders from time to time) which shall be accessible to any person: (i) as notified to the Collateral Manager by the Collateral Administrator and approved (such approval not to be unreasonably withheld or delayed) by the Collateral Manager in writing (which may be by way of email); or (ii) that appears on the pre-authorisation list to be provided to the Collateral Administrator by the Collateral Manager (including any Competent Authorities) and/or (B) by such other method of dissemination as is required or permitted by the Securitisation Regulation and the Irish STS Regulations (as instructed by the Issuer or the Collateral

Manager on its behalf and, to the extent that they are at the relevant time the applicable service provider, as agreed with the Collateral Administrator).

- A new definition of "Quarterly Reporting Date" is added to Condition 1 (*Definitions*) as follows:

  "**Quarterly Reporting Date**" means:

  (a) prior to the occurrence of a Frequency Switch Event, the Business Day preceding each Payment Date; and

  (b) following the occurrence of a Frequency Switch Event, each date which would have been the Business Day preceding each Payment Date had the Payment Dates remained at quarterly intervals if no Frequency Switch Event had occurred.

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

  "**Retention Holder**" means BlackRock Investment Management (UK) Limited in its capacity as retention holder in accordance with the Risk Retention Letter and the 2019 Risk Retention Letter and any successor assign or transferee to the extent permitted under the Risk Retention Letter, the 2019 Risk Retention Letter and the EU Retention Requirements.

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

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

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

  (b) the Refinancing of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes that took effect on 15 July 2019.

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

  "**Refinancing Date**" means 15 July 2019.

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

  "**Refinancing Notes**" means the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes issued on the Refinancing Date.

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

  "**Report**" means each Monthly Report, Transparency Report and Payment Date Report.

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

  "**Retention Notes**" means Notes subscribed for by the Retention Holder which represent not less than five per cent. of the nominal value of each:

  (a) of the tranches of Refinancing Notes; and

  (b) Class of Notes which are not Refinancing Notes.

- A new definition of "Securitisation Regulation Reporting Effective Date" is added in Condition 1 (*Definitions*) as follows:

  "**Securitisation Regulation Reporting Effective Date**" means the effective implementation date of the Transparency RTS.

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

  "**Transaction Documents**" means the Trust Deed (including these Conditions), the Agency Agreement, the Placement Agency Agreement, the 2019 Subscription Agreement, the 2019 Retention Note Purchase Agreement, the Retention Note Purchase Deed, the Collateral Management Agreement, any Hedge Agreements, the Risk Retention Letter, the 2019 Risk Retention Letter, any Reporting Delegation Agreement, the Collateral Acquisition Agreements, the Participation Agreements, the Corporate Services Agreement and any document supplemental thereto or issued in connection therewith.

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

  "**Securitisation Regulation**" means EU Regulation No 2017/2402 (including any secondary legislation, technical standards and official guidance relating thereto and, in respect of Ireland, the Irish STS Regulations) as may be amended, replaced or supplemented from time to time.

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

  "**Transparency Report**" means the report to be prepared by the Collateral Administrator, to the extent agreed by the Collateral Administrator on behalf of the Issuer in form, frequency and content proposed by the Issuer and the Collateral Manager and agreed by the Collateral Administrator prior to the Securitisation Regulation Reporting Effective Date and made available: (A) via a secured website currently located at https://pivot.usbank.com (or such other website as may be notified in writing by the Collateral Administrator to the Issuer, the Arranger, the Trustee, the Collateral Manager, the Hedge Counterparties, any relevant service provider (as determined by the Collateral Manager), any relevant information agencies as determined by the Collateral Manager and as further notified by the Issuer to the Rating Agencies and the Noteholders from time to time) which shall be accessible to any person: (i) as notified to the Collateral Manager by the Collateral Administrator and approved (such approval not to be unreasonably withheld or delayed) by the Collateral Manager in writing (which may be by way of email); or (ii) that appears on the pre-authorisation list to be provided to the Collateral Administrator by the Collateral Manager (including any Competent Authorities) and/or (B) by such other method of dissemination as is required or permitted by the Securitisation Regulation and the Irish STS Regulations (as instructed by the Issuer or the Collateral Manager on its behalf and, to the extent that they are at the relevant time the applicable service provider, as agreed with the Collateral Administrator). If the Collateral Administrator does not agree to compile such report, another service provider may be engaged and the Collateral Manager shall assist the Issuer in this regard, provided that, if the Collateral Administrator does not agree to provide such reporting, it will use reasonable endeavours to assist (at the request and cost of the Issuer) the Issuer in transferring all relevant information held by it to such other service provider.

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

  "**Transparency RTS**" means regulatory technical standards in relation to Article 7(3) of the Securitisation Regulation relating to transparency to be adopted by the European Commission.

- The definitions of "AIFMD Retention Requirements", "CRR Retention Requirements", "Final RTS", "Solvency II Level 2 Regulation" and "Solvency II Retention Requirements" are deleted from Condition 1 (*Definitions*).

- A new Condition 2(o) (*Modifications*) is added as follows:

  (o) Modifications

  For the purpose of Conditions 14(c)(xiii) (*Modification and Waiver*), the Noteholders of the Refinancing Notes which are Class A Notes (being the Controlling Class) issued pursuant to the Refinancing on the Refinancing Date have consented (deemed to have been acting by way of an Ordinary Resolution), by their subscription for such Class A Notes on the Refinancing Date, to the modification of the Weighted Average Life Test and the Eligibility Criteria, as contemplated in the Deed of Supplement, Amendment and Restatement.

- Condition 4(a)(ix) (*Security*) is amended by adding the words ", the 2019 Subscription Agreement" immediately following the words "the Placement Agency Agreement".

- The following new limb (i)(H) is added to Condition 5(a) (*Covenants of the Issuer*), and original limbs (i)(H) and (i)(I) are re-numbered as limbs (i)(I) and (i)(J) respectively:

  (H) under the 2019 Risk Retention Letter;

- The following additional limb (xv) is added to Condition 5(a) (*Covenants of the Issuer*):

  (xv) promptly notify the Arranger, the Trustee, each Hedge Counterparty, the Collateral Manager, the Collateral Administrator, the Rating Agencies and the Noteholders upon becoming aware of the occurrence of any of the events specified in Article 7(1)(f) or (g) of the Securitisation Regulation and without delay ensure that such information is made available as required by the EU Disclosure Requirements.

- Conditions 6(e)(i)(A)(1) and 6(e)(i)(B)(1) (*Interest on the Rated Notes*) are deleted and replaced with "[Paragraph not used]".

- Condition 6(e)(i)(D) (*Floating Rate of Interest*) is deleted and replaced with the following:

  (D) Where:

  "**Applicable Margin**" means:

  (1) in the case of the Class A Notes: 0.88 per cent. per annum (the "**Class A Margin**");

  (2) in the case of the Class B Notes: 1.50 per cent. per annum (the "**Class B Margin**");

  (3) in the case of the Class C Notes: 2.20 per cent. per annum (the "**Class C Margin**");

  (4) in the case of the Class D Notes: 3.10 per cent. per annum (the "**Class D Margin**");

  (5) in the case of the Class E Notes: 5.95 per cent. per annum (the "**Class E Margin**"); and

  (6) in the case of the Class F Notes: 7.50 per cent. per annum (the "**Class F Margin**"),

notwithstanding paragraphs (A), (B) and (C) above, if, in relation to any Interest Determination Date, EURIBOR as determined in accordance with paragraphs (A), (B) and (C) above would yield a rate less than zero, such rate shall be deemed to be zero for the purposes of determining the Class A Floating Rate of Interest, the Class B Floating Rate of Interest, the Class C Floating Rate of Interest, the Class D Floating Rate of Interest, the Class E Floating Rate of Interest and the Class F Floating Rate of Interest pursuant to this Condition 6(e)(i) (*Floating Rate of Interest*).

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

(i) *Optional Redemption in Whole – Subordinated Noteholders*

Subject to the provisions of Condition 7(b)(iv) (*Terms and Conditions of an Optional Redemption*), 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*) (as applicable), the Rated Notes may be redeemed in whole but not in part by the Issuer at the applicable Redemption Prices, from Sale Proceeds or any Refinancing Proceeds (or a combination thereof):

(A) (1) in respect of Rated Notes being redeemed through refinancing, on any Business Day falling on or after 15 January 2020; and (2) in respect of Rated Notes being redeemed through liquidation, on any Business Day falling on or after the expiry of the Non-Call Period, in each case, at the option of the Subordinated Noteholders acting by Ordinary Resolution (as evidenced by duly completed Redemption Notices); or

(B) upon the occurrence of a Collateral Tax Event, on any Business Day falling after such occurrence at the direction of the Subordinated Noteholders acting by Ordinary Resolution (as evidenced by duly completed Redemption Notices).

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

(ii) *Optional Redemption in Part – Subordinated Noteholders or Collateral Manager*

Subject to the provisions of Condition 7(b)(iv) (*Terms and Conditions of an Optional Redemption*) and Condition 7(b)(v) (*Optional Redemption effected in whole or in part through Refinancing*), the Rated Notes of any Class (except for the Refinancing Notes during the period expiring on 15 January 2020 (inclusive)) 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 at the direction of either:

(A) the Subordinated Noteholders acting by Ordinary Resolution (as evidenced by duly completed Redemption Notices); or

(B) at the written direction of the Collateral Manager.

No such Optional Redemption may occur unless any Class of Rated Notes to be redeemed represents the entire Class of such Rated Notes.

Amendments to the Collateral Management Agreement

- The following additional limb (s) is added to Clause 2.3 (*Specific Grant*) of the Collateral Management Agreement and the current limb (s) is moved to limb (t):

(s) assist the Issuer in fulfilling any Irish STS Obligations and its obligations as the reporting entity under the EU Disclosure Requirements.

- The following additional limb (h) is added to Clause 19.1 (*Limits of Collateral Manager Responsibility; Indemnification*) of the Collateral Management Agreement:

(h) notwithstanding anything to the contrary in the Transaction Documents, shall not be responsible or liable in respect of the service to be provided to the Issuer pursuant to Clause 2.3(s) (*Specific Grant*) if any information requested or required by the Issuer for the purpose of its obligations under the EU Disclosure Requirements is unable to be procured or sourced by the Collateral Manager and shall also not be liable in any regard or be in breach of any of its obligations under the Transaction Documents or the EU Disclosure Requirements to the extent that its obligations under the EU Disclosure Requirements cannot be completed due to technological difficulties.

- A new Clause 23.3(r) (*Duties of the Collateral Administ*rator) is added to the Collateral Management Agreement as follows:

(r) distribute any information notified to the Collateral Administrator pursuant to Condition 5(a)(xv) (*Covenants of the Issuer*) or Schedule 25 (*Securitisation Regulation Provisions*) by posting to the secure website at the Issuer's instruction in accordance with Schedule 25 (*Securitisation Regulation Provisions*).

- A new Clause 23.3(s) (*Duties of the Collateral Administrator*) is added to the Collateral Management Agreement as follows:

(s) to the extent it is able and to the extent agreed with the Collateral Administrator, to assist the Issuer in fulfilling any Irish STS obligations and its obligations as the reporting entity under the EU Disclosure Requirements provided that if the Collateral Administrator does not agree to provide such assistance, another service provider may be engaged and the Collateral Manager shall assist the Issuer in this regard provided that, if the Collateral Administrator does not agree to provide such reporting, it will use reasonable endeavours to assist (at the request and cost of the Issuer) the Issuer in transferring, on request by the Issuer (or the Collateral Manager on the Issuer's behalf), and at the Issuer's cost, information held by it to such other service provider.

- A new Clause 23.5(d) (*Assistance of Collateral Manager*) is added to the Collateral Management Agreement as follows:

(d) The provisions set out in Schedule 25 (*Securitisation Regulation Provisions*) shall apply with effect from the Refinancing Date and the Issuer, Collateral Manager and Collateral Administrator agree to be bound by the same, as applicable.

- Clause 26.1 (*Monthly Report*) is deleted and replaced with the following:

26.1 Monthly Report

The Collateral Administrator shall, not later than the eighth Business Day after the twentieth calendar day (or if such day is not a Business Day, the immediately following Business Day) of each month (save in respect of any month in which a Payment Date Report or an Effective Date Report is to be prepared) commencing in August 2019, on behalf of, and at the expense of, the Issuer and in consultation with the Collateral Manager, compile a monthly report (including portfolio data in CSV or excel format) (the "**Monthly Report**"), which shall contain, without limitation, the information set out in Schedule 18 (*Description of the Reports*) with respect to the Portfolio, determined by the Collateral Administrator as at the twentieth calendar day of each month (or if such day is not a Business Day, the immediately following Business Day) in consultation with the Collateral Manager made available: (A) via the website currently located at

https://pivot.usbank.com (or such other website as may be notified in writing by the Collateral Administrator to the Issuer, the Arranger, the Trustee, the Collateral Manager, the Hedge Counterparties, any relevant service provider (as determined by the Collateral Manager), any relevant information agencies as determined by the Collateral Manager and as further notified by the Issuer to the Rating Agencies and the Noteholders from time to time) which shall be accessible to any person: (i) as notified to the Collateral Manager by the Collateral Administrator and approved (such approval not to be unreasonably withheld or delayed) by the Collateral Manager in writing (which may be by way of email); or (ii) that appears on the pre-authorisation list to be provided to the Collateral Administrator by the Collateral Manager (including any competent authorities) and/or (B) by such other method of dissemination as is required or permitted by the Securitisation Regulation and the Irish STS Regulations (as instructed by the Issuer or the Collateral Manager on its behalf and, to the extent that they are at the relevant time the applicable service provider, as agreed with the Collateral Administrator).

- Clause 26.3 (*Payment Date Report*) is deleted and replaced with the following:

26.3 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**") on each Quarterly Reporting Date, prepared and determined as of each Determination Date in accordance with the description thereof set out in Schedule 18 (*Description of the Reports*) and made available: (A) via the website currently located at https://pivot.usbank.com (or such other website as may be notified in writing by the Collateral Administrator to the Issuer, the Arranger, the Trustee, the Collateral Manager, the Hedge Counterparties, any relevant service provider (as determined by the Collateral Manager), any relevant information agencies as determined by the Collateral Manager and as further notified by the Issuer to the Rating Agencies and the Noteholders from time to time) which shall be accessible to any person: (i) as notified to the Collateral Manager by the Collateral Administrator and approved (such approval not to be unreasonably withheld or delayed) by the Collateral Manager in writing (which may be by way of email); or (ii) that appears on the pre-authorisation list to be provided to the Collateral Administrator by the Collateral Manager (including any Competent Authorities); and/or (B) by such other method of dissemination as is required or permitted by the Securitisation Regulation and the Irish STS Regulations (as is instructed by the Issuer or the Collateral Manager on its behalf and, to the extent that they are at the relevant time the applicable service provider, as agreed with the Collateral Administrator).

- A new Clause 29.8 (*Change of Regulatory Status*) is added to the Collateral Management Agreement as follows:

29.8 Change of Regulatory Status

Notwithstanding any conflicting provision in this Agreement or any other Transaction Document but without prejudice to the Issuer's right to terminate under this Clause 29 (Change of the Collateral Administrator), to the extent the Collateral Administrator no longer has the necessary regulatory consents, capacity and/or licences to perform the services required by it under this Agreement solely as a consequence of any United Kingdom exit from the European Union, it may, subject to this Clause 29 (*Change of the Collateral Administrator*), transfer its rights and obligations to a replacement Collateral Administrator that is an Affiliate of Elavon Financial DAC or U.S. Bank Global Corporate Trust Limited, as applicable, and approved by the Trustee, provided that the Trustee and the Issuer are provided with such legal and tax opinions in respect of such replacement in form and substance satisfactory to the Trustee that such replacement would not result in any adverse tax consequences for the Issuer.

To the extent there is no such Affiliate of Elavon Financial DAC or U.S. Bank Global Corporate Trust Limited, as applicable, which satisfies such requirements available and/or is approved by the Trustee then the Issuer may terminate the appointment of such Agent(s) in accordance with this Clause 29 (*Change of the Collateral Administrator*) as above.

- Schedule 18 (*Description of the Reports*) of the Collateral Management Agreement is amended to reflect the changes to the "Monthly Report" definition and the "Payment Date Report" definition, to reflect consequential changes to Clause 26.1 (*Monthly Report*) and Clause 26.3 (*Payment Date Report*) of the Collateral Management Agreement, which result from the amendments to the definitions of "Monthly Report" and "Payment Date Report", in each case as set out above, and to include provisions relating to the Transparency Report, as further detailed under the section "*Description of the Reports*" below.

- Schedule 23 (*U.S. Tax Guidelines*) of the Collateral Management Agreement is amended for certain required updates. Such updates have been made for clarification purposes, and do not substantively alter the U.S. Tax Guidelines.

- A new Schedule 25 (*Securitisation Regulation Provisions*) shall be added to the Collateral Management Agreement as follows:

Schedule 25

Securitisation Regulation Provisions

General

For the purpose of Article 7 of the Securitisation Regulation, the Issuer and Collateral Manager agree to designate the Issuer to fulfil the EU Disclosure Requirements.

Subject to the limitations set out herein, the Issuer hereby grants to the Collateral Manager full authority (subject to the provisions of this Agreement) on the Issuer's behalf and as the Issuer's agent in accordance with the terms of this Agreement and the Trust Deed, to assist the Issuer in fulfilling the Issuer's obligations as the designated reporting party under the EU Disclosure Requirements.

The Issuer also hereby directs and authorises the Collateral Administrator to, to the extent it is able and to the extent it agrees to, assist the Issuer in fulfilling any Irish STS Obligations and its obligations as the designated reporting party under the EU Disclosure Requirements, provided that, if the Collateral Administrator does not agree to provide such assistance, another service provider may be engaged and the Collateral Manager shall assist the Issuer in this regard.

Inside Information and Significant Events

The Collateral Manager hereby acknowledges that the Issuer will have continuing obligations under Irish Market Abuse Law and Articles 7(1)(f) and 7(1)(g) of the Securitisation Regulation, to disclose any inside information (as defined in MAR) or any significant event relating to the Collateral. In addition, the Issuer will also be required to prepare and maintain an up to date list of those people who have access to inside information relating directly or indirectly to the Issuer or the Notes. The Collateral Manager hereby agrees not to disclose any inside information except in conformity with the Irish Market Abuse Law as it applies to the Issuer and will reasonably assist the Issuer in complying with its obligations under Irish Market Abuse Law and Articles 7(1)(f) and 7(1)(g) of the Securitisation Regulation. Notwithstanding the foregoing, the Collateral Manager shall not be responsible or liable in any respect for the compliance or otherwise by the Issuer with its obligations under Irish Market Abuse Law and Articles 7(1)(f) and 7(1)(g) of the Securitisation Regulation.

Fees, Costs and Expenses

As Administrative Expenses in accordance with the Priorities of Payment and subject to Clause 46 (*Limited Recourse and Non-Petition*) of this Agreement, the Issuer shall reimburse the Collateral Manager for the following:

(a) any pecuniary sanctions arising under Article 32 of the Securitisation Regulation in relation to a failure to meet the EU Disclosure Requirements, provided that such sanctions have not been imposed as a result of a Collateral Manager Breach;

(b) the reasonable costs and expenses in relation to the provision of any information required by the relevant authorities in connection with the Securitisation Regulation;

(c) the fees, costs and expenses incurred in assisting the Issuer with its compliance with the Securitisation Regulation and its own fees, costs and expenses related to compliance; and

(d) the fees, costs and expenses incurred by the Collateral Manager in connection with satisfying the requirements of the Securitisation Regulation (including any expenses incurred by the Collateral Manager as a result of entering into amendments to the Transaction Documents which are required to ensure compliance with the Securitisation Regulation), in each case as applicable to the Issuer only, including any costs or fees related to additional due diligence or reporting requirements.

Reporting until the Securitisation Regulation Reporting Effective Date

Until the Securitisation Regulation Reporting Effective Date occurs, the Issuer, Collateral Administrator and Collateral Manager agree that the following additional information shall be reported in each Payment Date Report:

(a) In relation to each Hedge Transaction, details of any collateral postings during the related Due Period, for so long as the transitional provisions of Article 43(8) of the Securitisation Regulation apply.

(b) The name, role and credit rating of each of the following transaction counterparties:

(i) the Collateral Manager;

(ii) the Trustee;

(iii) the Hedge Counterparties; and

(iv) each of the Agents; and

details of any ratings downgrades and/or replacement of such transaction counterparties,

in each case as notified to the Collateral Administrator.

Provided that for any Payment Date Report that is to be prepared on a Quarterly Reporting Date which is not the Business Day preceding a Payment Date, the following information shall not be included in the report:

(a) the information required pursuant to limbs (b), (c) and (d) of "*Payment Date Report – Notes*" of Schedule 18 (*Description of the Reports*) of the Collateral Management Agreement;

(b) the information required pursuant to "*Payment Date Report – Payment Date Payments*" of Schedule 18 (*Description of the Reports*) of the Collateral Management Agreement;

(c) the information required pursuant to limbs (c) to (g) of "*Payment Date Report – Accounts*" of Schedule 18 (*Description of the Reports*) of the Collateral Management Agreement; and

(d) any other such information as the Collateral Manager informs the Collateral Administrator will not be necessary for these purposes.

The Collateral Manager and Collateral Administrator shall, prior to the first Quarterly Reporting Date, provide to the Issuer, the Collateral Administrator (in the case of the Collateral Manager only) and the Collateral Manager (in the case of the Collateral Administrator only) details of any credit ratings which are applicable to it and shall, so long as such information is required to be disclosed in accordance with the EU Disclosure Requirements, promptly notify the Issuer and the Collateral Administrator and the Collateral Manager (as applicable) of any rating downgrades or changes to such credit ratings.

Reporting After the Securitisation Regulation Reporting Effective Date

As soon as reasonably practicable following the finalisation of the Transparency RTS, if possible, the Issuer and the Collateral Manager shall propose in writing to the Collateral Administrator, the form, timing, frequency of distribution, method of distribution and content of the reporting related to the requirements of the Transparency RTS.

The Collateral Administrator shall then 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. The Issuer (or the Collateral Manager acting on behalf of the Issuer) shall make available the required information in the form of a Transparency Report.

To the extent that the Collateral Administrator agrees to assist the Issuer and the Collateral Manager with the reporting described above, the Collateral Administrator shall make available: (A) via a website currently located at https://pivot.usbank.com (or such other website as may be notified in writing by the Collateral Administrator to the Issuer, the Arranger, the Trustee, the Collateral Manager, the Hedge Counterparties, any other relevant service provider (as determined by the Collateral Manager), any relevant information agencies as determined by the Collateral Manager and as further notified by the Issuer to the Rating Agencies and the Noteholders from time to time) which shall be accessible to any person: (i) as notified to the Collateral Manager by the Collateral Administrator and approved (such approval not to be unreasonably withheld or delayed) by the Collateral Manager in writing (which may be by way of email); or (ii) that appears on the pre-authorisation list to be provided to the Collateral Administrator by the Collateral Manager (including any Competent Authorities) and/or (B) by such other method of dissemination as is required or permitted by the Securitisation Regulation and the Irish STS Regulations (as instructed by the Issuer or the Collateral Manager on its behalf and, to the extent that they are at the relevant time the applicable service provider, as agreed with the Collateral Administrator):

(a) each Transparency Report;

(b) without delay, any information required to be disclosed pursuant to Articles 7(1)(f) and 7(1)(g) of the Securitisation Regulation as provided by the Issuer or the Collateral Manager to the Collateral Administrator, and acting on the instructions of the Issuer (or the Collateral Manager on its behalf)); and

(c) copies of the relevant Transaction Documents required to be disclosed pursuant to Article 7 of the Securitisation Regulation and the Offering Circular in final form as soon as is reasonably practicable following the issuance of the Notes as provided by the Issuer or the Collateral Manager to the Collateral Administrator and acting on the instructions of the Issuer (or the Collateral Manager on its behalf).

For the avoidance of doubt and to the extent the Collateral Administrator has agreed to provide such reporting services, in providing such reporting services 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 Securitisation Regulation. In providing such services, the Collateral Administrator also assumes no responsibility or liability to any third party, including, any Noteholder or 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. Any such additional reports may include disclaimers excluding liability of the Collateral Administrator for the information provided therein.

Subject to Clause 19.1(h) (*Limits of Collateral Manager Responsibility; Indemnification*), the Collateral Manager and/or the Issuer shall provide the Collateral Administrator with all relevant information required in order to prepare the Transparency Reports (to the extent the Collateral Administrator has agreed to provide such reporting and to the

extent that such information is not contained in a Report prepared by the Collateral Administrator and has not otherwise been provided by the Collateral Administrator). The Collateral Administrator shall not be liable for the accuracy and completeness of the information or data that has been provided to it and the Collateral Administrator will not be obliged to verify, re-compute, reconcile or recalculate any such information or data.

The Collateral Administrator shall not have any duty to monitor, enquire or satisfy itself as to the veracity, accuracy or completeness of any documentation provided to it under this clause or whether or not the provision of such information accords with the EU Disclosure Requirements and shall be entitled to rely conclusively upon any instructions given by (and any determination by) the Issuer (or the Collateral Manager on its behalf) regarding the same, and shall have no obligation, responsibility or liability whatsoever for the provision of information and documentation on the website. The Collateral Administrator shall not be responsible for monitoring the Issuer's compliance with the EU Disclosure Requirements.

Subject to receipt of any appropriate instruction or pre-authorisation list, the Collateral Administrator shall not assume or have any responsibility or liability for monitoring or ascertaining whether any person to whom it makes the information; reports and/or documentation available on the website falls within the category of persons permitted or required to receive such information under the EU Disclosure Requirements. The Collateral Administrator shall be entitled to rely conclusively on all instructions and the pre-authorisation list provided pursuant to this clause which it reasonably believes to be genuine and to have been signed or sent by the proper person (which may be made electronically) and shall be entitled to assume that such persons listed in such instructions and/or pre-authorisation list are the persons to whom the documentation, reports and information should be made available on the website and shall not be liable to anyone whatsoever for so relying, assuming or doing.

In the event that the Collateral Administrator does not agree to provide reporting related to the requirements of the Transparency RTS in accordance with this Schedule 25 (*Securitisation Regulation Provisions*), the Issuer and the Collateral Manager shall cooperate in appointing another entity to provide such reporting.

Each of the Issuer and the Collateral Manager acknowledge and agree that the documents posted on the Website shall be downloadable by any authorised person with access to the Website, including potential investors in the Notes.

LEIs

Each Report shall contain the Legal Entity Identifiers of the Issuer and the Collateral Manager and shall list the ISINs of the Notes, in each case as notified to the Collateral Administrator.

Filings

The Issuer shall, with reasonable assistance from the Collateral Manager (if required) notify the Central Bank of Ireland of the transaction described in the Transaction Documents no later than 15 working days after the Refinancing Date, which notification shall include the details prescribed by the Irish STS Regulations.

- Certain further amendments to the Collateral Management Agreement are made as described in the section "*Portfolio*" below.

Amendments to the Trust Deed

- A new clause 11.45 (*Securitisation Regulation*) is added to the Trust Deed as follows:

11.45 Securitisation Regulation

(a) In accordance with Article 7(2) of the Securitisation Regulation, the Issuer hereby agrees to be the designated reporting party under the EU Disclosure Requirements in respect of the Notes and shall make available the information required by the EU Disclosure Requirements to the persons and by the means specified therein (with the assistance of the Collateral Administrator (to the extent agreed with the Collateral Administrator following consultation with the Issuer and the Collateral Manager) and the Collateral Manager under the Collateral

Management Agreement). If the Collateral Administrator does not agree to compile such report another service provider may be engaged and the Collateral Manager shall assist the Issuer in this regard provided that, if the Collateral Administrator does not agree to provide such reporting, it will use reasonable endeavours to assist (at the request and cost of the Issuer) the Issuer in transferring all relevant information held by it to such other service provider.

(b) Without limiting the foregoing, the Issuer shall promptly notify the Arranger, the Trustee, each Hedge Counterparty, the Collateral Manager, the Collateral Administrator, the Rating Agencies and the Noteholders upon becoming aware of the occurrence of any of the events specified in Articles 7(1)(f) or (g) of the Securitisation Regulation and without delay ensure the dissemination of such information as required by the EU Disclosure Requirements.

(c) The Issuer shall promptly notify or procure notification to the Collateral Administrator upon receiving notice of a change to the credit rating and/or the replacement of the parties listed in the section entitled "*Reporting until the Securitisation Regulation Reporting Effective Date*" of schedule 25 (*Securitisation Regulation Provisions*) to the Collateral Management Agreement.

(d) Upon the Collateral Administrator's request, the Issuer agrees to notify or procure the notification to the Collateral Administrator of the LEI of Issuer, the LEI of the Collateral Manager and the ISINs of the Notes.

(e) The Issuer hereby agrees to notify the Central Bank of Ireland of the transaction described in the Transaction Documents no later than 15 working days after the Closing Date, which notification shall include the details prescribed by the Irish STS Regulations.

- A new clause 16.41 (*Notification of Ratings*) is added to the Trust Deed as follows:

16.41 Notification of Ratings

The Trustee shall, prior to the first Quarterly Reporting Date, provide to the Issuer, the Collateral Manager and the Collateral Administrator details of any credit ratings which are applicable to it and shall, so long as such information is required to be disclosed in accordance with the EU Disclosure Requirements, promptly notify the Issuer, the Collateral Manager and the Collateral Administrator of any rating downgrades or changes to such credit ratings.

- Certain amendments to the transfer restrictions and forms of Notes contained in the Trust Deed are made as set out in "*Transfer Restrictions*" below.

Amendments to the Agency Agreement

- A new clause 10.1(a)(vi) (*Notices*) is added to the Agency Agreement as follows:

(vi) the occurrence of any of the events specified in Article 7(1)(f) and (g) of the Securitisation Regulation in accordance with Condition 5(a)(xv) (*Covenants of the Issuer*) or Schedule 25 (*Securitisation Regulation Provisions*) of the Collateral Management Agreement.

- A new clause 15.18 (*Notification of Ratings*) is added to the Agency Agreement as follows:

15.18 Notification of Ratings

Each Agent shall, prior to the first Quarterly Reporting Date, provide to the Issuer, the Collateral Manager and (with the exception of the Collateral Administrator) the Collateral Administrator details of any credit ratings which are applicable to it and shall, so long as such information is required to be disclosed in

accordance with the EU Disclosure Requirements, promptly notify the Issuer, the Collateral Manager and the Collateral Administrator (as applicable) of any rating downgrades or changes to such credit ratings.

- A new clause 16.8 (*Change of Regulatory Status*) is added to the Agency Agreement as follows:

16.8 Change of Regulatory Status

Notwithstanding any conflicting provision in this Agreement or any other Transaction Document but without prejudice to the Issuer's right to terminate under this Clause 16 (*Change in Appointments*), to the extent any Agent (other than the Collateral Administrator) no longer has the necessary regulatory consents, capacity and/or licences to perform the services required by it under this Agreement solely as a consequence of any United Kingdom exit from the European Union, it may, subject to this Clause 16 (*Change in Appointments*), transfer its rights and obligations to a replacement Agent that is an Affiliate of Elavon Financial DAC or U.S. Bank Global Corporate Trust Limited, as applicable, and approved by the Trustee, provided that:

(a) such replacement satisfies the Rating Requirement in respect of the relevant Agent;

(b) the Trustee and the Issuer is provided with such legal and tax opinions in respect of such replacement in form and substance satisfactory to the Trustee and the Issuer that such replacement would not result in any adverse tax consequences for the Issuer; and

(c) to the extent such replacement Account Bank or Custodian holds accounts outside of England and Wales, the Issuer grants security to the Trustee under the laws of the jurisdiction in which such accounts are to be held in form and substance satisfactory to the Trustee and substantially equivalent to the security granted over the Accounts under the Trust Deed.

To the extent there is no such Affiliate of Elavon Financial DAC or U.S. Bank Global Corporate Trust Limited, as applicable, which satisfies such requirements available and/or is approved by the Trustee then the Issuer may terminate the appointment of such Agent(s) (other than the Collateral Administrator and the Information Agent) in accordance with this Clause 16 (*Change in Appointments*) as above.

Other Amendments to the Transaction Documents

- Certain amendments to (a) update legal and regulatory references to account for certain changes in law or regulation since the date of the Original Issue Date, (b) reflect past events, (c) update factual information in relation to certain transaction parties and the Irish Stock Exchange and (d) to evidence modifications made by S&P to their rating methodology.

RATINGS OF THE REFINANCING NOTES

The following information should be read in conjunction with the section entitled "*Ratings of the Notes*" in the 2016 Prospectus.

It is a condition of the issuance of the Refinancing Notes that the Refinancing Notes of each Class receive from Moody's and S&P the minimum rating indicated under "*Overview*".

THE PORTFOLIO

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

The Arranger and the Initial Purchaser (i) did not participate in the preparation of any Monthly Report, any Payment Date Report or the financial statements of the Issuer, (ii) is relying on representations from the Issuer as to the accuracy and completeness of the information contained in the Monthly Reports, the Payment Date Reports and the financial statements of the Issuer, and (iv) shall have no responsibility whatsoever for the contents of any Monthly Report, any Payment Date Report or the financial statements of the Issuer.

Collateral Debt Obligations

The Latest Monthly Report has been filed with Euronext Dublin and is available for viewing at: http://www.rns-pdf.londonstockexchange.com/rns/4186B_1-2019-6-6.pdf

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

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

With effect from the Refinancing Date, the below replaces each equivalent part of each applicable sub-section in the 2016 Prospectus and the Deed of Supplement, Amendment and Restatement will amend the Collateral Management Agreement as such. For the purpose of Conditions 14(c)(xiii) (Modification and Waiver), the Noteholders of the Refinancing Notes which are Class A Notes (the Controlling Class) consent (deemed to be acting by way of Ordinary Resolution), by their subscription for such Class A Notes, to the modification of the Weighted Average Life Test and the addition of new Eligibility Criteria (ii), in each case as set out below for the purpose of the Collateral Management Agreement (as amended in the Deed of Supplement, Amendment and Restatement), provided that Rating Agency Confirmation is received from Moody's and S&P.

S&P CDO Monitor BDR

The S&P CDO Monitor BDR set out in the Collateral Management Agreement will be amended on the Closing Date in the form set out in the Deed of Supplement, Amendment and Restatement, provided that Rating Agency Confirmation has been received from S&P for the purpose of Condition 14(c)(xvii) (*Modification and Waiver*).

Moody's Test Matrix

The Moody's Test Matrix set out in the Collateral Management Agreement will be amended on the Closing Date in the form set out in the Deed of Supplement, Amendment and Restatement, provided that Rating Agency Confirmation has been received from Moody's for the purpose of Condition 14(c)(xvii) (*Modification and Waiver*).

The Weighted Average Life Test

Pursuant to Condition 14(c)(xiii) (*Modification and Waiver*), Schedule 13 (*Weighted Average Life Test*) of the Collateral Management Agreement is amended by deleting the definition of "Weighted Average Life Test" and replacing it with the following:

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

(a) such Measurement Date; and

(b) the end of the Reinvestment Period, to 15 April 2026.

Eligibility Criteria

Pursuant to Condition 14(c)(xiii) (*Modification and Waiver*), Part 1 (*Eligibility Criteria*) of Schedule 2 (*Eligibility Criteria and Restructured Obligation Criteria*) shall be amended by the addition of the following new Eligibility Criteria (ii):

(ii) its acquisition by the Issuer will not result in the Issuer being required to be authorised as, or to appoint, a "credit servicing firm" within the meaning of the Central Bank Act 1997 of Ireland (as amended).

DESCRIPTION OF THE REPORTS

The following information should be read in conjunction with the section entitled "*Description of the Reports"* in the 2016 Prospectus. The Original Collateral Management Agreement shall be amended and restated by the Deed of Supplement, Amendment and Restatement Agreement, in order to give effect to the matters set out in this section of this Offering Circular and the matters set out in the sections entitled "*Description of the Refinancing Notes*" and "*The Portfolio*" above.

Purchasers of the Refinancing Notes will be deemed to have approved the modifications contained in the Collateral Management Agreement, as set out herein.

Monthly Reports

The Collateral Administrator, not later than the eighth Business Day after the twentieth calendar day (or if such day is not a Business Day, the immediately following Business Day) of each month (save in respect of any month for which a Payment Date Report or an Effective Date Report has been prepared) commencing in August 2019 on behalf, and at the expense, of the Issuer and in consultation with the Collateral Manager, shall compile a monthly report (the "**Monthly Report**"), which shall contain, without limitation, the information set out below with respect to the Portfolio, determined by the Collateral Administrator as at the twentieth calendar day of each month (or if such day is not a Business Day, the immediately following Business Day) in consultation with the Collateral Manager made available alongside portfolio data in CSV format, among others: (A) via a secured website currently located at https://pivot.usbank.com (or such other website as may be notified in writing by the Collateral Administrator to the Issuer, the Arranger, the Trustee, the Collateral Manager, the Hedge Counterparties, any relevant service provider (as determined by the Collateral Manager), any relevant information agencies as determined by the Collateral Manager and as further notified by the Issuer to the Rating Agencies and the Noteholders from time to time) which shall be accessible to any person: (i) as notified to the Collateral Manager by the Collateral Administrator and approved (such approval not to be unreasonably withheld or delayed) by the Collateral Manager in writing (which may be by way of email); or (ii) that appears on the pre-authorisation list to be provided to the Collateral Administrator by the Collateral Manager (including any Competent Authorities) and/or (B) by such other method of dissemination as is required or permitted by the Securitisation Regulation (as instructed by the Issuer or the Collateral Manager on its behalf and, to the extent that they are at the relevant time the applicable service provider, as agreed with the Collateral Administrator). Any person who purchases any of the Notes after the Issue Date (or intends to do so) and desires access to the Monthly Reports should seek access via the website at https://pivot.usbank.com and be prepared to certify or evidence their holding of the Notes or intention to purchase, as may be reasonably required by the Collateral Administrator and/or the Collateral Manager.

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 on each Quarterly Reporting Date (the "**Payment Date Report**"), prepared and determined as of each Determination Date, and made available: (A) via a secured website currently located at https://pivot.usbank.com (or such other website as may be notified in writing by the Collateral Administrator to the Issuer, the Arranger, the Trustee, the Collateral Manager, the Hedge Counterparties, any relevant service provider (as determined by the Collateral Manager), any relevant information agencies as determined by the Collateral Manager and as further notified by the Issuer to the Rating Agencies and the Noteholders from time to time) which shall be accessible to any person: (i) as notified to the Collateral Manager by the Collateral Administrator and approved (such approval not to be unreasonably withheld or delayed) by the Collateral Manager in writing (which may be by way of email); or (ii) that appears on the pre-authorisation list to be provided to the Collateral Administrator by the Collateral Manager (including any Competent Authorities) and/or (B) by such other method of dissemination as is required or permitted by the Securitisation Regulation (as instructed by the Issuer or the Collateral Manager on its behalf and, to the extent that they are at the relevant time the applicable service provider, as agreed with the Collateral Administrator). Any person who purchases any of the Notes after the Issue Date (or intends to do so) and desires access to the Payment Date Reports should seek access via the website at https://pivot.usbank.com and be prepared to certify or evidence their holding of the Notes or intention to purchase, as may be reasonably required by the Collateral Administrator and/or the Collateral Manager.

Each Payment Date Report shall contain the information set out in the section headed "*Description of the Reports – Payment Date Reports*" in the 2016 Prospectus and the information set out below, provided that in respect of any such Report prepared for a date other than a Payment Date, such Report shall not contain any information that would otherwise only be available or obtainable in respect of a Payment Date.

Portfolio

the Aggregate Principal Balance of the Collateral Debt Obligations as of the close of business on such Determination Date, after giving effect to: (A) Principal Proceeds received on the Collateral Debt Obligations with respect to the related Due Period and the reinvestment of such Principal Proceeds in Substitute Collateral Debt Obligations during such Due Period; and (B) the disposal of any Collateral Debt Obligations during such Due Period;

Transaction Parties' Name, Role and Credit Rating

(a) the name, role and credit rating of each of the following transaction counterparties:

(i) the Collateral Manager;

(ii) the Trustee;

(iii) the Hedge Counterparties; and

(iv) each of the Agents; and

(b) details of any ratings downgrades and/or replacement of such transaction counterparties,

in each case as notified to the Collateral Administrator.

Transparency Report

Pursuant to the Collateral Management Agreement, as soon as reasonably practicable following the finalisation of the Transparency RTS and, if possible, prior to the Securitisation Regulation Reporting Effective Date, the Issuer and the Collateral Manager shall propose in writing to the Collateral Administrator, the form, timing, frequency of distribution, method of distribution and content of the reporting related to the requirements of the Transparency RTS. The Collateral Administrator shall then 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. If the Collateral Administrator does not agree to compile such report another service provider may be engaged and the Collateral Manager shall assist the Issuer in this regard.

Each Transparency Report is expected to be made available (subject to the Collateral Administrator having agreed to provide such reporting services): (A) via a secured website currently located at https://pivot.usbank.com (or such other website as may be notified in writing by the Collateral Administrator to the Issuer, the Arranger, the Trustee, the Collateral Manager, the Hedge Counterparties, any relevant service provider (as determined by the Collateral Manager), any relevant information agencies as determined by the Collateral Manager and as further notified by the Issuer to the Rating Agencies and the Noteholders from time to time) which shall be accessible to any person: (i) as notified to the Collateral Manager by the Collateral Administrator and approved (such approval not to be unreasonably withheld or delayed) by the Collateral Manager in writing (which may be by way of email); or (ii) that appears on the pre-authorisation list to be provided to the Collateral Administrator by the Collateral Manager (including any Competent Authorities) and/or (B) by such other method of dissemination as is required or permitted by the Securitisation Regulation (as instructed by the Issuer or the Collateral Manager on its behalf and, to the extent that they are at the relevant time the applicable service provider, as agreed with the Collateral Administrator). Any person who purchases any of the Notes after the Issue Date (or intends to do so) and desires access to the Transparency Reports should seek access via the website at https://pivot.usbank.com and be prepared to certify or evidence their

holding of the Notes or intention to purchase, as may be reasonably required by the Collateral Administrator and/or the Collateral Manager.

USE OF PROCEEDS

The estimated proceeds of the issue of the Refinancing Notes are expected to be approximately €360,000,000. Such proceeds will be used by the Issuer to redeem the Refinanced Notes at the aggregate Redemption Prices of the entire Class or Classes of Rated Notes subject to the Optional Redemption. Refinancing Costs will be paid as Administrative Expenses and/or Trustee Fees and Expenses, as applicable, on the next Payment Date. This may result in some Refinancing Costs being paid on Payment Dates following the next Payment Date. On the Refinancing Date, certain excess Principal Proceeds may be paid to the Subordinated Noteholders in accordance with Condition 3(j)(5)(i)(5) (*Principal Account*). In each case, any such payment of Refinancing Costs shall be made in accordance with and subject to the Priorities of Payment and the Senior Expenses Cap.

THE ISSUER

The information in this section should be read in conjunction with the section entitled "*The Issuer*" in the 2016 Prospectus.

General

The Issuer was incorporated in Ireland as a designated activity company on 19 May 2016 under the name BlackRock European CLO II Designated Activity Company pursuant to the Companies Act.

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 three Shares, which are fully paid up and are held directly or indirectly by three Irish companies limited by guarantee, Registered Shareholder Services No. 1 Company Limited by Guarantee (formerly called Eurydice Charitable Trust Limited), Registered Shareholder Services No. 2 Company Limited by Guarantee (formerly called Medb Charitable Trust Limited) and Registered Shareholder Services No. 3 Company Limited by Guarantee (formerly called Badb Charitable Trust Limited) (each a "**Share Trustee**" and together, the "**Share Trustees**") on trust for charitable purposes. Each Share Trustee has, inter alia, undertaken not to exercise its voting rights to wind up the Issuer unless and until it has received written confirmation from the Directors of the Issuer that the Issuer does not intend to carry on further business.

The Issuer has been established as a special purpose vehicle for the purposes of acquiring financial assets, issuing financial instruments and the entering into of other legally binding arrangements.

Directors and Company Secretary

The directors of the Issuer and their respective business addresses and principal activities outside the Issuer are:

Name	Address	Principal Activities
Deirdre Brennan	3rd Floor, Kilmore House, Park Lane, Spencer Dock, Dublin 1, Ireland	Company Director
Stephen Healy	3rd Floor, Kilmore House, Park Lane, Spencer Dock, Dublin 1, Ireland	Company Director

The company secretary of the Issuer is TMF Administration Services Limited.

The registered office of the Company Secretary of the Issuer is at 3rd Floor, Kilmore House, Park Lane, Spencer Dock, Dublin 1, Ireland. The telephone number of the registered office of the Issuer is +353 1 614 6240 and the facsimile number is +353 1 614 6250.

In accordance with the terms of the Corporate Services Agreement, the Issuer has appointed TMF Administration Services Limited as corporate services provider to provide certain administrative, accounting and related services to the Issuer in consideration for the Issuer paying it the remuneration and expenses set out in the Corporate Services Agreement. The appointment of the Corporate Services Provider may be terminated forthwith if, *inter alia*, the Corporate Services Provider commits any material breach of the Corporate Service Agreement, is unable to pay its debts as they fall due or otherwise becomes insolvent or enters into any composition or arrangement with or for the benefit of its creditors or any class thereof. The registered office of the Corporate Services Provider is at 3rd Floor, Kilmore House, Park Lane, Spencer Dock, Dublin 1, Ireland.

Deirdre Brennan and Stephen Healy are employees of TMF Management (Ireland) Limited.

The independent auditors of the Issuer are Deloitte of Deloitte & Touche House, 29 Earlsfort Terrace, Dublin 2, Ireland, who are chartered accounts and are members of the Institute of Chartered Accountants of Ireland and registered auditors qualified to practice in Ireland.

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. Accordingly, notwithstanding anything to the contrary herein, the Issuer and the Initial Purchaser do not assume any responsibility for the accuracy, completeness or applicability of such information.

General

Certain management and administrative functions with respect to the Portfolio are performed by BlackRock Investment Management (UK) Limited (the "**Collateral Manager**") under the Collateral Management Agreement.

The Collateral Manager

The Collateral Manager is a wholly-owned subsidiary of BlackRock, Inc. (together with the Collateral Manager and its Affiliates, "**BlackRock**") and a limited liability company incorporated in the UK (company number: 02020394) with its registered office at 12 Throgmorton Avenue, London, EC2N 2DL.

The Collateral Manager is an investment firm authorised and regulated by the UK Financial Conduct Authority.

BlackRock, Inc.

As of 31 March 2019, BlackRock's pro forma assets under management ("**AUM**") were approximately U.S.$6.51 trillion, with approximately U.S.$20.3 billion of bank loans in dedicated fundamental portfolios, including structured products (but excluding multi-sector fixed income portfolios, multi-asset strategies, other alternatives) as well as approximately U.S.$44.4 billion in dedicated fundamental high yield mandates.

BlackRock manages assets on behalf of institutions and individuals worldwide through a variety of equity, fixed income, multi-asset, real estate, cash management and alternative investment products. In addition, BlackRock provides risk management, strategic advisory and enterprise investment system services to a growing number of institutional investors. Headquartered in New York City, BlackRock has more than 13,900 employees in more than 30 countries across the Americas, Europe, Asia-Pacific, the Middle East and Africa. See "*Risk Factors— Certain Conflicts of Interest— Certain Conflicts of Interest Involving or Relating to the Collateral Manager and its Affiliates*".

BlackRock is an experienced collateralized debt obligation manager, with approximately U.S.$6.7 billion of BlackRock-managed U.S. cash flow CLOs currently outstanding and EUR3.2 billion of BlackRock-managed European cash flow CLOs currently outstanding as of 31 March 2019.

European Fundamental Credit Team

BlackRock's European Fundamental Credit Team is a 26 person team dedicated to running leveraged finance and alternative credit strategies forming part of BlackRock's European Fundamental Credit platform. The team consists of portfolio managers, leveraged credit research analysts and portfolio assistants. The team is supported by additional personnel including risk analysts, lawyers and compliance specialists, loan documentation professionals, global CDO administration specialists and product strategists.

Investment Philosophy

BlackRock's investment philosophy as a collateral manager emphasises creating value through intensive bottom-up research and robust leveraged loan credit selection, coupled with an active CLO portfolio management style. BlackRock uses a team-oriented approach, with constant dialogue between credit research analysts and portfolio managers and a regular review of investment positions.

In making investment decisions BlackRock employs a credit review process that focuses on a thorough analysis of the underlying issuer's creditworthiness and a relative value comparison that outlines the merits of each investment. Also

considered is the outlook for the company's industry and BlackRock's own assessment. BlackRock develops a specific rationale for each investment made and uses it in the course of continually reviewing the merits of the investment and determining appropriate exit strategies. This investment selection and surveillance process helps ensure that all investments benefit from the combined experience, skill sets and information sources of the European Fundamental Credit Team.

The credit review process assesses a company with respect to four key fundamental factors: industry attractiveness, competitive position, management quality and financial position. Depending on the issuer of a particular investment, BlackRock's credit review process may include some or all of the following:

(a) developing and maintaining a direct dialogue with the issuer's management;

(b) monitoring the issuer's financial and operating performance through examination of financial results, capital structure, pricing power, management, cash flow, catalysts, covenants, assets, valuation and liquidity characteristics;

(c) monitoring changes/trends in the market value of investments;

(d) reviewing all available information to determine potential changes in the issuer's credit and industry position;

(e) monitoring macro or industry effects and their potential influence on the investment;

(f) incorporating and reviewing all relevant information from industry sources,

(g) continually reviewing "relative values" of investments; and

(h) selling when the rationale for a position no longer supports holding it.

In addition to its credit review process, BlackRock utilises a risk controlled approach to sector rotation and security selection. The key elements typically considered in BlackRock's risk controlled approach are:

(i) an overview of investment markets in order to identify asset classes and industry sectors that are overvalued and undervalued;

(ii) an extensive bottom up review of each issuer, targeting companies with strong underlying fundamentals;

(iii) an active management approach stressing flexibility in the reallocation of investments as appropriate;

(iv) portfolio diversification to minimize exposure to any individual investment;

(v) use of advanced hedging techniques to protect the portfolio from certain market risks; and

(vi) leveraging the resources and extensive industry contacts of BlackRock to provide access to investment opportunities.

Biographies of the Members of the Investment Committee

Aly Hirji, *Managing Director*, is a portfolio manager in European Fundamental Credit, focusing primarily on the high yield leveraged loan asset class and related products, including CLOs. Prior to joining BlackRock in 2014, Mr. Hirji was a partner and portfolio manager at New Amsterdam Capital, a European credit manager focused on leveraged credit. He was responsible for managing CLOs, leveraged loan and high yield funds, managed accounts and trading. He joined the firm as its first investment-related employee in 2004 as a credit analyst and contributed to growing out the firm and its assets under management. He began his career at JP Morgan in 1999 working in leveraged finance origination, debt capital markets and financial sponsor coverage. Mr. Hirji earned a BSc degree, with honours in economics from the University of Bristol in 1999.

***Jose Aguilar**, Managing Director*, is a senior portfolio manager in European Fundamental Credit, focusing on credit hedge funds, absolute return funds and leverage finance strategies. Prior to joining BlackRock in 2009, Mr. Aguilar was a senior research analyst at R3 Capital Partners focusing on leverage finance and special situations. He began his career at Lehman Brothers in 2005 in the Mergers and Acquisitions Group covering financial institutions and subsequently moved to Global Principal Strategies (GPS). Mr. Aguilar earned degrees in business administration and law from Universidad Pablo de Olavide in Seville, Spain.

Vineet Singh, *Managing Director*, Head of Research, European Fundamental Credit. In this role, he is responsible for managing the research process for European leverage finance including high yield bonds, leveraged loans and middle market private debt.

Prior to joining BlackRock, Mr. Singh was a senior research analyst at Beach Point Capital, an opportunistic credit investment management firm, where he was responsible for sourcing, researching and investing in European leveraged-credit and equities. He was one of two original members responsible for establishing Beach Point Capital's London office. Prior to Beach Point Capital, Mr. Singh was a Senior Vice President at Swiss asset management company Unigestion, where he was responsible for credit and distressed debt fund-of-hedge fund strategies. Previously he worked with Oak Hill Advisors in London and with JPMorgan in the leveraged finance group in both London and New York.

Mr. Singh graduated from Middlebury College in Vermont with a BA in Physics. He also matriculated at Dartmouth College in New Hampshire, earning a bachelor's degree in Engineering. Mr. Singh holds an MBA from French business school, INSEAD.

Credit Risk Mitigation

In addition to the obligations of the Collateral Manager under the Collateral Management Agreement which it must perform subject to the Standard of Care, the Collateral Manager has in place and operates certain internal policies and procedures to administer and manage the Portfolio and other similar portfolios. Such policies and procedures include, in the case of the Portfolio, systems for monitoring credit risk of the Collateral Debt Obligations and for identifying Defaulted Obligations. See also "*The Collateral Manager—Investment Philosophy*" and "*The Portfolio*".

The Collateral Manager is also obliged under the Collateral Management Agreement, subject to the Standard of Care, to:

(a) when making acquisitions or sales of Collateral Debt Obligations on the Issuer's behalf and as the Issuer's agent in accordance with the terms of the Collateral Management Agreement and the Trust Deed, to diversify the Portfolio in accordance with and to the extent permitted by the terms of the Collateral Management Agreement (including, but not limited to, the Portfolio Profile Tests);

(b) measure and monitor the credit risk of the Portfolio per the methodologies set out in the Collateral Management Agreement and in accordance with the terms thereof; and

(c) consult with the Collateral Administrator in connection with the compiling of the Monthly Reports and Payment Date Reports which contain information intended to assist Noteholders in conducting their stress tests on the cash flows and collateral values supporting the Notes.

DESCRIPTION OF THE COLLATERAL ADMINISTRATOR

The information appearing in this section has been prepared by the Collateral Administrator and has not been independently verified by the Issuer, the Initial Purchaser, the Arranger or any other party. None of the Initial Purchaser, the Arranger or any other party other than the Collateral Administrator assumes any responsibility for the accuracy or completeness of such information.

General

U.S. Bank Global Corporate Trust Limited, a limited company registered in England and Wales having the registration number 05521133 and a registered address at 125 Old Broad Street, Fifth Floor, London EC2N 1AR.

Termination and Resignation of Appointment of the Collateral Administrator

Pursuant to the terms of the Collateral Management Agreement, the Collateral Administrator may be removed: (a) without cause at any time upon at least 90 days' prior written notice; or (b) with cause upon at least 10 days' prior written notice by the Issuer at its discretion or the Trustee acting upon the written directions of the holders of the Subordinated Notes acting by way of Ordinary Resolution and subject to the Trustee being secured and/or indemnified and/or prefunded to its satisfaction. In addition the Collateral Administrator may also resign its appointment without cause on at least 45 days' prior written notice and with cause upon at least 10 days' prior written notice to the Issuer. 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 Agreement.

THE EU RETENTION REQUIREMENTS

The information appearing in this section entitled "The EU Retention Requirements" consists of a summary of certain provisions of the 2019 Risk Retention Letter which does not purport to be complete and is qualified by reference to the detailed provisions of such letter.

Description of the Retention Holder

The information appearing in this section entitled "Description of the Retention Holder" has been prepared by the Collateral Manager and has not been independently verified by the Issuer, the Initial Purchaser, the Arranger or any other party. None of the Initial Purchaser, the Arranger or any other party other than the Collateral Manager assumes any responsibility for the accuracy or completeness of such information. The Issuer confirms that the information in this section has been accurately reproduced and that as far as the Issuer is aware and is able to ascertain from information published by the Collateral Manager, no facts have been omitted which would render the reproduced information inaccurate or misleading.

The Collateral Manager, as Retention Holder, intends to hold the requisite risk retention 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.

Other than the representations, warranties and covenants summarised below, the Collateral Manager makes no representation or warranty nor gives any undertaking as to whether it satisfies the description of "originator" for the purposes of the EU Retention Requirements.

The Retention

On the Refinancing Date, the Collateral Manager, in its capacity as Retention Holder, acting for its own account, will sign the 2019 Risk Retention Letter addressed to the Issuer, the Trustee, the Collateral Administrator, the Initial Purchaser and the Arranger.

Under the 2019 Risk Retention Letter, the Retention Holder will:

(a) undertake to:

(i) on the Refinancing Date, subscribe for and hold on an ongoing basis, not less than five per cent. of the nominal value of each of the tranches of Refinancing Notes; and

(ii) continue to hold, on an ongoing basis, not less than five per cent. of the nominal value of each Class of Notes which are not Refinancing Notes,

together, the "**Retention Notes**";

(b) agree not to sell, hedge or otherwise mitigate its credit risk under or associated with the Retention Notes, except to the extent permitted in accordance with the EU Retention Requirements;

(c) take such further reasonable action, provide such information (subject to any applicable duties of confidentiality) and on a confidential basis including confirmation of its compliance with paragraphs (a) and (b) above and enter into such other agreements as may reasonably be required to satisfy the EU Retention Requirements as of (i) the Refinancing Date, and (ii) solely as regards the provision of information in the possession of the Retention Holder and to the extent the same is not subject to a duty of confidentiality, at any time prior to maturity of the Notes;

(d) agree to confirm its continued compliance with the covenants set out at paragraphs (a) and (b) above (i) on a monthly basis to the Issuer, the Trustee, the Collateral Administrator, the Initial Purchaser and the Arranger in writing (which may be by way of email) and (ii) upon reasonable request in writing by the Issuer, the Trustee, the Collateral Administrator, the Initial Purchaser or the Arranger;

(e) acknowledge and confirm that it established the transaction contemplated by the Transaction Documents;

(f) represent that in relation to every Collateral Debt Obligation it sold or transferred to the Issuer on or before the Original Issue Date, that it either:

(i) itself or through related entities, directly or indirectly, was involved in the original agreement which created such asset; or

(ii) purchased such obligation for its own account prior to selling or transferring such asset to the Issuer;

(g) represent that it is not an entity that has been established or that operates for the sole purpose of securitising exposures as further defined and set out in the EU Retention Requirements

(h) agree that it shall promptly notify the Issuer, the Trustee, the Collateral Administrator and the Initial Purchaser 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 (b) or (c) above in any way; or (iii) any of the representations contained in the 2019 Risk Retention Letter fail to be true on any date; and

(i) represent and warrant that the Originator Requirement (as defined below) was satisfied on the Original Issue Date,

provided, however, that (i) the Retention Holder shall be permitted to transfer the Retention Notes to the extent such transfer would not in and of itself cause the transaction described in this Offering Circular to be non-compliant with the EU Retention Requirements, and (ii) the Retention Holder's undertakings in respect of the Retention Notes are, unless otherwise specified, made as of the Refinancing Date, with such undertakings being binding for so long as any of the Notes remain Outstanding, and the Retention Holder does not have any obligation to change the quantum, method or nature of its holding of the Retention Notes as a result of any changes to the EU Retention Requirements following the Refinancing Date or any other changes to regulations or the interpretation thereof the result of which the Issuer is considered to be an alternative investment fund as defined under AIFMD following the Refinancing Date.

"**Originator Requirement**" means the requirement which will be satisfied if, on the Original Issue Date:

(a) the Aggregate Principal Balance of all Collateral Debt Obligations acquired by the Issuer from the Collateral Manager; divided by

(b) the Target Par Amount,

was greater than or equal to 5.0 per cent.

The Collateral Manager as Retention Holder has submitted the Pre-Pricing Notification to the FCA prior to the pricing of the Refinancing Notes in accordance with the Joint Direction.

Prospective investors should consider the discussion in "*Risk Factors – Regulatory Initiatives – Securitisation, Risk Retention and Due Diligence Requirements*" above.

Origination

For information on the origination of certain of the Collateral Debt Obligations from the Collateral Manager on or prior to the Original Issue Date, prospective investors should review the section of the 2016 Prospectus entitled "*The Retention Holder and Retention Requirements – Origination of Collateral Obligations*".

TAX CONSIDERATIONS

1 GENERAL

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

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

2 IRELAND TAXATION

The following is a summary of the principal Irish tax consequences for individuals and companies of ownership of the Refinancing 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 holders of Refinancing Notes only (for the purposes of this section (*2. Ireland Taxation*) only "**Noteholders**") who beneficially own their Refinancing Notes as an investment. Particular rules not discussed below may apply to certain classes of taxpayers holding Refinancing 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 Refinancing Notes should consult their professional advisers on the tax implications of the purchase, holding, redemption or sale of the Refinancing 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 20.0 per cent.), is required to be withheld from payments of Irish source interest which should include interest payable on the Refinancing 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 Refinancing Note so long as interest paid on the relevant Refinancing 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 Refinancing Note where:

   (a) the Refinancing 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) 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 Refinancing 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 Refinancing 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 75.0 per cent. of the assets of the Issuer; or

(iv) at the time of issue of the Refinancing Notes, the Issuer was not in possession, or aware, of any information which could reasonably be taken to indicate whether or not the beneficial owner of the Refinancing Notes would be subject to tax on any interest payments,

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 Territor**y"); 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 Refinancing Notes continue to be quoted on the Global Exchange Market, are held in Euroclear and Clearstream, Luxembourg, and one of the conditions set out in paragraph (c)

above is met, interest on the Refinancing 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 Refinancing Notes continue to be quoted but cease to be held in a recognised clearing system, interest on the Refinancing 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 (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.

Encashment Tax

Irish tax will be required to be withheld at the standard rate of income tax (currently 20.0 per cent.) from interest on any Refinancing 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 Refinancing Notes free of withholding tax, the Noteholder may still be liable to pay Irish income 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 contributions (PRSI) and the universal social charge in respect of interest they receive on the Refinancing Notes.

Interest paid on the Refinancing 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 Refinancing 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 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 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 75.0 per cent. parent is substantially and regularly traded on a recognised stock exchange. For the purpose 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 Refinancing 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 Refinancing 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. In the past the Irish Revenue Commissioners have not pursued liability to income tax in respect of persons who are not regarded as being resident in Ireland except where such persons have a taxable presence of some sort in Ireland or seek to claim any relief or repayment in respect of Irish tax. However, there can be no assurance that the Irish Revenue Commissioners will apply this treatment in the case of any Noteholder.

Capital Gains Tax

A holder of Refinancing Notes will not be subject to Irish tax on capital gains on a disposal of Refinancing Notes unless (i) such holder is either resident or ordinarily resident in Ireland or (ii) such holder carries on a trade or business in Ireland through a branch or agency in respect of which the Refinancing Notes are used or held or (iii) the Refinancing Notes cease to be listed on a stock exchange in circumstances where the Refinancing Notes derive their value or more than 50.0 per cent. of their value from Irish real estate, mineral rights or exploration rights.

Capital Acquisitions Tax

A gift or inheritance of Refinancing Notes will be within the charge to capital acquisitions tax (which subject to available exemptions and relief is currently levied at 33.0 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 Refinancing Notes are regarded as property situate in Ireland (i.e. if the Refinancing Notes are physically located in Ireland or if the register of the Refinancing Notes is maintained in Ireland).

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 Irish 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 Refinancing Notes are used in the course of the Issuer's business), on the issue, transfer or redemption of the Refinancing Notes.

3 UNITED STATES FEDERAL INCOME TAXATION

Introduction

This is a discussion of certain U.S. federal income tax consequences of the acquisition, beneficial ownership, disposition, and retirement of the Refinancing 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 or Medicare contribution tax consequences or the possible application of U.S. federal gift or estate taxes. In particular, except as expressly set out below, this discussion does not address differing tax consequences that may apply to an investor subject to special treatment, for instance:

(a) a financial institution, insurance company, real estate investment trust, regulated investment company or grantor trust;

(b) a dealer or trader in securities that uses a mark-to-market method of tax accounting with respect to the notes;

(c) an investor holding notes as part of a "hedge", "straddle" or "integrated transaction";

(d) a former citizen or resident of the United States;

(e) a U.S. Noteholder (as defined below) whose functional currency is not the U.S. dollar;

(f) a tax-exempt entity; or

(g) a partnership or other pass-through entity (including a foreign branch) for U.S. federal income tax purposes.

This discussion considers only investors that will hold Refinancing Notes as capital assets, is generally limited to the tax consequences to initial investors that purchase Refinancing Notes upon their initial issue at their initial issue price, and does not address tax consequences to holder of Refinanced Notes that are redeemed by the Issuer.

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

(i) a citizen or individual resident of the United States for U.S. federal income tax purposes;

(ii) a corporation (or other entity that is treated as a corporation for U.S. federal income tax purposes) 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. Noteholder**" means, for purposes of this discussion, a beneficial owner of a Refinancing Note, other than a partnership, that is not a U.S. Noteholder.

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 Refinancing 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 Refinancing Notes. As a result, the IRS might disagree with all or part of the discussion below. No rulings will be requested of the IRS regarding whether the Issuer is engaged in a trade or business within the United States, the U.S. federal income tax characterisation of the Refinancing 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.

U.S. Federal Tax Treatment of the Issuer

The Issuer is treated as a foreign corporation for U.S. federal income tax purposes. The Issuer intends to operate so as not to be subject to U.S. federal income tax on its net income. In this regard, upon the issuance of the 2016 Notes, the Issuer received an opinion of Weil, Gotshal & Manges LLP generally to the effect that, assuming compliance with the Trust Deed and the Collateral Management Agreement, including certain tax guidelines referenced therein (the "**Tax Guidelines**"), and based upon certain factual representations made by the Issuer and/or the Collateral Manager, and subject to other customary assumptions and qualifications, although no authority existed that dealt with situations substantially similar to those of the Issuer, the contemplated activities of the Issuer would not cause the Issuer to be treated as engaged in a trade or business within the United States for U.S. federal income tax purposes under current law. No new opinion will be given in respect of the Refinancing with regard to whether the Issuer will be engaged in a trade or business within the United States for U.S. federal income tax purposes.

The 2016 tax opinion of Weil, Gotshal & Manges LLP was based on certain assumptions and certain representations and agreements regarding the Issuer's prior activities and regarding restrictions on the future activities of the Issuer and the Collateral Manager. The Issuer has conducted and continues to conduct its business in accordance with the assumptions, representations and agreements upon which such opinion is based. In complying with such assumptions, representations and agreements, the Issuer and the Collateral Manager are entitled to rely in the future upon the advice and/or opinions of their selected counsel, and the opinion of Weil, Gotshal & Manges LLP assumes that any such advice and/or opinions are correct and complete. Investors should be aware that the opinion of Weil, Gotshal & Manges LLP simply represents counsel's best judgment and is not binding on the IRS or the courts. In this regard, there are no authorities that deal with situations substantially identical to the Issuer's, and the Issuer could be treated as engaged in the conduct of a trade or business within the United States as a result of unanticipated activities, changes in law, contrary conclusions by the IRS or other causes. Failure of the Issuer to comply with the Tax Guidelines, the Trust Deed or the Collateral Management Agreement may not give rise to a default or an Event of Default under the Trust Deed or the Collateral Management 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. Moreover, a change in law or its interpretation could result in the Issuer being treated as engaged in a trade or business within the United States for U.S. federal income tax purposes, or otherwise subject to U.S. federal income tax on a net income basis (notwithstanding that the Collateral Manager is acting in accordance with the Tax Guidelines).

If it were determined that the Issuer is engaged in a trade or business within 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 30.0 per cent. branch profits tax and state and local as well. The imposition of such a tax liability could materially adversely affect the Issuer's ability to make payments on the Refinancing Notes. The balance of this summary assumes that the Issuer is not subject to U.S. federal income tax on its net income.

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

Upon the issuance of the Refinancing Notes, Weil, Gotshal & Manges LLP will deliver an opinion generally to the effect that under current law, assuming compliance with the Transaction Documents, and based on certain assumptions and factual representations made by the Issuer and/or the Collateral Manager, the Class A Notes, Class B Notes, Class C Notes and 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 Refinancing Note, each Noteholder of a Refinancing Note (or any interest therein) will be deemed to have agreed, to treat the Refinancing Notes as debt of the Issuer for U.S. federal income tax purposes, except as otherwise required by applicable law. The determination of whether a Class A Note, Class B Note, Class C Note or Class D Note will be treated (or, in the case of the Class e Notes, should be treated) as debt for U.S. federal income tax purposes is based on the facts and circumstances existing at the time the Refinancing Note is issued. Prospective investors should be aware that opinions of counsel are not binding on the IRS, and there can be no assurance that the IRS will not seek to characterise as something other than indebtedness any particular Class or Classes of the Refinancing Notes, particularly the Class E Notes given their place in the capital structure. Except as discussed below, the balance of this discussion assumes that the Refinancing Notes of all Classes will be characterised as debt of the Issuer for U.S. federal income tax purposes.

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

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

For U.S. federal income tax purposes, OID is the excess of the "stated redemption price at maturity" of a debt instrument over its "issue price", if that excess equals or exceeds ¼ of 1.0 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 installment obligations (the "**OID de minimis amount**"). The "stated redemption price at maturity" of a debt instrument such as the Refinancing Notes is the sum of all payments required to be made on the Refinancing Note other than "qualified stated interest"

payments. The "issue price" of a Refinancing Note generally is the first offering price to the public at which a substantial amount of the debt instrument is sold. The term "qualified stated interest" generally means stated interest that is unconditionally payable in cash or property (other than debt instruments of the issuer), or that is treated as constructively received, at least annually at a single fixed rate or, under certain conditions discussed below, at a variable rate.

Pursuant to recently enacted tax legislation commonly referred to as the Tax Cuts and Jobs Act ("**TCJA**"), Section 451(b) of the Code has been amended to provide that the "all events" test for the realization of income for accrual method taxpayers is treated as being met no later than when the item is taken into account as revenue by the taxpayer in a financial statement (including any GAAP financial statement such as a Form 10-K annual statement, an audited financial statement or a financial statement filed with any Federal agency for non-tax purposes). Amended Section 451(b) of the Code applies to income on a debt instrument subject to the OID rules. New regulations likely are necessary to demonstrate the interaction of Section 451(b) of the Code and the OID and other debt-related rules.

Prospective U.S. Noteholders should note that to the extent that interest payments on the Class C Notes, Class D Notes or Class E Notes are not made on a relevant Payment Date, such unpaid interest amounts will be deferred and the amount thereof added to the aggregate principal amount of such Refinancing 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 the Class C Notes, Class D Notes or Class E Notes will be included in the stated redemption price at maturity of such Refinancing Notes, and as a result the Class C Notes, Class D Notes and Class E Notes will be treated as issued with OID.

If a U.S. Noteholder holds a Refinancing Note with OID (an "**OID Note**") such U.S. Noteholder may be required to include OID in income before receipt of the associated cash payment, regardless of the U.S. Noteholder's accounting method for tax purposes. If the U.S. Noteholder is an initial purchaser of an OID Note, the amount of the OID includible in income is the sum of the daily accruals of the OID for the Refinancing Note for each day during the taxable year (or portion of the taxable year) in which such U.S. Noteholder held the OID Note. The daily portion is determined by allocating the OID for each day of the accrual period. An accrual period may be of any length and the accrual periods may even vary in length over the term of the OID Note, provided that each accrual period is no longer than one year and each scheduled payment of principal or interest occurs either on the first day of an accrual period or on the final day of an accrual period. The amount of OID allocable to an accrual period is equal to the difference between: (a) the product of the "adjusted issue price" of the OID Note at the beginning of the accrual period and its yield to maturity (computed generally on a constant yield method and compounded at the end of each accrual period, taking into account the length of the particular accrual period); and (b) the amount of any qualified stated interest allocable to the accrual period. The "adjusted issue price" of an OID Note at the beginning of any accrual period is the sum of the issue price of the OID Note plus the amount of OID allocable to all prior accrual periods reduced by any payments the U.S. Noteholder received on the OID Note that were not qualified stated interest. Under these rules, the U.S. Noteholder generally will have to include in income increasingly greater amounts of OID in successive accrual periods.

It is possible 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 Refinancing 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.

Each class of Refinancing Notes will be "variable rate debt instruments" if such class of Refinancing Notes (a) has an issue price that does not exceed the total non-contingent principal payments on such class of Refinancing Notes by more than an amount equal to the lesser of: (i) 0.015 multiplied by the product of such total non-contingent principal payments and the number of complete years to maturity of such class of

Refinancing Notes; and (ii) 15.0 per cent. of the total non-contingent principal payments on such class of Refinancing Notes; (b) provides for stated interest (compounded or paid at least annually) at the current value of one or more qualified floating rates, including the EURIBOR rate, on such class of Refinancing Notes; and (c) does not provide for any principal payments that are contingent. The Refinancing Notes will qualify as variable rate debt instruments, provided the issue price is not more than 115,000 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 Refinancing Notes does not qualify as a variable rate debt instrument, a U.S. Noteholder would be required to report income in respect of such Refinancing Notes in accordance with U.S. Treasury regulations relating to contingent payment debt instruments, which generally require a U.S. Noteholder to accrue interest on a constant yield basis based on a projected payment schedule determined by the Issuer. The contingent payment debt instrument rules are complex and investors should consult with their own tax advisors with respect to the potential taxation of the Refinancing Notes under the contingent payment debt instrument rules.

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

Interest on the Refinancing Notes received by a U.S. Noteholder will generally be treated as foreign source "passive income" for U.S. foreign tax credit purposes, or, in certain cases, "general category income".

Noteholders should consult their own tax advisors with respect to the U.S. federal income tax treatment of any Contribution, including the likelihood that such Contribution will be treated as an equity interest in the Issuer.

Possible Treatment of Class E Notes as Equity for U.S. Federal Tax Purposes. As described above under "U.S. Characterisation and U.S. Tax Treatment of the Refinancing Notes," the Issuer intends to treat the Class E Notes as indebtedness for U.S. federal, state, and local income and franchise tax purposes, and the Noteholders will be required to treat the Class E 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 are equity in the Issuer for U.S. federal income tax purposes.

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

Alternatively, if the Class E Notes are treated as equity in the Issuer, the Issuer is a controlled foreign corporation ("**CFC"**), and a U.S. Noteholder of such Notes also is treated as a 10% United States shareholder with respect to the Issuer, then the U.S. Noteholder generally would be subject to the potentially adverse rules applicable to a 10% United States shareholder in a CFC. For this purpose, a "10% United States shareholder" 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 total value of all classes of shares of a non-U.S. corporation. Investors should consult their tax advisors as to the potential application of these rules to their situation.

If the Issuer holds a Collateral Debt Obligation (or an interest in an Issuer Subsidiary) that is treated as equity in a foreign corporation for U.S. federal income tax purposes, and if the Class E Notes are treated as equity in the Issuer, U.S. Noteholders of such 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. Noteholder of an indirect equity interest in a PFIC is treated as owning the PFIC directly. The U.S. Noteholder, and not the Issuer, would be required to make a QEF election with respect to each indirect interest in a PFIC. However, certain PFIC information statements are necessary for U.S. Noteholders that have made QEF elections. There can be no assurance that the Issuer can obtain such statements from a PFIC, and thus, there can be no assurance that a U.S. Noteholder would be able to make the election with respect to any indirectly held PFIC.

In addition, if the Class E Notes represent equity in the Issuer for U.S. federal income tax purposes, a U.S. Noteholder of such Notes would be required to file an IRS Form 926 with the IRS if (i) such person is treated as owning, directly or by attribution, immediately after the U.S. Noteholder's purchase of Notes, at least 10% 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. Noteholders may wish to file a “protective” IRS Form 926 with respect to their Class E Notes.

Finally, if the Class E Notes represent equity in the Issuer for U.S. federal income tax purposes, a U.S. Noteholder of such Notes will be required to file an IRS Form 5471 with the IRS if the U.S. Noteholder is treated as owning (actually or constructively) at least 10% 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. Noteholder is treated as owning (actually or constructively) more than 50% by vote or value of the equity of the Issuer for U.S. federal income tax purposes. U.S. Noteholders may wish to file a “protective” IRS Form 5471 with respect to their Class E Notes.

U.S. Noteholders that fail to comply with these reporting requirements may be subject to adverse tax consequences, including a “tolling” of the statute of limitations with respect to their U.S. tax returns. Prospective U.S. Noteholders of Class D 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 are treated as equity in the Issuer.

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

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

Foreign currency gain or loss recognised by a U.S. Noteholder on the sale, exchange or other disposition of a Refinancing Note (including repayment at maturity) generally will be treated as ordinary income or loss. Gain or loss in excess of foreign currency gain or loss on a Refinancing Note generally will be treated as

capital gain or loss. The deductibility of capital losses is subject to limitations. In the case of a non-corporate U.S. Noteholder, preferential rates may apply to any capital gain if such U.S. Noteholder's holding period for such Refinancing Notes exceeds one year.

Disposition of Euro. A U.S. Noteholder will have a tax basis in foreign currency received as payment of qualified stated interest or OID on the Refinancing Notes, or on the sale, exchange, retirement or other taxable disposition, equal to the U.S. dollar value of foreign currency received determined at the spot exchange rate on the date the foreign currency is received. Any gain or loss realised by a U.S. Noteholder on a sale or other disposition of the foreign currency (including their exchange for U.S. dollars) will be U.S. source ordinary income or loss. A U.S. Noteholder that converts the Euro into U.S. dollars on the date of receipt generally should not recognise ordinary income or loss in respect of the conversion.

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

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

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

Subject to the discussions below under "*Information Reporting and Backup Withholding*" and "*Foreign Account Tax Compliance Act*", payments, including interest, OID and any amounts treated as dividends, on a Refinancing Note to a non-U.S. Noteholder and gain realised on the sale, exchange or retirement of a Refinancing Note by a non-U.S. Noteholder, will not be subject to U.S. federal income or withholding tax, unless (a) such income is effectively connected with a trade or business conducted by such non-U.S. Noteholder in the United States; or (b) in the case of U.S. federal income tax imposed on gain, such non-U.S. Noteholder is a non-resident alien individual who holds a Refinancing Note as a capital asset and is present in the United States for 183 days or more in the taxable year of sale and certain other conditions are satisfied.

Information Reporting and Backup Withholding

The amount of interest and principal paid or accrued on the Refinancing Notes, and the proceeds from the sale of a Refinancing Note, in each case, paid within the United States or by a U.S. payor or U.S. middleman to a U.S. person (other than a corporation or other exempt recipient) will be reported to the IRS. Under the Code, a U.S. person may be subject, under certain circumstances, to "backup withholding tax" with respect to interest and principal on a Refinancing Note or the gross proceeds from the sale of a Refinancing Note paid within the United States or by a U.S. middleman or 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. Noteholders or, in certain cases, their beneficial owners may be required to comply with certification procedures to establish that they are not U.S. Noteholders in order to avoid information reporting and backup withholding tax.

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

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

4 FOREIGN ACCOUNT TAX COMPLIANCE ACT

Pursuant to FATCA, and subject to proposed U.S. Treasury Regulations, a "foreign financial institution" may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting, or related requirements. The Issuer expects to be a foreign financial institution for these purposes. A number of jurisdictions (including 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 Refinancing Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Refinancing Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Refinancing Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Refinancing Notes, no person will be required to pay additional amounts as a result of the withholding.

Each Noteholder may be required to provide certifications and identifying information about itself and its owners (or beneficial owners) in order to enable the Issuer (or an intermediary) to identify and report on 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 generally will have the right to force the sale of the Noteholder's Refinancing Notes (and such sale could be for less than its then fair market value).

FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on regulations, official guidance and model IGAs, all of which are subject to change or may be implemented in a materially different form. Prospective investors should consult their tax advisers on how these rules may apply to the Issuer and to payments they may receive in connection with the Refinancing Notes.

ADDITIONAL ERISA CONSIDERATIONS

In addition to the ERISA considerations described in the 2016 Prospectus under "*Certain ERISA Considerations*", each purchaser and transferee of any Refinancing Note that is a Benefit Plan Investor shall be required or deemed to represent, warrant and agree on each day from the date on which such beneficial owner acquires such Refinancing Note or interest therein through and including the date on which it disposes of such Refinancing Note or interest therein, that (i) none of the Issuer, Collateral Manager, Initial Purchaser or Trustee or any of their respective Affiliates has provided or will provide 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 (the "**Fiduciary**"), in connection with the acquisition or holding of the Refinancing Notes, and (ii) the Fiduciary is exercising its own independent judgement in evaluating the investment in the Refinancing Notes.

Each initial investor (other than the Initial Purchaser) in: (a) any Class E Notes in the form of Rule 144A Notes, or (b) any Class E Notes in the form of Regulation S Notes represented by a Regulation S Definitive Certificate, purchased on the Closing Date will be required to enter into a subscription agreement with the Initial Purchaser (unless otherwise agreed between such initial investor and the Initial Purchaser) in which such investor will certify as to, among other matters, its status under the Securities Act, the Investment Company Act and ERISA.

PLAN OF DISTRIBUTION

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 Refinancing Notes (the "**Subscribed Notes**") pursuant to the 2019 Subscription Agreement, at the issue price of, in the case of the Class A Notes, 100.0 per cent., in the case of the Class B Notes, 100.0 per cent., in the case of the Class C Notes, 100.0 per cent., in the case of the Class D Notes, 100.0 per cent. and, in the case of the Class E Notes, 100.0 per cent. The 2019 Subscription Agreement entitles the Initial Purchaser to terminate it in certain circumstances prior to payment being made to the Issuer. Each of the Issuer and the Initial Purchaser may offer the Subscribed 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 Subscribed Notes.

It is a condition of the issue of the Refinancing Notes of each Class that the Refinancing Notes of each other Class be issued in the following principal amounts: Class A Notes: €244,000,000, Class B Notes: €48,000,000, Class C Notes: €23,000,000, the Class D Notes: €20,000,000 and the Class E Notes: €25,000,000.

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

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.

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

No action has been or will be taken by the Issuer, the Initial Purchaser or the Collateral Manager that would permit a public offering of the Refinancing Notes or possession or distribution of this Offering Circular or any other offering material in relation to the Refinancing Notes in any jurisdiction where action for the purpose is required other than the application and the approval of this Offering Circular with and by Euronext Dublin. No offers, sales or deliveries of any Refinancing Notes, or distribution of this Offering Circular or any other offering material relating to the Refinancing Notes, may be made in or from any jurisdiction, except in circumstances which will result in compliance with any applicable laws and regulations including as stated in the section entitled "*Important Notice*" above, not to retail investors as defined in such section and will not impose any obligations on the Issuer or the Initial Purchaser.

The Initial Purchaser has also agreed to comply with the following selling restrictions:

United States of America:

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 of America or to, or for the account or benefit of, U.S. Persons or to U.S. Residents except in certain transactions exempt from, or not subject to, the registration requirements of the Securities Act and in the manner so as not to require the registration of the Issuer as an "investment company" pursuant to the Investment Company Act.

The 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 Notes sold in reliance on Rule 144A will be issued in Minimum Denominations of €250,000 and Authorised Integral Amounts of €1,000 in excess thereof. Any offer or sale of Rule 144A Notes in reliance on Rule 144A will be made by broker dealers who are registered as such under the Exchange Act. After the

Notes are released for sale, the offering price and other selling terms may from time to time be varied by the Initial Purchaser.

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

The Subscribed Notes are being offered and sold outside of the United States to non-U.S. Persons in reliance on Regulation S. The Subscription Agreement provides that the Initial Purchaser may directly or through its U.S. broker-dealer affiliate arrange for the offer and resale of Subscribed Notes within the United States only to qualified institutional buyers in reliance on Rule 144A.

In addition, until 40 days after the commencement of the offering of the Subscribed Notes, an offer or sale of Subscribed Notes within the United States by a dealer that is not participating in the offering may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A.

This Offering Circular has been prepared by the Issuer for use in connection with the offer and sale of the Subscribed Notes and for the listing of the Subscribed Notes on the Global Exchange Market of Euronext Dublin. The Issuer and the Initial Purchaser reserve the right to reject any offer to purchase, in whole or in part, for any reason, or to sell less than the principal amount of Subscribed Notes which may be offered. This Offering Circular does not constitute an offer to any person in the United States or to any such U.S. Person. Distribution of this Offering Circular to any U.S. Person or to any person within the United States, other than in accordance with the procedures described above, is unauthorised and any disclosure of any of its contents, without the prior written consent of the Issuer, is prohibited.

Other Selling Restrictions

The Initial Purchaser has agreed to comply with the following selling restrictions:

(a) *United Kingdom*: The Initial Purchaser, which is authorised and regulated by the Financial Conduct Authority, has represented and agreed that:

(i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (as amended) by the Financial Services and Markets Act 2012 ("**FSMA**") received by it in connection with the issue or sale of the Refinancing Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

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

(b) *European Economic Area*: The 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:

(A) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended) ("**MiFID II**"); or

(B) a customer within the meaning of Directive 2002/92/EC (as amended, the "**Insurance Mediation Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

(C) not a qualified investor as defined in Directive 2003/71/EC (as amended or superseded, the "**Prospectus Directive**"); and

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

(c) *Australia*: Neither this Offering Circular nor any other offering circular or other disclosure document (as defined in the Corporations Act 2001 (the "**Corporations Act**")) in relation to the Refinancing Notes has been or will be lodged with the Australian Securities and Investments Commission ("**ASIC**"). The Initial Purchaser has therefore further represented and agreed that:

(i) the Refinancing Notes may not be offered or sold, directly or indirectly, in Australia, its territories or possessions, or to any resident of Australia, except by way of an offer or sale not required to be disclosed pursuant to Part 6D.2 or Part 7.9 of the Corporations Act; and

(ii) this Offering Circular does not constitute or involve a recommendation to acquire, an offer or invitation for issue or sale, an offer or invitation to arrange the issue or sale, or an issue or sale, of interests to a "retail client" (as defined in section 761G of the Corporations Act and applicable regulations) in Australia. This Offering Circular is provided only to "professional investors" as defined in the Corporations Act.

(d) *Austria:* No offering circular has been or will be approved and/or published pursuant to the Austrian Capital Markets Act (*Kapitalmarktgesetz* (the "**KMG"**) as amended). Neither this document nor any other document connected therewith constitutes an offering circular according to the KMG and neither this document nor any other document connected therewith may be distributed, passed on or disclosed to any other person in Austria, save as specifically agreed with the Initial Purchaser. No document pursuant to Directive 2003/71/EC has been or will be drawn up and approved in Austria and no document pursuant to Directive 2003/71/EC has been or will be passported into Austria as the Refinancing Notes will be offered in Austria in reliance on an exemption from the document publication requirement under the KMG. The Initial Purchaser has represented and agreed that it will offer the Refinancing 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.

(e) *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 Refinancing 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.

(f) *Belgium*: The Initial Purchaser has acknowledged and agreed that 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 Refinancing Notes may not be distributed in Belgium by way of an offer of the Refinancing 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 Offering Circular may be distributed in Belgium only to such investors for their personal use and exclusively for the purposes of this offering of Notes. Accordingly, this Offering Circular may not be used for any other purpose nor passed on to any other investor in Belgium. The Initial Purchaser has represented and agreed that it will not:

(i) offer for sale, sell or market the Refinancing 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 Refinancing Notes to any person qualifying as a consumer within the meaning of Article 1.3 of the Law of 6 April 2010 on trade practices and consumer protection, as modified, otherwise than in conformity with such law and its implementing regulations.

(g) *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 Refinancing Notes.

(h) *Cyprus:* This Offering Circular 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 Offering Circular does not constitute an offer or solicitation to any person to whom it is unlawful to make such an offer or solicitation.

(i) *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 Refinancing Notes to the public in Denmark unless in accordance with the Danish Securities Trading Act, Consolidation Act No. 855 of 25 August 2012 as amended from time to time and any Orders issued thereunder.

For the purposes of this provision, an offer of the Refinancing Notes in Denmark means the communication in any form and by any means of sufficient information on the terms of the offer and the Refinancing Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Refinancing Notes.

(j) *France:* Any person who is in possession of this Offering Circular is hereby notified that no action has or will be taken that would allow an offering of the Refinancing Notes in France and neither the Offering Circular nor any offering material relating to the Refinancing Notes have been submitted to the *Autorité des Marchés Financiers* ("**AMF**") for prior review or approval. Accordingly, the Refinancing Notes may not be offered, sold, transferred or delivered and neither this Offering Circular nor any offering material relating to the Refinancing Notes may be distributed or made available (in whole or in part) in France, directly or indirectly, except as permitted by French law and regulation.

The Initial Purchaser has represented and agreed that:

(i) the Refinancing 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 Refinancing Notes has been or will be:

(A) released, issued, distributed or caused to be released, issued or distributed to the public in France; or

(B) used in connection with any offer for subscription or sale of the Refinancing Notes to the public in France; and

(iii) such offers, sales and distributions will be made in France only:

(A) to qualified investors (*investisseurs qualifiés*) and/or to a restricted circle of investors (*cercle restreint d'investisseurs*), all other than individuals, in each case investing for their own account, all as defined in, and in accordance with, Articles L.411-2, D.411-1, and L.533-20 of the French Code Monétaire et Financier ("**CMF**");

(B) to investment services providers authorised to engage in portfolio management on behalf of third parties; or

(C) in a transaction that, in accordance with Article L.411-2 of the CMF and Article 211-2 of the *Règlement Général* of the AMF, does not constitute a public offer.

(k) *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 Refinancing Notes will be made to the public in Germany. This Offering Circular and any other document relating to the Refinancing 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 Refinancing Notes to the public in Germany or any other means of public marketing.

(l) *Hong Kong*: The contents of this Offering Circular have not been reviewed by any regulatory authority in Hong Kong. The Initial Purchaser has therefore represented and agreed that:

(i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes (except for Notes which are a "structured product" as defined in the Refinancing Notes and Futures Ordinance (cap. 571) of Hong Kong) other than (a) to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that ordinance ("**professional investors**"); or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and

(ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Refinancing Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the Securities Laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

(m) *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 advisers 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.

(n) *Ireland*: The Initial Purchaser has represented, warranted and agreed that it has not offered, sold, placed or underwritten and will not offer, sell, place or underwrite the issue of any Notes, or do anything in Ireland in respect of the Refinancing Notes, otherwise than in conformity with the provisions of:

(i) the Prospectus (Directive 2003/71/EC) Regulations 2005 (as amended) and any Central Bank rules issued and / or in force pursuant to Section 1363 of the Companies Act;

(ii) the Companies Act;

(iii) the European Union (Markets in Financial Instruments) Regulations 2017 (as amended) and it will conduct itself in accordance with any rules or codes of conduct and any conditions or requirements, or any other enactment, imposed or approved by the Central Bank;

(iv) Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse, the European Union (Market Abuse) Regulations 2016 and any Central Bank rules issued and / or in force pursuant to Section 1370 of the Companies Act;

(v) Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products (PRIIPs); and

(vi) the Central Bank Acts 1942 to 2018 (as amended) and any codes of conduct rules made under Section 117(1) of the Central Bank Act 1989,

as each of the foregoing may be amended, restated, varied, supplemented and/or otherwise replaced from time to time.

(o) *Israel*: The Initial Purchaser has acknowledged and agreed that 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 Refinancing 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 Refinancing Notes for themselves or for clients who are Sophisticated Investors), portfolio managers (purchasing the Refinancing Notes for themselves or for clients who are Sophisticated Investors), investment advisors or investment marketers (purchasing the Refinancing Notes for themselves), members of the Tel-Aviv Stock Exchange (purchasing the Refinancing Notes for themselves or for clients who are Sophisticated Investors), underwriters (purchasing the Refinancing 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.

This Offering Circular may not be reproduced or used for any other purpose, nor be furnished to any other person other than those to whom copies have been sent. Any offeree who purchases the Refinancing Notes will purchase such Notes for its own benefit and account and not with the aim or intention of distributing or offering such Notes to other parties (other than, in the case of an offeree which is an Sophisticated Investor by virtue of it being a banking corporation, portfolio manager or member of the Tel-Aviv Stock Exchange, as defined in the Addendum, where such offeree is purchasing the Refinancing Notes for another party which is an Sophisticated Investor). Nothing in this Offering Circular should be considered investment advice or investment marketing defined in the Regulation of Investment Counselling, Investment Marketing and Portfolio Management Law, 5755-1995.

Investors are encouraged to seek competent investment counselling from a locally licensed investment counsel prior to making the investment. As a prerequisite to the receipt of a copy of this Offering Circular, a recipient shall be required by the Issuer to provide confirmation that it is a Sophisticated Investor purchasing the Refinancing Notes for its own account or, where applicable, for other Sophisticated Investors.

This Offering Circular does not constitute an offer to sell or solicitation of an offer to buy any securities other than the Refinancing Notes referred to herein, nor does it constitute an offer to sell to, or solicitation of an offer to buy from, any person or persons in any state or other jurisdiction in which such offer or solicitation

would be unlawful, or in which the person making such offer or solicitation is not qualified to do so, or to a person or persons to whom it is unlawful to make such offer or solicitation.

(p) *Italy*: The offering of the Refinancing Notes has not been registered pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of this Offering Circular or of any other document relating to the Refinancing Notes be distributed in the Republic of Italy, except:

(i) to qualified investors (*investitori qualificati*), as defined pursuant to Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the "**Financial Services Act**") and Article 34, first paragraph, letter (b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time ("**Regulation No. 11971**"); or

(ii) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Financial Services Act and Article 34-ter of Regulation No. 11971.

(iii) Any offer, sale or delivery of the Refinancing Notes or distribution of copies of this Offering Circular or any other document relating to the Refinancing Notes in the Republic of Italy under (i) or (ii) above must be:

(A) 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 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the "**Banking Act**"); and

(B) in compliance with Article 129 of the Banking Act, as amended, and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in the Republic of Italy; and

(C) in compliance with any other applicable laws and regulations or requirements imposed by CONSOB or another Italian authority.

(q) *Japan:* The Refinancing Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the "**FIEA**") and the Initial Purchaser has represented and agreed that none of the Refinancing Notes nor any interest therein will be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

(r) *Jersey:* The Refinancing 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 Refinancing 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 (x) 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 (y) 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 Refinancing 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.

(s) *The Grand Duchy of Luxembourg*: The Refinancing 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 an offering circular 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 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 Issuer of an offering circular 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 Refinancing Notes to be offered so as to enable an investor to decide to purchase the Refinancing Notes, as defined in the Law of 10 July 2005 on prospectuses for securities and implementing Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the offering circular to be published when securities are offered to the public or admitted to trading (the "**Prospectus Directive**"), or any variation thereof or amendment thereto.

(t) *Netherlands*: The Initial Purchaser has represented and agreed that it will not make an offer of the Refinancing Notes which are the subject of the offering contemplated by this Offering Circular to the public in The Netherlands in reliance on Article 3(2) of the Prospectus Directive, unless such offer is made exclusively to legal entities which are "qualified investors" (as defined in the Dutch Financial Markets Supervision Act (*Wet op het financieel toezicht*) and which includes authorised discretionary asset managers acting for the account of retail investors under a discretionary investment management contract) in The Netherlands, provided that no such offer of Notes shall require the Issuer or the Initial Purchaser to publish a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expressions:

(i) an "offer of Notes to the public" in relation to any Notes in The Netherlands; and

(ii) "Prospectus Directive", have the meaning given to them above in the section entitled "*The Grand Duchy of Luxembourg*".

(u) *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 offering circular nor an investment

statement available in respect of the offer. The Initial Purchaser has therefore represented and agreed that the Refinancing 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.

(v) *Norway:* The Initial Purchaser has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in Norway (the "**Norway Relevant Implementation Date**") it has not made and will not make an offer of Notes to the public in Norway except that it may, with effect from and including the Norway Relevant Implementation Date, make an offer of the Refinancing Notes to the public in Norway at any time:

(i) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(ii) at any time to fewer than 100 or, if Norway has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the Initial Purchaser for any such offer; or

(iii) in any other circumstances which do not require the publication by the Issuer or any other entity of a document pursuant to Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (i) to (iii) above shall require the Issuer or the Initial Purchaser to publish a prospectus pursuant to Article 3 of the Prospectus Directive, or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of the provision above, the expression an "offer of Notes to the public" in relation to any Notes in Norway means the communication in any form and by any means of sufficient information on the terms of the offer and the Refinancing Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Refinancing 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.

(w) *Portugal:* The Initial Purchaser has represented and agreed with the Issuer that:

(i) it has not advertised, offered or sold and will not, directly or indirectly, advertise, offer or sell the Refinancing Notes in circumstances which could qualify as a public offer of Notes pursuant to the Portuguese Securities Code (*Código dos Valores Mobiliários*, the "**CVM**") which would require the publication by the Issuer of an offering circular 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 Refinancing Notes; and

(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 Refinancing Notes, in any matters involving the Republic of Portugal.

(x) *Qatar:* The Initial Purchaser has represented and agreed that the Refinancing 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.

(y) *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

(z) *Singapore*: This Offering Circular has not been registered as an offering circular with the Monetary Authority of Singapore ("**MAS**") nor have any arrangements described in this Offering Circular, which constitute a collective investment scheme for the purposes of the Securities and Futures Act, Chapter 289 of Singapore ("**SFA**"), been approved or registered with the MAS as an authorised or recognised CIS under the SFA (whether as a restricted scheme or otherwise). Accordingly, the Refinancing Notes may not be offered or sold or made the subject of an invitation for subscription or purchase nor may this Offering Circular or any other document or material in connection with the offer or sale or invitation for subscription or purchase of any Notes be circulated or distributed, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor pursuant to Sections 274 and 304 of the SFA, (b) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where 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 six months after that corporation or that trust has acquired the Refinancing Notes pursuant to an offer made under Section 275 of the SFA except:

(A) 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;

(B) where no consideration is or will be given for the transfer;

(C) where the transfer is by operation of law; or

(D) as specified in Section 276(7) of the SFA.

(aa) *South Korea*: The Refinancing 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 Refinancing 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.

(bb) *Spain*: Neither the Refinancing 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 Refinancing 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.

(cc) *Sweden*: The Initial Purchaser has confirmed and agreed that it will not, directly or indirectly, offer for subscription or purchase or issue invitations to subscribe for or buy Notes or distribute any draft or final document in relation to any such offer, invitation or sale except in circumstances that will not result in a requirement to prepare an offering circular pursuant to the provisions of the Swedish Financial Instruments Trading Act *(lag (1991:980) om handel med finansiella instrument).*

(dd) *Switzerland:* This Offering Circular is not intended to constitute an offer or solicitation to purchase or invest in the Refinancing Notes described herein. The Refinancing Notes may not be publicly offered, sold or advertised, directly or indirectly, in, into or from Switzerland and will not be listed on the SIX Swiss Exchange or on any other exchange or regulated trading facility in Switzerland. Neither this Offering Circular nor any other offering or marketing material relating to the Refinancing Notes constitutes an offering circular as such term is understood pursuant to article 652a or article 1156 of the Swiss Code of Obligations or a listing offering circular within the meaning of the listing rules of the SIX Swiss Exchange or any other regulated trading facility in Switzerland or a simplified offering circular or an offering circular as such term is defined in the Swiss Collective Investment Scheme Act, and neither this Offering Circular nor any other offering or marketing material relating to the Refinancing Notes may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this Offering Circular nor any other offering or marketing material relating to the offering, nor the Issuer nor the Refinancing Notes have been or will be filed with or approved by any Swiss regulatory authority.

(ee) *Taiwan:* The Refinancing 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.

The Refinancing Notes are being made available to professional investors in the R.O.C. through bank trust departments, licensed securities brokers and/or insurance company investment linked insurance policies pursuant to the R.O.C. rules governing offshore structured products. No other offer or sale in the R.O.C. is permitted.

(ff) *Turkey:* The offered 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 offered Notes by residents of the Republic of Turkey, provided that: they purchase or sell such offered 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 of the Refinancing Notes are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of the Refinancing Notes.

The Refinancing Notes have not been and will not be registered under the Securities Act or any state securities or "Blue Sky" laws or the securities laws of any other jurisdiction and, accordingly, may not be reoffered, resold, pledged or otherwise transferred except in accordance with the restrictions described herein and set forth in the Trust Deed.

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

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

1. The purchaser (a) is a QIB, (b) is aware that the sale of such Rule 144A Notes to it is being made in reliance on Rule 144A, (c) is acquiring such Notes for its own account or for the account of a QIB as to which the purchaser exercises sole investment discretion, and in a principal amount of not less than €250,000 for the purchaser and for each such account and (d) will provide notice of the transfer restrictions described herein to any subsequent transferees.

2. The purchaser understands that such Rule 144A Notes have not been and will not be registered under the Securities Act, and may be reoffered, resold or pledged or otherwise transferred only (a)(i) to a person whom the purchaser reasonably believes is a QIB purchasing for its own account or for the account of a QIB as to which the purchaser exercises sole investment discretion in a transaction meeting the requirements of Rule 144A or (ii) to a non-"U.S. Person" in an "offshore transaction" complying with Rule 903 or Rule 904 of Regulation S and (b) in accordance with all applicable securities laws including the securities laws of any state of the United States. The purchaser understands that the Issuer has not been registered under the Investment Company Act. The purchaser understands that before any interest in a Rule 144A Note may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in the Regulation S Notes, the Registrar is required to receive a written certification from the purchaser (in the form provided in the Trust Deed) as to compliance with the transfer restrictions described herein. The purchaser understands and agrees that any purported transfer of the Rule 144A Notes to a purchaser that does not comply with the requirements of this paragraph 2 shall be null and void *ab initio* 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 or collateral manager for the purchaser; (b) the purchaser is not relying (for purposes of making any investment decision or otherwise) upon any advice, counsel or representations (whether written or oral) of the Issuer, the

Initial Purchaser, the Trustee, the Collateral Manager or the Collateral Administrator other than in this Offering Circular for such Notes and any representations expressly set forth in a written agreement with such party; (c) none of the Issuer, the Initial Purchaser, the Trustee, the Collateral Manager or the Collateral Administrator has given to the purchaser (directly or indirectly through any other person) any assurance, guarantee or representation whatsoever as to the expected or projected success, profitability, return, performance, result, effect, consequence or benefit (including legal, regulatory, tax, financial, accounting or otherwise) as to an investment in the Rule 144A Notes; (d) the purchaser has consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisors to the extent it has deemed necessary, and it has made its own investment decisions (including decisions regarding the suitability of any transaction pursuant to the Trust Deed) based upon its own judgment and upon any advice from such advisors as it has deemed necessary and not upon any view expressed by the Issuer, the Initial Purchaser, the Trustee, the Collateral Manager or the Collateral Administrator; (e) the purchaser has evaluated the rates, prices or amounts and other terms and conditions of the purchase and sale of the Rule 144A Notes with a full understanding of all of the risks thereof (economic and otherwise), and it is capable of assuming and willing to assume (financially and otherwise) those risks; (f) the acquisition of the Rule 144A Notes is lawful under the purchaser's jurisdiction of incorporation and jurisdiction in which it operates (if different); and (g) the purchaser is a sophisticated investor.

5. The purchaser and each account for which the purchaser is acquiring such Rule 144A Notes is a QP. The purchaser is acquiring the Rule 144A Notes in a principal amount of not less than €250,000. The purchaser and each such account is acquiring the Rule 144A Notes as principal for its own account for investment and not for sale in connection with any distribution thereof. The purchaser and each such account: (a) was not formed for the specific purpose of investing in the Rule 144A Notes (except when each beneficial owner of the purchaser and each such account is a QP); (b) to the extent the purchaser is a private investment company formed before April 30, 1996, the purchaser has received the necessary consent from its beneficial owners; (c) is not a pension, profit sharing or other retirement trust fund or plan in which the partners, beneficiaries or participants, as applicable, may designate the particular investments to be made; and (d) is not a broker dealer that owns and invests on a discretionary basis less than U.S.$25,000,000 in securities of unaffiliated issuers. Further, the purchaser agrees with respect to itself and each such account: (x) that it shall not hold such Rule 144A Notes for the benefit of any other person and shall be the sole beneficial owner thereof for all purposes; (y) that it shall not sell participation interests in the Rule 144A Notes or enter into any other arrangement pursuant to which any other person shall be entitled to a beneficial interest in the distributions on the Rule 144A Notes; and (z) that the Rule 144A Notes purchased directly or indirectly by it constitute an investment of no more than 40.0 per cent. of the purchaser's and each such account's assets (except when each beneficial owner of the purchaser and each such account is a QP). The purchaser understands and agrees that any purported transfer of the Rule 144A Notes to a purchaser that does not comply with the requirements of this paragraph 5 will be of no force and effect, will be void *ab initio* and the Issuer will have the right to direct the purchaser to transfer its Rule 144A Notes to a Person who meets the foregoing criteria.

6. (a) With respect to the purchase, holding and disposition of any Class A Note, Class B Note, Class C Note or Class D Note or any interest in such Note (i) either (A) it is not and is not acting on behalf of (and for so long as it holds any such Note or interest therein will not be, and will not be acting on behalf of), a Benefit Plan Investor or a governmental, church, non-U.S. or other plan which is subject to any Other Plan Law, and no part of the assets to be used by it to acquire or hold such 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 or disposition of such Note (or interests therein) will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code, or, in the case of a governmental, church, non-U.S. or other Plan, a non-exempt violation of any Other Plan Law, and (ii) it will not sell or transfer such Note (or interests therein) to an acquiror acquiring such Note (or interests therein) unless the acquiror makes or is deemed to make the foregoing representations, warranties and agreements described in clause (i) hereof. Any purported transfer of the Notes in violation of the requirements set forth in this paragraph shall be null and void *ab initio* and the acquiror understands that the Issuer will have the right to cause the sale of such Notes to another acquiror that complies with the requirements of this paragraph in accordance with the terms of the Trust Deed.

(i) With respect to the Class E Notes, the Class F Notes or the Subordinated Notes in the form of a Rule 144A Global Certificate: (i) it is not, and is not acting on behalf of (and for so long as it holds such Notes or interest therein will not be, and will not be acting on behalf of), a Benefit Plan Investor or Controlling Person (A) unless it receives the written consent of the Issuer, (B) provides an ERISA certificate in or substantially in the form set out in the Trust Deed, to a Transfer Agent and the Issuer as to its status as a Benefit Plan Investor or Controlling Person and (C) holds such a Note in the form of a Definitive Certificate and in such case provides the Issuer and a Transfer Agent with a duly completed declaration in the form set out in Schedule 8 (*Form of Irish Tax Declaration*) to the Trust Deed, other than in the case where the purchaser is acquiring Class E Notes on the Refinancing Date or acquired Class F Notes or Subordinated Notes on the Original Issue Date, in which case the purchaser may acquire any such Class E Notes, Class F Notes or Subordinated Notes in the form of a Rule 144A Global Certificate or a Regulation S Global Certificate and (ii) (A) if it is, or is acting on behalf of, a Benefit Plan Investor, its acquisition, holding and disposition of such Notes will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code, and (B) if it is a governmental, church, non-U.S. or other plan, (1) it is not, and for so long as it holds such Notes or interest therein will not be, subject to any Similar Law and (2) its acquisition, holding and disposition of such Notes will not constitute or result in a non-exempt violation of any Other Plan Law.

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

(iii) Any purported transfer of any Class E Notes, Class F Notes or Subordinated Notes in violation of the requirements set forth in sub-sections (i) and (ii) or that may otherwise result in 25.0 per cent. or more of the total value of any class of such Notes to be held by "Benefit Plan Investors" for the purposes of ERISA shall be null and void *ab initio* and the acquiror understands that the Issuer will have the right to cause the sale of such Class E Notes, Class F Notes or Subordinated Notes to another acquiror that complies with the requirements of this in accordance with the terms of the Trust Deed.

(iv) Each purchaser and holder of a Note that is a Benefit Plan Investor will be deemed to represent, warrant and agree on each day on which such beneficial owner acquires such Note or interest therein through and including the date on which it disposes of such Note or interest therein that (i) none of the Issuer, the Initial Purchaser, the Collateral Manager, or the Trustee or any of their respective Affiliates has provided or will provide 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 (the "**Fiduciary**"), in connection with its acquisition of the Notes; and (ii) the Fiduciary is exercising its own independent judgement in evaluating the investment in the Notes.

(b) 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 Global Certificates may not at any time be held by or on behalf of, within the United States, persons, or outside the United States, U.S. Persons that are not QIB/QPs. Before any interest in a Rule 144A Global Certificate may be offered, resold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in a Regulation S Global Certificate, the transferor will be required to provide the Trustee and the Transfer Agent with a written certification (in the form provided in the Trust Deed) as to compliance with the transfer restrictions.

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), AND THE ISSUER HAS NOT BEEN REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "**INVESTMENT COMPANY ACT**"). THE HOLDER HEREOF, BY PURCHASING THE NOTES IN RESPECT OF WHICH THIS NOTE HAS BEEN ISSUED, AGREES FOR THE BENEFIT OF THE ISSUER THAT THE NOTES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (A)(1) TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT, OR (2) TO A NON-U.S. PERSON IN AN "OFFSHORE TRANSACTION" COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT AND, IN THE CASE OF CLAUSE (1), IN A PRINCIPAL AMOUNT OF NOT LESS THAN €250,000 FOR THE PURCHASER AND FOR EACH ACCOUNT FOR WHICH IT IS ACTING, AND IN EACH CASE, TO A PURCHASER THAT (V) IS A QUALIFIED PURCHASER FOR THE PURPOSES OF SECTION 3(c)(7) OF THE INVESTMENT COMPANY ACT, (W) WAS NOT FORMED FOR THE PURPOSE OF INVESTING IN THE ISSUER (EXCEPT WHEN EACH BENEFICIAL OWNER OF THE PURCHASER IS A QUALIFIED PURCHASER), (X) HAS RECEIVED THE NECESSARY CONSENT FROM ITS BENEFICIAL OWNERS WHEN THE PURCHASER IS A PRIVATE INVESTMENT COMPANY FORMED BEFORE APRIL 30, 1996, (Y) IS NOT A BROKER-DEALER THAT OWNS AND INVESTS ON A DISCRETIONARY BASIS LESS THAN U.S.$25,000,000 IN SECURITIES OF UNAFFILIATED ISSUERS AND (Z) IS NOT A PENSION, PROFIT SHARING OR OTHER RETIREMENT TRUST FUND OR PLAN IN WHICH THE PARTNERS, BENEFICIARIES OR PARTICIPANTS, AS APPLICABLE, MAY DESIGNATE THE PARTICULAR INVESTMENTS TO BE MADE, AND IN A TRANSACTION THAT MAY BE EFFECTED WITHOUT LOSS OF ANY APPLICABLE INVESTMENT COMPANY ACT EXEMPTION OR IN THE CASE OF CLAUSE (2), €100,000 AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE 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 TRUSTEE OR ANY INTERMEDIARY. IN ADDITION TO THE FOREGOING, IN THE EVENT OF A VIOLATION OF (V) THROUGH (Z), THE ISSUER MAINTAINS THE RIGHT TO DIRECT THE RESALE OF ANY NOTES PREVIOUSLY TRANSFERRED TO NON-PERMITTED HOLDERS (AS DEFINED IN THE TRUST DEED) IN ACCORDANCE WITH AND SUBJECT TO THE TERMS OF THE TRUST DEED. EACH TRANSFEROR OF THIS NOTE WILL PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET FORTH HEREIN AND IN THE TRUST DEED TO ITS TRANSFEREE.

TRANSFERS OF THIS NOTE OR OF PORTIONS OF THIS NOTE SHOULD BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE TRUST DEED REFERRED TO HEREIN.

PRINCIPAL OF THIS NOTE IS PAYABLE AS SET FORTH HEREIN. ACCORDINGLY, THE OUTSTANDING PRINCIPAL OF THIS NOTE AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ON THE FACE HEREOF. ANY PERSON ACQUIRING THIS NOTE MAY ASCERTAIN ITS CURRENT PRINCIPAL AMOUNT BY INQUIRY OF THE TRUSTEE.

EACH PURCHASER AND HOLDER OF THIS NOTE THAT IS A BENEFIT PLAN INVESTOR WILL BE DEEMED TO REPRESENT, WARRANT AND AGREE ON EACH DAY ON WHICH SUCH BENEFICIAL OWNER ACQUIRES THIS NOTE OR INTEREST HEREIN THROUGH AND INCLUDING THE DATE ON WHICH IT DISPOSES OF THIS NOTE OR INTEREST HEREIN THAT (I) NONE OF THE ISSUER, COLLATERAL MANAGER, INITIAL PURCHASER OR TRUSTEE OR ANY OF THEIR RESPECTIVE AFFILIATES HAS PROVIDED OR WILL PROVIDE 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 (THE "**FIDUCIARY**"), IN CONNECTION WITH ITS ACQUISITION OF THIS NOTE, AND (II) THE FIDUCIARY IS EXERCISING ITS OWN INDEPENDENT JUDGEMENT IN EVALUATING THE INVESTMENT IN THIS NOTE.

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS A NOTES, CLASS B NOTES, CLASS C NOTES, CLASS D NOTES ONLY*] [EACH PERSON ACQUIRING OR HOLDING THIS NOTE OR ANY INTEREST HEREIN SHALL BE REQUIRED OR DEEMED TO HAVE REPRESENTED, WARRANTED AND AGREED THAT (I) EITHER (A) IT IS NOT AND IS NOT ACTING ON BEHALF OF (AND FOR SO LONG AS IT HOLDS 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'S OR PLAN'S INVESTMENT IN SUCH ENTITY ("**BENEFIT PLAN INVESTOR**"), OR A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN WHICH IS SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT IS SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE ("**OTHER PLAN LAW**"), AND NO PART OF THE ASSETS TO BE USED BY IT TO ACQUIRE OR HOLD SUCH 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 OR DISPOSITION OF SUCH NOTE (OR INTERESTS THEREIN) WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE, OR, IN THE CASE OF A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, A NON-EXEMPT VIOLATION OF ANY OTHER PLAN LAW, AND (II) IT WILL NOT SELL OR TRANSFER SUCH NOTE (OR INTERESTS THEREIN) TO AN ACQUIROR ACQUIRING SUCH NOTE (OR INTERESTS THEREIN) UNLESS THE ACQUIROR MAKES OR IS DEEMED TO MAKE THE FOREGOING REPRESENTATIONS, WARRANTIES AND AGREEMENTS DESCRIBED IN CLAUSE (I) HEREOF. ANY PURPORTED TRANSFER OF THE NOTES IN VIOLATION OF THE REQUIREMENTS SET FORTH IN THIS PARAGRAPH SHALL BE NULL AND VOID *AB INITIO* AND THE ACQUIROR UNDERSTANDS THAT THE ISSUER WILL HAVE THE RIGHT TO CAUSE THE SALE OF SUCH NOTES TO ANOTHER ACQUIROR THAT COMPLIES WITH THE REQUIREMENTS OF THIS PARAGRAPH IN ACCORDANCE WITH THE TERMS OF THE TRUST DEED.]

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS E NOTES, THE CLASS F NOTES AND THE SUBORDINATED NOTES IN THE FORM OF RULE 144A GLOBAL NOTES ONLY*] [EACH PURCHASER OR TRANSFEREE OF THIS CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE OR AN INTEREST HEREIN WILL BE REQUIRED OR DEEMED TO REPRESENT, WARRANT AND AGREE THAT (1) IT IS NOT, AND IS NOT ACTING ON BEHALF OF (AND FOR SO LONG AS IT HOLDS THIS NOTE OR INTEREST HEREIN WILL NOT BE, AND WILL NOT BE ACTING ON BEHALF OF), A BENEFIT PLAN INVESTOR OR CONTROLLING PERSON (A) UNLESS SUCH PURCHASER OR

TRANSFEREE RECEIVES THE WRITTEN CONSENT OF THE ISSUER, (B) PROVIDES AN ERISA CERTIFICATE IN OR SUBSTANTIALLY IN THE FORM SET OUT IN SCHEDULE 7 (*FORM OF ERISA CERTIFICATE*) TO THE TRUST DEED, TO A TRANSFER AGENT AND THE ISSUER AS TO (AMONGST OTHER THINGS) ITS STATUS AS A BENEFIT PLAN INVESTOR OR CONTROLLING PERSON AND (C) HOLDS SUCH NOTE IN THE FORM OF A DEFINITIVE CERTIFICATE AND IN SUCH CASE PROVIDES THE ISSUER AND A TRANSFER AGENT WITH A DULY COMPLETED DECLARATION IN THE FORM SET OUT IN SCHEDULE 8 (*FORM OF IRISH TAX DECLARATION*) TO THE TRUST DEED, OTHER THAN IN THE CASE WHERE THE PURCHASER IS ACQUIRING A CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE ON THE ISSUE DATE, IN WHICH CASE THE PURCHASER MAY ACQUIRE SUCH CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE (OR INTEREST THEREIN) IN THE FORM OF A RULE 144A GLOBAL CERTIFICATE OR A REGULATION S GLOBAL CERTIFICATE, AND (2) (A) IF IT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, ITS ACQUISITION, HOLDING AND DISPOSITION OF SUCH NOTE WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**") OR SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**"), AND (B) IF IT IS A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, (I) IT IS NOT, AND FOR SO LONG AS IT HOLDS THIS NOTE OR AN INTEREST HEREIN IT WILL NOT BE, SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT COULD CAUSE THE UNDERLYING ASSETS OF THE ISSUER TO BE TREATED AS ASSETS OF THE INVESTOR IN ANY NOTE (OR INTEREST THEREIN) BY VIRTUE OF ITS INTEREST AND THEREBY SUBJECT THE ISSUER OR THE COLLATERAL MANAGER (OR OTHER PERSONS RESPONSIBLE FOR THE INVESTMENT AND OPERATION OF THE ISSUER'S ASSETS) TO LAWS OR REGULATIONS THAT ARE SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**"), AND (II) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT VIOLATION OF ANY APPLICABLE STATE, LOCAL, OTHER FEDERAL OR NON-U.S. LAWS OR REGULATIONS THAT ARE SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE ("**OTHER PLAN LAW**"). "**BENEFIT PLAN INVESTOR**" MEANS A BENEFIT PLAN INVESTOR, AS DEFINED IN SECTION 3(42) OF ERISA, AND INCLUDES (A) AN EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF TITLE I OF ERISA) THAT IS SUBJECT TO THE FIDUCIARY RESPONSIBILITY PROVISIONS OF TITLE I OF ERISA, (B) A PLAN THAT IS SUBJECT TO SECTION 4975 OF THE CODE OR (C) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE "**PLAN ASSETS**" BY REASON OF ANY SUCH EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN THE ENTITY. "**CONTROLLING PERSON**" MEANS A PERSON (OTHER THAN A BENEFIT PLAN INVESTOR) WHO HAS DISCRETIONARY AUTHORITY OR CONTROL WITH RESPECT TO THE ASSETS OF THE ISSUER OR ANY PERSON WHO PROVIDES INVESTMENT ADVICE FOR A FEE (DIRECT OR INDIRECT) WITH RESPECT TO SUCH ASSETS, OR ANY AFFILIATE OF ANY SUCH PERSON. AN "**AFFILIATE**" OF A PERSON INCLUDES ANY PERSON, DIRECTLY OR INDIRECTLY THROUGH ONE OR MORE INTERMEDIARIES, CONTROLLING, CONTROLLED BY OR UNDER COMMON CONTROL WITH THE PERSON. "CONTROL" WITH RESPECT TO A PERSON OTHER THAN AN INDIVIDUAL MEANS THE POWER TO EXERCISE A CONTROLLING INFLUENCE OVER THE MANAGEMENT OR POLICIES OF SUCH PERSON. ANY PURPORTED TRANSFER OF A CLASS E NOTE, A CLASS F NOTE OR A SUBORDINATED NOTE IN VIOLATION OF THE REQUIREMENTS SET FORTH IN THIS PARAGRAPH OR THAT MAY OTHERWISE RESULT IN 25 PER CENT. OR MORE OF THE TOTAL VALUE OF ANY CLASS OF SUCH NOTES TO BE HELD BY BENEFIT PLAN INVESTORS FOR THE PURPOSES OF ERISA SHALL BE NULL AND VOID *AB INITIO* AND THE ACQUIROR UNDERSTANDS THAT THE ISSUER WILL HAVE THE RIGHT TO CAUSE THE SALE OF SUCH CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE (OR INTEREST THEREIN) TO ANOTHER ACQUIROR THAT COMPLIES WITH THE REQUIREMENTS OF THIS PARAGRAPH IN ACCORDANCE WITH THE TERMS OF THE TRUST DEED.

NO TRANSFER OF A CLASS E NOTE, A CLASS F NOTE OR A SUBORDINATED NOTE OR ANY INTEREST THEREIN WILL BE PERMITTED, AND THE TRUSTEE WILL NOT RECOGNIZE ANY

SUCH TRANSFER, IF IT WOULD CAUSE 25 PER CENT. OR MORE OF THE TOTAL VALUE OF CLASS E NOTES, CLASS F NOTES OR SUBORDINATED NOTES (EACH DETERMINED SEPARATELY BY EACH CLASS OF EQUITY INTEREST) TO BE HELD BY BENEFIT PLAN INVESTORS, DISREGARDING CLASS E NOTES, CLASS F NOTES AND SUBORDINATED NOTES (OR INTERESTS THEREIN) HELD BY CONTROLLING PERSONS, AS DETERMINED FOR THE PURPOSES OF ERISA AND THE U.S. DEPARTMENT OF LABOR REGULATIONS THEREUNDER ("**25 PER CENT. LIMITATION**").

THE ISSUER HAS THE RIGHT, UNDER THE TRUST DEED, TO COMPEL ANY BENEFICIAL OWNER OF A CLASS E NOTE, A CLASS F NOTE OR A SUBORDINATED NOTE WHO HAS MADE OR HAS BEEN DEEMED TO MAKE A PROHIBITED TRANSACTION, BENEFIT PLAN INVESTOR, CONTROLLING PERSON, SIMILAR LAW OR OTHER PLAN LAW REPRESENTATION THAT IS SUBSEQUENTLY SHOWN TO BE FALSE OR MISLEADING OR WHOSE OWNERSHIP OTHERWISE CAUSES A VIOLATION OF THE 25 PER CENT. LIMITATION TO SELL ITS INTEREST IN 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 PURCHASER OR TRANSFEREE OF THIS CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE OR AN INTEREST HEREIN WILL BE REQUIRED TO REPRESENT, WARRANT AND AGREE IN WRITING TO THE ISSUER (A) WHETHER OR NOT, FOR SO LONG AS IT HOLDS THIS CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE OR AN INTEREST HEREIN, IT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, (B) WHETHER OR NOT, FOR SO LONG AS IT HOLDS THIS CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE OR AN INTEREST HEREIN, IT IS A CONTROLLING PERSON AND (C) THAT (1) IF IT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**") OR SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**") AND (2) IF IT IS A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, (a) IT IS NOT, AND FOR SO LONG AS IT HOLDS THIS CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE OR AN INTEREST HEREIN IT WILL NOT BE, SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT COULD CAUSE THE UNDERLYING ASSETS OF THE ISSUER TO BE TREATED AS ASSETS OF THE INVESTOR IN ANY NOTE (OR INTEREST THEREIN) BY VIRTUE OF ITS INTEREST AND THEREBY SUBJECT THE ISSUER OR THE COLLATERAL MANAGER (OR OTHER PERSONS RESPONSIBLE FOR THE INVESTMENT AND OPERATION OF THE ISSUER'S ASSETS) TO LAWS OR REGULATIONS THAT ARE SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**"), AND (b) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT VIOLATION OF ANY APPLICABLE STATE, LOCAL, OTHER FEDERAL OR NON-U.S. LAWS OR REGULATIONS THAT ARE SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE ("**OTHER PLAN LAW**"). EACH PURCHASER OR SUBSEQUENT TRANSFEREE, AS APPLICABLE, OF CLASS E NOTES, CLASS F NOTES OR SUBORDINATED NOTES IN THE FORM OF DEFINITIVE CERTIFICATES WILL BE REQUIRED TO COMPLETE AN ERISA CERTIFICATE (AMONGST OTHER THINGS) IDENTIFYING ITS STATUS AS A BENEFIT PLAN INVESTOR OR A CONTROLLING PERSON. "**BENEFIT PLAN INVESTOR**" MEANS A BENEFIT PLAN INVESTOR, AS DEFINED IN SECTION 3(42) OF ERISA, AND INCLUDES (A) AN EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF TITLE I OF ERISA) THAT IS SUBJECT TO THE FIDUCIARY RESPONSIBILITY PROVISIONS OF TITLE I OF ERISA, (B) A PLAN THAT IS SUBJECT TO SECTION 4975 OF THE CODE OR (C) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE "**PLAN ASSETS**" BY REASON OF ANY SUCH EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN THE ENTITY. "**CONTROLLING PERSON**" MEANS A PERSON (OTHER THAN

A BENEFIT PLAN INVESTOR) WHO HAS DISCRETIONARY AUTHORITY OR CONTROL WITH RESPECT TO THE ASSETS OF THE ISSUER OR ANY PERSON WHO PROVIDES INVESTMENT ADVICE FOR A FEE (DIRECT OR INDIRECT) WITH RESPECT TO SUCH ASSETS, OR ANY AFFILIATE OF ANY SUCH PERSON. AN "**AFFILIATE**" OF A PERSON INCLUDES ANY PERSON, DIRECTLY OR INDIRECTLY THROUGH ONE OR MORE INTERMEDIARIES, CONTROLLING, CONTROLLED BY OR UNDER COMMON CONTROL WITH THE PERSON. "**CONTROL**" WITH RESPECT TO A PERSON OTHER THAN AN INDIVIDUAL MEANS THE POWER TO EXERCISE A CONTROLLING INFLUENCE OVER THE MANAGEMENT OR POLICIES OF SUCH PERSON. ANY PURPORTED TRANSFER OF THE CLASS E NOTES, CLASS F NOTES OR THE SUBORDINATED NOTES IN VIOLATION OF THE REQUIREMENTS SET FORTH IN THIS PARAGRAPH OR THAT MAY OTHERWISE RESULT IN 25 PER CENT. OR MORE OF THE TOTAL VALUE OF ANY CLASS OF SUCH NOTES TO BE HELD BY BENEFIT PLAN INVESTORS FOR THE PURPOSES OF ERISA SHALL BE NULL AND VOID *AB INITIO* AND THE ACQUIROR UNDERSTANDS THAT THE ISSUER WILL HAVE THE RIGHT TO CAUSE THE SALE OF SUCH CLASS E NOTES, CLASS F NOTES OR SUBORDINATED NOTES TO ANOTHER ACQUIROR THAT COMPLIES WITH THE REQUIREMENTS OF THIS PARAGRAPH IN ACCORDANCE WITH THE TERMS OF THE TRUST DEED.

NO TRANSFER OF A CLASS E NOTE, CLASS F NOTE OR A SUBORDINATED NOTE OR ANY INTEREST THEREIN WILL BE PERMITTED, AND THE TRUSTEE WILL NOT RECOGNIZE ANY SUCH TRANSFER, IF IT WOULD CAUSE 25 PER CENT. OR MORE OF THE TOTAL VALUE OF CLASS E NOTES, CLASS F NOTES OR SUBORDINATED NOTES (DETERMINED SEPARATELY BY EACH CLASS OF EQUITY INTEREST) TO BE HELD BY BENEFIT PLAN INVESTORS, DISREGARDING CLASS E NOTES, CLASS F NOTES AND SUBORDINATED NOTES (OR INTERESTS THEREIN) HELD BY CONTROLLING PERSONS, AS DETERMINED FOR THE PURPOSES OF ERISA AND THE U.S. DEPARTMENT OF LABOR REGULATIONS THEREUNDER ("**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, SIMILAR LAW OR OTHER PLAN LAW REPRESENTATION THAT IS SUBSEQUENTLY SHOWN TO BE FALSE OR MISLEADING OR WHOSE OWNERSHIP OTHERWISE CAUSES A VIOLATION OF THE 25 PER CENT. LIMITATION TO SELL ITS INTEREST IN 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 C NOTES, CLASS D NOTES, CLASS E NOTES AND CLASS F NOTES*] [THIS NOTE HAS BEEN ISSUED WITH ORIGINAL ISSUE DISCOUNT ("**OID**") FOR UNITED STATES FEDERAL INCOME TAX PURPOSES. THE ISSUE PRICE, AMOUNT OF OID, ISSUE DATE AND YIELD TO MATURITY OF THIS NOTE MAY BE OBTAINED BY CONTACTING THE ISSUER AT 3RD FLOOR KILMORE HOUSE, PARK LANE, SPENCER DOCK, DUBLIN 1, IRELAND. THE ISSUER SHALL APPOINT EXTERNAL ACCOUNTANTS TO ASSIST IN THE COMPILATION OF THE RELEVANT INFORMATION AND THE REQUESTING NOTEHOLDER SHALL BE RESPONSIBLE FOR THE FEES INCURRED.]

[*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 ANY VOTES IN RESPECT OF A CM REMOVAL RESOLUTION OR A CM REPLACEMENT RESOLUTION.]

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

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

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

10. Without limiting the foregoing, by purchasing a Note, each purchaser will acknowledge and agree, among other things, that it understands that the Issuer is not registered as an investment company under the Investment Company Act, and that the Issuer intends to rely on an exemption from registration by virtue of Section 3(c)(7) of the Investment Company Act and Rule 3a-7 of the Investment Company Act; provided that the Issuer (or the Collateral Manager on its behalf) may elect (which election may be made only upon confirmation from the Collateral Manager that it has obtained legal advice from reputable international legal counsel knowledgeable in such matters to the effect that to do so would not result in the Issuer being construed as a "covered fund" in relation to any holder of Outstanding Notes for the purposes of the Volcker Rule) to rely solely on the exemption from the Investment Company Act provided by Section 3(c)(7) by written notice thereof to the Trustee. Section 3(c)(7) excepts from the provisions of the Investment Company Act those issuers that privately place their securities solely to, and whose securities are held solely by, persons who at the time of purchase are "qualified purchasers" or entities owned exclusively by "qualified purchasers" as further described herein.

11. The purchaser or transferee will treat the Issuer and the Notes as described in the "*Tax Considerations – United States Federal Income Taxation*" section of the 2016 Prospectus for all U.S. federal, state and local income tax purposes and will take no action inconsistent with such treatment unless required by law.

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

13. The purchaser or transferee will provide the Issuer or its agents with any correct, complete and accurate information and documentation that may be required for the Issuer to comply with FATCA and/or the CRS and to prevent the imposition of U.S. federal withholding tax under FATCA on payments to or for the benefit of the Issuer (and the imposition of fines or penalties under the CRS). In the event the purchaser or transferee fails to provide such information or documentation, or to the extent that its ownership of Notes would otherwise cause the Issuer to be subject to any tax under FATCA (or fines or penalties under the CRS), (A) the Issuer or its agents is authorized to withhold amounts otherwise distributable to the purchaser or transferee as compensation for any amounts withheld from payments to or for the benefit of the Issuer as a result of such failure or such ownership, and (B) to the extent necessary to avoid an adverse effect on the Issuer as a result of such failure or such ownership, the Issuer will have the right to compel the purchaser or transferee

to sell its Notes and, if such purchaser or transferee does not sell its Notes within 10 Business Days after notice from the Issuer or its agents, the Issuer will have the right to sell such Notes at a public or private sale called and conducted in any manner permitted by law, and to remit the net proceeds of such sale (taking into account any taxes incurred by the Issuer in connection with such sale) to such person as payment in full for such Notes. The Issuer may also assign each such Note a separate ISIN in the Issuer's sole discretion. Each purchaser or transferee agrees that the Issuer, the Trustee or their agents or representatives may (1) provide any information and documentation concerning its investment in its Notes to the Office of the Revenue Commissioners of Ireland, the U.S. Internal Revenue Service and any other relevant tax authority and (2) take such other steps as they deem necessary or helpful to ensure that the Issuer complies with FATCA and/or the CRS.

14. If it is a purchaser or transferee of Class E Notes, Class F Notes or Subordinated Notes and is not a United States Person (as defined in Section 7701(a)(30) of the Code), it represents that either:

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

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

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

15. If it is a purchaser or transferee of Subordinated Notes and 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(i) (or any successor provision)), it will (A) confirm that any member of such expanded affiliated group (assuming that the Issuer is a "participating FFI" within the meaning of Treasury regulations section 1.1471-1(b)(91) (or any successor provision)) that is treated as a "foreign financial institution" within the meaning of Section 1471(d)(4) of the Code and any Treasury regulations promulgated thereunder is either a "participating FFI", a "registered deemed-compliant FFI" or an "exempt beneficial owner" within the meaning of Treasury regulations section 1.1471-4(e) (or any successor provision), and (B) promptly notify the Issuer in the event that any member of such expanded affiliated group that is treated as a "foreign financial institution" within the meaning of Section 1471(d)(4) of the Code and any Treasury regulations promulgated thereunder is not either a "participating FFI", a "registered deemed-compliant FFI" or an "exempt beneficial owner" within the meaning of Treasury regulations section 1.1471-4(e) (or any successor provision), in each case except to the extent that the Issuer or its agents have provided the purchaser or transferee with an express waiver of this requirement.

16. No purchaser or transferee of Subordinated Notes will treat any income with respect to its Subordinated Notes as derived in connection with the Issuer's active conduct of a banking, financing, insurance, or other similar business for purposes of Section 954(h)(2) of the Code.

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

18. By acquiring the Notes, the Initial Purchaser and its Affiliates along with each holder of the Notes will be deemed to have acknowledged the existence of such potential and actual conflicts of interest and, to the fullest extent permitted by applicable law, to have waived any claims with respect to the existence of such conflicts of interest.

19. The purchaser understands and acknowledges that the Issuer may receive a list of participants holding positions in its securities from one or more book-entry depositaries.

Regulation S Notes

Each purchaser or transferee of Regulation S Notes will be deemed to have made the representations (or in the case of a Definitive Certificate, shall make the representations) set forth in clauses (3), (4), (6), (8) and (10) through (19) (inclusive) above (except that references to Rule 144A Notes shall be deemed to be references to Regulation S Notes) and to have further represented and agreed as follows:

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

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

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

   THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), AND THE ISSUER HAS NOT BEEN REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "**INVESTMENT COMPANY ACT**"). THE HOLDER HEREOF, BY PURCHASING THE NOTES IN RESPECT OF WHICH THIS NOTE HAS BEEN ISSUED, AGREES FOR THE BENEFIT OF THE ISSUER THAT THE NOTES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (A)(1) TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT, OR (2) TO A NON-U.S. PERSON IN AN "OFFSHORE TRANSACTION" COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT AND, IN THE CASE OF CLAUSE (1), IN A PRINCIPAL AMOUNT OF NOT LESS THAN €250,000 FOR THE PURCHASER AND FOR EACH ACCOUNT FOR WHICH IT IS ACTING, AND IN EACH CASE, TO A PURCHASER THAT (V) IS A QUALIFIED PURCHASER FOR THE PURPOSES OF SECTION 3(c)(7) OF THE INVESTMENT COMPANY ACT, (W) WAS NOT FORMED FOR THE PURPOSE OF INVESTING IN THE ISSUER (EXCEPT WHEN EACH BENEFICIAL OWNER OF THE PURCHASER IS A QUALIFIED PURCHASER), (X) HAS RECEIVED THE NECESSARY CONSENT FROM ITS BENEFICIAL OWNERS WHEN THE PURCHASER IS A PRIVATE INVESTMENT COMPANY FORMED BEFORE APRIL 30, 1996, (Y) IS NOT A BROKER-DEALER THAT OWNS AND INVESTS ON A DISCRETIONARY BASIS LESS THAN U.S.$25,000,000 IN SECURITIES OF UNAFFILIATED ISSUERS AND (Z) IS NOT A PENSION, PROFIT SHARING OR OTHER RETIREMENT TRUST FUND OR PLAN IN WHICH THE PARTNERS, BENEFICIARIES OR PARTICIPANTS, AS APPLICABLE, MAY DESIGNATE THE PARTICULAR INVESTMENTS TO BE MADE, AND IN A TRANSACTION THAT MAY BE EFFECTED WITHOUT LOSS OF ANY APPLICABLE INVESTMENT COMPANY ACT EXEMPTION OR IN THE CASE OF CLAUSE (2), €100,000 AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE 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 TRUSTEE OR ANY INTERMEDIARY. IN ADDITION TO THE FOREGOING, IN THE EVENT OF A VIOLATION OF (V) THROUGH (Z), THE ISSUER MAINTAINS THE RIGHT TO DIRECT THE RESALE OF ANY NOTES PREVIOUSLY TRANSFERRED TO NON-PERMITTED HOLDERS (AS DEFINED IN THE TRUST DEED) IN ACCORDANCE WITH AND SUBJECT TO THE TERMS OF THE TRUST DEED. EACH TRANSFEROR OF THIS NOTE WILL PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET FORTH HEREIN AND IN THE TRUST DEED TO ITS TRANSFEREE.

TRANSFERS OF THIS NOTE OR OF PORTIONS OF THIS NOTE SHOULD BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE TRUST DEED REFERRED TO HEREIN.

PRINCIPAL OF THIS NOTE IS PAYABLE AS SET FORTH HEREIN. ACCORDINGLY, THE OUTSTANDING PRINCIPAL OF THIS NOTE AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ON THE FACE HEREOF. ANY PERSON ACQUIRING THIS NOTE MAY ASCERTAIN ITS CURRENT PRINCIPAL AMOUNT BY INQUIRY OF THE TRUSTEE.

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS A NOTES, CLASS B NOTES, CLASS C NOTES AND CLASS D NOTES ONLY*] [EACH PERSON ACQUIRING OR HOLDING THIS NOTE OR ANY INTEREST HEREIN SHALL BE REQUIRED OR DEEMED TO HAVE REPRESENTED, WARRANTED AND AGREED THAT (I) EITHER (A) IT IS NOT AND IS NOT ACTING ON BEHALF OF (AND FOR SO LONG AS IT HOLDS 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'S OR PLAN'S INVESTMENT IN SUCH ENTITY ("**BENEFIT PLAN INVESTOR**"), OR A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN WHICH IS SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT IS SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE ("**OTHER PLAN LAW**"), AND NO PART OF THE ASSETS TO BE USED BY IT TO ACQUIRE OR HOLD SUCH 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 OR DISPOSITION OF SUCH NOTE (OR INTERESTS THEREIN) WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE, OR, IN THE CASE OF A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, A NON-EXEMPT VIOLATION OF ANY OTHER PLAN LAW, AND (II) IT WILL NOT SELL OR TRANSFER SUCH NOTE (OR INTERESTS THEREIN) TO AN ACQUIROR ACQUIRING SUCH NOTE (OR INTERESTS THEREIN) UNLESS THE ACQUIROR MAKES OR IS DEEMED TO MAKE THE FOREGOING REPRESENTATIONS, WARRANTIES AND AGREEMENTS DESCRIBED IN CLAUSE (I) HEREOF. ANY PURPORTED TRANSFER OF THE NOTES IN VIOLATION OF THE REQUIREMENTS SET FORTH IN THIS PARAGRAPH SHALL BE NULL AND VOID *AB INITIO* AND THE ACQUIROR UNDERSTANDS THAT THE ISSUER WILL HAVE THE RIGHT TO CAUSE THE SALE OF SUCH NOTES TO ANOTHER ACQUIROR THAT COMPLIES WITH THE REQUIREMENTS OF THIS PARAGRAPH IN ACCORDANCE WITH THE TERMS OF THE TRUST DEED.]

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS E NOTES, THE CLASS F NOTES AND THE SUBORDINATED NOTES IN THE FORM OF REGULATION S GLOBAL NOTES ONLY*] [EACH PURCHASER OR TRANSFEREE OF THIS CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE OR AN INTEREST HEREIN WILL BE REQUIRED OR DEEMED TO REPRESENT, WARRANT AND AGREE THAT (1) IT IS NOT, AND IS NOT ACTING ON BEHALF OF (AND FOR SO LONG AS IT HOLDS THIS NOTE OR INTEREST HEREIN WILL NOT BE, AND WILL NOT BE ACTING ON

BEHALF OF), A BENEFIT PLAN INVESTOR OR CONTROLLING PERSON (A) UNLESS SUCH PURCHASER OR TRANSFEREE RECEIVES THE WRITTEN CONSENT OF THE ISSUER, (B) PROVIDES AN ERISA CERTIFICATE IN OR SUBSTANTIALLY IN THE FORM SET OUT IN SCHEDULE 7 (*FORM OF ERISA CERTIFICATE*) TO THE TRUST DEED, TO A TRANSFER AGENT AND THE ISSUER AS TO (AMONGST OTHER THINGS) ITS STATUS AS A BENEFIT PLAN INVESTOR OR CONTROLLING PERSON AND (C) HOLDS SUCH NOTE IN THE FORM OF A DEFINITIVE CERTIFICATE AND IN SUCH CASE PROVIDES THE ISSUER AND A TRANSFER AGENT WITH A DULY COMPLETED DECLARATION IN THE FORM SET OUT IN SCHEDULE 8 (*FORM OF IRISH TAX DECLARATION*) TO THE TRUST DEED, OTHER THAN IN THE CASE WHERE THE PURCHASER IS ACQUIRING A CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE ON THE ISSUE DATE, IN WHICH CASE THE PURCHASER MAY ACQUIRE SUCH CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE (OR INTEREST THEREIN) IN THE FORM OF A RULE 144A GLOBAL CERTIFICATE OR A REGULATION S GLOBAL CERTIFICATE, AND (2) (A) IF IT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, ITS ACQUISITION, HOLDING AND DISPOSITION OF SUCH NOTE WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**") OR SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**"), AND (B) IF IT IS A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, (I) IT IS NOT, AND FOR SO LONG AS IT HOLDS THIS NOTE OR AN INTEREST HEREIN IT WILL NOT BE, SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT COULD CAUSE THE UNDERLYING ASSETS OF THE ISSUER TO BE TREATED AS ASSETS OF THE INVESTOR IN ANY NOTE (OR INTEREST THEREIN) BY VIRTUE OF ITS INTEREST AND THEREBY SUBJECT THE ISSUER OR THE COLLATERAL MANAGER (OR OTHER PERSONS RESPONSIBLE FOR THE INVESTMENT AND OPERATION OF THE ISSUER'S ASSETS) TO LAWS OR REGULATIONS THAT ARE SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**"), AND (II) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT VIOLATION OF ANY APPLICABLE STATE, LOCAL, OTHER FEDERAL OR NON-U.S. LAWS OR REGULATIONS THAT ARE SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE ("**OTHER PLAN LAW**"). "**BENEFIT PLAN INVESTOR**" MEANS A BENEFIT PLAN INVESTOR, AS DEFINED IN SECTION 3(42) OF ERISA, AND INCLUDES (A) AN EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF TITLE I OF ERISA) THAT IS SUBJECT TO THE FIDUCIARY RESPONSIBILITY PROVISIONS OF TITLE I OF ERISA, (B) A PLAN THAT IS SUBJECT TO SECTION 4975 OF THE CODE OR (C) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE "**PLAN ASSETS**" BY REASON OF ANY SUCH EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN THE ENTITY. "CONTROLLING PERSON" MEANS A PERSON (OTHER THAN A BENEFIT PLAN INVESTOR) WHO HAS DISCRETIONARY AUTHORITY OR CONTROL WITH RESPECT TO THE ASSETS OF THE ISSUER OR ANY PERSON WHO PROVIDES INVESTMENT ADVICE FOR A FEE (DIRECT OR INDIRECT) WITH RESPECT TO SUCH ASSETS, OR ANY AFFILIATE OF ANY SUCH PERSON. AN "**AFFILIATE**" OF A PERSON INCLUDES ANY PERSON, DIRECTLY OR INDIRECTLY THROUGH ONE OR MORE INTERMEDIARIES, CONTROLLING, CONTROLLED BY OR UNDER COMMON CONTROL WITH THE PERSON. "CONTROL" WITH RESPECT TO A PERSON OTHER THAN AN INDIVIDUAL MEANS THE POWER TO EXERCISE A CONTROLLING INFLUENCE OVER THE MANAGEMENT OR POLICIES OF SUCH PERSON. ANY PURPORTED TRANSFER OF A CLASS E NOTE, A CLASS F NOTE OR A SUBORDINATED NOTE IN VIOLATION OF THE REQUIREMENTS SET FORTH IN THIS PARAGRAPH OR THAT MAY OTHERWISE RESULT IN 25 PER CENT. OR MORE OF THE TOTAL VALUE OF ANY CLASS OF SUCH NOTES TO BE HELD BY BENEFIT PLAN INVESTORS FOR THE PURPOSES OF ERISA SHALL BE NULL AND VOID *AB INITIO* AND THE ACQUIROR UNDERSTANDS THAT THE ISSUER WILL HAVE THE RIGHT TO CAUSE THE SALE OF SUCH CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE (OR INTEREST THEREIN) TO ANOTHER ACQUIROR THAT COMPLIES WITH THE REQUIREMENTS OF THIS PARAGRAPH IN ACCORDANCE WITH THE TERMS OF THE TRUST DEED.

NO TRANSFER OF A CLASS E NOTE, A CLASS F NOTE OR A SUBORDINATED NOTE OR ANY INTEREST THEREIN WILL BE PERMITTED, AND THE TRUSTEE WILL NOT RECOGNIZE ANY SUCH TRANSFER, IF IT WOULD CAUSE 25 PER CENT. OR MORE OF THE TOTAL VALUE OF CLASS E NOTES, CLASS F NOTES OR SUBORDINATED NOTES (EACH DETERMINED SEPARATELY BY EACH CLASS OF EQUITY INTEREST) TO BE HELD BY BENEFIT PLAN INVESTORS, DISREGARDING CLASS E NOTES, CLASS F NOTES AND SUBORDINATED NOTES (OR INTERESTS THEREIN) HELD BY CONTROLLING PERSONS, AS DETERMINED FOR THE PURPOSES OF ERISA AND THE U.S. DEPARTMENT OF LABOR REGULATIONS THEREUNDER ("**25 PER CENT. LIMITATION**").

THE ISSUER HAS THE RIGHT, UNDER THE TRUST DEED, TO COMPEL ANY BENEFICIAL OWNER OF A CLASS E NOTE, A CLASS F NOTE OR A SUBORDINATED NOTE WHO HAS MADE OR HAS BEEN DEEMED TO MAKE A PROHIBITED TRANSACTION, BENEFIT PLAN INVESTOR, CONTROLLING PERSON, SIMILAR LAW OR OTHER PLAN LAW REPRESENTATION THAT IS SUBSEQUENTLY SHOWN TO BE FALSE OR MISLEADING OR WHOSE OWNERSHIP OTHERWISE CAUSES A VIOLATION OF THE 25 PER CENT. LIMITATION TO SELL ITS INTEREST IN 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 PURCHASER OR TRANSFEREE OF THIS CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE OR AN INTEREST HEREIN WILL BE REQUIRED TO REPRESENT, WARRANT AND AGREE IN WRITING TO THE ISSUER (A) WHETHER OR NOT, FOR SO LONG AS IT HOLDS THIS CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE OR AN INTEREST HEREIN, IT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, (B) WHETHER OR NOT, FOR SO LONG AS IT HOLDS THIS CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE OR AN INTEREST HEREIN, IT IS A CONTROLLING PERSON AND (C) THAT (1) IF IT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**") OR SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**") AND (2) IF IT IS A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, (a) IT IS NOT, AND FOR SO LONG AS IT HOLDS THIS CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE OR AN INTEREST HEREIN IT WILL NOT BE, SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT COULD CAUSE THE UNDERLYING ASSETS OF THE ISSUER TO BE TREATED AS ASSETS OF THE INVESTOR IN ANY NOTE (OR INTEREST THEREIN) BY VIRTUE OF ITS INTEREST AND THEREBY SUBJECT THE ISSUER OR THE COLLATERAL MANAGER (OR OTHER PERSONS RESPONSIBLE FOR THE INVESTMENT AND OPERATION OF THE ISSUER'S ASSETS) TO LAWS OR REGULATIONS THAT ARE SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**"), AND (b) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT VIOLATION OF ANY APPLICABLE STATE, LOCAL, OTHER FEDERAL OR NON-U.S. LAWS OR REGULATIONS THAT ARE SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE ("**OTHER PLAN LAW**"). EACH PURCHASER OR SUBSEQUENT TRANSFEREE, AS APPLICABLE, OF CLASS E NOTES, CLASS F NOTES OR SUBORDINATED NOTES IN THE FORM OF DEFINITIVE CERTIFICATES WILL BE REQUIRED TO COMPLETE AN ERISA CERTIFICATE (AMONGST OTHER THINGS) IDENTIFYING ITS STATUS AS A BENEFIT PLAN INVESTOR OR A CONTROLLING PERSON. "**BENEFIT PLAN INVESTOR**" MEANS A BENEFIT PLAN INVESTOR, AS DEFINED IN SECTION 3(42) OF ERISA, AND INCLUDES (A) AN EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF TITLE I OF ERISA) THAT IS SUBJECT TO THE FIDUCIARY RESPONSIBILITY PROVISIONS OF TITLE I OF ERISA, (B) A PLAN THAT IS SUBJECT TO SECTION 4975 OF THE CODE OR (C) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE

"**PLAN ASSETS**" BY REASON OF ANY SUCH EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN THE ENTITY. "**CONTROLLING PERSON**" MEANS A PERSON (OTHER THAN A BENEFIT PLAN INVESTOR) WHO HAS DISCRETIONARY AUTHORITY OR CONTROL WITH RESPECT TO THE ASSETS OF THE ISSUER OR ANY PERSON WHO PROVIDES INVESTMENT ADVICE FOR A FEE (DIRECT OR INDIRECT) WITH RESPECT TO SUCH ASSETS, OR ANY AFFILIATE OF ANY SUCH PERSON. AN "**AFFILIATE**" OF A PERSON INCLUDES ANY PERSON, DIRECTLY OR INDIRECTLY THROUGH ONE OR MORE INTERMEDIARIES, CONTROLLING, CONTROLLED BY OR UNDER COMMON CONTROL WITH THE PERSON. "**CONTROL**" WITH RESPECT TO A PERSON OTHER THAN AN INDIVIDUAL MEANS THE POWER TO EXERCISE A CONTROLLING INFLUENCE OVER THE MANAGEMENT OR POLICIES OF SUCH PERSON. ANY PURPORTED TRANSFER OF THE CLASS E NOTES, CLASS F NOTES OR SUBORDINATED NOTES IN VIOLATION OF THE REQUIREMENTS SET FORTH IN THIS PARAGRAPH OR THAT MAY OTHERWISE RESULT IN 25 PER CENT. OR MORE OF THE TOTAL VALUE OF ANY CLASS OF SUCH NOTES TO BE HELD BY BENEFIT PLAN INVESTORS FOR THE PURPOSES OF ERISA SHALL BE NULL AND VOID *AB INITIO* AND THE ACQUIROR UNDERSTANDS THAT THE ISSUER WILL HAVE THE RIGHT TO CAUSE THE SALE OF SUCH CLASS E NOTES, CLASS F NOTES OR SUBORDINATED NOTES TO ANOTHER ACQUIROR THAT COMPLIES WITH THE REQUIREMENTS OF THIS PARAGRAPH IN ACCORDANCE WITH THE TERMS OF THE TRUST DEED.

NO TRANSFER OF A CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE OR ANY INTEREST THEREIN WILL BE PERMITTED, AND THE TRUSTEE WILL NOT RECOGNIZE ANY SUCH TRANSFER, IF IT WOULD CAUSE 25 PER CENT. OR MORE OF THE TOTAL VALUE OF CLASS E NOTES, CLASS F NOTES OR SUBORDINATED NOTES (DETERMINED SEPARATELY BY EACH CLASS OF EQUITY INTEREST) TO BE HELD BY BENEFIT PLAN INVESTORS, DISREGARDING CLASS E NOTES, CLASS F NOTES AND SUBORDINATED NOTES (OR INTERESTS THEREIN) HELD BY CONTROLLING PERSONS, AS DETERMINED FOR THE PURPOSES OF ERISA AND THE U.S. DEPARTMENT OF LABOR REGULATIONS THEREUNDER ("**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, SIMILAR LAW OR OTHER PLAN LAW REPRESENTATION THAT IS SUBSEQUENTLY SHOWN TO BE FALSE OR MISLEADING OR WHOSE OWNERSHIP OTHERWISE CAUSES A VIOLATION OF THE 25 PER CENT. LIMITATION TO SELL ITS INTEREST IN 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 C NOTES, CLASS D NOTES, CLASS E NOTES AND CLASS F NOTES*] [THIS NOTE HAS BEEN ISSUED WITH ORIGINAL ISSUE DISCOUNT ("**OID**") FOR UNITED STATES FEDERAL INCOME TAX PURPOSES. THE ISSUE PRICE, AMOUNT OF OID, ISSUE DATE AND YIELD TO MATURITY OF THIS NOTE MAY BE OBTAINED BY CONTACTING THE ISSUER AT 3RD FLOOR KILMORE HOUSE, PARK LANE, SPENCER DOCK, DUBLIN 1, IRELAND. THE ISSUER SHALL APPOINT EXTERNAL ACCOUNTANTS TO ASSIST IN THE COMPILATION OF THE RELEVANT INFORMATION AND THE REQUESTING NOTEHOLDER SHALL BE RESPONSIBLE FOR THE FEES INCURRED.]

[*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 ANY VOTES IN RESPECT OF A CM REMOVAL RESOLUTION OR A CM REPLACEMENT RESOLUTION.]

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

4. The purchaser acknowledges that the Issuer, the Initial Purchaser, the Retention Holder, the Trustee, the Collateral Manager or the Collateral Administrator and their Affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

5. The purchaser understands that the Regulation S Notes may not, at any time, be held by, or on behalf of, U.S. Persons or U.S. Residents.

A transferor who transfers an interest in a Regulation S Note to a transferee who will hold the interest in the same form is not required to make any additional representation or certification.

GENERAL INFORMATION

Clearing Systems

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

	Regulation S Notes		Rule 144A Notes	
	ISIN	Common Code	ISIN	Common Code
Class A CM Removal and Replacement Voting Notes	XS2010621360	201062136	XS2010621790	201062179
Class A CM Removal and Replacement Non-Voting Notes	XS2010621444	201062144	XS2010621873	201062187
Class A CM Removal and Replacement Exchangeable Non-Voting Notes	XS2010621527	201062152	XS2010621956	201062195
Class B CM Removal and Replacement Voting Notes	XS2010622095	201062209	XS2010622335	201062233
Class B CM Removal and Replacement Non-Voting Notes	XS2010622178	201062217	XS2010622418	201062241
Class B CM Removal and Replacement Exchangeable Non-Voting Notes	XS2010622251	201062225	XS2010622509	201062250
Class C CM Removal and Replacement Voting Notes	XS2010622681	201062268	XS2010622921	201062292
Class C CM Removal and Replacement Non-Voting Notes	XS2010622764	201062276	XS2010623069	201062306
Class C CM Removal and Replacement Exchangeable Non-Voting Notes	XS2010622848	201062284	XS2010623143	201062314
Class D CM Removal and Replacement Voting Notes	XS2010623226	201062322	XS2010623655	201062365
Class D CM Removal and Replacement Non-Voting Notes	XS2010623499	201062349	XS2010623739	201062373
Class D CM Removal and Replacement Exchangeable Non-Voting Notes	XS2010623572	201062357	XS2010623812	201062381
Class E Notes	XS2010623903	201062390	XS2010624034	201062403

Listing

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 Refinancing Notes in any jurisdiction in circumstances that would require a prospectus to be prepared pursuant to the Prospectus Directive.

Application has been made to Euronext Dublin for the Notes (including the Class F Notes and the Subordinated Notes) to be admitted to the Official List and trading on the Global Exchange Market. The Class F Notes and the Subordinated Notes will simultaneously be removed from listing on the Regulated Market. It is anticipated that such listing and admission to trading of the Notes will take place on or about the Closing Date. There can be no assurance that such listing and admission to trading will be granted.

Legal Entity Identifier (LEI)

The Issuer's LEI is 635400NPMETBSKED8R42.

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 Refinancing Notes. The issue of the Refinancing Notes was authorised by resolutions of the board of Directors of the Issuer passed on 9 July 2019.

No Significant or Material Change

There has been no significant change in the financial or trading position or prospects of the Issuer since the date of its last financial statements dated December 2017 and there has been no material adverse change in the financial position or prospects of the Issuer since the date of its last financial statements dated December 2017.

No Litigation

The Issuer is not involved, and has not been involved, in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during a period of 12 months, which may have or have had in the recent past, significant effects on the Issuer's financial position or profitability.

Accounts

So long as any Refinancing Note remains outstanding, copies of the most recent annual audited financial statements of the Issuer can be obtained at the specified offices of the Issuer during normal business hours. The last financial statements of the Issuer were in respect of the period ending on December 2017. The annual accounts of the Issuer are audited. The Issuer does not prepare interim financial statements.

Listing Agent

Matheson is acting solely in its capacity as listing agent for the Issuer in connection with the Notes and is not itself seeking admission of the Notes to the Official List of the Irish Stock Exchange plc trading as Euronext Dublin or to trading on the Global Exchange Market of the Irish Stock Exchange plc trading as 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 offices of the Issuer during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) for the term of the Refinancing Notes.

(a) the Constitution of the Issuer;

(b) the Deed of Supplement, Amendment and Restatement (which includes the form of each Refinancing Note of each Class) and the Trust Deed;

(c) the Agency Agreement;

(d) the Collateral Management Agreement;

(e) each Monthly Report;

(f) each Payment Date Report; and

(g) the audited financial statements of the Issuer as at and for the year ended December 2017, together with the audit reports thereon.

Prior to the Refinancing Date (including prior to the date that the transaction is priced), drafts of certain transaction documents for the transaction in substantially agreed form and a preliminary version of this Offering Circular were made available for the purposes of satisfying Articles 7(1)(b) and 7(1)(c) of the Securitisation Regulation via a website located at https://pivot.usbank.com (or such other website as may be notified in writing by the Collateral Administrator to the Issuer, the Trustee, the Collateral Manager and the Initial Purchaser) to any person: (A) as instructed to the Collateral Administrator by the Collateral Manager; or (B) that appears on a pre-authorisation list to be provided to the Collateral Administrator by the Collateral Manager (including any Competent Authorities).

Following the Refinancing Date, certain transaction documents for the transaction and this Offering Circular will be available: (A) via a website currently located at https://pivot.usbank.com (or such other website as may be notified in writing by the Collateral Administrator to the Issuer, the Initial Purchaser, the Arranger, the Trustee, each Hedge Counterparty, the Collateral Manager, the Rating Agencies, the Principal Paying Agent and the Noteholders) which shall be accessible to any person: (i) as notified to the Collateral Manager by the Collateral Administrator and approved (such approval not to be unreasonably withheld or delayed) by the Collateral Manager in writing (which may be by way of email); or (ii) that appears on the pre-authorisation list to be provided to the Collateral Administrator by the Collateral Manager (including any Competent Authorities) and/or (B) by such other method of dissemination as is required or permitted by the Securitisation Regulation and the Irish STS Regulations (as instructed by the Issuer or the Collateral Manager on its behalf and, to the extent that they are at the relevant time the applicable service provider, as agreed with the Collateral Administrator).

Any person who purchases any of the Notes after the Refinancing Date (or intends to do so) and desires access to the documents mentioned above should seek access via the website at https://pivot.usbank.com and be prepared to certify or evidence their holding of the Notes or intention to purchase, as may be reasonably required by the Collateral Administrator and/or the Collateral Manager.

INDEX OF DEFINED TERMS

ANNEX A

2016 Prospectus

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 ANY PERSON UNLESS SUCH PERSON IS BOTH A "QUALIFIED INSTITUTIONAL BUYER" ("**QIB**") (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 UNDER THE SECURITIES ACT AND A "QUALIFIED PURCHASER" ("**QP**") FOR THE PURPOSES OF SECTION 3(c)(7) OF THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "**INVESTMENT COMPANY ACT**"), IN EACH CASE FOR ITS OWN ACCOUNT FOR INVESTMENT PURPOSES AND NOT WITH A VIEW TO THE DISTRIBUTION THEREOF OR OF THE SECURITIES DESCRIBED HEREIN (EXCEPT IN ACCORDANCE WITH RULE 144A).

FURTHER, THIS DOCUMENT MAY NOT BE TRANSMITTED OR DISTRIBUTED OUTSIDE OF THE UNITED STATES OTHER THAN TO ANY PERSON THAT IS NOT A "U.S. PERSON" AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT ("**REGULATION S**") WITH A VIEW TO PURCHASING THE SECURITIES DESCRIBED HEREIN IN AN "OFFSHORE TRANSACTION" WITHIN THE MEANING OF REGULATION S.

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), 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 contents of the document are confidential and may not be copied, distributed, published, reproduced or reported (in whole or in part) or disclosed by you to any other person. If at any time we request that the document be returned, you will (a) return the document, (b) arrange to destroy all analyses, compilations, notes, structures, memoranda or other documents prepared by you to the extent that the same contain, reflect or derive from information in the document, and (c) so far as is practicable to do so (but, in any event, without prejudice to the obligations of confidentiality imposed herein) expunge any information relating to the document in electronic form from any computer, word processor or other device. 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. We specifically prohibit the redistribution of the document and accept no liability whatsoever for the actions of third parties in this respect.

Confirmation of Your Representation: In order to be eligible to view the document or make an investment decision with respect to the Notes, each investor must either be (a) a person that is both a QIB and a QP, or (b) a non-U.S. Person (as defined in Regulation S) with a view to purchasing the securities described herein in "offshore transactions" (within the meaning of Regulation S). 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 that you represent are either (a) persons that are both QIBs and QPs, or (b) non-U.S. Persons and that the electronic email address that you gave us and to which this email has been delivered is not located in the U.S., (2) such acceptance and access to the document by you and any customers that you represent is not

unlawful in the jurisdiction where it is being made to you and any customers that you represent, (3) you consent to delivery of the document by electronic transmission, and (4) you consent to accept delivery by electronic transmission of any subsequent prospectuses on distribution and publication of the same.

The document has been sent to you in the belief that you are (a) a person of the kind described in Article 49(2)(a) to (d) (*High net worth companies, unincorporated associations, etc.*) of the UK Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) 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 (b) a person to whom the document can be sent lawfully in accordance with all other applicable securities laws (including any legal entity which is a "qualified investor" as such term is defined in EU Directive 2003/71/EC). If this is not the case then you must return the document immediately.

The document has been sent to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and consequently none of *BlackRock European CLO II Designated Activity Company*, *Citigroup Global Markets Limited* or *BlackRock Investment Management (UK) Limited* (or, in each case, any person who controls it or any director, officer, employee or agent of it, or 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.

You are reminded that the document has been delivered to you on the basis that you are a person into whose possession the document may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not nor are you authorised to deliver the document to any other person.

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) unless registered under the Securities Act or pursuant to an exemption from such registration.

BlackRock European CLO II Designated Activity Company

(*a designated activity company limited by shares incorporated under the laws of Ireland with registered number 582858 and having its registered office in Ireland*)

€244,000,000 Class A Senior Secured Floating Rate Notes due 2030
€48,000,000 Class B Senior Secured Floating Rate Notes due 2030
€23,000,000 Class C Senior Secured Deferrable Floating Rate Notes due 2030
€20,000,000 Class D Senior Secured Deferrable Floating Rate Notes due 2030
€25,000,000 Class E Senior Secured Deferrable Floating Rate Notes due 2030
€12,000,000 Class F Senior Secured Deferrable Floating Rate Notes due 2030
€43,800,000 Subordinated Notes due 2030

The assets securing the Notes (as defined below) will consist of a portfolio of primarily Senior Loans, Senior Secured Bonds, Mezzanine Obligations and High Yield Bonds managed by BlackRock Investment Management (UK) Limited (the "**Collateral Manager**", which term shall include its permitted successors and assigns) pursuant to the terms of a collateral management agreement dated on or about 15 December 2016 (the "**Issue Date**") and between, among others, the Issuer, U.S. Bank National Association as trustee (the "**Trustee**") and the Collateral Manager (the "**Collateral Management Agreement**").

BlackRock European CLO II Designated Activity Company (the "**Issuer**") will issue the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Subordinated Notes (each as defined herein).

The Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes (such Classes of Notes, the "**Rated Notes**") together with the Subordinated Notes are collectively referred to herein as the "**Notes**". The Notes will be issued and secured pursuant to a trust deed dated on or about the Issue Date and made between, among others, the Issuer, the Trustee and the Collateral Manager (the "**Trust Deed**").

Interest on the Notes will be payable: (i) quarterly in arrear on 15 January, 15 April, 15 July and 15 October at any time other than following the occurrence of a Frequency Switch Event (as defined herein); and (ii) semi-annually in arrear following the occurrence of a Frequency Switch Event on: (A) 15 January and 15 July (where the Payment Date immediately prior to the occurrence of the Frequency Switch Event falls in either January or July); or (B) 15 April and 15 October (where the Payment Date immediately prior to the occurrence of the Frequency Switch Event falls in either April or October), in each year, commencing on 15 July 2017 and ending on the Maturity Date (as defined herein) (subject to any earlier redemption of the Notes and in accordance with the Priorities of Payment described herein, in each case, subject to further 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.

Application will be made to the Central Bank of Ireland (the "**Central Bank**"), as competent authority under EU Directive 2003/71/EC, as amended, (the "**Prospectus Directive**") for this Prospectus to be approved. The Central Bank will only approve this Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. Application will be made to The Irish Stock Exchange p.l.c. (the "**Irish Stock Exchange**") for the Notes to be admitted to the official list (the "**Official List**") and trading on its regulated market (the "**Main Securities Market**"). The Main Securities Market is a regulated market for the purposes of EU Directive 2004/39/EC, as amended ("**MiFID**"). Such approval relates only to Notes which are to be admitted to trading on a regulated market for the purposes of MiFID and/or which are to be offered to the public in any member state of the European Economic Area. It is anticipated that listing will take place on or about the Issue Date. There can be no assurance that such listing will be granted. Upon approval of the Prospectus by the Central Bank, the Prospectus will be filed with the Companies Registration Office in Ireland in accordance with Regulation 38(1)(b) of the Prospectus (Directive 2003/71/EC) Regulations 2005 (as amended) of Ireland (the "**Prospectus Regulations**").

The Notes are limited recourse obligations of the Issuer which are payable solely out of amounts received by or on behalf of the Issuer in respect of the Collateral (as defined herein). The net proceeds of the realisation of the security over the Collateral upon acceleration of the Notes following an Event of Default (as defined herein) may be insufficient to pay all amounts due to the Noteholders (as defined herein) after making payments to 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 Irish Excluded Assets (as defined herein)) of the Issuer will not be available for payment of such shortfall, all claims and obligations in respect of which shall be extinguished. See Condition 4 (*Security*).

It is a condition of the issue and sale of the Notes that the Notes (except for the Subordinated Notes) be issued with at least the following ratings from Moody's Investors Service, Ltd. ("**Moody's**") and Standard & Poor's Credit Market Services Europe Limited ("**S&P**" and, together with Moody's, the "**Rating Agencies**", and each, a "**Rating Agency**"): the Class A Notes: "Aaa (sf)" from Moody's and "AAA (sf)" from S&P; the Class B Notes: "Aa2 (sf)" from Moody's and "AA (sf)" from S&P; the Class C Notes: "A2 (sf)" from Moody's and "A (sf)" from S&P; the Class D Notes: "Baa2 (sf)" from Moody's and "BBB (sf)" from S&P; the Class E Notes: "Ba2 (sf)" from Moody's and "BB (sf)" from S&P; and the Class F Notes: "B2 (sf)" from Moody's and "B- (sf)" from S&P. The Subordinated Notes will not be rated.

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

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

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

Citigroup Global Markets Limited

Sole Arranger and Placement Agent

The date of this Prospectus is 13 December 2016

The Issuer accepts responsibility for the information contained in this document and to the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information. The Collateral Manager accepts responsibility for the information contained in the sections of this document headed "Risk Factors—Certain Conflicts of Interest—Certain Conflicts of Interest Involving or Relating to the Collateral Manager and its Affiliates" and "The Collateral Manager". To the best of the knowledge and belief of the Collateral Manager (which has taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information. The Collateral Administrator accepts responsibility for the information contained in the section of this document headed "Description of the Collateral Administrator". To the best of the knowledge and belief of the Collateral Administrator (which has taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information. The Retention Holder accepts responsibility for the information contained in the section of this document headed "The Retention Holder and Retention Requirements—Description of the Retention Holder" and "The Retention Holder and Retention Requirements—Origination of Collateral Obligations". To the best of the knowledge and belief of the Retention Holder (which has taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information. Except for the sections of this document headed "Risk Factors—Certain Conflicts of Interest—Certain Conflicts of Interest Involving or Relating to the Collateral Manager and its Affiliates" and "The Collateral Manager", in the case of the Collateral Manager, "Description of the Collateral Administrator", in the case of the Collateral Administrator and "The Retention Holder and Retention Requirements—Description of the Retention Holder" and "The Retention Holder and Retention Requirements—Origination of Collateral Obligations", in the case of the Retention Holder, none of the Collateral Manager, the Collateral Administrator nor the Retention Holder accept any responsibility for the accuracy and completeness of any information contained in this Prospectus. The delivery of this Prospectus at any time does not imply that the information herein is correct at any time subsequent to the date of this Prospectus.

None of the Placement Agent, the Trustee, the Collateral Manager (save in respect of the sections headed "Risk Factors—Certain Conflicts of Interest—Certain Conflicts of Interest Involving or Relating to the Collateral Manager and its Affiliates" and "The Collateral Manager"), the Collateral Administrator (save in respect of the section headed "Description of the Collateral Administrator"), the Retention Holder (save in respect of the sections headed "The Retention Holder and Retention Requirements—Description of the Retention Holder" and "The Retention Holder and Retention Requirements—Origination of Collateral Obligations") any Agent (save for the Collateral Administrator as specified above), any Hedge Counterparty or any other party has separately verified the information contained in this Prospectus and, accordingly, none of the Placement Agent, the Trustee, the Collateral Manager (save as specified above), the Collateral Administrator (save as specified above), the Retention Holder (save as specified above), any Agent (save for the Collateral Administrator as specified above), any Hedge Counterparty or any other party (save for the Issuer as specified above) makes any representation, recommendation or warranty, express or implied, regarding the accuracy, adequacy, reasonableness or completeness of the information contained in this Prospectus or in any further notice or other document which may at any time be supplied in connection with the Notes or their distribution or accepts any responsibility or liability therefor. None of the Placement Agent, the Trustee, the Collateral Manager, the Collateral Administrator, the Retention Holder, any Agent, any Hedge Counterparty nor any other party (save for the Issuer) undertakes 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 Prospectus or to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Prospectus. None of the Placement Agent, the Trustee, the Collateral Manager (save as specified above), the Collateral Administrator (save as specified above), the Retention Holder (save as specified above), any Agent (save for the Collateral Administrator as specified above), any Hedge Counterparty or any other party (save for the Issuer as specified above) accepts any responsibility for the accuracy or completeness of any information contained in this Prospectus.

This Prospectus does not constitute an offer of, or an invitation by or on behalf of, the Issuer, the Placement Agent, the Collateral Manager, the Retention Holder, the Collateral Administrator any of their respective Affiliates or any other person to subscribe for or purchase any of the Notes. The distribution of this Prospectus and the offering of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer and the Placement Agent to inform themselves about and to observe any such restrictions. In particular, the communication constituted by this Prospectus is directed only at persons who (i) are outside the United Kingdom and are offered and accept this Prospectus 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 UK Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) or who otherwise fall within an exemption set forth in such Order so that Section 21(1) of the UK Financial Services and Markets Act 2000 (as amended) 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 Prospectus, see "Plan of Distribution" and "Transfer Restrictions" below.*

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

*In this Prospectus, unless otherwise specified or the context otherwise requires, all references to: (i) "**Euro**", "**euro**", "**€**" and "**EUR**" are to the lawful currency of the member states of the European Union that have adopted and retain the single currency in accordance with the Treaty establishing the European Community, as amended from time to time; provided that if any member state or states ceases to have such single currency as its lawful currency (such member state(s) being the "**Exiting State(s)**"), **Euro**, **euro**, **€** and **EUR** 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); (ii) "**US Dollar**", "**US dollar**", "**USD**", "**U.S. Dollar**" or "**$**" shall mean the lawful currency of the United States of America; and (iii)"**£**", "**Sterling**" and "**GBP**" are references to the lawful currency for the time being of the United Kingdom of Great Britain and Northern Ireland.*

Each of Moody's Investors Service Ltd. and Standard & Poor's Credit Market Services Europe Limited are established in the European Union and are registered under Regulation (EC) No. 1060/2009 (as amended).

In connection with the issue of the Notes, no stabilisation will take place and Citigroup Global Markets Limited will not be acting as stabilising manager in respect of the Notes.

Retention Requirements

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

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

Volcker Rule

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

A "covered fund" is defined widely, and includes any issuer which would be an investment company under the U.S. Investment Company Act 1940, as amended (the "**Investment Company Act**") but for the exception contained in section 3(c)(1) or 3(c)(7) of that Act, subject to certain exemptions found in the Volcker Rule's implementing regulations.

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

As discussed in "*Risk Factors—Regulatory Initiatives—Issuer Reliance on Rule 3a-7*", the Transaction Documents contain certain requirements that are intended to allow the Issuer to rely on the exemption from the definition of "investment company" of Rule 3a-7 under the Investment Company Act. However, there can be no assurance that the Issuer will be viewed by a US regulator with responsibility for Volcker Rule compliance as having complied with Rule 3a-7 or that compliance with those requirements will be adequate for the Issuer to rely on the exemption under Rule 3a-7.

Investors should conduct their own analysis to determine whether the Issuer is a "covered fund" for their purposes. See further also "*Risk Factors—Regulatory Initiatives—Issuer Reliance on Rule 3a-7*". In any event, if it were determined that the Issuer did not qualify for the exclusion provided by Rule 3a-7 there is a high likelihood that the Issuer would be determined to be a "covered fund". None of the Issuer, the Placement Agent, the Arranger, the Collateral Manager, the Trustee nor any of their affiliates makes any representation to any prospective investor or purchaser of the Notes as to how any regulator may interpret 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.

It should be noted that a "commodity pool" as defined in the CEA (see "*Risk Factors—Regulatory Initiatives—Commodity Pool Regulation*") could, depending on which CEA exemption is used by such "commodity pool" or its "commodity pool operator", also fall within the definition of a "covered fund" as described above.

Furthermore, the holders of any of the Class A Notes, the Class B Notes, the Class C Notes or the Class D Notes in the form of CM Removal and Replacement Exchangeable Non-Voting Notes or CM Removal and Replacement Non-Voting Notes are disenfranchised in respect of any CM Removal Resolution or CM Replacement Resolution in an effort to cause such instruments to fall outside the definition of "ownership interest". However, there can be no assurance that these features will be effective in resulting in such instruments issued by the Issuer not being characterised as "ownership interests" in the Issuer.

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

No assurance can be made as to the effect of the Volcker Rule on the ability of certain investors subject thereto to acquire or retain an interest in the Notes. Each prospective investor in the Notes should independently consider the potential impact of the Volcker Rule in respect of any investment in the Notes. Investors should carry out their own analysis to determine whether the Issuer may be considered to be a "covered fund" for their purposes. Investors in the Notes are responsible for analysing their own regulatory position and none of the Issuer, the Placement Agent, the Arranger, the Collateral Manager, the Collateral Manager Related Persons, the Trustee or any of their Affiliates makes any representation, warranty or guarantee to any prospective investor or purchaser of the Notes as to how any regulator may interpret the application of the Volcker Rule or Rule 3a-7 under the Investment Company Act to the Issuer, or to such investor's investment in the Notes on the Issue Date or at any time in the future. See "*Risk Factors—Regulatory Initiatives—Issuer Reliance on Rule 3a-7*" and "*Risk Factors—Regulatory Initiatives —Volcker Rule*" for further information.

U.S. Investment Company Act of 1940

As at the Issue Date, the Issuer has not been and will not be registered under the Investment Company Act in reliance on both Section 3(c)(7) of the Investment Company Act and Rule 3a-7 under the Investment Company Act. The Issuer has the right by notice to the Trustee to elect (which election may be made only upon confirmation from the Collateral Manager that it has obtained legal advice from reputable international legal counsel knowledgeable in such matters to the effect that to do so would not result in the Issuer being construed as a "covered fund" in relation to any holder of Outstanding Notes for the purposes of the Volcker Rule) to rely solely on the exemption under Section 3(c)(7) of the Investment Company Act and to no longer rely on the exemption from the Investment Company Act provided by Rule 3a-7.

Investors should carry out their own analysis to determine whether the Issuer may be considered to be a "covered fund" for their purposes. Investors in the Notes are responsible for analysing their own regulatory position and none of the Issuer, the Placement Agent, the Arranger, the Collateral Manager, the Collateral Manager Related Persons, the Trustee or any of their Affiliates makes any representation, warranty or guarantee to any prospective investor or purchaser of the Notes as to how any regulator may interpret the application of the Volcker Rule or Rule 3a-7 of the Investment Company Act to the Issuer, or to such investor's investment in the Notes on the Issue Date or at any time in the future. See "*Risk Factors— Regulatory Initiatives—Issuer Reliance on Rule 3a-7*" and "*Risk Factors— Regulatory Initiatives—Volcker Rule*" below for further information.

Information as to placement within the United States

The Notes of each Class offered pursuant to an exemption from registration requirements under Rule 144A under the Securities Act ("**Rule 144A**") (the "**Rule 144A Notes**") will be sold only to "qualified institutional buyers" ("**QIBs**") (as defined in Rule 144A) that are also "qualified purchasers" ("**QPs**") for the purposes of Section 3(c)(7) of the Investment Company Act. Rule 144A Notes of each Class (other than in certain circumstances, the Class E Notes, the Class F Notes and the Subordinated Notes) will be represented on issue by beneficial interests in one or more permanent global certificates of such Class (each, a "**Rule 144A Global Certificate**" and, together, the "**Rule 144A Global Certificates**") or in some cases definitive certificates (each, a "**Rule 144A Definitive Certificate**" and, together, the "**Rule 144A Definitive Certificates**"), in each case in fully registered form, without interest coupons or principal receipts, which will be deposited on or about the Issue Date with, and registered in the name of a nominee of, a common depositary for Euroclear Bank SA/NV, as operator of the Euroclear system ("**Euroclear**") and Clearstream Banking, *société anonyme* ("**Clearstream,**

Luxembourg") or, in the case of Rule 144A Definitive Certificates, the registered holder thereof. The Notes of each Class sold outside the United States to non-U.S. Persons in reliance on Regulation S ("**Regulation S**") under the Securities Act (the "**Regulation S Notes**") (other than in certain circumstances, the Class E Notes, the Class F Notes and the Subordinated Notes) will each be represented on issue by beneficial interests in one or more permanent global certificates of such Class (each, a "**Regulation S Global Certificate**" and together, the "**Regulation S Global Certificates**") or, in some cases by definitive certificates of such Class (each, a "**Regulation S Definitive Certificate**" and, together, the "**Regulation S Definitive Certificates**"), in each case in fully registered form, without interest coupons or principal receipts, which will be deposited on or about the Issue Date with, and registered in the name of a nominee of, a common depositary for Euroclear and Clearstream Luxembourg or, in the case of Regulation S Definitive Certificates, the registered holder thereof. Neither U.S. Persons nor "U.S. residents" (as determined for the purposes of the Investment Company Act) ("**U.S. Residents**") may hold an interest in a Regulation S Global Certificate or a Regulation S Definitive Certificate. Ownership interests in the Regulation S Global Certificates and the Rule 144A Global Certificates (together, the "**Global Certificates**") will be shown on, and transfers thereof will only be effected through, records maintained by Euroclear and Clearstream, Luxembourg and their respective participants. Other than with respect to the Class E Notes, the Class F Notes and the Subordinated Notes, Notes in definitive, certificated, fully registered form will be issued only in limited circumstances. The Class E Notes, the Class F Notes and the Subordinated Notes may in certain circumstances described herein be issued in definitive, certificated, fully registered form pursuant to the Trust Deed and will be offered: (i) outside the United States to non-U.S. Persons in reliance on Regulation S; and (ii) within the United States to persons who are both QIBs and QPs, and, in each case, will be registered in the name of the holder (or a nominee thereof). In each case, purchasers and transferees of Notes will be deemed, and in certain circumstances will be required, to have made certain representations and agreements. See "*Form of the Notes*", "*Book Entry Clearance Procedures*", "*Plan of Distribution*" and "*Transfer Restrictions*".

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

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

THE 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 PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.

This Prospectus 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 Placement Agent 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 Prospectus is personal to each offeree to whom it has been delivered by the Issuer, the Placement Agent or any Affiliate thereof and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire the Notes. Distribution of this Prospectus to any persons other than the offeree and those persons, if any, retained to advise such offeree with respect thereto is unauthorised and any disclosure of any of its contents, without the prior written consent of the Issuer and the Placement Agent, is prohibited. Any reproduction or distribution of this Prospectus 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 Notes offered herein is prohibited.

Disclosure

NOTWITHSTANDING ANYTHING IN THIS PROSPECTUS TO THE CONTRARY, EACH PROSPECTIVE INVESTOR (AND EACH EMPLOYEE, REPRESENTATIVE OR OTHER AGENT OF

EACH PROSPECTIVE INVESTOR) MAY DISCLOSE TO ANY AND ALL PERSONS, WITHOUT LIMITATION OF ANY KIND, THE U.S. FEDERAL, STATE, AND LOCAL TAX TREATMENT OF THE ISSUER, THE NOTES, AND THE TRANSACTIONS DESCRIBED IN THIS PROSPECTUS AND ALL MATERIALS OF ANY KIND (INCLUDING OPINIONS OR OTHER U.S. TAX ANALYSES) RELATING TO SUCH U.S. FEDERAL, STATE, AND LOCAL TAX TREATMENT AND THAT MAY BE RELEVANT TO UNDERSTANDING SUCH U.S. FEDERAL, STATE, AND LOCAL TAX TREATMENT.

Available Information

To permit compliance with the Securities Act in connection with the sale of the Notes in reliance on Rule 144A, the Issuer will be required under the Trust Deed to furnish upon request to a holder or beneficial owner who is a QIB of a Note sold in reliance on Rule 144A or a prospective investor who is a QIB designated by such holder or beneficial owner, the information required to be delivered under Rule 144A(d)(4) of the Securities Act if, at the time of the request, the Issuer is neither: (i) a reporting company under Section 13 or Section 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the "**Exchange Act**"); nor (ii) exempt from reporting pursuant to Rule 12g 3 2(b) under the Exchange Act. All information made available by the Issuer pursuant to the terms of this paragraph may also be obtained, during usual business hours and 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 PROSPECTUS AND MUST OBTAIN ANY CONSENT, APPROVAL OR PERMISSION REQUIRED FOR THE PURCHASE, OFFER OR SALE BY IT OF SUCH NOTES UNDER THE LAWS AND REGULATIONS IN FORCE IN ANY JURISDICTIONS TO WHICH IT IS SUBJECT OR IN WHICH IT MAKES SUCH PURCHASES, OFFERS OR SALES, AND NONE OF THE ISSUER, THE PLACEMENT AGENT, THE COLLATERAL MANAGER, THE TRUSTEE, OR THE COLLATERAL ADMINISTRATOR (OR ANY OF THEIR RESPECTIVE AFFILIATES) SPECIFIED HEREIN SHALL HAVE ANY RESPONSIBILITY THEREFOR.

THE NOTES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD OR PLEDGED EXCEPT AS PERMITTED UNDER THE U.S. 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.

THE ISSUER IS A DESIGNATED ACTIVITY COMPANY LIMITED BY SHARES INCORPORATED UNDER THE LAWS OF IRELAND AND, ACCORDINGLY, IS PROHIBITED FROM MAKING ANY INVITATION TO THE PUBLIC TO SUBSCRIBE FOR, OR MAKING ANY OFFER TO THE PUBLIC OF, THE NOTES. NEITHER THIS PROSPECTUS NOR ANY OTHER DOCUMENT CONSTITUTES AN OFFER TO PURCHASE, OR AN INVITATION TO THE PUBLIC BY OR ON BEHALF OF THE ISSUER TO SUBSCRIBE FOR, THE NOTES.

CURRENCIES

In this Prospectus, unless otherwise specified or the context otherwise requires, all references to: (i) "**Euro**", "**euro**", "**€**" and "**EUR**" are to the lawful currency of the member states of the European Union that have adopted and retain the single currency in accordance with the Treaty establishing the European Community, as amended from time to time; provided that if any member state or states cease to have such single currency as its lawful currency (such member state(s) being the "**Exiting State(s)**"), **Euro**, **euro**, **€** and **EUR** 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); (ii) "**US Dollar**", "**US dollar**", "**USD**", "**U.S. Dollar**" or "**$**" shall mean the lawful currency of the United States of America; and (iii) "**£**", "**Sterling**" and "**GBP**" are references to the lawful currency for the time being of the United Kingdom of Great Britain and Northern Ireland.

NO STABILISATION

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

COMMODITY POOL REGULATION

IN THE EVENT THAT TRADING IN ANY HEDGE AGREEMENTS WOULD RESULT IN THE ISSUER'S ACTIVITIES FALLING WITHIN THE DEFINITION OF A "**COMMODITY POOL**" UNDER THE U.S. COMMODITY EXCHANGE ACT, AS AMENDED, THE COLLATERAL MANAGER EXPECTS TO BE EXEMPT FROM REGISTRATION WITH THE COMMODITY FUTURES TRADING COMMISSION (THE "**CFTC**") AS A COMMODITY POOL OPERATOR (A "**CPO**") OR COMMODITY TRADING ADVISOR ("**CTA**") PURSUANT TO CFTC RULE 4.13(a)(3) AND CFTC RULE 4.14(A)(8)(I)(D) RESPECTIVELY. THEREFORE, UNLIKE A REGISTERED CPO, THE ISSUER AND THE COLLATERAL MANAGER WOULD NOT BE REQUIRED TO DELIVER A CFTC DISCLOSURE DOCUMENT TO PROSPECTIVE INVESTORS NOR WOULD THEY BE REQUIRED TO PROVIDE INVESTORS WITH CERTIFIED ANNUAL REPORTS THAT SATISFY THE REQUIREMENTS OF CFTC RULES APPLICABLE TO REGISTERED CPOS. THIS PROSPECTUS HAS NOT BEEN REVIEWED OR APPROVED BY THE CFTC. FURTHER, THE TRADING OR ENTERING INTO SUCH HEDGE AGREEMENTS MUST NOT ELIMINATE THE ISSUER'S ABILITY TO RELY ON RULE 3A-7 UNDER THE INVESTMENT COMPANY ACT, UNLESS AND UNTIL THE ISSUER ELECTS (WHICH ELECTION MAY BE MADE ONLY UPON CONFIRMATION FROM THE COLLATERAL MANAGER THAT IT HAS OBTAINED LEGAL ADVICE FROM REPUTABLE INTERNATIONAL LEGAL COUNSEL KNOWLEDGEABLE IN SUCH MATTERS TO THE EFFECT THAT TO DO SO WOULD NOT RESULT IN THE ISSUER BEING CONSTRUED AS A "COVERED FUND" IN RELATION TO ANY HOLDER OF OUTSTANDING NOTES FOR THE PURPOSES OF THE VOLCKER RULE) TO RELY SOLELY ON THE EXEMPTION UNDER SECTION 3(C)(7) OF THE INVESTMENT COMPANY ACT.

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

Issuer	BlackRock European CLO II Designated Activity Company, a designated activity company limited by shares incorporated under the laws of Ireland with registered number 582858 and having its registered office at 3rd Floor, Kilmore House, Park Lane, Spencer Dock, Dublin 1, Ireland
Collateral Manager	BlackRock Investment Management (UK) Limited
Trustee	U.S. Bank National Association
Placement Agent	Citigroup Global Markets Limited
Collateral Administrator	Elavon Financial Services DAC

Notes

Class of Notes	Principal Amount	Initial Stated Interest Rate[2]	Alternative Stated Interest Rate[3]	Moody's Rating[1]	S&P Rating[1]	Stated Maturity	Issue Price[5]
Class A	€244,000,000	3 month EURIBOR[6] +0.98%	6 month EURIBOR[6] +0.98%	"Aaa (sf)"	"AAA (sf)"	15 January 2030	100.00%
Class B	€48,000,000	3 month EURIBOR[6] +1.60%	6 month EURIBOR[6] +1.60%	"Aa2 (sf)"	"AA (sf)"	15 January 2030	100.00%
Class C	€23,000,000	3 month EURIBOR[6] +2.40%	6 month EURIBOR[6] +2.40%	"A2 (sf)"	"A (sf)"	15 January 2030	100.00%
Class D	€20,000,000	3 month EURIBOR[6] +3.60%	6 month EURIBOR[6] +3.60%	"Baa2 (sf)"	BBB (sf)"	15 January 2030	99.65%
Class E	€25,000,000	3 month EURIBOR[6] +6.25%	6 month EURIBOR[6] +6.25%	"Ba2 (sf)"	"BB (sf)"	15 January 2030	95.58%
Class F	€12,000,000	3 month EURIBOR[6] +7.50%	6 month EURIBOR[6] +7.50%	"B2 (sf)"	"B- (sf)"	15 January 2030	85.25%
Subordinated Notes	€43,800,000	N/A[4]	N/A[4]	N/A	N/A	15 January 2030	95.00%

1 The ratings assigned by S&P to the Class A Notes and the Class B Notes address the timely payment of interest and the ultimate payment of principal. The ratings assigned by S&P to the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes address the ultimate payment of principal and interest. The ratings assigned by Moody's to the Rated Notes address the unexpected loss posed to investors by the legal final maturity on the Maturity Date. A security rating is not a recommendation to buy, sell or hold the Rated Notes and may be subject to revision, suspension or withdrawal at any time by the applicable Rating Agency. As of the date of this Prospectus, each of the Rating Agencies is established in the European Union ("**EU**") and is registered under Regulation (EC) No 1060/2009 (as amended, the "**CRA Regulation**"). As such, each Rating Agency is included in the list of credit rating agencies published by the European Securities and Markets Authority ("**ESMA**") on its website in accordance with the CRA Regulation.

2 Applicable at any time prior to the occurrence of a Frequency Switch Event. The rate of interest of the Rated Notes of each Class for the first Accrual Period will be determined by reference to a straight line interpolation of 6 month EURIBOR and 9 month EURIBOR. Payment of interest on the Subordinated Notes will be made on an available funds basis in accordance with the Priorities of Payment.

3 Applicable following the occurrence of a Frequency Switch Event.

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

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

6 EURIBOR will be subject to a minimum of zero per cent. per annum.

Eligible Purchasers.....	The Notes of each Class will be offered: (a) to persons that are not U.S. Persons ("**non-U.S. Persons**") in "offshore transactions" in reliance on Regulation S; and (b) to U.S. Persons, in each case, who are QIB/QPs in reliance on Rule 144A.

Distributions on the Notes

Payment Dates.....	Interest on the Notes will be payable: (a) following the occurrence of a Frequency Switch Event on (A) 15 January and 15 July (where the Payment Date immediately prior to the occurrence of the relevant Frequency Switch Event falls in either January or July), or (B) 15 April and 15 October (where the Payment Date immediately prior to the occurrence of the relevant Frequency Switch Event falls in either April or October); and (b) 15 January, 15 April, 15 July and 15 October, at all other times, in each year, commencing on 15 July 2017 and ending on the Maturity Date (subject to any earlier redemption of the Notes and in each case to adjustment for non-Business Days in accordance with the Conditions). The Issuer and the Collateral Manager may (and shall, if so directed by an Ordinary Resolution of the Subordinated Noteholders) designate a date other than a scheduled Payment Date as a Payment Date provided that, *inter alia*, it falls on a Business Day falling on or after the redemption in full of all Classes of Rated Notes (see Condition 3(l) (*Unscheduled Payment Dates*)).
Frequency Switch Event	The occurrence on any Frequency Switch Measurement Date of either: (a) (i) the Aggregate Principal Balance (determined in accordance with the definition thereof, excluding Defaulted Obligations) of Collateral Debt Obligations that reset so as to become Semi-Annual Obligations in the previous Due Period (or where such Due Period is the first Due Period, in the last three months of such Due Period), being greater than or equal to 20 per cent. of the Aggregate Collateral Balance (the Aggregate Collateral Balance being determined in accordance with the definition thereof, excluding Defaulted Obligations); (ii) for so long as any of the Class A Notes or the Class B Notes remain outstanding, the Class A/B Interest Coverage Ratio being less than 100 per cent. (and provided that for such purpose, paragraphs (b) and (f) of the definition of Interest Coverage Amount shall be deemed to be equal to zero); and (iii) for so long as any of the Class A Notes or the Class B Notes remain outstanding, the Class A/B Interest Coverage Ratio being greater than 100 per cent. (and provided for such purpose: (1) paragraphs (b) and (f) of the definition of Interest Coverage Amount shall be deemed to be equal to zero; (2) accrued interest of Semi-Annual Obligations referred to in (a)(i) above shall be added to the numerator of the Class A/B Interest Coverage Ratio; and (3) amounts standing to the credit of the

Principal Account shall be added to the numerator of the Class A/B Interest Coverage Ratio); or

(b) the Collateral Manager declaring in its sole discretion that a Frequency Switch Event shall have occurred, (*provided that* for so long as any of the Class A Notes or the Class B Notes remain outstanding, the Class A/B Interest Coverage Ratio is greater than 100 per cent. (and provided for such purpose: (1) paragraphs (b) and (f) of the definition of Interest Coverage Amount shall be deemed to be equal to zero; (2) accrued interest of Semi-Annual Obligations referred to in (a))(i) above shall be added to the numerator of the Class A/B Interest Coverage Ratio); and (3) amounts standing to the credit of the Principal Account shall be added to the numerator of the Class A/B Interest Coverage Ratio).

Stated Note Interest ..... Interest in respect of the Notes of each Class will be payable: (i) semi-annually in arrear in respect of each six month Accrual Period; and (ii) quarterly in arrear in respect of each three month Accrual Period, in each case, on each Payment Date (with the first Payment Date occurring on 15 July 2017) in accordance with the Interest Proceeds Priority of Payments.

Non-Payment and Deferral of Interest..... Failure on the part of the Issuer to pay the Interest Amounts due and payable on the Class A Notes or the Class B Notes in accordance with Condition 6 (*Interest*) and the Priorities of Payment by reason solely that there are insufficient funds standing to the credit of the Payment Account shall not constitute an Event of Default unless and until such failure continues for a period of at least five Business Days (save in the case of an administrative error or omission only, where such failure continues for a period of at least seven Business Days) and except, in each case, as the result of any deduction therefrom or the imposition of any withholding thereon as set out in Condition 9 (*Taxation*).

Failure on the part of the Issuer to pay interest payments due and payable on the Class C Notes, the Class D Notes, the Class E Notes or the Class F Notes pursuant to Condition 6 (*Interest*) and the Priorities of Payment will not constitute an Event of Default. To the extent that interest payments on the Class C Notes, the Class D Notes, the Class E Notes or the Class F Notes are not made on the relevant Payment Date, an amount equal to such unpaid interest will be 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 applicable) and from the date such unpaid interest is added to the applicable Principal Amount Outstanding of the relevant Class of Notes, such unpaid amount will accrue interest at the rate of interest applicable to the relevant Notes. See Condition 6(c) (*Deferral of Interest*).

Non-payment of amounts due and payable on the Subordinated Notes as a result of the insufficiency of available Interest Proceeds or Principal Proceeds will not constitute an Event of Default.

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

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

(b) on any Payment Date on and after the Effective Date following a Determination Date on which a Coverage Test is not satisfied

(to the extent such test is required to be satisfied on such Determination Date) (see Condition 7(c) (*Mandatory Redemption upon Breach of Coverage Tests*));

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

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

(e) on any Payment Date during the Reinvestment Period at the discretion of the Collateral Manager (acting on behalf of the Issuer) following written notification by the Collateral Manager to the Trustee that, using commercially reasonable endeavours, it has been unable, for a period of 20 consecutive Business Days, to identify a sufficient quantity of additional Collateral Debt Obligations or Substitute Collateral Debt Obligations (that are deemed appropriate by the Collateral Manager in its sole discretion) in which to invest or reinvest Principal Proceeds. The amounts used for any such redemption will be designated by the Collateral Manager as all or a portion of such Principal Proceeds (see Condition 7(d) (*Special Redemption*));

(f) in whole (with respect to all Classes of Rated Notes) but not in part on any Business Day following the expiry of the Non-Call Period from Sale Proceeds or Refinancing Proceeds (or any combination thereof) if directed in writing by the Subordinated Noteholders acting by way of an Ordinary Resolution (as evidenced by duly completed Redemption Notices) (see Condition 7(b)(i) (*Optional Redemption in Whole – Subordinated Noteholders*);

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

(h) 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 Collateral Balance is less than 20 per cent. of the Target Par Amount and

if directed in writing by the Collateral Manager (see Condition 7(b)(iii) (*Optional Redemption in Whole – Collateral Manager*);

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

(j) in whole (with respect to all Classes of Rated Notes) but not in part on any Business Day following the occurrence of a Collateral Tax Event from Sale Proceeds or Refinancing Proceeds (or any combination thereof) if directed by the Subordinated Noteholders acting by way of Ordinary Resolution (as evidenced by duly completed Redemption Notices) (See Condition 7(b)(i) (*Optional Redemption in Whole – Subordinated Noteholders*);

(k) in whole (with respect to all Classes of Rated Notes) but not in part on any Business Day if directed in writing by the Controlling Class or the Subordinated Noteholders ,in each case, acting by way of Extraordinary Resolution, following the occurrence of a Note Tax Event, subject to: (i) the Issuer having failed to change the jurisdiction in which it is resident for tax purposes; and (ii) certain minimum time periods. See Condition 7(g) (*Redemption following Note Tax Event*); and

(l) at any time following an Event of Default which occurs and is continuing, provided an Acceleration Notice has been given or deemed to have been given and not rescinded or annulled (see Condition 10 (*Events of Default*)).

Optional Redemption

Non-Call Period ..... During the period from the Issue Date up to, but excluding, 15 October 2018, or if such day is not a Business Day, the next following day that is a Business Day (unless it would fall in the following month, in which case such date shall be brought forward to the immediately preceding Business Day) (the "**Non-Call Period**"), the Notes are not subject to redemption at the option of the Noteholders (save for: (i) upon the occurrence of a Note Tax Event (see Condition 7(g) (*Redemption following Note Tax Event*) at the option of the Controlling Class or the Subordinated Noteholders, in each case acting by Extraordinary Resolution; or (ii) following the occurrence of a Collateral Tax Event at the option of the Subordinated Noteholders acting by Ordinary Resolution (as evidenced by duly completed Redemption Notices) (see Condition 7(b)(i) (*Optional Redemption in Whole – Subordinated Noteholders*)).

Redemption Prices ..... The Redemption Price of each Class of Rated Notes will be equal to: (a) 100 per cent. of the Principal Amount Outstanding of the Notes to be redeemed as at such date; plus (b) accrued and unpaid interest (including, in the case of the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes, any accrued and unpaid Deferred Interest on such Notes) thereon to the day of redemption, or, in relation to a Class of Rated Notes, such lesser amount as the Noteholders of that Class may agree, acting by Unanimous Resolution.

	The Redemption Price for each Subordinated Note will be its *pro rata* share (calculated in accordance with paragraph (Z) of the Interest Proceeds Priority of Payments, paragraph (S) of the Principal Proceeds Priority of Payments, paragraph (B) of the Collateral Enhancement Obligation Proceeds Priority of Payments and paragraph (Z) of the Post-Acceleration Priority of Payments, as applicable) of the aggregate proceeds of liquidation of the Collateral, or realisation of the security thereover in such circumstances, remaining following application thereof in accordance with the Priorities of Payment. In each case, the payment of the relevant Redemption Price will be subject to Condition 4(c) (*Limited Recourse*).
Priorities of Payment.....	Prior to the delivery of an Acceleration Notice (deemed or otherwise) in accordance with Condition 10(b) (*Acceleration*) or following the delivery of an Acceleration Notice (deemed or otherwise) which has subsequently been rescinded and annulled in accordance with Condition 10(c) (*Curing of Default*), and other than in connection with an Optional Redemption in whole pursuant to Condition 7(b) (*Optional Redemption*) or in connection with a redemption in whole pursuant to Condition 7(g) (*Redemption following Note Tax Event*), Interest Proceeds will be applied in accordance with the Interest Proceeds Priority of Payments and Principal Proceeds will be applied in accordance with the Principal Proceeds Priority of Payments. Upon any Optional Redemption in whole of the Notes in accordance with Condition 7(b) (*Optional Redemption*) or in accordance with Condition 7(g) (*Redemption following Note Tax Event*) or following the delivery of an Acceleration Notice (deemed or otherwise) in accordance with Condition 10(b) (*Acceleration*) which has not subsequently been rescinded and annulled in accordance with Condition 10(c) (*Curing of Default*), Interest Proceeds and Principal Proceeds will be applied in accordance with the Post-Acceleration Priority of Payments, in each case as described in the Conditions. Collateral Enhancement Obligation Proceeds will be applied in accordance with the Collateral Enhancement Obligation Proceeds Priority of Payments both prior to and following an acceleration of the Notes.
Collateral Management Fees	
Senior Collateral Management Fee	0.15 per cent. per annum of the Aggregate Collateral Balance calculated semi-annually following the occurrence of a Frequency Switch Event and quarterly at all other times, in each case, on the basis of a 360-day year and the actual number of days elapsed in such Due Period (exclusive of any VAT). See "*Description of the Collateral Management Agreement—Fees*".
Subordinated Collateral Management Fee	0.35 per cent. per annum of the Aggregate Collateral Balance calculated semi-annually following the occurrence of a Frequency Switch Event and quarterly at all other times, in each case, on the basis of a 360-day year and the actual number of days elapsed in such Due Period (exclusive of any VAT). See "*Description of the Collateral Management Agreement—Fees*".
Incentive Collateral Management Fee.....	The Collateral Manager will be entitled to an Incentive Collateral Management Fee on each Payment Date on which the Incentive Collateral Management Fee IRR Threshold has been met or surpassed, equal to 20.0 per cent. of any Interest Proceeds and

Principal Proceeds (after any payment required to satisfy the Incentive Collateral Management Fee IRR Threshold that would otherwise be available to distribute to the Subordinated Noteholders in accordance with the Priorities of Payment (exclusive of any VAT)). The Incentive Collateral Management Fee IRR Threshold as at the Issue Date is 12.0 per cent. The Collateral Manager may, by giving 3 Business Days' prior written notice to the Issuer, the Trustee and the Collateral Administrator, elect to increase the Incentive Collateral Management Fee IRR Threshold in accordance with the terms of the Collateral Management Agreement. See "*Description of the Collateral Management Agreement—Fees*".

Security for the Notes

General ..... The Notes will be secured in favour of the Trustee for the benefit of the Secured Parties by security over, amongst other things, a portfolio of Collateral Debt Obligations predominantly consisting of Senior Loans, Senior Secured Bonds, Mezzanine Obligations and High Yield Bonds. The Notes will also be secured by an assignment by way of security of various of the Issuer's other rights, including its rights under certain of the agreements described herein but excluding its rights in respect of the Issuer Profit Account and the Corporate Services Agreement (the "**Irish Excluded Assets**"). See Condition 4 (*Security*).

Hedge Arrangements

Subject to satisfaction of the Hedging Condition, the Issuer may enter into hedging arrangements to hedge the interest rate and currency risk in respect of the Portfolio on the Issue Date and upon acquisition of applicable Collateral Debt Obligations. The Issuer will obtain Rating Agency Confirmation prior to entering into any hedging arrangements after the Issue Date unless it is a Form Approved Hedge. See "*Hedging Arrangements*".

Non-Euro Obligations and Currency Hedge Transactions

The Issuer may purchase any Collateral Debt Obligation that is denominated in a currency other than Euro (each a "**Non-Euro Obligation**") provided that a Currency Hedge Transaction is entered into by the Issuer (or the Collateral Manager on its behalf) in respect of each such Non-Euro Obligation with one or more Currency Hedge Counterparties satisfying the applicable Rating Requirement (and receipt of Rating Agency Confirmation in relation thereto, unless such Currency Hedge Transaction is a Form Approved Hedge), either (a) if such Non-Euro Obligation was acquired in the Primary Market and is denominated in a Qualified Unhedged Currency, no later than 180 calendar days following the settlement date of the acquisition thereof, or, (b) otherwise, no later than the settlement of the acquisition thereof. In accordance with the Portfolio Profile Tests, no more than 2.5 per cent. of the Aggregate Collateral Balance may consist of Unhedged Collateral Debt Obligations, and no more than 30 per cent. of the Aggregate Collateral Balance may consist of Non-Euro Obligations.

Under each Currency Hedge Transaction, the currency risk arising from the receipt of cash flows from the relevant Non-Euro Obligation, including interest and principal payments thereon, will be hedged. The Currency Hedge Transaction shall terminate on the maturity date of the Non-Euro Obligation and in the other

	circumstances specified therein. See "*The Portfolio—Non-Euro Obligations*" and "*Hedging Arrangements*".
Interest Rate Hedging.....	The Issuer (or the Collateral Manager on its behalf) may enter into Interest Rate Hedge Transactions with one or more Interest Rate Hedge Counterparties satisfying the Rating Requirement in order to hedge any interest rate mismatch between the Notes and the Collateral Debt Obligations, subject to the receipt of Rating Agency Confirmation in respect thereof unless such Interest Rate Hedge Transaction is a Form Approved Hedge. In accordance with the Portfolio Profile Tests, no more than 12.5 per cent. of the Aggregate Collateral Balance may consist of Fixed Rate Collateral Debt Obligations.
Collateral Manager.....	Pursuant to the Collateral Management Agreement, the Collateral Manager will be 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 Agreement, the Issuer will delegate authority to the Collateral Manager to carry out certain functions in relation to the Portfolio and any hedging arrangements without the requirement for specific approval by the Issuer, the Collateral Administrator or the Trustee. See "*Description of the Collateral Management Agreement*" and "*The Portfolio*".
Purchase of Collateral Debt Obligations	
Initial Portfolio.....	The Collateral Manager (on behalf of the Issuer) has purchased an initial portfolio of Collateral Debt Obligations prior to the Issue Date pursuant to the Warehouse Arrangements. A portion of the initial portfolio shall have been purchased by the Issuer from the Collateral Manager pursuant to certain forward purchase agreements between the Collateral Manager and the Issuer. See "*The Retention Holder and Retention Requirements – Origination of Collateral Obligations*".
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 June 2017 (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 Issuer (or the Collateral Manager on its behalf) intends to purchase the remainder of the Portfolio of Collateral Debt Obligations, subject to the Eligibility Criteria and certain other restrictions.
Reinvestment in Collateral Debt Obligations	Subject to the limits described in the Priorities of Payment and Principal Proceeds available from time to time, the Collateral Manager shall, on behalf of the Issuer, use reasonable endeavours to purchase Substitute Collateral Debt Obligations meeting the Eligibility Criteria, the Trading Requirements (so long as they are

	applicable) and the Reinvestment Criteria during the Reinvestment Period. Following expiry of the Reinvestment Period, only Sale Proceeds from the sale of Credit Improved Obligations, Credit Impaired Obligations and Unscheduled Principal Proceeds received after the Reinvestment Period may be reinvested by the Issuer or the Collateral Manager, on behalf of the Issuer, in Substitute Collateral Debt Obligations meeting the Eligibility Criteria, the Trading Requirements (so long as they are applicable) and the Reinvestment Criteria. See "*The Portfolio—Sale of Collateral Debt Obligations*" and "*The Portfolio—Reinvestment of Collateral Debt Obligations*".
Eligibility Criteria	In order to qualify as a Collateral Debt Obligation, an obligation must satisfy certain specified Eligibility Criteria (as determined by the Collateral Manager). 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 Debt Obligation which must also satisfy the Eligibility Criteria on the Issue Date. See "*The Portfolio—Eligibility Criteria*".
Restructured Obligations	In order for a Collateral Debt Obligation which is the subject of a restructuring to qualify as a Restructured Obligation, such obligation must satisfy the Restructured Obligation Criteria and the Trading Requirements (so long as they are applicable) as at the applicable Restructuring Date. See "*The Portfolio—Restructured Obligations*".
Collateral Quality Tests	The Collateral Quality Tests will comprise the following: For so long as any of the Rated Notes are rated by S&P and are Outstanding (as of the Effective Date and until the expiry of the Reinvestment Period only), the S&P CDO Monitor Test. For so long as any of the Rated Notes are rated by Moody's and are Outstanding: (a) the Moody's Minimum Diversity Test; (b) the Moody's Maximum Weighted Average Rating Factor Test; and (c) the Moody's Minimum Weighted Average Recovery Rate Test. For so long as any of the Rated Notes are Outstanding: (a) the Minimum Weighted Average Spread Test; and (b) the Weighted Average Life Test. For the avoidance of doubt, each of the Collateral Quality Tests referred to above shall be applied by reference to Collateral Debt Obligations excluding any Defaulted Obligations.
Portfolio Profile Tests	In summary, the Portfolio Profile Tests will consist of each of the following (the percentage requirements applicable to different types of Collateral Debt Obligations shall be determined by reference to the Aggregate Principal Balance of such type of

Collateral Debt Obligations, where for such purposes the Principal Balance of each Defaulted Obligation shall be equal to its S&P Collateral Value) specified in the Portfolio Profile Tests and summarily displayed in the table below and where the applicable limits shall be determined by reference to the Aggregate Collateral Balance (for the purposes of which the Principal Balance of each Defaulted Obligation shall be equal to its S&P Collateral Value in accordance with the definition of Aggregate Collateral Balance):

		Minimum	**Maximum**
(a)	Senior Secured Loans or Senior Secured Bonds in aggregate (which shall include the Balance of the Principal Account and the Unused Proceeds Account (and Eligible Investments that represent Principal Proceeds in the Principal Account and the Unused Proceeds Account))	90.0%	N/A
(b)	Senior Secured Loans (which shall include the Balance of the Principal Account and the Unused Proceeds Account (and Eligible Investments that represent Principal Proceeds in the Principal Account and the Unused Proceeds Account)).	70.0%	N/A
(c)	Fixed Rate Collateral Debt Obligations	N/A	12.5%
(d)	Unsecured Senior Loans, Second Lien Loans, Mezzanine Obligations and High Yield Bonds in aggregate	N/A	10.0%
(e)	Senior Secured Loans and Senior Secured Bonds to a single Obligor	N/A	2.5%; provided that up to 3 Obligors may represent up to 3.0% each
(f)	Unsecured Senior Loans, Second Lien Loans, Mezzanine Obligations and High Yield Bonds to a single Obligor	N/A	1.50%; provided that up to 3 Obligors may represent up to 2.0% each
(g)	Collateral Debt Obligations in aggregate to a single Obligor	N/A	2.5%; provided that up to 3 Obligors may represent up to 3.0% each
(h)	Participations	N/A	10.0%
(i)	Current Pay Obligations	N/A	5.0%
(j)	Annual Obligations	N/A	5.0%
(k)	The aggregate of all Unfunded Amounts under Delayed Drawdown Collateral Debt Obligations and Funded Amounts/Unfunded Amounts under Revolving Obligations	N/A	10.0%
(l)	Caa Obligations	N/A	7.5%
(m)	CCC Obligations	N/A	7.5%
(n)	Bridge Loans	N/A	5.0%
(o)	Corporate Rescue Loans	N/A	5.0%
(p)	PIK Securities	N/A	5.0%
(q)	Cov-Lite Loans	N/A	30.0%
(r)	Unhedged Collateral Debt Obligations	N/A	2.5%
(s)	Non-Euro Obligations	N/A	30.0%
(t)	S&P Industry Classification	N/A	10.0% of the Aggregate Collateral Balance (in respect of the Aggregate Principal Balance of Collateral Debt Obligations, the Obligors of which are classified in any single S&P Industry Classification); provided that: (i) the Aggregate Principal Balance of Collateral Debt Obligations the Obligors of which, in each case, are classified in any four single S&P Industry

		Minimum	Maximum
			Classifications may, in each case, be less than or equal to 12.0% of the Aggregate Collateral Balance; and (ii) the Aggregate Principal Balance of Collateral Debt Obligations the Obligors of which are classified in only one single S&P Industry Classification may be less than or equal to 15.0% of the Aggregate Collateral Balance
(u)	Moody's Rating derived from an S&P Rating	N/A	10.0%
(v)	Domicile of Obligors 1	N/A	10.0% Domiciled in countries rated below "A-" by S&P
(w)	Domicile of Obligors 2	N/A	10.0% Domiciled in countries or jurisdictions with a Moody's local currency country risk ceiling between "A1" and "A3" unless Rating Agency Confirmation from Moody's is obtained
(x)	Bivariate Risk Table	N/A	See limits set out in "*The Portfolio-Bivariate Risk Table*"
(y)	Total Indebtedness	N/A	10.0% of the Aggregate Collateral Balance may consist of obligations issued by Obligors each of which has total current indebtedness (comprising all financial debt owing by the Obligor including the maximum available amount or total commitment under any revolving or delayed draw loans) under its respective loan agreements and other debt instruments (including the Underlying Instruments) of equal to or greater than EUR 150,000,000 but less than EUR 250,000,000 in aggregate principal amount

For the purposes of the Portfolio Profile Tests, the Balances standing to the credit of the Principal Account and the Unused Proceeds Account shall include amounts to the extent such amounts represent Principal Proceeds, any Eligible Investments which represent Principal Proceeds and any Principal Proceeds to be received in respect of any sale of Collateral Debt Obligations in respect of which the Collateral Manager on behalf of the Issuer has entered into a binding commitment to sell and which is yet to settle shall be included, but shall exclude any interest accrued on Eligible Investments and any Principal Proceeds to be used to purchase Collateral Debt Obligations in respect of which the Collateral Manager on behalf of the Issuer has entered into a binding commitment to acquire, which are yet to settle, in each case, for the purposes of calculating the Aggregate Collateral Balance.

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 (other than the Class F Par Value Test), on and after the Effective Date; (ii) the Interest Coverage Tests, on and after the Determination Date immediately preceding the second Payment Date; and (iii) the Class F Par Value Test, on and after the expiry of the Reinvestment Period, if the corresponding Par Value Ratio or Interest Coverage Ratio (as the case may be) is at least equal to the percentage specified in the table below in relation to that Coverage Test.

Following the failure of one or more Coverage Tests, Interest Proceeds and Principal Proceeds shall be applied on the immediately following Payment Date and each Payment Date thereafter until, after having been recalculated on such date or dates, the applicable Coverage Test or Coverage Tests are satisfied. See Condition 7(c) (*Mandatory Redemption upon Breach of Coverage Tests*).

Class	**Required Par Value Ratio**
A/B	127.99%
C	119.48%
D	113.40%
E	106.61%
F	103.53%

Class	**Required Interest Coverage Ratio**
A/B	120%
C	110%
D	105%

Reinvestment Overcollateralisation Test... On any Measurement Date on and after the Effective Date, during the Reinvestment Period only, if the Class F Par Value Ratio is less than 103.53 per cent., on the relevant Determination Date, Interest Proceeds shall be paid to the Principal Account for the acquisition of additional Collateral Debt Obligations in an amount (such amount, the "**Required Diversion Amount**") equal to the lesser of (1) 50 per cent. of all remaining Interest Proceeds available for payment in accordance with paragraph (V) of the Interest Proceeds Priority of Payments and (2) the amount which, after giving effect to the payment of all amounts payable in respect of paragraphs (A) through (U) (inclusive) of the Interest Proceeds Priority of Payments, would be sufficient to cause the Reinvestment Overcollateralisation Test to be met as of the relevant Determination Date, after giving effect to any payments made pursuant to paragraph (V) of the Interest Proceeds Priority of Payments; such amounts shall be applied during the Reinvestment Period to purchase additional Collateral Debt Obligations.

Collateral Debt Obligations for Test Purposes

Obligations which are to constitute Collateral Debt 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 Debt Obligations in the calculation of the Portfolio Profile Tests, the Collateral Quality Tests, the Coverage Tests and the Reinvestment

Overcollateralisation Test at any time as if such purchase had been completed and Collateral Debt 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 be excluded as Collateral Debt Obligations in the calculation of the Portfolio Profile Tests, the Collateral Quality Tests, the Coverage Tests and the Reinvestment Overcollateralisation Test at any time as if such 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 as described below, the Class E Notes, the Class F Notes and the Subordinated Notes) sold to non-U.S. Persons in "offshore transactions" in reliance on Regulation S will be represented on issue by beneficial interests in one or more Regulation S Global Certificates in fully registered form, without interest coupons or principal receipts, which will be deposited on or about the Issue Date with, and registered in the name of a nominee of, a common depositary for Euroclear Bank SA/NV, as operator of the Euroclear System ("**Euroclear**") and Clearstream Banking, *société anonyme* ("**Clearstream, Luxembourg**"). Beneficial interests in a Regulation S Global Certificate may at any time be held only through, and transfers thereof will only be effected through, records maintained by Euroclear or Clearstream, Luxembourg. See "*Form of the Notes*" and "*Book Entry Clearance Procedures*". Interests in any Regulation S Note may not at any time be held by any U.S. Person or U.S. Resident.

The Rule 144A Notes of each Class (other than in certain circumstances as described below, the Class E Notes, the Class F Notes and the Subordinated Notes) sold to persons who are both QIBs and QPs in reliance on Rule 144A will be represented on issue by beneficial interests in one or more Rule 144A Global Certificates in fully registered form, without interest coupons or principal receipts, which will be deposited on or about the Issue Date with, and registered in the name of a nominee of, a common depositary for Euroclear and Clearstream, Luxembourg. Beneficial interests in a 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. See "*Form of the Notes*" and "*Book Entry Clearance Procedures*".

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

No beneficial interest in a Rule 144A Global Certificate may be transferred to a person who takes delivery thereof through a

Regulation S Global Certificate unless the transferor provides the Trustee and the Transfer Agent with a written certification substantially in the form set out in the Trust Deed regarding compliance with certain of such transfer restrictions and such other additional requirements as may be required by the Trustee and/or the Transfer Agent. Any transfer of a beneficial interest in a Regulation S Global Certificate to a person who takes delivery through an interest in a Rule 144A Global Certificate is also subject to certification requirements substantially in the form set out in the Trust Deed and each transferee thereof shall be deemed to represent that such transferee is both a QIB and a QP. In addition, interests in any of the Regulation S Notes may not at any time be held by any U.S. Person or U.S. Resident. See "*Form of the Notes*" and "*Book Entry Clearance Procedures*".

Except in the limited circumstances described herein, Notes in definitive, certificated, fully registered form ("**Definitive Certificates**") will not be issued in exchange for beneficial interests in either the Regulation S Global Certificates or the Rule 144A Global Certificates (other than, in certain circumstances as described below, with respect to the Class E Notes, the Class F Notes and the Subordinated Notes). See "*Form of the Notes—Exchange for Definitive Certificates*".

A transferee of a Class E Note, a Class F Note or a Subordinated Note in the form of a Rule 144A Global Certificate or a Regulation S Global Certificate will be deemed to represent (among other things) that it is not, and is not acting on behalf of (and for so long as it holds such Note or interest therein will not be, and will not be acting on behalf of), a Benefit Plan Investor or a Controlling Person. If a transferee is unable to make such deemed representation, such transferee may not acquire such Class E Note, Class F Note or Subordinated Note, as applicable, in the form of a Rule 144A Global Certificate or a Regulation S Global Certificate unless such transferee (i) obtains the written consent of the Issuer, (ii) provides an ERISA certificate in or substantially in the form set out in the Trust Deed, to a Transfer Agent and the Issuer as to its status as a Benefit Plan Investor or Controlling Person and (iii) holds such Class E Note, Class F Note or Subordinated Note, as applicable, in the form of a Definitive Certificate and, in such case, provides the Issuer and a Transfer Agent with a duly completed declaration (in the form set out in Annex D (*Form of Irish Tax Declaration*) to this Prospectus), other than in the case where the transferee is acquiring Class E Notes, Class F Notes or Subordinated Notes on the Issue Date, in which case they may acquire such Class E Notes, Class F Notes or Subordinated Notes in the form of a Rule 144A Global Certificate or a Regulation S Global Certificate.

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

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, Class B Notes, Class C Notes and 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, any votes in respect of any CM Replacement Resolutions and 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, any votes in respect of 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 upon request by the relevant Noteholder for (a) CM Removal and Replacement Non-Voting Notes at any time; or (b) 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 upon request of the relevant transferee or transferor and in no other circumstances. 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. Any Class A Notes, Class B Notes, Class C Notes or Class D Notes held by or on behalf of the Collateral Manager or any Collateral Manager Related Person shall only be held in the form of CM Removal and Replacement Exchangeable Non-Voting Notes.
Governing Law.....	The Notes, the Trust Deed, the Collateral Management Agreement, the Agency 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 will be made to the Central Bank, as competent authority under the Prospectus Directive for this Prospectus to be approved. The Central Bank will only approve this Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. Application will be made to Irish Stock Exchange for the Notes to be admitted to the Official List of the Irish Stock Exchange and trading on the Main Securities Market. The Main Securities Market is a regulated market for the purposes of MiFID. Such approval relates only to Notes which are to be admitted to trading on a regulated market for the purposes of

	MiFID and/or which are to be offered to the public in any member state of the European Economic Area. See "*General Information*".
Tax Status	See "*Tax Considerations*".
Certain ERISA Considerations	See "*Certain ERISA Considerations*".
Withholding Tax	No gross-up of any payments to the Noteholders in respect of amounts deducted from or withheld for or on account of tax in relation to the Notes is required of the Issuer. See Condition 9 (*Taxation*).
Additional Issuances	
	Subject to certain conditions being satisfied, additional Notes of all existing Classes may be issued and sold. See Condition 17 (*Additional Issuances*).
Retention Holder and Retention Requirements	
	The Retention Holder will represent and undertake to acquire and hold the Retention Notes (as defined in the section "*The Retention Holder and Retention Requirements*") on the terms set out in the Risk Retention Letter. See "*The Retention Holder and Retention Requirements*".

RISK FACTORS

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

1. GENERAL

1.1 General

It is intended that the Issuer will invest in loans, bonds 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 Prospectus carefully and should consider, among other things, the risk factors set out in this section before deciding whether to invest in the Notes. Except as is otherwise stated below, such risk factors are generally applicable to all Classes of Notes, although the degree of risk associated with each Class of Notes will vary in accordance with the position of such Class of Notes in the Priorities of Payment. See Condition 3(c) (*Priorities of Payment*). In particular, payments in respect of the Class A Notes are generally higher in the Priorities of Payment 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. Neither the Placement Agent 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 Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of the Placement Agent or the Trustee which is not included in this Prospectus.

1.2 Suitability

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

1.3 Limited Resources of Funds to Pay Expenses of the Issuer

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

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

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

1.5 Events in the CLO and Leveraged Finance Markets

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

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

As discussed further in 1.7 "*European Union and Euro Zone Risk*" below, it is possible that countries that have adopted the Euro could return to a national currency. The effect on a national economy as a result of it leaving the Euro is impossible to predict, but is likely to be negative. The exit of one or more countries from the Euro zone could have a destabilising effect on all European economies and possibly the global economy as well.

Significant risks for the Issuer and investors exist as a result of 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, if at all. In addition, the primary market for a number of financial products including leveraged loans has not fully recovered from the effects of the global credit crisis. As well as reducing opportunities for the Issuer to purchase assets in the primary market, this is likely to increase the refinancing risk in respect of maturing assets. Although there have recently been signs that the primary market for certain financial products is recovering, particularly in the United States of America, the impact of the economic crisis on the primary market may adversely affect the flexibility of the Collateral Manager to invest and, ultimately, reduce the returns on the Notes to investors.

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

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

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

The global credit crisis and its consequences together with the perceived failure of the preceding financial regulatory regime, continue to drive legislation and regulators towards a restrictive regulatory environment, including the implementation of further regulations which will affect financial institutions, markets, derivative or securitised instruments and the bond market. Such additional rules and regulations could, among other things, adversely affect Noteholders as well as the flexibility of the Collateral Manager in managing and administering the Collateral. Increasing capital requirements and changing regulations may also result in some financial

institutions exiting, curtailing or otherwise adjusting some trading, hedging or investment activities which may have effects on the liquidity of investments such as the Notes as well as the Collateral.

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

1.6 Illiquidity in respect of collateralised debt obligations may affect the Noteholders

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

1.7 European Union and Euro Zone Risk

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

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

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

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

1.8 Referendum on the UK's EU Membership

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

Article 50 of the Treaty on European Union ("**Article 50**") provides that a Member State which decides to withdraw from the EU is required to notify the European Council of its intention to do so. If notice is given under Article 50 by a Member State, the EU will negotiate and conclude an agreement with such Member State,

setting out the arrangements for its withdrawal. While the UK government has recently indicated its intention to invoke Article 50 by the end of March 2017 it is uncertain when such notice may be given.

Applicability of EU law in the UK

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

Upon any withdrawal from the EU by the UK, and subject to agreement on (and the terms of) any future EU-UK relationship, EU laws (other than those EU laws transposed into English law (see below)) will cease to apply within the UK pursuant to the terms and timing of a future withdrawal agreement. This would be achieved by the UK ceasing to be party to the Treaty on European Union and the Treaty on the Functioning of the European Union, and by the parallel repeal of the European Communities Act 1972. The UK may therefore cease to be a member of the EU if notice is served under Article 50 and a period of two years expires without (i) conclusion of a withdrawal agreement or (ii) the European Council agreeing to extend such two year period with the UK. At this time it is not possible to state with any certainty what might be the terms and effective date of any withdrawal agreement or the date when such two year period (or any extension thereof) would expire. Until such date, EU law will remain in force in the UK.

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

Regulatory Risk

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

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

Regulatory Risk – UK manager/Retention Holder

In particular, if the UK were, as a consequence of leaving the EU, no longer within the scope of MiFID and a passporting regime or third country recognition of the UK is not in place, then (i) 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 (ii) 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 Retention Requirements (even if the Collateral Manager were to remain subject to UK financial services regulation). We note however,

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. See 2.3 "*Risk Retention and Due Diligence Requirements—EU Risk Retention and Due Diligence Requirements*" below.

Furthermore, in Ireland under Regulation 8(1) of the European Communities (Markets in Financial Instruments) Regulations 2007, if the Collateral Manager has no head or registered office or branch in Ireland, it would not generally need to be an authorised investment firm in order to provide CLO services in Ireland to bodies corporate (such as the Issuer) and therefore the Collateral Manager should be able to continue to provide collateral management services to the Issuer following the UK's departure from the EU.

Reforms to MiFID pursuant to Directive 2014/65/EU and Regulation 600/2014/EU (collectively referred to as "**MiFID II**") providing (among other things) the ability for non-EU investment firms to provide collateral management services in the EU on a cross-border basis entered into force on 2 July 2014 and will apply from 3 January 2018. Transposition by Member States into domestic law of the MiFID II measures set out in Directive 2014/65/EU is required by 3 July 2017. So long as it forms part of Irish domestic law, a non-EU investment firm may continue to rely on the Irish "safe harbour" described above until such firm qualifies under the MiFID II measures to provide collateral management services in the EU on a cross-border basis.

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 Commission has adopted an equivalency decision and (B) where ESMA has established cooperation arrangements with the relevant competent authorities, and (ii) to be registered with ESMA to do so. It is not possible to guarantee or predict the timing of any Commission equivalency decision, cooperation arrangements or registration by ESMA.

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

Market Risk

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

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

Exposure to Counterparties

The Issuer will be exposed to a number of counterparties (including in relation to any Assignments, Participations and Hedge Transactions and also each of the Agents) throughout the life of the Notes. Investors should note that if the UK does leave the EU, such counterparties may be unable to perform their obligations due to changes in regulation, including the loss of, or changes to, existing regulatory rights to do cross-border business in the EU or the costs of such transactions with such counterparties may increase. In addition, counterparties may be adversely affected by rating actions or volatile and illiquid markets (including currency markets and bank funding markets) arising from the result of the Referendum, therefore increasing the risk that such counterparties may become unable to fulfil their obligations. Such inability could adversely impact the Issuer and could be materially detrimental to Noteholders. For further information on counterparties, see 4.12 "*Counterparty Risk*" below.

Ratings actions

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

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

While the extent and impact of these issues are unknown, investors should be aware that they could have an adverse impact on the Issuer, its service providers, the payment of interest and repayment of principal on the Notes and therefore, the Noteholders. For further information, see 4.12 "*Counterparty Risk*" below.

Currency exchange rates and exchange controls

Since the result of the Referendum there has been increased volatility in the currency exchange rates. Investors should note that all payments on the Notes will be denominated in Euros. Investors who are investing in the Notes, but who consider their investment profile and return in another currency may incur a number of risks including those relating to changes in exchange rates (which may be significant). An appreciation in the value of the investor's currency relative to the Euro would result in a decrease of (i) the investor's currency-equivalent yield on the Notes, (ii) the investor's currency-equivalent value of the principal payable on the Notes, and (iii) the investor's currency-equivalent market value of the Notes. See also 4.15 "*Non-Euro Obligations and Currency Hedge Transactions*" below.

2. REGULATORY INITIATIVES

2.1 General

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

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

2.2 Basel III

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

(for example, as LCR eligible assets or not), may be subject to some level of variation between jurisdictions. It should also be noted that changes to regulatory capital requirements have been introduced for insurance and reinsurance undertakings through jurisdiction-specific initiatives, such as the Solvency II framework in the European Union.

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

2.3 Risk Retention and Due Diligence Requirements

EU Risk Retention and Due Diligence Requirements

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

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

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

Investors should note that the EBA published a report on 22 December 2014 (the "**EBA Report**"). In the EBA Report, the EBA suggested, amongst other things, that the definition of "originator" should be narrowed in order to avoid potential abuses. Without limiting the foregoing, investors should be aware that at this time save for the EBA Report described above, the European Banking Authority has not published any binding guidance relating to the satisfaction of the CRR Retention Requirements by an originator similar to the Retention Holder. Furthermore, the European Banking Authority's or any other applicable regulator's views with regard to the

CRR Retention Requirements may not be based exclusively on technical standards, guidance or other information known at this time.

On 30 September 2015, the European Commission (the "**Commission**") published a proposal to amend the CRR (the "**Draft CRR Amendment Regulation**") and a proposed regulation relating to a European framework for simple, transparent and standardised securitisation (such proposed regulation, including any implementing regulation, technical standards and official guidelines related thereto, the "**Securitisation Framework**" and, together with the Draft CRR Amendment Regulation, the "**STS Regulation**") which would, amongst other things, re-cast the EU risk retention rules as part of wider changes to establish a "Capital Markets Union" in Europe. The Presidency of the Council of Ministers of the European Union (the "**Council**") has also published compromise proposals concerning the STS Regulation. On 8 December 2016, the Economic and Monetary Affairs Committee of the European Parliament ("**ECON**") agreed a number of compromise amendments to the Securitisation Regulation (the "**ECON Amendments**"). The next steps in the legislation process are a full plenary vote of the European Parliament, followed by trilogue discussions among the Commission, the Council and representatives of the European Parliament. It is unclear at this time when the STS Regulation will become effective and which, if any, of the ECON Amendments will be included in the final regulations. Investors should be aware that there are material differences between the current EU Risk Retention and Due Diligence Requirements, the STS Regulation and the ECON Amendments. The STS Regulation may also enter into force in a form that differs from the published proposals and drafts. If any changes to the Conditions or the Transaction Documents are required as a result of the implementation of the STS Regulation, the Issuer shall be required to bear the costs of making such changes.

There can therefore be no assurances as to whether the transactions described herein will be affected by a change in law or regulation relating to the EU Risk Retention and Due Diligence Requirements (including the STS Regulation), including as a result of any changes recommended in future reports or reviews. Investors should therefore make themselves aware of the EU Risk Retention and Due Diligence Requirements, the proposed STS Regulation (and any corresponding implementing rules of their regulator), in addition to any other regulatory requirements that are (or may become) applicable to them and/or with respect to their investment in the Notes.

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

U.S. Risk Retention Requirements

On 21 October 2014, the final rules implementing the credit risk retention requirements of Section 941 of the Dodd-Frank Act (the "**U.S. Risk Retention Rules**") were issued. The U.S. Risk Retention Rules generally require the collateral manager of a CLO to retain not less than five per cent. of the credit risk of the assets collateralising the CLO issuer's securities. The U.S. Risk Retention Rules will become effective with respect to CLO transactions on 24 December 2016. While the U.S. Risk Retention Rules will not apply to the issuance and sale of the Notes on the Issue Date, the U.S. Risk Retention Rules may have other adverse effects on the Issuer and/or the holders of the Notes. The U.S. Risk Retention Rules would apply to any additional Notes issued after the Issue Date or any Refinancing, if such subsequent issuance or Refinancing occurs on or after the effective date of the U.S. Risk Retention Rules. In addition, the SEC has indicated in contexts separate from the U.S. Risk Retention Rules that an "offer" and "sale" of securities may arise when amendments to securities are so material as to require holders to make a new "investment decision" with respect to such securities. Thus, if the SEC were to take a similar position with respect to the U.S. Risk Retention Rules, they could apply to material amendments to the terms of the Notes, including a re-pricing, to the extent such amendments require investors to make a new investment decision with respect to the Notes. As a result, the U.S. Risk Retention Rules may adversely affect the Issuer (and the performance and market value of the Notes) if the Issuer is unable to undertake any such additional issuance or Refinancing and may affect the liquidity of the Notes. Furthermore, no assurance can be given as to whether the U.S. Risk Retention Rules would have any future material adverse effect on the business, financial condition or prospects of the Collateral Manager or the Issuer or on the market value or liquidity of the Notes.

2.4 European Market Infrastructure Regulation (EMIR)

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

investment funds (see 2.5 "*Alternative Investment Fund Managers Directive*" below), credit institutions and insurance companies, or other entities which are "non-financial counterparties".

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

"Non-financial counterparties" (as defined in EMIR) are exempted from the clearing obligation and certain additional risk mitigation obligations (such as the posting of collateral) provided the gross notional value of all derivative contracts entered into by the non-financial counterparty and other non-financial entities within its "group", excluding eligible hedging transactions, does not exceed certain thresholds (set per asset class of OTC derivatives). If the Issuer is considered to be a member of a "group" (as defined in EMIR) (which may, for example, potentially be the case if the Issuer is consolidated by a Noteholder as a result of such Noteholder's holding of a significant proportion of the Subordinated Notes) and if the aggregate notional value of OTC derivative contracts entered into by the Issuer and any non-financial 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 requirement. If the Issuer exceeds the applicable thresholds and its swaps become subject to mandatory clearing, this may also lead to a termination of the Hedge Agreements.

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

Clearing obligation

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

Margin requirements

On 4 October 2016, the European Commission adopted regulatory technical standards on risk-mitigation techniques for OTC derivative contracts not cleared by a central clearing counterparty to the European Commission (the "**RTS**"). Upon expiry of the period of non-objection by the European Parliament and Council of the EU (or if earlier, when both the European Parliament and Council of the EU inform the European Commission of their intention not to raise objections), the RTS will enter into force.

The RTS detail the risk mitigation obligations and margin requirements in respect of non-cleared OTC derivatives as well as specify the criteria regarding intragroup exemptions and provide that the margin requirement will take effect on dates ranging, originally, from one month after the RTS enter into force (for certain entities with a non-cleared OTC derivative portfolio above €3 trillion) to 1 September 2020 (for certain entities with a non-cleared OTC derivative portfolio above €8 billion). The margin requirements apply to financial counterparties and non-financial counterparties above the clearing threshold and, depending on the counterparty, will require collection and posting of variation margin and, for the largest counterparties/groups, initial margin. The timeline for entry into effect of these requirements is not yet known but may be as soon as December 2016.

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

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

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

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

Prospective investors should also be aware that on 13 August 2015 ESMA published four reports on the functioning of EMIR and providing input and recommendations to the European Commission's official review of EMIR (in accordance with Article 85(1) thereof). ESMA's reports recommend a number of changes to the EMIR framework, including potentially significant changes to the clearing obligation and the process for classifying non-financial counterparties. The ESMA reports are expected to feed into the general report on EMIR that the European Commission shall prepare and submit to the European Parliament and the Council; however the extent to which ESMA's recommendations will be integrated into the European Commission's report and ultimately endorsed is not known at this time and cannot be predicted.

2.5 Alternative Investment Fund Managers Directive

EU Directive 2011/61/EU on Alternative Investment Fund Managers ("**AIFMD**") introduced authorisation and regulatory requirements for managers of alternative investment funds ("**AIFs**"). If the Issuer were to be considered to be an AIF within the meaning in AIFMD, it would need to be managed by a manager authorised under AIFMD (an "**AIFM**"). The Collateral Manager is not authorised under AIFMD but is authorised under EU Directive 2004/39/EC on Markets in Financial Instruments ("**MiFID**"). If considered to be an AIF, the Issuer would also be classified as a "financial counterparty" under EMIR and may be required to comply with clearing obligations with respect to Hedge Transactions and obligations to post margin to any central clearing counterparty or market counterparty. See also 2.4 "*European Market Infrastructure Regulation (EMIR)*" above.

There is an exemption from the definition of AIF in AIFMD for "securitisation special purpose entities" (the "**SSPE Exemption**"). The European Securities and Markets Authority ("**ESMA**") has not yet given any formal guidance on the application of the SSPE Exemption or whether a vehicle such as the Issuer would fall within it. However, the Central Bank has confirmed that pending such further clarification from ESMA, "registered financial vehicle corporations" with the meaning of Article 1(2) of Regulation (EC) No 24/2009 of the European Central Bank, such as the Issuer, do not need to seek authorisation as an AIF or appoint an AIFM unless the Central Bank issues further guidance advising them to do so.

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

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

2.6 U.S. Dodd-Frank Act

The Dodd-Frank Wall Street Reform and Consumer Protection Act (the "**Dodd-Frank Act**") was signed into law on 21 July 2010. The Dodd-Frank Act represents a comprehensive change to financial regulation in the United States, and affects virtually every area of the capital markets. Implementation of the Dodd-Frank Act requires many lengthy rulemaking processes resulting in the adoption of a multitude of new regulations applicable to entities which transact business in the U.S. or with U.S. Persons outside the U.S. Once fully implemented, the Dodd-Frank Act will affect many aspects, in the U.S. and internationally, of the business of the Collateral Manager, including securitisation, proprietary trading, investing, creation and management of investment funds, OTC derivatives and other activities. While many regulations implementing various provisions of the Dodd-Frank Act have been finalised and adopted, some implementing regulations currently exist only in draft form and are subject to comment and revision, and still other implementing regulations have not yet been proposed. It is therefore difficult to predict whether and to what extent the businesses of the Collateral Manager and its subsidiaries and affiliates and the Issuer, will be affected by the Dodd-Frank Act as implementing regulations are finalised over time and come into effect. In addition, the joint final rule implementing the U.S. Risk Retention Rules was adopted on October 21 and October 22, 2014. See 2.3 "*Risk Retention and Due Diligence Requirements—U.S. Risk Retention Requirements*" above.

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

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

2.7 CFTC Regulations

Pursuant to the Dodd-Frank Act regulators in the United States have promulgated or are expected to promulgate a range of new regulatory requirements that may affect the pricing, terms and compliance costs associated with the entry into any Hedge Transaction by the Issuer and the availability of such Hedge Transactions. Some or all of the Hedge Transactions that the Issuer may enter into may be affected by (i) the requirement that certain swaps be centrally cleared and in some cases traded on a designated contract market or swap execution facility, (ii) initial or variation margin requirements of any central clearing organisation (with respect to cleared swaps) or initial or variation margin requirements with respect to uncleared swaps, (iii) swap reporting and recordkeeping obligations, and other matters. These new requirements may significantly increase the cost to the Issuer and/or the Collateral Manager of entering into Hedge Transactions such that the Issuer may be unable to purchase certain types of Collateral Debt Obligations, have unforeseen legal consequences on the Issuer or the Collateral Manager or have other material adverse effects on the Issuer or the Noteholders.

2.8 Commodity Pool Regulation

The Issuer's ability to enter into Hedge Transactions may cause the Issuer to be a "commodity pool" as defined in the United States Commodity Exchange Act, as amended ("**CEA**") and the Collateral Manager to be a "commodity pool operator" ("**CPO**") and/or a "commodity trading advisor" (a "**CTA**"), each as defined in the CEA in respect of the Issuer. The CEA, as amended by the Dodd-Frank Act, defines a "commodity pool" to include certain investment vehicles operated for the purpose of trading in "commodity interests" which includes

swaps. CPOs and CTAs are subject to regulation by the CFTC and must register with the CFTC unless an exemption from registration is available. Based on recent CFTC interpretive guidance, the Issuer is not expected to fall within the definition of a "commodity pool" under the CEA and as such, the Issuer (or the Collateral Manager on the Issuer's behalf) may enter into Hedge Agreements (or any other agreement that would fall within the definition of "swap" as set out in the CEA) following receipt of legal advice from reputable counsel to the effect that none of the Issuer, its directors or officers, the Collateral Manager or any of its or their affiliates or any other person would be required to register as a CPO and/or a CTA with the CFTC with respect to the Issuer.

In the event that trading or entering into one or more Hedge Agreements would result in the Issuer's activities falling within the definition of a "commodity pool", the Collateral Manager may cause the Issuer to be operated in compliance with the exemption set forth in CFTC Rule 4.13(a)(3) as in effect on the Issue Date. Utilising any such exemption from registration may impose additional costs on the Collateral Manager and the Issuer and may significantly limit the Collateral Manager's ability to engage in hedging activities on behalf of the Issuer. Additionally, unlike a registered CPO, the Collateral Manager will not be required to deliver a CFTC disclosure document to prospective investors, nor will it be required to provide investors with certified annual reports that satisfy the requirements of CFTC rules applicable to registered CPOs. Neither the CFTC nor the National Futures Association (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 Prospectus or any related placement agency agreement.

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

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

2.9 Volcker Rule

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

A "covered fund" is defined widely, and includes any issuer which would be an investment company under the U.S. Investment Company Act 1940, as amended (the "**Investment Company Act**") but for the exception contained in section 3(c)(1) or 3(c)(7) of that Act, subject to certain exemptions found in the Volcker Rule's implementing regulations.

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

As discussed in 2.10 "*Issuer Reliance on Rule 3a-7*" below, the Transaction Documents contain certain requirements that are intended to allow the Issuer to rely on the exemption from the definition of "investment company" of Rule 3a-7 under the Investment Company Act. However, there can be no assurance that the Issuer will be viewed by a US regulator with responsibility for Volcker Rule compliance as having complied with Rule 3a-7 or that compliance with those requirements will be adequate for the Issuer to rely on Rule 3a-7.

Investors should conduct their own analysis to determine whether the Issuer is a "covered fund" for their purposes. See further also 2.10 "*Issuer Reliance on Rule 3a-7*" below. In any event, if it were determined that the Issuer did not qualify for the exclusion provided by Rule 3a-7 there is a high likelihood that the Issuer would be determined to be a "covered fund". None of the Issuer, the Placement Agent, the Arranger, the Collateral Manager, the Trustee nor any of their affiliates makes any representation to any prospective investor or purchaser of the Notes as to how any regulator may interpret 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.

It should be noted that a "commodity pool" as defined in the CEA (see 2.8 "*Commodity Pool Regulation*" above) could, depending on which CEA exemption is used by such "commodity pool" or its "commodity pool operator", also fall within the definition of a "covered fund" as described above.

Furthermore, the holders of any of the Class A Notes, the Class B Notes, the Class C Notes or the Class D Notes in the form of CM Removal and Replacement Exchangeable Non-Voting Notes or CM Removal and Replacement Non-Voting Notes are disenfranchised in respect of any CM Removal Resolution or CM Replacement Resolution in an effort to cause such instruments to fall outside the definition of "ownership interest". However, there can be no assurance that these features will be effective in resulting in such instruments issued by the Issuer not being characterised as "ownership interests" in the Issuer.

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

No assurance can be made as to the effect of the Volcker Rule on the ability of certain investors subject thereto to acquire or retain an interest in the Notes. Each prospective investor in the Notes should independently consider the potential impact of the Volcker Rule in respect of any investment in the Notes. Investors should carry out their own analysis to determine whether the Issuer may be considered to be a "covered fund" for their purposes. Investors in the Notes are responsible for analysing their own regulatory position and none of the Issuer, the Placement Agent, the Arranger, the Collateral Manager, the Collateral Manager Related Persons, the Trustee or any of their Affiliates makes any representation, warranty or guarantee to any prospective investor or purchaser of the Notes as to how any regulator may interpret the application of the Volcker Rule or Rule 3a-7 of the Investment Company Act to the Issuer, or to such investor's investment in the Notes on the Issue Date or at any time in the future. See also 2.10 "*Issuer Reliance on Rule 3a-7*" below.

2.10 Issuer Reliance on Rule 3a-7

The Transaction Documents contain certain requirements that are intended to allow the Issuer to rely on the exemption from the definition of "investment company" of Rule 3a-7 under the Investment Company Act ("**Rule 3a-7**"). So long as the Issuer relies on Rule 3a-7, its ability (and the ability of the Collateral Manager on its behalf) to acquire and dispose of Collateral Debt Obligations, Collateral Enhancement Obligations or Eligible Investments may be limited, which could adversely affect its ability to realise gains, mitigate losses or reinvest

principal payments or sale proceeds. In particular, there are restrictions on trading. These restrictions may adversely affect the return to holders of the Notes.

The Issuer has the right by notice to the Trustee to elect (which election may be made only upon confirmation from the Collateral Manager that it has obtained legal advice from reputable international legal counsel knowledgeable in such matters to the effect that to do so would not result in the Issuer being construed as a "covered fund" in relation to any holder of Outstanding Notes for the purposes of the Volcker Rule) to rely solely on the exemption under Section 3(c)(7) under the Investment Company Act and to no longer rely on the exemption from the Investment Company Act provided by Rule 3a-7. Investors should carry out their own analysis to determine whether the Issuer may be considered to be a "covered fund" for their purposes.

In 2011, the SEC published an advance notice of proposed rulemaking to potentially consider proposing amendments to Rule 3a-7. Any guidance from the SEC or its staff regarding Rule 3a-7, including changes that the SEC may ultimately adopt to Rule 3a-7, that narrow the scope of Rule 3a-7, could further inhibit the business activities of the Issuer and adversely affect the holders of the Notes.

Notwithstanding these restrictions, there can be no assurance that the Issuer will satisfy the requirements of Rule 3a-7 (including with respect to the Trading Requirements) or that any investor will be able to treat the Issuer as exempt under Rule 3a-7 for such purposes, and none of the Issuer, the Placement Agent, the Arranger, the Collateral Manager, the Trustee nor any of their affiliates makes any representation with respect thereto. It is expected that, in connection with certain capital raising activities of certain investors in the Notes and other investors in collateralised debt obligation securities, the SEC may consider the applicability of Rule 3a-7 to the Issuer or other issuers engaged in similar activities. There can be no assurance as to the results of any such consideration, and such action by the SEC could adversely affect the Issuer and the Noteholders. If necessary as a result of such consideration or otherwise, in order to permit the Issuer to rely on Rule 3a-7 or otherwise avoid constituting an investment company required to register under the Investment Company Act, the Issuer will be permitted to amend the Trust Deed and/or the Conditions without the consent of the Noteholders. Such amendments could result in additional limitations on the ability of the Issuer to purchase and sell Collateral Debt Obligations, among other restrictions, and could adversely affect the return to Noteholders.

2.11 Reliance on Rating Agency Ratings

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

2.12 Flip Clauses

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

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

In the U.S. courts, the U.S. Bankruptcy Court for the Southern District of New York in Lehman Brothers Special Financing Inc. v. BNY Corporate Trustee Services Limited. (In re Lehman Brothers Holdings Inc.),

Adv. Pro. No. 09-1242-JMP (Bankr. S.D.N.Y. May 20, 2009) examined a flip clause and held that such a provision, which seeks to modify one creditor's position in a priority of payments when that creditor files for bankruptcy, is unenforceable under the U.S. Bankruptcy Code. Judge Peck acknowledged that this has resulted in the U.S. courts coming to a decision "directly at odds with the judgement of the English Courts". While BNY Corporate Trustee Services Ltd filed a motion for and was granted leave to appeal with the U.S. Bankruptcy Court, the case was settled before the appeal was heard. There remain several actions in the U.S. commenced by the Lehman Brothers Chapter 11 debtors concerning the enforceability of flip clauses. Given the current state of U.S. and English law, this is likely to be an area of continued judicial focus particularly in respect of multi-jurisdictional insolvencies.

On 28 June 2016, the U.S. Bankruptcy Court issued a decision in *Lehman Brothers Special Financing Inc. v. Bank of America National Association, et al. Case No. 10-3547 (In re Lehman Brothers Holdings Inc.)*, No. 10-03547 (Bankr S.D.N.Y. June 208, 2016). In this decision, the court held that not all priority of payment provisions would be unenforceable ipso facto clauses under the U.S. Bankruptcy Code. Moreover, even where the provisions at issue were ipso facto clauses, the Court found that they were nonetheless enforceable under the Code's safe harbour provisions. This judgment highlights the difference in approach taken between U.S. and English law on this subject, although it significantly reduces the practical differences in outcome. There remain several actions that have commenced in the U.S. concerning the enforceability of flip clauses and this is likely to be an area of continued judicial focus particularly in respect of multi-jurisdictional insolvencies.

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

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

2.13 LIBOR and EURIBOR Reform

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

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

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

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

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

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

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

In the EU, in September 2013, the European Commission published a proposal for a regulation (the "**Benchmark Regulation**") on indices used as benchmarks in financial instruments and financial contracts. The Benchmark Regulation was published in the Official Journal of the EU on 29 June 2016 and entered into force

on 30 June 2016. It is directly applicable law across the EU. The majority of its provisions will not, however, apply until 1 January 2018.

The Benchmark Regulation applies principally to "administrators" and also, in some respects, to "contributors" and certain "users" of "benchmarks", and will, among other things, (i) require benchmark administrators to be authorised (or, if non-EU-based, to be subject to an equivalent regulatory regime) and make significant changes to the way in which benchmarks falling within scope of the Benchmark Regulation are governed (including reforms of governance and control arrangements, obligations in relation to input data, certain transparency and record-keeping requirements and detailed codes of conduct for contributors) and (ii) prevent certain uses of "benchmarks" provided by unauthorised administrators by supervised entities in the EU. The scope of the Benchmark Regulation is wide and, in addition to so-called "critical benchmark" indices, could also potentially apply to many interest rate and foreign exchange rate indices, equity indices and other indices (including "proprietary" indices or strategies) where used to determine the amount payable under or the value or performance of certain financial instruments traded on a trading venue, financial contracts and investment funds. By way of a European Commission Implementing Regulation published on 11 August 2016, EURIBOR was identified as a "critical benchmark" for the purposes of the Benchmark Regulation.

Benchmarks such as LIBOR or EURIBOR may be discontinued if they do not comply with the requirements of the Benchmark Regulation, or if the administrator of the benchmark either fails to apply for authorisation or is refused authorisation by its home regulator.

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

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

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

Investors should be aware that:

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

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

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

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

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

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

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

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

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

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

In its current form, the proposed FTT would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a Participating Member State, or the financial instrument in which the parties are dealing is issued in a Participating Member State. The FTT will apply to both transaction parties where one of these circumstances applies. The FTT may apply to dealings in the Collateral to the extent the Collateral constitutes financial instruments within its scope, such as bonds. In such circumstances, there will be no gross-up by any party to the transaction and amounts due to Noteholders may be adversely affected.

At this stage, it is too early to say whether the proposed FTT will be adopted and in what form. Certain aspects of the current proposal are controversial and, if the FTT is progressed, may be altered prior to implementation. While the proposal for a Council Directive in February 2013 identified the date of introduction of the FTT across the Participating Member States as being 1 January 2014, this anticipated introduction date has been extended on several occasions. The meeting of the European Union Economic and Financial Affairs Council on 7 November 2014 confirmed the aim among the Participating Member States of implementing the first phase of the FTT with effect from 1 January 2016. However, a publication by the Luxembourg Presidency of the Council of the European Union on 3 December 2015 setting out the 'state of play' in relation to the FTT indicated that a decision on the remaining open issues regarding the FTT would only be made at some point before the end of June 2016. A subsequent publication by the Netherlands Presidency of the Council of the European Union (the "**Netherlands Presidency**") on 3 June 2016 updating the 'state of play' in relation to the FTT identified that debate remains on-going between the Participating Member States regarding a number of key issues concerning the scope and application of the FTT. The 'state of play' report by the Netherlands Presidency concludes that discussions on these key issues should continue between the Participating Member States at ECOFIN level.

The anticipated implementation date for the FTT of 1 January 2016 was not met. The most recent 'state of play' report by the Netherlands Presidency on 3 June 2016 noted that implementation of the FTT (if it takes place at all) was most likely to be at some date after 30 June 2016. The precise date for implementation of the FTT is therefore uncertain; the minutes of the meeting of the Council of the European Union held on 17 June 2016 merely noted that work on the FTT would continue during the second half of 2016.

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

2.15 Diverted Profits Tax

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

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

2.16 Evolution of international fiscal and taxation policy and OECD Action Plan on Base Erosion and Profit Shifting

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

Action 4

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

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

However, the restriction recommended would only apply to tax deductions for net interest and economically equivalent payments. The Issuer will generally fund interest payments it makes under the Notes from interest payments to which it is entitled under Collateral Debt Obligations (that is, such that the Issuer expects generally to pay limited or no net interest).

Action 6

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

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

In contrast, the LOB rule has a more objective focus. More particularly, the OECD has included both a detailed and simplified version of the LOB rule in its Final Report relating to Action 6, albeit recommending in the related commentary to the LOB rule that the simplified version of the LOB rule should be included in a double tax treaty in combination with a PPT rule. The more detailed version of the LOB provision would limit the benefits of treaties, in the case of companies and in broad terms, to: (i) certain publicly listed companies and their affiliates; (ii) certain not-for-profit organisations and companies which carry on a pensions business;

(iii) companies owned by a majority of persons who would be eligible for treaty benefits provided that the majority of the company's gross income is not paid to a third country in a tax deductible form; (iv) companies engaged in the active conduct of a trade or business (other than of making or managing investments); (v) companies which were not established in a particular jurisdiction with a principal purpose of obtaining treaty benefits; and (vi) certain collective investment vehicles ("**CIVs**"). The simplified version of the LOB provision would limit these benefits to companies in similar but, generally speaking, less prescriptive circumstances. The ability to claim treaty benefits under (v) above, however, would be included in both versions, albeit that it would require a company to apply to the tax authorities of the other contracting state for the granting of that benefit.

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

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

Action 7

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

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

Implementation of the recommendations in the Final Report

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

Subsequently, therefore, on 24 November 2016, the OECD published the text and explanatory statement of the "Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting", developed by an ad hoc group of 99 countries which included Ireland and the UK (the "**Multilateral Instrument**"). The Multilateral Instrument is to be applied alongside existing tax treaties (rather than amending

them directly), modifying the application of those existing treaties in order to implement BEPS measures. The accompanying press release stated that a first "high-level" signing ceremony for the Multilateral Instrument will take place in the week beginning 5 June 2017.

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

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

2.17 EU Anti-Tax Avoidance Directive

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

2.18 Taxation Implications of Contributions

A Subordinated Noteholder may, in certain circumstances, provide the Issuer with cash by way of a Contribution in accordance with Condition 2(n) (*Contributions*). 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 2(n) (*Contributions*).

2.19 EU Savings Directive

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

However, in order to prevent overlap between the EU Savings Directive and provisions relating to a common reporting standard framework (being the Standard for Automatic Exchange of Financial Account Information in

Tax Matters published on 21 July 2014 by the OECD and Council Directive 2014/107/EU on Administrative Co-operation in the Field of Taxation), the Council of the European Union, on 10 November 2015, published a direction which repealed the EU Savings Directive from 1 January 2017 in the case of Austria, and 1 January 2016 in the case of all other Member States. The repeal is subject to transitional provisions imposing on-going requirements to fulfil certain administrative obligations such as reporting and exchange of information relating to, or accounting for withholding taxes, on payments made before those dates.

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

2.20 The Common Reporting Standard

The common reporting standard framework was first released by the OECD in February 2014 as a result of the G20 members endorsing a global model of automatic exchange of information in order to increase international tax transparency. On 21 July 2014, the Standard for Automatic Exchange of Financial Account Information in Tax Matters was published by the OECD and this includes the Common Reporting Standard (the "**CRS**"). The goal of the CRS is to provide for the annual automatic exchange between governments of financial account information reported to them by local reporting financial institutions (as defined) ("**FIs**") relating to account holders who are tax resident in other participating jurisdictions.

Directive 2014/107/EU on Administrative Cooperation in the Field of Taxation ("**DAC II**") implements the CRS in a European context and creates a mandatory obligation for all Member States to exchange financial account information in respect of residents in other Member States on an annual basis commencing in 2017 in respect of the 2016 calendar year (or from 2018 in the case of Austria).

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

Over 95 jurisdictions have committed to exchanging information under the CRS and a group of 50 countries, including Ireland, have committed to the early adoption of the CRS from 1 January 2016 (known as the "**Early Adopter Group**"), with the first data exchanges expected to take place in September 2017. All Member States are members of the Early Adopter Group.

The Irish Revenue Commissioners will issue regulations to implement the requirements of the CRS and DAC II into Irish law under which Irish FIs (such as the Issuer) will be obliged to make a single return in respect of CRS and DAC II. For the purposes of complying with its obligations under CRS and DAC II, an Irish FI (such as the Issuer) shall be entitled to require Noteholders to provide any information regarding their and, in certain circumstances, their controlling persons' tax status, identity or residence in order to satisfy any reporting requirements which the Issuer may have as a result of CRS and DAC II and Noteholders will be deemed, by their holding to have authorised the automatic disclosure of such information by the Issuer (or any nominated service provider) or any other person to the Irish Revenue Commissioners. The information will be provided to the Irish Revenue Commissioners who will exchange the information with the tax authorities of other participating jurisdictions, as applicable. Failure by an Irish FI to comply with its CRS and DAC II obligations may result in the Issuer being deemed to be non-compliant in respect of its CRS obligations and monetary penalties may be imposed on a non-compliant FI under Irish legislation.

The Issuer (or any nominated service provider) will agree that information (including the identity of any Noteholder) supplied for the purposes of CRS and DAC II compliance is intended for the Issuer's (or any nominated service provider's) use for the purposes of satisfying CRS and DAC II requirements and the Issuer (or any nominated service provider) will agree, to the extent permitted by applicable law, that it will take reasonable

steps to treat such information in a confidential manner, except that the Issuer may disclose such information (i) to its officers, directors, agents and advisors, (ii) to the extent reasonably necessary or advisable in connection with tax matters, including achieving CRS and DAC II compliance, (iii) to any person with the consent of the applicable Noteholder, or (iv) as otherwise required by law or court order or on the advice of its advisors. Further information in relation to CRS can be found on the Automatic Exchange of Information webpage on www.revenue.ie.

S&P

On 21 January 2015, the SEC entered into administrative settlement agreements with S&P with respect to, among other things, multiple allegations of making misleading public statements with respect to its ratings methodology and certain misleading publications concerning criteria and research, in each case relating to commercial mortgage-backed securities transactions. S&P neither admitted nor denied the charges in these settlements. As a result of these settlement agreements, the SEC ordered S&P censured and enjoined S&P from violating the statutory provisions and rules related to the allegations described above. Additionally, S&P agreed to pay civil penalties and other disgorgements exceeding $76 million. On 3 February 2015, S&P entered into a settlement agreement with the United States Justice Department, 19 States and the District of Columbia, to settle lawsuits relating to S&P's alleged inflation of ratings on subprime mortgage bonds. S&P did not admit to any wrongdoing in connection with such settlement. Also on 3 February 2015, S&P entered into a settlement agreement with the California Public Employees Retirement System to resolve claims over three structured investment vehicles. Under the 3 February 2015 settlement agreements, S&P agreed to pay approximately $1.5 billion in the aggregate to the related claimants.

While none of these settlements concern S&P ratings of CLOs, alleged inaccuracy of S&P ratings for one type of securitisation may raise questions as to their accuracy for other types of securitisations, including CLOs.

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

Many jurisdictions have adopted wide-ranging anti-money laundering, economic and trade sanctions, and anti-corruption and anti-bribery laws, and regulations (collectively, the "**AML Requirements**"). Any of the Issuer, the Placement Agent, the Collateral Manager, the Trustee or the Agents 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 Placement Agent, the Collateral Manager and the Trustee will comply with AML Requirements to which they are or may become subject and to interpret such AML Requirements broadly in favour of disclosure. Failure to honour any request by the Issuer, the Placement Agent, the Collateral Manager or the Trustee to provide requested information or take such other actions as may be necessary or advisable for the Issuer, the Placement Agent, the Collateral Manager or the Trustee to comply with any AML Requirements, related legal process or appropriate requests (whether formal or informal) may result in, among other things, a forced sale to another investor of such investor's Notes. In addition, it is expected that each of the Issuer, the Placement Agent, the Collateral Manager and the Trustee intends to comply with applicable anti-money laundering and anti-terrorism, economic and trade sanctions, and anti-corruption or anti-bribery laws, and regulations of the United States and other countries, and will disclose any information required or requested by authorities in connection therewith. In connection with any AML Requirements that are then applicable, Noteholders may also be obliged to provide information they may have previously identified or regarded as confidential to satisfy the Issuer AML Requirements.

2.22 Third Party Litigation; Limited Funds Available

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

effectively may be impaired, and the Issuer may not be able to defend or prosecute legal proceedings that may be bought against it or that the Issuer might otherwise bring to protect its interests.

2.23 CRA

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

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

2.24 The EU Bank Recovery and Resolution Directive

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

The European Commission adopted a set of draft regulatory technical standards in respect of the valuation of derivatives for the purposes of the BRRD on 23 May 2016. They were published in the Official Journal on 8 July 2016 and entered into force on 28 July 2016 and provide, among other things, that the relevant Resolution Authorities will have the power to terminate swap agreements (as part of the bail-in process) and to value the

position thereunder. This will therefore limit any control the Issuer or the Trustee may have in respect of the valuation process, which may be detrimental to the Issuer and consequently, the Noteholders.

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

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

3. RELATING TO THE NOTES

3.1 Limited Liquidity and Restrictions on Transfer

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

In addition, CM Removal and Replacement Non-Voting Notes may not be exchanged at any time into 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 CM Removal and Replacement Exchangeable Non-Voting Notes may be exchanged for CM Removal and Replacement Voting Notes. Such restrictions on exchange may limit the liquidity of the CM Removal and Replacement Non-Voting Notes and the CM Removal and Replacement Exchangeable Non-Voting Notes.

3.2 Optional Redemption and Market Volatility

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

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

3.3 The Notes are subject to Optional Redemption in Whole or in Part by Class

The Rated Notes may be redeemed in whole from Sale Proceeds or any Refinancing Proceeds (i) on any Business Day on or after the expiry of the Non-Call Period, at the direction of the Subordinated Noteholders acting by way of Ordinary Resolution; (ii) on any Business Day following the occurrence of a Collateral Tax Event at the direction of the Subordinated Noteholders acting by Ordinary Resolution; or (iii) on any Business Day following the occurrence of a Note Tax Event at the direction of the Controlling Class or the Subordinated Noteholders, each acting by way of Extraordinary Resolution.

In addition, the Rated Notes may be redeemed in part by Class from Refinancing Proceeds at the applicable Redemption Prices, from any Refinancing Proceeds on any Business Day falling on or after expiry of the Non-Call Period at the direction of the Subordinated Noteholders acting by Ordinary Resolution or at the written direction of the Collateral Manager. Any such redemption shall be of an entire Class or Classes of Notes subject to a number of conditions. See Condition 7(b) (*Optional Redemption*).

As described in Condition 7(b)(v) (*Optional Redemption effected in whole or in part through Refinancing*) Refinancing Proceeds may be used in connection with either a redemption in whole of the Rated Notes or a redemption in part of the Rated Notes by Class. In the case of a Refinancing upon a redemption of the Rated Notes in whole but not in part, such Refinancing will only be effective if (among other things) the Refinancing Proceeds, all Sale Proceeds from the sale of Collateral Debt Obligations and Eligible Investments received in accordance with the procedures set forth in the Trust Deed, and all other available funds will be at least sufficient to pay any Refinancing Costs and all amounts due and payable in respect of all Classes of Notes (including without limitation Deferred Interest on any Class of Notes entitled thereto) save for the Subordinated Notes and all amounts payable in priority thereto pursuant to the Priorities of 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.

In the case of a Refinancing upon a redemption of the Rated Notes in part by Class, such Refinancing will only be effective if certain conditions are satisfied, including but not limited to: (i) any redemption of a Class of Notes is a redemption of the entire Class which is subject to the redemption and (ii) the sum of (A) the Refinancing Proceeds and (B) the amount of Interest Proceeds standing to the credit of the Interest Account in excess of the aggregate amount of Interest Proceeds which would be applied in accordance with the Interest Proceeds Priority of Payments prior to paying any amount in respect of the Subordinated Notes will be at least sufficient to pay in full (a) the aggregate Redemption Prices of the entire Class or Classes of Rated Notes subject to Optional Redemption and (b) all accrued and unpaid Trustee Fees and Expenses and Administrative Expenses in connection with such Refinancing. See Condition 7(b)(v) (*Optional Redemption effected in whole or in part through Refinancing*). The U.S. Risk Retention Rules may impair the ability of the Issuer to effect a Refinancing, which may adversely affect the Issuer and the performance of the Notes (see 2.6 "*U.S. Dodd-Frank Act*").

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 to the extent necessary to reflect the terms of the Refinancing and no further consent for such amendments shall be required from the holders of the Subordinated Notes other than, where such Refinancing is effected solely at the direction of the Subordinated Noteholders in accordance with the Conditions, from the holders of the Subordinated Notes acting by way of Ordinary Resolution directing the redemption (if any). No assurance can be given that any such amendments to the Trust Deed or the terms of any Refinancing will not adversely affect the holders of any Class or Classes (or tranche, or tranches, as applicable) of Notes not subject to redemption (or, in the case of the Subordinated Notes, the holders of the Subordinated Notes who do not direct such redemption).

The Subordinated Notes may be redeemed at their Redemption Price, in whole but not in part, on any Business Day on or after the redemption or repayment in full of the Rated Notes, at the direction of either of (x) the Subordinated Noteholders (acting by Ordinary Resolution) or (y) the Collateral Manager. Any such redemption will take place by liquidation: see Condition 7(b)(vi) (*Optional Redemption effected through Liquidation only*).

The Collateral Manager may also cause the Issuer to redeem the Rated Notes in whole from Sale Proceeds on any Business Day falling on or after the expiry of the Non-Call Period, if the Aggregate Collateral Balance is less than 20 per cent. of the Target Par Amount. Any such redemption shall be subject to Condition 7(b)(iii) (*Optional Redemption in Whole – Collateral Manager*), Condition 7(b)(iv) (*Terms and Conditions of an Optional Redemption*), Condition 7(b)(v) (*Optional Redemption effected in whole or in part through Refinancing*) and Condition 7(b)(vi) (*Optional Redemption effected through Liquidation only*).

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 Debt Obligations sold.

3.4 The Notes are subject to Special Redemption at the Option of the Collateral Manager

The Notes will be subject to redemption in part by the Issuer on any Payment Date during the Reinvestment Period if the Collateral Manager in its sole discretion notifies the Trustee that it has been unable, for a period of at least 20 consecutive Business Days, to identify additional Collateral Debt Obligations that are deemed appropriate by the Collateral Manager in its sole discretion and which would meet the Eligibility Criteria and where acquisition by the Issuer would be in compliance with, to the extent applicable, the Reinvestment Criteria in sufficient amounts to permit the investment or reinvestment of all or a portion of the funds then in the Principal Account to be invested in additional Collateral Debt Obligations. 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.

3.5 Mandatory Redemption of the Notes

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

3.6 The Reinvestment Period may Terminate Early

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

3.7 The 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 in respect of Collateral Debt Obligations and the Sale Proceeds from the sale of Credit Impaired Obligations and Credit Improved Obligations, subject to certain conditions set forth in the Collateral Management Agreement. See "*The Portfolio—Management of the Portfolio—Following Expiry of the Reinvestment Period*" below. Reinvestment of Unscheduled Principal Proceeds and Sale Proceeds from the sale of Credit Impaired Obligations and Credit Improved Obligations will likely have the effect of extending the Weighted Average Life of the Collateral Debt Obligations and the average lives of the Notes.

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

(a) Additional Issuances

At any time, subject to certain conditions set out in Condition 17 (*Additional Issuances*), the Issuer may issue and sell additional Notes and use the net proceeds to acquire Collateral Debt Obligations and, if applicable, enter

into additional Hedge Transactions in connection with the Issuer's issuance of, and making payments on, the Notes and ownership of and disposition of the Collateral Debt Obligations. See Condition 17 (*Additional Issuances*).

(b) Redirection of funds to reinvestment

The 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) to be applied toward the acquisition of additional Collateral Debt Obligations or other Permitted Uses.

(c) Collateral Manager Advances

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 Collateral Enhancement 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. Outstanding Collateral Manager Advances may accrue interest at a rate of EURIBOR plus 2.0 per cent. per annum.

Any of the above actions could result in satisfaction of a Coverage Test that would otherwise be failing and therefore potentially decrease the occurrence of principal prepayments of the highest ranking Class of Notes. Likewise, any such action could prevent an Event of Default which would otherwise have occurred and therefore potentially result in the Notes continuing to be Outstanding in circumstances where the Controlling Class may otherwise have had the right to direct the Trustee to accelerate the Notes. Consequentially, the average life of the Notes may be longer than it would otherwise be (see 3.16 "*Average Life and Prepayment Considerations*" below).

3.9 Limited Recourse Obligations

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

3.10 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, and a winding-up (or similar) petition was presented in respect of the Issuer, then the presentation of such a petition could result in one or more payments on the Notes made during the period prior to such presentation being deemed to be preferential transfers subject to avoidance by the bankruptcy trustee or similar official exercising authority with respect to the Issuer's bankruptcy estate. It could also result in the bankruptcy court, trustee or receiver liquidating the assets of the Issuer without regard to any votes or directions required for such liquidation pursuant to the Trust Deed and could result in any payments under the Notes made during the period prior to such presentation being deemed to be a fraudulent or improper disposition of the Issuer's assets.

3.11 Subordination of the Notes

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

Except as described below, the payment of principal and interest on any other Classes of Notes may not be made until all payments of principal and interest due and payable on any Classes of Notes ranking in priority thereto pursuant to the Priorities of 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 has been paid and, subject always to the right of the Collateral Manager on behalf of the Issuer to transfer amounts which would have been payable on the Subordinated Notes to the Collateral Enhancement Account to be applied in the acquisition of Substitute Collateral Debt Obligations or in the acquisition or exercise of rights under Collateral Enhancement Obligations and the requirement to transfer amounts to the Principal Account in the event that the Reinvestment Overcollateralisation Test is not met during the Reinvestment Period. Notwithstanding the above, Collateral Enhancement Obligation Proceeds may be distributed to the Subordinated Noteholders pursuant to the Collateral Enhancement Proceeds Priority of Payments on a Payment Date on which scheduled interest on the Rated Notes is not paid in full.

Non payment of any Interest Amount due and payable in respect of the Class A Notes or the Class B Notes on any Payment Date will constitute an Event of Default (where such non-payment continues for a period of at least five Business Days or seven Business Days in the case of an administrative error or omission). In such circumstances, the Controlling Class, which in these circumstances will be the Class A Noteholders or, following redemption in full of the Class A Notes, the Class B Noteholders, acting by Ordinary Resolution, may request the Trustee to accelerate the Notes pursuant to Condition 10 (*Events of Default*). Failure to pay scheduled interest on the Class C Notes, the Class D Notes, the Class E Notes or the Class F Notes, or to pay interest and principal on the Subordinated Notes at any time due to there being insufficient funds available to pay such interest and/or principal (as applicable) in accordance with the applicable Priorities of Payment, will not be an Event of Default. Holders of such Classes of Notes will consequently have no right to accelerate their Notes or to direct that the Trustee take enforcement action with respect to the Collateral to recover such outstanding interest on or the principal amount of their Notes outstanding in such circumstances.

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

Noteholders, the Class F Noteholders and the Subordinated Noteholders. Remedies pursued on behalf of the Class B Noteholders could be adverse to the interests of the Class C Noteholders, the Class D Noteholders, the Class E Noteholders, the Class F Noteholders and Subordinated Noteholders. Remedies pursued on behalf of the Class C Noteholders could be adverse to the interests of the Class D Noteholders, the Class E Noteholders, the Class F Noteholders and the Subordinated Noteholders. Remedies pursued on behalf of the Class D Noteholders could be adverse to the interests of, the Class E Noteholders, the Class F Noteholders and the Subordinated Noteholders. Remedies pursued on behalf of the Class E Noteholders could be adverse to the interests of the Class F Noteholders and the Subordinated Noteholders. Remedies pursued on behalf of the Class F Noteholders could be adverse to the interests of the Subordinated Noteholders.

The Trust Deed provides that in the event of any conflict of interest among or between the Noteholders, the interests of the Controlling Class will prevail. If the holders of the Controlling Class do not have an interest in the outcome of the conflict, the Trustee shall give priority to the interests of the most senior Class of Notes Outstanding that have an interest in the outcome of the conflict. In the event that the Trustee shall receive conflicting or inconsistent requests from two or more groups of holders of the Controlling Class (or another Class is given priority as described in this paragraph), the Trustee shall give priority to the group which holds the greater amount of Notes Outstanding of such Class. The Trust Deed provides further that the Trustee will act upon the directions of the holders of the Controlling Class (or other Class given priority as described in this paragraph) in such circumstances, and shall not be obliged to consider the interests of the holders of any other Class of Notes. See Condition 14(e) (*Entitlement of the Trustee and Conflicts of Interest*).

3.12 Calculation of Rate of Interest

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

If a EURIBOR screen rate does not appear, or the relevant page is unavailable, and the Calculation Agent is unable to obtain quotations from four Reference Banks in the manner described in Condition 6(e)(i)(B) (*Floating Rate of Interest*), the relevant Rate of Interest in respect of such Payment Date shall be determined, pursuant to Condition 6(e)(i)(C) (*Floating Rate of Interest*), as the Rate of Interest in effect as at the immediately preceding Accrual Period; provided that, in respect of any Accrual Period during which a Frequency Switch Event occurs, the relevant Rate of Interest shall be calculated using the offered rate for six month Euro deposits using the rate available as at the previous Interest Determination Date. To the extent interest amounts in respect of the Notes are determined by reference to a previously calculated rate, Noteholders may be adversely affected. In such circumstances, neither the Calculation Agent nor the Trustee shall have any obligation to determine the Rate of Interest on any other basis.

3.13 Amount and Timing of Payments

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

Investment in the Notes of any Class involves a degree of risk arising from fluctuations in the amount and timing of receipt of the principal and interest on the Collateral Debt Obligations by or on behalf of the Issuer and the amounts of the claims of creditors of the Issuer ranking in priority to the holders of each Class of the Notes. In particular, prospective purchasers of such Notes should be aware that the amount and timing of payment of the principal and interest on the Collateral Debt Obligations will depend upon the detailed terms of

the documentation relating to each of the Collateral Debt Obligations and on whether or not any Obligor thereunder defaults in its obligations.

3.14 Reports Provided by the Collateral Administrator Will Not Be Audited

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

3.15 Ratings of the Notes Not Assured and Limited in Scope

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

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

The Rating Agencies may change their published ratings criteria or methodologies for securities such as the Rated Notes at any time in the future. Further, the Rating Agencies may retroactively apply any new standards to the ratings of the Rated Notes. Any such action could result in a substantial lowering (or even withdrawal) of any rating assigned to any Rated Note, despite the fact that such Rated Note might still be performing fully to the specifications set forth for such Rated Note in this Prospectus 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 Prospectus, each of the Rating Agencies is established in the European Union and is registered under CRA 3. As such, each Rating Agency is included in the list of credit rating agencies published by ESMA on its website in accordance with CRA 3. ESMA may determine that one or both of the Rating Agencies no longer qualifies for registration under CRA 3 and that determination may also have an adverse effect on the market prices and liquidity of the Rated Notes.

Rating Agencies may refuse to give rating agency confirmations

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

If a Rating Agency announces or informs the Trustee, the Collateral Manager or the Issuer that confirmation from such Rating Agency is not required for a certain action or that its practice is to not give such confirmations

for certain types of actions, the requirement for confirmation from such Rating Agency will not apply. Further, in connection with the Effective Date, if either Rating Agency has not yet confirmed its initial ratings of the applicable Rated Notes or, in the case of Moody's, it has not been deemed to have provided such confirmation, the applicable Rated Notes will be subject to redemption in part in an amount and in the manner described under Condition 7(e) (*Redemption upon Effective Date Rating Event*). There can be no assurance that a Rating Agency will provide such rating confirmations upon request, regardless of the terms agreed to among transaction participants, or not subsequently withdraw or downgrade its ratings on one or more Classes of Rated Notes, which could materially adversely affect the value of liquidity of the Notes.

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

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

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

Under Rule 17g-5, rating agencies providing the requisite certifications described above may issue unsolicited ratings of the Rated Notes which may be lower and, in some cases, significantly lower than the ratings provided by the Rating Agencies. The unsolicited ratings may be issued prior to, on or after the Issue Date and will not be reflected herein. Issuance of any unsolicited rating will not affect the issuance of the Notes. A rating agency that has reviewed the transaction may have a fundamentally different methodology or approach to or opinion of the structure or the nature or quality of all or some of the underlying Collateral Debt Obligations which may result in a view or rating which differs significantly from the ratings assigned by the Rating Agencies. 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.

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

The SEC adopted Rule 15Ga-2 and Rule 17g-10 to the United States Securities Exchange Act of 1934, on 27 August 2014, which require certain filings or certifications to be made in connection with the performance of "due diligence services" for rated asset-backed securities on or after 15 June 2015. Under Rule 17g-10, a provider of third-party due diligence services must provide to each nationally recognised statistical rating organisation that is rating the applicable transaction, a written certification in a prescribed form (which obligation may be satisfied if the Issuer posts such certification in the required form to the Rule 17g-5 website referred to above, maintained in connection with the transaction). It is presently unclear what, if any, services provided or to be provided by third parties to the Issuer in connection with the transaction described in this Prospectus, would constitute "due diligence services" under Rule 17g-10, and consequently, no assurance can be given as to whether any certification will be posted by the Issuer or delivered by any applicable third party service provider to the Rating Agencies in circumstances where such certification is deemed to have been required under the rules. If the Issuer or any third party that provides due diligence services to the Issuer does not comply with its obligations under Rule 17g-10, the Rating Agencies may withdraw (or fail to confirm) their ratings of the Notes. In such case, the price or transferability of the Notes (and any beneficial owner of Notes that relies on ratings of securities for regulatory or other compliance purposes) may be adversely affected.

3.16 Average Life and Prepayment Considerations

The Maturity Date of the Notes is the Payment Date falling on 15 January 2030 (subject to adjustment for non-Business Days); however, the principal of the Notes of each Class is expected to be repaid in full prior to the Maturity Date. Average life refers to the average amount of time that will elapse from the date of delivery of a Note until each Euro of the principal of such Note will be paid to the investor. The average lives of the Notes will be determined by the amount and frequency of principal payments, which are dependent upon, among other things, the amount of payments received at or in advance of the scheduled maturity of the Collateral Debt Obligations (whether through sale, maturity, redemption, default or other liquidation or disposition). The actual average lives and actual maturities of the Notes will be affected by the financial condition of the obligors of the underlying Collateral Debt Obligations and the characteristics of such assets, including the existence and frequency of exercise of any optional or mandatory redemption features, the prevailing level of interest rates, the redemption price, any prepayment fees, the actual default rate, the actual level of recoveries on any Defaulted Obligations and the timing of defaults and recoveries, and the frequency of tender or exchange offers for such Collateral Debt Obligations. Collateral Debt Obligations may be subject to optional prepayment by the Obligor of such loans. Any disposition of a Collateral Debt Obligation may change the composition and characteristics of the remaining Portfolio and the rate of payment thereon and, accordingly, may affect the actual average lives of the Notes. The rate of and timing of future defaults and the amount and timing of any cash realisation from Defaulted Obligations also will affect the maturity and average lives of the Notes.

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

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

3.17 Volatility of the Subordinated Notes

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

In addition, the failure to meet certain Coverage Tests will result in cash flow that may have been otherwise available for distribution to the Subordinated Notes, to pay interest on one or more subordinate Classes of Rated Notes or for reinvestment in Collateral Debt Obligations being applied on the next Payment Date to make principal payments on the more senior classes of Rated Notes until such Coverage Tests have been satisfied. This feature will likely reduce the return on the Subordinated Notes and/or one or more subordinate Classes of Rated Notes and cause temporary or permanent suspension of distributions to the Subordinated Notes and/or one or more subordinate Classes of Rated Notes. See 3.5 "*Mandatory Redemption of the Notes*" above.

Issuer expenses (including management fees) are generally based on a percentage of the total asset portfolio of the Issuer, including the assets obtained through the use of leverage. Given the leveraged capital structure of the

Issuer, expenses attributable to the Subordinated Notes will be higher because such expenses will be based on total assets of the Issuer.

3.18 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 in full. Consequently, it is anticipated that on the Issue Date the Collateral would be insufficient to redeem the Notes in full upon the occurrence of an Event of Default on or about that date.

3.19 Withholding Tax on the Notes

It is anticipated that withholding tax should not be imposed on payments of principal or interest on the Notes, as the Notes are anticipated to be 'Quoted Eurobonds' which satisfy the conditions for an exemption from withholding tax to apply (as described in the "*Tax Considerations – Irish Taxation*" section of this Prospectus). However there can be no assurance that the law will not change.

In addition, as described under Condition 9 (*Taxation*), the Issuer is authorised to withhold amounts otherwise distributable to a holder if the holder fails to provide the Issuer or its agents with any correct, complete and accurate information that may be required for the Issuer to comply with FATCA and to prevent the imposition of U.S. federal withholding tax under FATCA on payments to or for the benefit of the Issuer, or if the holder's ownership of any Notes would otherwise cause the Issuer to be subject to tax under FATCA.

If any withholding tax or deduction for tax is imposed on payments of 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 properly subject to any withholding tax or deduction on account of tax, the Notes may be redeemed in whole but not in part at the direction of the holders of the Controlling Class or the Subordinated Notes, in each case acting by way of Extraordinary Resolution, subject to certain conditions including a threshold test pursuant to which a 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.

3.20 Security

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

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

Any risk of loss arising from any insufficiency or ineffectiveness of the security for the Notes or the custody and clearance risks which may be associated with assets comprising the Portfolio will be borne by the Noteholders

without recourse to the Issuer, the Placement Agent, the Trustee, the Collateral Manager, the Collateral Administrator, the Custodian, the Hedge Counterparties or any other party.

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

3.21 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, Extraordinary Resolution or Unanimous 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. in principal amount of the Notes Outstanding of a particular Class, subject to certain conditions including minimum notice periods.

The Trustee may, in its discretion, determine that any proposed Ordinary Resolution, Extraordinary Resolution or Unanimous 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, Extraordinary Resolution or Unanimous Resolution may be determined by reference only to the holders of that Class or Classes of Notes.

Any Class A Notes, Class B Notes, Class C Notes or Class D Notes held by or on behalf of the Collateral Manager or any Collateral Manager Related Person shall only be held in the form of CM Removal and Replacement Exchangeable Non-Voting Notes and will therefore have no voting rights with respect to, and shall not be counted for the purposes of, determining a quorum and the results of any votes in respect of CM Removal Resolution or CM Replacement Resolution (but shall carry a right to vote and be so counted on all other matters in respect of which CM Removal and Replacement Voting Notes have a right to vote and be counted).

Any Class E Notes, Class F Notes or Subordinated Notes held by or on behalf of the 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 any votes in respect of CM Removal Resolution or CM Replacement Resolution (but shall carry a right to vote and be so counted on all other matters in respect of which CM Removal and Replacement Voting Notes have a right to vote and be counted).

If a meeting of Noteholders is called to consider a Resolution, determination as to whether the requisite number of Notes has been voted in favour of such Resolution will be determined by reference to the percentage which the Notes voted in favour represent of the total amount of Notes 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 Unanimous Resolution, Extraordinary Resolution or Ordinary Resolution. In the case of a Unanimous Resolution, this is one or more persons holding or representing not less than 100 per cent. of the aggregate Principal Amount Outstanding of each Class of Notes (or the relevant Class or Classes only, if applicable). In the case of an Extraordinary Resolution, this is one or more persons holding or representing not less than $66\frac{2}{3}$ 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.

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

Investors in Class A Notes should be aware that for so long as 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 Criteria, the Collateral Quality Tests, the S&P CDO Monitor BDR, the S&P CDO Monitor SDR or the Moody's Test Matrix and the related definitions, provided that Rating Agency Confirmation has been obtained and (to the extent provided in Condition 14(c) (*Modification and Waiver*)) the Controlling Class has consented by way of Ordinary Resolution.

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

Any consent or approval given by the Trustee for the purpose of the Trust Deed may be given on such terms and subject to such conditions (if any) as the Trustee thinks fit and notwithstanding anything to the contrary in the Trust Deed may be given retrospectively. Any consent or approval may be given by the Trustee without the

consent of the Noteholders or any other Secured Party if, in the opinion of the Trustee, it is not materially prejudicial to the interests of the Noteholders of any Class to do so, subject, in each case, to the provisions of the Transaction Documents (including the Conditions).

Each Hedge Counterparty may also need to be notified and its consent required to the extent provided for in the applicable Hedge Agreement in respect of a modification, amendment or supplement to any provision of the Transaction Documents. Any such consent, if withheld, may prevent the modification of the Transaction Documents which may be beneficial to or in the best interests of the Noteholders.

3.22 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 and appointment are at the direction of Holders of specified percentages of Subordinated Notes.

3.23 Enforcement Rights Following an Event of Default

If an Event of Default occurs and is continuing, the Trustee may, at its discretion, and shall, at the request of the Controlling Class acting by way of Ordinary Resolution (subject, in each case, to the Trustee being indemnified and/or secured and/or prefunded to its satisfaction), give notice to the Issuer and the Collateral Manager that all the Notes are immediately due and repayable, provided that following the occurrence of an Event of Default described in Condition 10(a)(vi) (*Insolvency Proceedings*) or Condition 10(a)(vii) (*Illegality*), such notice shall be deemed to have been given and all the Notes shall automatically become immediately due and payable.

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

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 Subordinated Notes.

3.24 Certain ERISA Considerations

Under a regulation of the U.S. Department of Labor, if certain employee benefit plans or other retirement arrangements subject to the U.S. Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), or Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), or entities whose underlying assets are treated as assets of such plans or arrangements (collectively, "**Plans**") invest in the Class E Notes, 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 hereunder could be considered "prohibited transactions" under Section 406 of ERISA or Section 4975 of the Code. See the section entitled "*Certain ERISA Considerations*" below.

3.25 Forced Transfer

Each initial purchaser of an interest in a Rule 144A Note and each transferee of an interest in a Rule 144A Note will be deemed to represent at the time of purchase that, amongst other things, the purchaser is both a QIB and a QP. In addition each Noteholder will be deemed or in some cases required to make certain representations in respect of ERISA. The Trust Deed provides that if, notwithstanding the restrictions on transfer contained therein, the Issuer determines that any holder of an interest in a Rule 144A Note is a "U.S. person" as defined under Regulation S under the Securities Act (a "**U.S. Person**") and is not both a QIB and a QP at the time it acquires an interest in a Rule 144A Note (any such person, a "**Non-Permitted Holder**") or a Noteholder is a Non-Permitted ERISA Holder (as applicable), the Issuer may, promptly after determination that such person is a Non-Permitted Holder or Non-Permitted ERISA Holder by the Issuer, send notice to such Non-Permitted Holder or Non-Permitted ERISA Holder (as applicable) demanding that such Holder transfer its interest outside the United States to a non-U.S. Person or to a person that is not a Non-Permitted Holder or Non-Permitted ERISA Holder (as applicable) within 30 days (or 10 days in the case of a Non-Permitted ERISA Holder) of the date of such notice. If such Holder fails to effect the transfer required within such 30-day period (or 10-day period in the case of a Non-Permitted ERISA Holder), (a) upon direction from the Issuer or the Collateral Manager on its behalf, a Transfer Agent, on behalf of and at the expense of the Issuer, shall cause such beneficial interest to be transferred in a commercially reasonable sale to a person or entity that certifies in writing to such Transfer Agent and the Issuer, in connection with such transfer, that such person or entity either is not a U.S. Person or is a QIB and a QP and is not a Non-Permitted ERISA Holder (b) pending such transfer, no further payments will be made in respect of such beneficial interest.

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

3.26 U.S. Tax Risks

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

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

U.S. trade or business

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

FATCA

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

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

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

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

In addition, as discussed in "*Tax Considerations—Certain U.S. Federal Income Tax Considerations—U.S. Federal Tax Treatment of the Notes—Recently Proposed Regulations*", the IRS recently issued proposed regulations that, if finalised in their current form, could, under certain circumstances, treat Rated Notes as equity in the Issuer for periods during which those Rated Notes are held by a person that is related to the Issuer.

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

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

4. RELATING TO THE COLLATERAL

4.1 The Portfolio

The decision by any prospective holder of Notes to invest in such Notes should be based, among other things (including, without limitation, the identity of the Collateral Manager), on the Eligibility Criteria (and Reinvestment Criteria, when applicable) which each Collateral Debt Obligation is required to satisfy, as disclosed in this Prospectus, 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 on and after the Determination Date immediately preceding the second Payment Date) and in each case (save as described herein) thereafter. This Prospectus does not contain any information regarding the individual Collateral Debt Obligations on which the Notes will be secured from time to time. Purchasers of any of the Notes will not have an opportunity to evaluate for themselves the relevant economic, financial and other information regarding the investments to be made by the

Issuer and, accordingly, will be dependent upon the judgment and ability of the 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 Placement Agent have made any investigation into the Obligors of the Collateral Debt Obligations. The value of the Portfolio may fluctuate from time to time (as a result of substitution or otherwise) and none of the Issuer, the Trustee, the Placement Agent, the Custodian, the Collateral Manager, the Retention Holder, the Collateral Administrator, any Hedge Counterparty, or any of their Affiliates are under any obligation to maintain the value of the Collateral Debt Obligations at any particular level. None of the Issuer, the Trustee, the Custodian, the Collateral Manager, the Collateral Administrator, any Hedge Counterparty, the Placement Agent or any of their Affiliates has any liability to the Noteholders as to the amount or value of, or any decrease in the value of, the Collateral Debt Obligations from time to time.

Furthermore, pursuant to the Collateral Management Agreement, the Collateral Manager is required to carry out due diligence in accordance with the Standard of Care specified in the Collateral Management Agreement, to ensure the Eligibility Criteria will be satisfied prior to the entry by the Issuer (or the Collateral Manager (acting on behalf of the Issuer)) into a commitment to purchase an asset intended to constitute a Collateral Debt Obligation and that the Issuer will, upon the settlement of such purchase, become the legal and beneficial holder of such Collateral Debt 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 Debt Obligations are properly and effectively transferred and satisfy each of the Eligibility Criteria.

4.2 Nature of Collateral; Defaults

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

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

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

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

To the extent that a default occurs with respect to any Collateral Debt Obligation and the Issuer or Trustee sells or otherwise disposes of such Collateral Debt Obligation, the proceeds of such sale or disposition are likely to be less than the unpaid principal and interest thereon. Even in the absence of a default with respect to any of the

Collateral Debt Obligations, the potential volatility and illiquidity of the sub-investment grade high yield and leveraged loan markets means that the market value of such Collateral Debt Obligations at any time will vary, and may vary substantially, from the price at which such Collateral Debt Obligations were initially purchased and from the principal amount of such Collateral Debt Obligations. Accordingly, no assurance can be given as to the amount of proceeds of any sale or disposition of such Collateral Debt Obligations at any time, or that the proceeds of any such sale or disposition would be sufficient to repay a corresponding par amount of principal of and interest on the Notes after, in each case, paying all amounts payable prior thereto pursuant to the Priorities of Payment. Moreover, there can be no assurance as to the amount or timing of any recoveries received in respect of Defaulted Obligations.

4.3 The Warehouse Arrangements

The Issuer has purchased or entered into an agreement to purchase a substantial portion of the Portfolio (such Collateral Debt Obligations, the "**Warehoused Assets**") on or prior to the Issue Date in accordance with the Warehouse Arrangements, pursuant to which an Affiliate of the Placement Agent (in such capacity, the "**Warehouse Debt Provider**") and equity investors which are not Affiliates of either the Collateral Manager or the Placement Agent (the "**Warehouse Equity Providers**") are also involved. The Warehouse Arrangements involve (a) the Warehouse Debt Provider providing funding to the Issuer to acquire the Warehoused Assets, (b) the Warehouse Debt Provider hedging its exposure to the Warehoused Assets pursuant to total return swap arrangements ultimately with the Warehouse Equity Providers (the "**Warehouse TRS**") and (c) the reference obligations under the Warehouse TRS being selected by the Collateral Manager. On the Issue Date, the Issuer will apply part of the proceeds of the issuance of the Notes to repay the financing provided by the Warehouse Debt Provider and the Warehouse Equity Providers and the Warehouse Arrangements will be terminated.

The selection and inclusion of reference obligations under the Warehouse TRS is subject to the consent of the Warehouse Debt Provider. Such reference obligations are loans and debt securities and, upon being referenced in the Warehouse TRS, were expected by the Collateral Manager to satisfy the definition of "Collateral Debt Obligation" described herein. The prices at which the Issuer will have purchased 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 of such Warehoused Assets on the Issue Date. Investors in the Notes will therefore be assuming the risk of market value and credit quality changes in the Warehoused Assets from the date the Issuer entered into a commitment to acquire such Warehoused Assets to the Issue Date.

Although the Warehouse Debt Provider was involved in the Warehouse Arrangements, its involvement in such arrangements, and its approval of the purchase of any Warehoused Assets, was solely in its capacity as Warehouse Debt Provider and should not be viewed as a determination by the Placement Agent or the Warehouse Debt Provider as to whether a particular Warehoused Asset is an appropriate investment by the Issuer or whether such asset satisfies the portfolio criteria applicable to the Issuer. The Warehouse Debt Provider's determination to approve the acquisition of the Warehoused Assets was not based on any credit analysis undertaken by, or available to, it or the Placement Agent in relation to such Warehoused Asset, and neither the Warehouse Debt Provider nor the Placement Agent will, or is required to, monitor the value of such Warehoused Asset or the creditworthiness of the Obligor of any such asset.

The Warehouse Debt Provider may use the Warehoused Assets to hedge its exposure under the Warehouse TRS, in which case it is anticipated that the Warehoused Assets and the reference obligations under the Warehouse TRS will be largely identical. However, this may not necessarily be the case as the Warehouse Debt Provider is under no contractual obligation to hedge its exposure under the Warehouse TRS.

If the Warehouse Debt Provider or (in circumstances where such approval is required) the Warehouse Equity Providers did not approve the inclusion of any asset selected by the Collateral Manager for the purposes of the Warehouse TRS, or the Warehouse Debt Provider did not approve the acquisition by the Issuer of an asset which was referenced by the Warehouse TRS, the Issuer will have been unable to acquire such asset prior to the Issue Date, which may result in the Issuer either not being able to purchase such asset or delaying such purchase and, thereby, potentially resulting in the Issuer paying a higher price for such asset. The exercise of such approval rights by the Warehouse Debt Provider and (where applicable) the Warehouse Equity Providers may, more generally, have resulted in a reduction in the assets available for the Collateral Manager on behalf of the Issuer to purchase prior to the Issue Date.

Investors should note that the Warehouse Equity Providers hold all of the equity exposure under the Warehouse Arrangements.

During the period of the Warehouse Arrangements, the Issuer may have purchased Warehoused Assets directly from the Placement Agent or any of its Affiliates and the price at which such Warehoused Assets were purchased by the Issuer may have resulted in the Placement Agent, the Warehouse Equity Provider or their Affiliates, as the case may be, earning a profit from the sale of such asset. See the section entitled "*Conflicts of Interest – Certain Conflicts of Interest Involving or Relating to the Placement Agent and its Affiliates"* below.

4.4 Considerations Relating to the Initial Investment Period

During the Initial Investment Period, the Collateral Manager on behalf of the Issuer, will seek to acquire additional Collateral Debt Obligations in order to satisfy, as at the Effective Date, the Target Par Amount and each of the Coverage Tests (other than in respect of the Interest Coverage Tests, which are required to be satisfied on and after the Determination Date immediately preceding the second Payment Date), Collateral Quality Tests and Portfolio Profile Tests. See "*The Portfolio*" section of this Prospectus. The ability to satisfy such tests and requirement will depend on a number of factors beyond the control of the Issuer and the Collateral Manager, including the availability of obligations that satisfy the Eligibility Criteria and other Portfolio related requirements in the primary and secondary loan markets, the condition of the financial markets, general economic conditions and international political events. Therefore, there can be no assurance that such tests and requirements will be met. In addition, the ability of the Issuer to enter into Currency Hedge Transactions upon the acquisition of Non-Euro Obligations will depend upon a number of factors outside the control of the Collateral Manager, including its ability to identify a suitable Currency Hedge Counterparty with whom the Issuer may enter into Currency Hedge Transactions. See also 2.4 "*European Market Infrastructure Regulation (EMIR)*" above. To the extent it is not possible to purchase such additional Collateral Debt Obligations, the level of income receivable by the Issuer on the Collateral, and therefore its ability to meet its interest payment obligations under the Notes, may be adversely affected. Such inability to invest may also shorten the weighted average lives of the Notes as it may lead to early redemption of the Notes. To the extent such additional Collateral Debt Obligations are not purchased, the level of income receivable by the Issuer on the Collateral and therefore its ability to meet its interest payment obligations under the Notes, together with the weighted average lives of the Notes, may be adversely affected. Any failure by the Collateral Manager (on behalf of the Issuer) to acquire such additional Collateral Debt Obligations and/or enter into required Currency Hedge Transactions during such period could result in the non-confirmation or downgrade or withdrawal by any Rating Agency of its Initial Rating of any Class of Notes. Such non-confirmation, downgrade or withdrawal may result in the redemption of the Notes, shortening their weighted average life and reducing the leverage ratio of the Subordinated Notes to the other Classes of Notes which could adversely affect the level of returns to the holders of the Subordinated Notes. Any such redemption of the Notes may also adversely affect the risk profile of Classes of Notes in addition to the Subordinated Notes to the extent that the amount of excess spread capable of being generated in the transaction reduces as the result of redemption of the most senior ranking Classes of Notes in accordance with the Note Payment Sequence which bear a lower rate of interest than the remaining Classes of Rated Notes.

Investors should note that, prior to the Determination Date relating to the first Payment Date, the Collateral Manager may transfer some or all amounts standing to the credit of the First Period Reserve Account to the Unused Proceeds Account for the purpose of being applied toward the purchase of additional Collateral Debt 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.

4.5 Underlying Portfolio

Characteristics of Senior Loans, Senior Secured Bonds and Mezzanine Obligations

The Portfolio Profile Tests provide that as of the Effective Date, at least 90.0 per cent. of the Aggregate Collateral Balance must consist of Senior Secured Loans and Senior Secured Bonds in aggregate (which shall comprise for this purpose the aggregate of the Aggregate Principal Balance of the Senior Secured Loans and Senior Secured Bonds and the balances standing to the credit of the Principal Account and the Unused Proceeds Account including Eligible Investments that represent Principal Proceeds in respect of such accounts, in each case as at the relevant Measurement Date). Senior Obligations, Second Lien Loans and Mezzanine Obligations are of a type generally incurred by the Obligors thereunder in connection with highly leveraged transactions, often (although not exclusively) to finance internal growth, pay dividends or other distributions to the equity holders in the Obligor, or finance acquisitions, mergers, and/or stock purchases. As a result of the additional debt incurred by the borrower in the course of such a transaction, the Obligor's creditworthiness is typically judged by the rating agencies to be below investment grade. Senior Secured Loans, Senior Secured Bonds and Unsecured Senior Loans are typically at the most senior level of the capital structure with Second Lien Loans

being subordinated thereto and Mezzanine Obligations being subordinated to any Senior Obligations or to any other senior debt of the Obligor. Senior Secured Loans and Senior Secured Bonds are often secured by specific collateral, including but not limited to, trademarks, patents, accounts receivable, inventory, equipment, buildings, real estate, franchises and common and preferred stock of the Obligor and its subsidiaries and any applicable associated liens relating thereto. In continental Europe, security is often limited to shares in certain group companies, accounts receivable, bank account balances and intellectual property rights. Second Lien Loans and Mezzanine Obligations may have the benefit of a second priority charge over such assets. Unsecured Senior Loans do not have the benefit of such security. Senior Secured Loans usually have shorter terms than more junior obligations and often require mandatory prepayments from excess cash flows, asset dispositions and offerings of debt and/or equity securities.

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

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

Some Collateral Debt Obligations may bear interest at a fixed rate, for example high yield bonds. Risks associated with fixed rate obligations are discussed at 4.14 "*Interest Rate Risk*" below.

The majority of Senior Obligations and Mezzanine Obligations bear interest based on a floating rate index, for example EURIBOR, a certificate of deposit rate, a prime or base rate (each as defined in the applicable loan agreement) or other index, which may reset daily (as most prime or base rate indices do) or offer the borrower a choice of one, two, three, six, nine or twelve month interest and rate reset periods. The purchaser of an interest in a Senior Obligation or Mezzanine Obligation may receive certain syndication or participation fees in connection with its purchase. Other fees payable in respect of a Senior Obligation 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 Obligation 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 term of any Senior Obligations or Mezzanine Obligation will have been a matter of negotiation and will be unique. Any such particular loan may contain non-standard terms and may provide less protection for creditors than may be expected generally, including in respect of covenants, events of default, security or guarantees.

Limited Liquidity, Prepayment and Default Risk in relation to Senior Obligations, Second Lien Loans and Mezzanine Obligations

In order to induce banks and institutional investors to invest in a Senior Obligation, Second Lien 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 relating to such Senior Obligation, Second Lien Loan or Mezzanine Obligation, and the private syndication of the Senior Obligations, Second Lien 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 Obligations, Second Lien Loans and Mezzanine Obligations have been predominantly commercial banks and investment banks. The range of investors for such loans has broadened significantly to include money managers, insurance companies, arbitrageurs, bankruptcy investors and mutual funds seeking increased potential total returns and collateral managers of trusts or special purpose companies issuing collateralised bond and loan obligations. As secondary market trading volumes increase, new loans are frequently adopting more standardised documentation to facilitate loan trading which should improve market liquidity. There can be no assurance, however, that future levels of supply and demand in loan trading will provide the degree of liquidity which currently exists in the market. This means that such assets will be subject to greater disposal risk if such assets are sold following enforcement of the security over the Collateral or otherwise. The European market for Mezzanine Obligations is also generally less liquid than that for Senior Obligations, resulting in increased disposal risk for such obligations.

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

Increased Risks for Mezzanine Obligations

The fact that Mezzanine Obligations are generally subordinated to any Senior Obligations 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 Obligations. They are often entered into in connection with leveraged acquisitions or recapitalisations in which the Obligors thereunder incur a substantially higher amount of indebtedness than the level at which they previously operated and, as referred to above, sit at a subordinated level in the capital structure of such companies.

Prepayment Risk

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

Credit Risk

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

Defaults and Recoveries

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

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

Recoveries on Senior 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 4.19 "*Insolvency Considerations relating to Collateral Debt Obligations*" below.

For the purpose of the foregoing "**Senior Obligations**" means Senior Secured Loans, Senior Secured Bonds and Unsecured Senior Loans.

Investing in Cov-Lite Loans involves certain risks

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

Characteristics of High Yield Bonds

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

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

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

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

In the case of High Yield Bonds issued by issuers with their principal place of business in Europe, structural subordination of High Yield Bonds, coupled with the relatively shallow depth of the European high yield market, leads European high yield defaults to realise lower average recoveries than their U.S. counterparts. Another factor affecting recovery rates for European high yield bonds is the bankruptcy regimes applicable in different European jurisdictions and the enforceability of claims against the high yield bond issuer. See 4.19 "*Insolvency Considerations relating to Collateral Debt Obligations*" below. It must be noted, however, that the overall probability of default (based on credit rating) remains similar for both U.S. and European credits; it is the severity of the effect of any default that differs between the two markets as a result of the aforementioned factors.

In addition to the characteristics described above, high yield securities frequently have call or redemption features that permit the issuer to redeem such obligations prior to their final maturity date. If such a call or redemption were exercised by an issuer during a period of declining interest rates, the 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 Debt 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 borrower. In addition, during a bankruptcy of the Obligor, the holder of a Second Lien Loan may be required to give advance consent to (a) any use of cash collateral approved by the first lien creditors; (b) sales of collateral approved by the first lien lenders and the bankruptcy court, so long as the second liens continue to attach to the sale proceeds; and (c) "debtor-in-possession" financings.

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

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

Characteristics of Unsecured Senior Loans

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

4.6 Limited Control of Administration and Amendment of Collateral Debt Obligations

As a holder of an interest in a syndicated loan, the Issuer will have limited consent and control rights and such rights may not be effective in view of the expected proportion of such obligations held by the Issuer. The 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 Debt Obligations or any related documents or will refuse amendments or waivers of the terms of any underlying asset and related documents in accordance with its investment management practices and the standard of care specified in the Collateral Management 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 investment management practices and the Standard of Care specified in the Collateral Management Agreement.

The Collateral Manager may, in accordance with its investment management practices and subject to the Trust Deed and the Collateral Management Agreement, agree on behalf of the Issuer to extend or defer the maturity, or adjust the outstanding balance of any underlying asset, or otherwise amend, modify or waive the terms of any related loan agreement, including the payment terms thereunder. Any amendment, waiver or modification of an underlying asset could postpone the expected maturity of the Notes and/or reduce the likelihood of timely and complete payment of interest on or principal of the Notes.

4.7 Participations, Novations and Assignments

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

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

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

In addition, Participations may be subject to the exercise of the "bail-in" powers attributed to Resolution Authorities under the BRRD or similar resolution mechanisms provided for in the SRM Regulation. See 2.24 "*EU Bank Recovery and Resolution Directive*" above.

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

4.8 Voting Restrictions on Syndicated Loans for Minority Holders

The Issuer will generally purchase each underlying asset in the form of an assignment of, or participation interest in, a note or other obligation issued under a loan facility to which more than one lender is a party. These loan facilities are administered for the lenders by a lender or other agent acting as the lead administrator. The terms and conditions of these loan facilities may be amended, modified or waived only by the agreement of the lenders. Generally, any such agreement requires the consent of a majority or a super-majority (measured by outstanding loans or commitments) or, in certain circumstances, a unanimous vote of the lenders, and the Issuer may have a minority interest in such loan facilities. Consequently, the terms and conditions of an underlying asset issued or sold in connection with a loan facility could be modified, amended or waived in a manner contrary to the preferences of the Issuer if the amendment, modification or waiver of such term or condition

does not require the unanimous vote of the lenders and a sufficient number of the other lenders concur with such modification, amendment or waiver. There can be no assurance that any Collateral Debt Obligations issued or sold in connection with any loan facility will maintain the terms and conditions to which the Issuer or a predecessor in interest to the Issuer originally agreed.

4.9 Corporate Rescue Loans

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

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

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

4.10 Bridge Loans

The Portfolio Profile Tests provide that not more than 5.0 per cent. of the Aggregate Collateral Balance may be comprised of Bridge Loans. Bridge Loans are generally a temporary financing instrument and as such the interest rate may increase after a short period of time in order to encourage an Obligor to refinance the Bridge Loan with more long-term financing. If an Obligor is unable to refinance a Bridge Loan, the interest rate may be subject to an increase and as such Bridge Loans may have greater credit and liquidity risk than other types of loans.

4.11 Collateral Enhancement Obligations

All funds required in respect of the purchase price of any Collateral Enhancement Obligations and all funds required in respect of the exercise price of any rights or options thereunder, may only be paid out of the Balance standing to the credit of the Collateral Enhancement Account at the relevant time. Such Balance shall be comprised of all sums deposited therein from time to time which will comprise interest payable in respect of the Subordinated Notes which the Collateral Manager, acting on behalf of the Issuer, determines shall be paid into the Collateral Enhancement Account pursuant to the Priorities of Payment rather than being paid to the Subordinated Noteholders. The aggregate amount which may be credited to the Collateral Enhancement Account in accordance with the Priorities of Payment are subject to the following caps: (i) in aggregate on any particular Payment Date, such amount may not exceed €3,500,000 and (ii) the cumulative maximum aggregate total in respect of all Payment Dates may not exceed €15,000,000.

The Collateral Manager is under no obligation whatsoever to exercise its discretion (acting on behalf of the Issuer) to take any of the actions described above and there can be no assurance that the Balance standing to the credit of the Collateral Enhancement Account will be sufficient to fund the exercise of any right or option under any Collateral Enhancement Obligation at any time. The ability of the 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 Collateral Enhancement Account to pay the costs of any such exercise. Failure to exercise any such right or option may result in a reduction of the returns to the Subordinated Noteholders (and, potentially, Noteholders of other Classes).

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

To the extent that there are insufficient sums standing to the credit of the Collateral Enhancement Account from time to time to purchase or exercise rights under Collateral Enhancement Obligations which the 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 Agreement. All such Collateral Manager Advances shall be repaid (together with interest thereon) out of the Interest Proceeds and Principal Proceeds on each Payment Date pursuant to the Priorities of Payment.

4.12 Counterparty Risk

Assignments, 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. Counterparties in respect of Participations and Hedge Transactions are required to satisfy the applicable Rating Requirement, upon entry into the applicable contract or instrument.

If a Hedge Counterparty is subject to a rating withdrawal or downgrade by the Rating Agencies to below the applicable Rating Requirement, there will be a termination event under the applicable Hedge Agreement unless, within the applicable grace period following such rating withdrawal or downgrade, such Hedge Counterparty either transfers its obligations under the applicable Hedge Agreement to a replacement counterparty with the requisite ratings, obtains a guarantee of its obligations by a guarantor with the requisite ratings, collateralises its obligations in a manner satisfactory to the Rating Agencies or employs some other such strategy as may be approved by the Rating Agencies.

Similarly, the Issuer will be exposed to the credit risk of the Account Bank and the Custodian to the extent of, respectively, all cash of the Issuer held in the Accounts and all Collateral of the Issuer held by the Custodian. If the Account Bank or the Custodian is subject to a rating withdrawal or downgrade by the Rating Agencies to below the applicable Rating Requirement, the Issuer shall 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 within the time limits prescribed for such action in the applicable Transaction Documents.

Transactions with counterparties that are relevant institutions for the purposes of the BRRD may be subject to the exercise of the "bail-in" powers attributed to Resolution Authorities under the BRRD or similar resolution mechanisms provided for in the SRM Regulation. See 2.24 "*EU Bank Recovery and Resolution Directive*" above.

4.13 Concentration Risk

Although no significant concentration with respect to any particular Obligor, industry or country is expected to exist at the Effective Date, the concentration of the Portfolio in any one Obligor would subject the Notes to a greater degree of risk with respect to defaults by such Obligor, and the concentration of the Portfolio in any one industry would subject the Notes to a greater degree of risk with respect to economic downturns relating to such industry. The Portfolio Profile Tests and Collateral Quality Tests attempt to mitigate any concentration risk in the Portfolio. See "*The Portfolio—Portfolio Profile Tests and Collateral Quality Tests*".

4.14 Interest Rate Risk

The Class A Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes and Class F Notes bear interest at a floating rate based on EURIBOR. It is possible that Collateral Debt Obligations (in particular High Yield Bonds) may bear interest at fixed rates and there is no requirement that the amount or portion of Collateral Debt Obligations securing the Notes must bear interest on a particular basis, save for the Portfolio Profile Test which requires that not more than 12.5 per cent. of the Aggregate Collateral Balance may comprise Fixed Rate Collateral Debt Obligations.

In addition, any payments of principal or interest received in respect of Collateral Debt Obligations and not otherwise reinvested during the Reinvestment Period in Substitute Collateral Debt Obligations will generally be invested in Eligible Investments until shortly before the next Payment Date. There is no requirement that such Eligible Investments bear interest on a particular basis, and the interest rates available for such Eligible

Investments are inherently uncertain. As a result of these factors, it is expected that there will be a fixed/floating rate mismatch and/or a floating rate basis mismatch between the Notes and the underlying Collateral Debt Obligations and Eligible Investments. Such mismatch may be material and may change from time to time as the composition of the related Collateral Debt Obligations and Eligible Investments change and as the liabilities of the Issuer accrue or are repaid. As a result of such mismatches, changes in the level of EURIBOR could adversely affect the ability to make payments on the Notes. In addition, pursuant to the Collateral Management Agreement, the Collateral Manager, acting on behalf of the Issuer, is authorised to enter into the Hedge Transactions in order to mitigate such interest rate mismatch from time to time, subject to receipt in each case of Rating Agency Confirmation in respect thereof and subject to certain regulatory considerations in relation to swaps, discussed in 2.8 "*Commodity Pool Regulation*" above. However, the Issuer will depend on each Hedge Counterparty to perform its obligations under any Hedge Transaction to which it is a party and if any Hedge Counterparty defaults or becomes unable to perform due to insolvency or otherwise, the Issuer may not receive payments it would otherwise be entitled to from such Hedge Counterparty to cover its interest rate risk exposure.

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

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

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

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

4.15 Non-Euro Obligations and Currency Hedge Transaction

The Portfolio Profile Tests provide that up to 30 per cent. of the Aggregate Collateral Balance may comprise Non-Euro Obligations denominated in certain Qualifying Currencies. The percentage of the Portfolio that is comprised of these types of obligations may increase or decrease over the life of the Notes within the limits set by the Portfolio Profile Tests. Although the Issuer intends to hedge against certain currency exposures pursuant to Currency Hedge Transactions, it is not required that all Non-Euro Obligations must be the subject of a Currency Hedge Transaction. In accordance with the Portfolio Profile Tests, up to 2.5 per cent. of the Aggregate Collateral Balance may consist of Unhedged Collateral Debt Obligations.

Notwithstanding that Non-Euro Obligations may be the subject of Currency Hedge Transactions, fluctuations in the currency exchange rates for currencies in which Collateral Debt Obligations are denominated may lead to the proceeds of the Portfolio being insufficient to pay all amounts due to the respective Classes of Noteholders. In addition, fluctuations in euro exchange rates may result in a decrease in value of the Portfolio for the purposes of sale thereof (including but not limited to a Non-Euro Obligation upon enforcement of the security over it). The Collateral Manager may also be limited at the time of investment in its choice of Collateral Debt Obligations because of the cost of entry into such Currency Hedge Transaction and due to restrictions in the Collateral Management Agreement with respect thereto. The Collateral Manager may also be unable to find suitable Hedge Counterparties willing to provide Currency Hedge Transactions. See 2.4 "*European Market Infrastructure Regulation (EMIR)*", 2.7 "*CFTC Regulations*" and 2.8 "*Commodity Pool Regulation*" above.

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

Defaults, prepayments, trading and other events may increase the risk of a mismatch between the foreign exchange hedges and Collateral Debt Obligations. This may cause losses.

Defaults, prepayments, trading and other events increase the risk of a mismatch between the Non-Euro Obligations and the Notes. This may cause losses. The Collateral Manager may be limited at the time of reinvestment in its choice of Collateral Debt Obligations because of the cost of the foreign exchange hedging and due to restrictions in the Collateral Management Agreement with respect to exercising such hedging. In addition, it may not be economically advantageous or feasible for the Issuer to exercise its hedging arrangements and such hedging arrangements may not be sufficient to protect the Issuer from fluctuations in Euro exchange rates.

The Issuer will depend upon the Currency Hedge Counterparty to perform its obligations under any hedges. If the Currency Hedge Counterparty defaults or becomes unable to perform due to insolvency or otherwise, the Issuer may not receive payments it would otherwise be entitled to from the Currency Hedge Counterparty to cover its foreign exchange exposure. See 2.4 "*European Market Infrastructure Regulation (EMIR)*" and 4.12 "*Counterparty Risk*" above.

4.16 Trading Requirements

So long as the Issuer is relying on the exclusion from the Investment Company Act provided by Rule 3a-7 it will not acquire or dispose of a Collateral Debt Obligation, Collateral Enhancement Obligation, Exchanged Security or Eligible Investment unless certain conditions are met which include that:

(a) the acquisition or disposal of Collateral Debt Obligations, Collateral Enhancement Obligations, Exchanged Securities or Eligible Investments for the primary purpose of recognising gains or decreasing losses from market value changes is not permitted; and

(b) any additional purchase or sale of "eligible assets" (as defined in Rule 3a-7) is permitted only if the purchase or sale does not result in a reduction or withdrawal of the then current rating issued by any Rating Agency on any Class of Rated Notes then Outstanding.

This could prevent the Issuer from selling assets that the Collateral Manager expects may decline in value or from reinvesting principal payments or sale proceeds in Collateral Debt Obligations, Collateral Enhancement Obligations or Eligible Investments.

4.17 Reinvestment Risk/Uninvested Cash Balances

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

During the Reinvestment Period, subject to compliance with certain criteria and limitations described herein, the Collateral Manager will have discretion to dispose of certain Collateral Debt Obligations and to reinvest the

proceeds thereof in Substitute Collateral Debt Obligations in compliance with the Reinvestment Criteria. In addition, during the Reinvestment Period, to the extent that any Collateral Debt Obligations prepay or mature prior to the Maturity Date, the Collateral Manager will seek to invest the proceeds thereof in Substitute Collateral Debt Obligations, subject to the Reinvestment Criteria. In addition, following the expiry of the Reinvestment Period, the Collateral Manager may reinvest some types of Principal Proceeds (see 3.7 "*The Collateral Manager May Reinvest After the End of the Reinvestment Period*" above). The yield with respect to such Substitute Collateral Debt Obligations will depend, among other factors, on reinvestment rates available at the time, on the availability of investments which satisfy the Reinvestment Criteria and are acceptable to the 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 Debt Obligations with a lower yield than those replaced, with different characteristics than those replaced (including, but not limited to, coupon, maturity, call features and/or credit quality) or require that such funds be maintained in cash or Eligible Investments pending reinvestment in Substitute Collateral Debt Obligations, which will further reduce the Adjusted Collateral Principal Amount. Any decrease in the Adjusted Collateral Principal Amount will have the effect of reducing the amounts available to make distributions of interest on the Notes which will adversely affect cash flows available to make payments on the Notes, especially the most junior Class or Classes of Notes. There can be no assurance that in the event Collateral Debt Obligations are sold, prepaid, or mature, yields on Collateral Debt Obligations that are eligible for purchase will be at the same levels as those replaced and there can be no assurance that the characteristics of any Substitute Collateral Debt Obligations purchased will be the same as those replaced and there can be no assurance as to the timing of the purchase of any Substitute Collateral Debt Obligations.

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

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

4.18 Ratings on Collateral Debt Obligations

The Collateral Quality Tests, the Portfolio Profile Tests, the Coverage Tests and the Reinvestment Overcollateralisation Test are sensitive to variations in the ratings applicable to the underlying Collateral Debt Obligations. Generally, deteriorations in the business environment or increases in the business risks facing any particular Obligor may result in downgrade of its obligations, which may result in such obligation becoming a Credit Impaired Obligation, a CCC Obligation, a Caa Obligation or a Defaulted Obligation (and therefore potentially subject to haircuts in the determination of the Par Value Tests and the Reinvestment Overcollateralisation Test and restriction in the Portfolio Profile Tests). The Collateral Management Agreement contains detailed provisions for determining the S&P Rating and the Moody's Rating. In some instances, the S&P Rating and the Moody's Rating will not be based on or derived from a public rating of the Obligor or the actual Collateral Debt Obligation but may be based on either a private rating of the Obligor or Collateral Debt Obligation or, in certain cases, a confidential credit estimate determined separately by S&P, Fitch or Moody's.

Such private ratings and confidential credit estimates are private and therefore not capable of being disclosed to Noteholders. In addition, some ratings will be derived by the 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 Aggregate Collateral Balance that may be made up of Collateral Debt Obligations where the Moody's Rating is derived from an S&P Rating. Furthermore, such derived ratings will not reflect detailed credit analysis of the particular Collateral Debt Obligation and may reflect a more or less conservative view of the actual credit risk of such Collateral Debt Obligation than any such fundamental credit analysis might, if conducted, warrant; and model-derived variations in such ratings may occur (and have consequential effects on the Collateral Quality Tests, the Portfolio Profile Tests and the Coverage Tests) without necessarily reflecting comparable variation in the actual credit quality of the Collateral Debt Obligation in question. Please see "*Ratings of the Notes*" and "*The Portfolio*".

There can be no assurance that rating agencies will continue to assign such ratings utilising the same methods and standards utilised today despite the fact that such Collateral Debt Obligation might still be performing fully to the specifications set forth in its Underlying Instrument. Any change in such methods and standards could result in a significant rise in the number of CCC Obligations and Caa Obligations or Defaulted Obligations in the Portfolio, which could cause the Issuer to fail to satisfy (i) the Par Value/Coverage Tests on subsequent Determination Dates, which failure could lead to the early amortisation of some or all of one or more Classes of the Notes or restrict the Issuer (or the Collateral Manager on its behalf) from reinvesting in substitute Collateral Debt Obligations (see Condition 7(c) (*Mandatory Redemption upon Breach of Coverage Tests*) or (ii) the Reinvestment Overcollateralisation Test, which failure could cause a reduction in the amounts available for distribution to the Subordinated Notes.

4.19 Insolvency Considerations relating to Collateral Debt Obligations

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

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

4.20 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 Debt Obligations, the Issuer may be subject to claims from creditors of an Obligor that Collateral Debt Obligations issued by such Obligor that are held by the Issuer should be equitably subordinated. However,

the Issuer does not intend to engage in, and the 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 U.S. federal and state laws. Insofar as Collateral Debt Obligations that are obligations of non-United States Obligors are concerned, the laws of certain foreign jurisdictions may impose liability upon lenders or bondholders under factual circumstances similar to those described above, with consequences that may or may not be analogous to those described above under U.S. federal and state laws.

4.21 Loan Repricing

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

4.22 Changes in Tax Law; No Gross Up; General

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

4.23 UK Taxation 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 it is (i) tax resident in the UK or (ii) carries on a trade in the UK through a permanent establishment.

The Issuer will not be treated as being tax resident in the UK provided that the central management and control of the Issuer is not in the UK. The Directors of the Issuer intend to conduct the affairs of the Issuer in such a manner so that it does not become resident in the UK for taxation purposes.

The Issuer will be regarded as having a permanent establishment in the UK if it has a fixed place of business in the UK or it has an agent in the UK who has and habitually exercises authority in the UK to do business on the Issuer's behalf. The Issuer does not intend to have a place of business in the UK. The Collateral Manager will, however, have and is expected to exercise authority to do business on behalf of the Issuer.

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

Should the Collateral Manager be assessed to UK tax on behalf of the Issuer, it may be entitled to an indemnity from the Issuer. Any payment to be made by the Issuer under this indemnity will be paid as Administrative Expenses of the Issuer. Administrative Expenses are payable by the Issuer on any Payment Date under the Priorities of Payment. It should be noted that UK tax legislation makes it possible for H.M. Revenue & Customs to seek to assess the Issuer to UK tax directly rather than through the Collateral Manager as its UK representative. Should the Issuer be assessed on this basis, the Issuer will be liable to pay UK tax on its UK taxable profit attributable to its UK activities, such payment to be made in accordance with the Priorities of Payment. The Issuer would also be liable to pay UK tax on its UK taxable profits in the unlikely event that it were treated as being tax resident in the UK, such payment to be made in accordance with the Priorities of Payment.

4.24 Collateral Manager

The Collateral Manager is given authority in the Collateral Management 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 Agreement. See "*The Portfolio*" and "*Description of the Collateral Management 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 Agreement: (a) the acquisition of Collateral Debt Obligations during the Reinvestment Period; (b) the sale of Collateral Debt Obligations during the Reinvestment Period (subject to certain limits) and, at any time, upon the occurrence of certain events (including a Collateral Debt Obligation becoming a Defaulted Obligation, a Credit Improved Obligation or a Credit Impaired Obligation); and (c) the participation in restructuring and work-outs of Collateral Debt Obligations on behalf of the Issuer. See "*The Portfolio*". Any analysis by the Collateral Manager (on behalf of the Issuer) of Obligors under Collateral Debt Obligations which it is purchasing (on behalf of the Issuer) or which are held in the Portfolio from time to time will, in respect of Collateral Debt Obligations which are publicly listed bonds, be limited to a review of readily available public information and in respect of Collateral Debt Obligations which are bonds which are not publicly listed, any analysis by the 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 Debt 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 loans of such kind.

In addition, the Collateral Management Agreement places significant restrictions on the Collateral Manager's ability to buy and sell Collateral Debt Obligations, and the Collateral Manager is required to comply with the restrictions contained in the Collateral Management Agreement. Accordingly, during certain periods or in certain specified circumstances, the Collateral Manager may be unable to buy or sell Collateral Debt Obligations

or to take other actions which it might consider in the best interest of the Issuer and the Noteholders, as a result of the restrictions set forth in the Collateral Management Agreement.

The Collateral Manager shall indemnify the Issuer in respect of Collateral Manager Breaches subject to and in accordance with the Collateral Management Agreement.

The Issuer is a newly formed entity and has no operating history or performance record of its own, other than entry into the Warehouse Arrangements and certain ancillary matters. 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 loan 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 Debt 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 Agreement*". There can be no assurance that any successor collateral manager would have the same level of skill in performing the obligations of the Collateral Manager, in which event payments on the Notes could be reduced or delayed.

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

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

4.25 No Placement Agent Role Post-Closing

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

4.26 Acquisition and Disposition of Collateral Debt Obligations

The estimated net proceeds of the issue of the Notes after payment of fees and expenses payable on or about the Issue Date (including, without duplication amounts deposited into the Expense Reserve Account) will be used by the Issuer for the repayment of any amounts borrowed by the Issuer under the Warehouse Arrangements (together with any interest thereon) and all other amounts due in order to finance the acquisition of warehoused Collateral Debt Obligations purchased by the Issuer prior to the Issue Date and to fund the First Period Reserve

Account. The remaining proceeds shall be retained in the Unused Proceeds Account and used to purchase (or enter into agreements to purchase) additional Collateral Debt Obligations during the Initial Investment Period. The Collateral Manager's decisions concerning purchases of Collateral Debt Obligations will be influenced by a number of factors, including market conditions and the availability of securities and loans satisfying the Eligibility Criteria, Reinvestment Criteria, Trading Requirements (so long as they are applicable) and the other requirements of the Collateral Management Agreement. The failure or inability of the Collateral Manager to acquire Collateral Debt Obligations with the proceeds of the offering or to reinvest Sale Proceeds or payments and prepayments of principal in Substitute Collateral Debt Obligations in a timely manner will adversely affect the returns on the Notes, in particular with respect to the most junior Class or Classes.

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

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

The Collateral Manager may (from time to time) enter into forward purchase agreements with the Issuer under which the Issuer shall commit to purchase and settle Collateral Debt Obligations from the Collateral Manager for the same purchase price as the Collateral Manager has committed to purchase that Collateral Debt Obligation from the relevant third party (which shall be no earlier than 15 Business Days after the date of such commitment to purchase). See *"The Retention Holder and Retention Requirements"*.

4.27 Regulated Banking Activity

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

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

4.28 Valuation Information; Limited Information

None of the Placement Agent, 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 Debt Obligations and none of the transaction parties (including the Issuer, Trustee, or Collateral Manager) will be required to provide any information other than what is required in the Trust Deed or the Collateral Management Agreement. Furthermore, if any information is provided to the Noteholders (including required reports under the Trust Deed), such information may not be audited. Finally, the Collateral Manager

may be in possession of material, non-public information with regard to the Collateral Debt Obligations and will not be required to disclose such information to the Noteholders.

5. CERTAIN CONFLICTS OF INTEREST

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

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

In general, the transaction will involve various potential and actual conflicts of interest.

Various potential and actual conflicts of interest may arise from the overall investment activity of the Collateral Manager, its clients and its Affiliates. The following briefly summarises some of these conflicts, but is not intended to be an exhaustive list of all such conflicts. By acquiring the Notes, the Placement Agent and its Affiliates along with each holder of the Notes will be deemed to have acknowledged the existence of such potential and actual conflicts of interest and, to the fullest extent permitted by applicable law, to have waived any claims with respect to the existence of such conflicts of interest.

References in this conflicts discussion to the Collateral Manager include the Affiliates of the Collateral Manager unless otherwise specified or the context otherwise requires.

BlackRock, Inc. ("**BlackRock**") (together with its Affiliates) manages assets on behalf of institutions and individuals worldwide through a variety of equity, fixed income, multi-asset, real estate, cash management and alternative investment products. In addition, BlackRock provides risk management, strategic advisory and enterprise investment systems services to a growing number of institutional investors. Although these relationships and activities should help enable the Collateral Manager to offer attractive opportunities and service to the Issuer, such relationships and activities also create certain inherent conflicts of interest between the Collateral Manager, the Issuer, the Placement Agent and its Affiliates and/or each holder of Notes.

The Conditions of the Notes provide that on each Payment Date, the Collateral Manager may be entitled to the Incentive Collateral Management Fee subject to the satisfaction of a specified internal rate of return on the Subordinated Notes. Payment of the Incentive Collateral Management Fee will be dependent to a large extent on the yield earned on the Collateral Debt Obligations. This fee structure could create an incentive for the Collateral Manager to manage the Issuer's investments in a manner as to seek to maximise the yield on the Collateral Debt Obligations relative to investments of higher creditworthiness. Managing the Portfolio with the objective of increasing yield, even though the Collateral Manager is constrained by the Eligibility Criteria and, where applicable, the Reinvestment Criteria, could result in riskier or more speculative investments for the Issuer than would otherwise be the case and in an increase in defaults or volatility, and could contribute to a decline in the aggregate market value of the Collateral Debt Obligations, each of which, together or individually, may have a negative impact on certain holders of the Notes.

In addition, the Conditions of the Notes provide that the Collateral Manager will be paid the Senior Collateral Management Fee and the Subordinated Collateral Management Fee (in accordance with the Priorities of Payment), both of which are to be calculated as a percentage of the Aggregate Collateral Balance and calculated semi-annually following the occurrence of a Frequency Switch Event and quarterly at all other times, in each case on the basis of a 360-day year and the actual number of days elapsed in such Due Period. As with the Incentive Collateral Management Fee, by reason of the Senior Collateral Management Fee and the Subordinated Collateral Management Fee, the Collateral Manager may have a conflict between its obligation to manage the Portfolio prudently and the financial incentive created by such fees for the Collateral Manager to make investments that are riskier or more aggressive than would be the case in the absence of such fees. The Collateral Manager is under no obligation to manage the Portfolio in a manner which will favour any of the Noteholders.

Certain investments may be appropriate for the Issuer and also for other clients advised by the Collateral Manager, including other registered and unregistered funds and separate accounts. The Collateral Manager's allocation of investment opportunities among various client accounts presents inherent conflicts of interest, as clients may have conflicting investment objectives, targeted returns, fee structures, investment time frames or legal, tax and regulatory considerations. In addition, the respective Affiliates, principals and partners of the

Collateral Manager and certain of its agents and advisors currently hold equity interests in such existing entities, may purchase the Notes and in the future such Affiliates and persons may invest in or be affiliated with other entities organised to invest in or issue collateralised debt obligations or other structured products secured by bank loans and/or high-yield debt securities.

The Issuer will participate in all investments selected by the Collateral Manager that are appropriate for the Issuer's investment program in accordance with the investment allocation policies of the Collateral Manager (the "**Allocation Policies**"). The Collateral Manager may change its Allocation Policies and other guidelines relating thereto from time to time without the consent of or notice to the Issuer, the Placement Agent, the Trustee, each holder of the Notes or any other person. The Allocation Policies as in effect at any time are intended to ensure that investment opportunities are allocated fairly and consistently among applicable client accounts over time. To the extent the investment programs of the Issuer and the other applicable client accounts of the Collateral Manager change and develop over time, additional issues and considerations may affect the Allocation Policies and the expectations of the Collateral Manager with respect to the allocation of investment opportunities to the Issuer and the other client accounts of the Collateral Manager. In addition, the allocation of investment opportunities to the Collateral Manager's clients' accounts other than the Issuer may present inherent conflicts of interest, as competing investment objectives or investment time frames, for instance, among such client accounts and the Issuer may arise. Certain business units of the Collateral Manager or one of its Affiliates may have separate allocation policies that differ from the policy applicable for the Issuer, and such other business units' client accounts may face the Issuer in the marketplace.

The Issuer may invest in indebtedness of issuers in which the Collateral Manager or a client account managed or advised by the Collateral Manager has an equity or other interest. Such investments may benefit the Collateral Manager. While it is expected that the Collateral Manager will only make investment decisions for the Issuer in good faith and in a manner that is consistent with its fiduciary obligations to the Issuer and the Standard of Care set forth in the Collateral Management Agreement, without regard to the benefits to the Collateral Manager, the Collateral Manager may be incentivised not to undertake certain actions on behalf of the Issuer in connection with such investments, including the exercise of certain rights that it may have as a creditor, in view of the Collateral Manager's involvement with the applicable issuer.

Conflicts will also arise in cases where the Issuer and/or other client accounts managed or advised by the Collateral Manager invest in different parts of an issuer's capital structure, including in different tranches of loans or classes of securities of (or other assets, instruments or obligations issued by) the same issuer. If an issuer in which the Issuer and one or more other such client accounts hold different tranches of loans or classes of securities (or other assets, instruments or obligations issued by such issuer) encounters financial problems, decisions over the terms of any workout will raise conflicts of interests (including, for example, conflicts over proposed waivers and amendments to debt covenants). As a result, one or more such client accounts may 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.

There are also certain risks involved in making investments in issuers that become insolvent. It is possible that in connection with an insolvency, winding up, bankruptcy, examinership 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 the Collateral Manager, including, for this purpose, funds or other accounts the Collateral Manager manages or in which it invests.

The Collateral Manager may provide financial, consulting and other services to, and receive compensation from, an entity which is the issuer of a loan or security held by the Issuer. In addition, the Collateral Manager may purchase property (including securities) from, sell property (including securities) or lend funds to, or otherwise deal with, any entity which is the issuer of a loan or security held by the Issuer. Any fees or other compensation received by the Collateral Manager and its affiliates in connection with such activities will not be shared with the Issuer.

The Collateral Manager and/or any of its Affiliates may from time to time incur expenses jointly on behalf of the Issuer, other accounts managed or advised by them and one or more subsequent entities established or advised by them. Although the Collateral Manager and/or its Affiliates will attempt to allocate such expenses on a basis that they consider equitable, there can be no assurance that such expenses will, in all cases, be allocated appropriately among such parties. The level of expenses allocated to the Issuer may have an adverse effect. A high level of expenses may result in a decreased return on the Notes. In each case, the level of expenses may have a material adverse effect on the performance of the Issuer and thus the return to each holder of the Notes.

The Collateral Manager may, by virtue of the relationships described above or otherwise, at the date hereof or at any time hereafter, be in possession of information regarding certain of the issuers of Collateral Debt Obligations and their respective Affiliates, that is or may be material in the context of the Notes and that is or may not be known to the general public. The Collateral Manager does not have any obligation, and the offering of the Notes will not create any obligation on its part, to disclose to any holder of the Notes any such relationship or information, whether or not confidential.

In addition, BlackRock may come into possession of material non-public information with respect to an issuer. Should this occur, the Collateral Manager would be restricted from buying or selling securities, derivatives or loans of such issuer on behalf of the Issuer until such time as the information became public or was no longer deemed material to preclude the Issuer from participating in an investment. As a result the Issuer may miss out on opportunities which could have resulted in greater returns on its investments. Disclosure of such information to the Collateral Manager's personnel responsible for the affairs of the Issuer will be on a need-to-know basis only, and the Issuer may not be free to act upon any such information. Therefore, the Issuer may not have access to material non-public information in the possession of the Collateral Manager's Affiliates which might be relevant to an investment decision to be made by the Issuer, and the Issuer may initiate a transaction or sell a Collateral Debt Obligation which, if such information had been known to it, may not have been undertaken. Due to these restrictions, the Issuer may not be able to initiate a transaction that it otherwise might have initiated and may not be able to sell a Collateral Debt Obligation that it otherwise might have sold, all of which could have a material adverse effect on the performance of the Issuer and thus the return to each holder of the Notes.

The Collateral Manager, its Affiliates and their employees may trade for their own account in securities and other instruments suitable for the Issuer only if such transactions are consistent with applicable law and the Collateral Manager's policies, including its personal trading policy.

There is no prohibition on the purchase of Notes by any of the Collateral Manager, any Affiliate of the Collateral Manager, BlackRock, any Affiliate of BlackRock, any director, employee, officer, personnel, partner, member and/or other professional staff of the Collateral Manager or BlackRock or any of their Affiliates, or any fund, entity or account for which the Collateral Manager, BlackRock, or any of their respective Affiliates acts as an investment or collateral manager or exercises discretionary voting authority on behalf of such fund, entity or account (each a "**Collateral Manager Related Person**"). Any such purchases may create potential and/or actual conflicts of interest between the Collateral Manager and/or Collateral Manager Related Persons and other investors in the Notes. Such purchases may be in the secondary market and may occur a significant amount of time after the Issue Date. Resulting conflicts of interest could include, but are not limited to (a) divergent economic interests or (b) a differing position on the voting of the Notes, in each case between the Collateral Manager and/or Collateral Manager Related Persons, on the one hand, and other investors in the Notes, on the other hand.

While no funds, securities or property of the Issuer will be commingled by the Collateral Manager with the property of any other fund or person, the Collateral Manager may in its sole discretion aggregate orders for its clients' accounts (including, without limitation, the Issuer's account).

The Collateral Manager and any of its Affiliates may at certain times seek to purchase or sell investments from or to the Issuer as principal for its own account or for the account of an Affiliate. Under the Collateral Management Agreement, the Collateral Manager, at its option and sole discretion, may, subject to applicable law and regulation, effect such principal transactions between such entities. Such principal transactions will present a conflict between the interests of the Collateral Manager or its Affiliates and/or their other clients, and the interests of the Issuer.

In addition, under the Collateral Management Agreement, the Collateral Manager and any of its Affiliates are authorised to engage in "agency cross" transactions in which one or more Affiliates of the Collateral Manager will act as a broker for compensation for both the Issuer and another person on the other side of the same transaction. Such other person may be an account or client for which the Collateral Manager or any affiliate serves as investment adviser. The Issuer has agreed to permit agency cross transactions; provided that (i) such consent can be revoked at any time by the Issuer and (ii) certain agency cross transactions require the advance consent of the Issuer in accordance with applicable law.

The Collateral Manager's duties and obligations under the Collateral Management Agreement will be owed to the Issuer (and to the extent that the Issuer has granted security over its rights under the Collateral Management Agreement to the Trustee). Other than pursuant to arrangements described below in relation to agreements with

one or more holders of the Notes, the Collateral Manager will not be in contractual privity with, and will owe no separate duties or obligations to, any of the holders of the Notes in their capacity as Noteholders.

Although personnel providing services to the Collateral Manager will devote as much time to the management of the Collateral Debt Obligations of the Issuer as the Collateral Manager deems appropriate, such personnel may have conflicts in allocating their working time and services among the Issuer and the other accounts now or hereafter advised by the Collateral Manager and/or its Affiliates.

The Collateral Manager or one or more of its Affiliates may also act as counterparty with respect to one or more derivatives contracts, if any, entered into by the Issuer at a time when the Terms and Conditions of the Notes permits the Issuer to enter into derivatives contracts, which may create certain conflicts of interest.

The Collateral Manager may enter into agreements with one or more holders of the Notes pursuant to which the Collateral Manager may agree, subject to its obligations under the Trust Deed, the Collateral Management Agreement and applicable law, to take actions with respect to such holders of the Notes that it will not take with respect to other holders of the Notes. The Collateral Manager plans to rebate, defray or otherwise provide an accommodation with respect to the management fees attributable to any client funds or BlackRock employees holding Subordinated Notes or other clients or affiliates that invest in the Notes from time to time. In addition, the Collateral Manager may enter into agreements which provide that the Placement Agent and/or its Affiliates and/or certain Noteholders will be entitled to receive a portion of the Collateral Management Fees payable on one or more Payment Dates during the term of the transaction. The performance and incentives of the Collateral Manager may be negatively impacted by any such fee or fee rebate arrangements.

As of June 30, 2016, PNC Financial Services Group, Inc. ("**PNC**") held approximately 21.1% of BlackRock's voting common stock and approximately 21.9% of BlackRock's capital stock, which includes outstanding common stock and nonvoting preferred stock. The remaining economic interests in BlackRock are owned by institutional and individual investors, as well as BlackRock employees. The Collateral Manager is a wholly owned subsidiary of BlackRock.

The relationship between BlackRock and PNC may give rise to certain conflicts of interest in the ordinary course of business of BlackRock, PNC and the investment activities of the Issuer. The following discussion enumerates certain potential and actual conflicts of interest arising out of the ownership interests of PNC in BlackRock. By acquiring the Notes, the Placement Agent and its Affiliates along with each holder of the Notes will be deemed to have acknowledged the existence of such potential and actual conflicts of interest and, to the fullest extent permitted by applicable law, to have waived any claims with respect to the existence of such conflicts of interest.

- Retail banking, investment services and other businesses of PNC. PNC and its Affiliates may provide deposit, lending, cash, management, trust and investment services and other commercial and private banking products to issuers in which the Issuer may invest as well as to other funds managed by the Collateral Manager. PNC and its Affiliates may also provide brokerage, investment banking and financial advisory services to issuers in which the Issuer may invest. PNC and its Affiliates serve as collateral managers and trustees for various employee benefit plans and charitable and endowment assets that could potentially have relationships with any issuers in which the Issuer may invest. PNC and its Affiliates also engage in asset-based lending and real estate financing to issuers in which the Issuer may invest or otherwise transact business. PNC and its Affiliates also provide fund accounting and administration, transfer agency, global custody and securities lending services, sub-accounting services, marketing and distribution services, managed account services, alternative investment services, banking transaction services and advanced output solutions. Through any of the foregoing, PNC and its Affiliates may receive fees from issuers or other counterparties in which the Issuer may invest or from the Issuer, and may have interests that conflict with those of the Issuer.

- Other services and activities. PNC may provide a variety of other services, including research, advisory, brokerage or support services, to any companies in which the Issuer may invest or, to the extent permitted by the Investment Advisers Act and other applicable laws, to the Issuer. To the extent permitted by the Investment Advisers Act and other applicable laws, PNC may act as broker, dealer, agent or otherwise for the Issuer, and the applicable PNC entities involved in such transactions will retain all commissions, fees and other compensation in connection therewith. Issuers of loans or securities held by the Issuer or by one or more other BlackRock client accounts may have publicly or privately traded securities in which PNC is an investor or makes a market. PNC is not prohibited from purchasing or selling the loans or securities of or otherwise investing in or financing issuers in which

the Issuer or another BlackRock client account has an interest. PNC may also engage in proprietary investment activities from time to time without reference to the positions held by the Issuer or other BlackRock client accounts. Such proprietary trading activities could have an adverse effect on the value of the positions held by the Issuer or such other client accounts, or may result in PNC having interests adverse to those of the Issuer (and holders of Notes) or such other client accounts. There can be no assurance that any of the foregoing arrangements will not, in whole or in part, give rise to conflicts of interest affecting the investment activities of the Issuer. In addition to the foregoing, based on the investment parameters of the Issuer, PNC or one of its respective Affiliates may, from time to time, participate in investment opportunities related to the Issuer's portfolio investments. Given the past and continuing relationship with PNC, such transactions may give rise to inherent conflicts of interest.

- Potential impact on the Issuer. It is difficult to predict the circumstances under which one or more of the foregoing conflicts could become material, but it is possible that such relationships could require BlackRock to refrain from making all or a portion of any investment or a disposition in order for BlackRock to comply with its fiduciary duties, the Investment Advisers Act or other applicable laws.

- Investment Products or Services of PNC may compete with the Issuer. PNC may sponsor and manage investment funds or other client accounts that compete directly or indirectly with the investment program of the Issuer. Additionally, PNC may create, sell, issue, or act as placement agent or distributor of, derivative instruments with respect to underlying securities, currencies or instruments held by the Issuer. The structure or other characteristics of such derivative instruments could have an adverse effect on the Issuer. Similarly, PNC may, subject to applicable laws, invest on a proprietary basis or for its clients, in securities issued by the Issuer, and may hedge derivative positions by buying or selling securities issued by the Issuer. These investments may be significant and may be made without notice to the Collateral Manager or the Issuer.

- Investments in service clients or portfolio companies of BlackRock or PNC. PNC provides a variety of services for and advice (including investment banking services, fairness opinions and extensions of credit provided by PNC) to various clients, including issuers of securities that the Collateral Manager may purchase or sell for the Issuer, and may generally receive fees for these services (including fees which may be contingent on the successful placement of securities and successful closing of a transaction). As a result of the relationships between BlackRock and PNC, the Collateral Manager may have an incentive to invest in securities the issuers of which utilise such services and pay such fees. The Collateral Manager believes, however, that the nature and range of clients to whom PNC renders such services is such that it would be inadvisable to exclude the securities of these issuers from the Issuer's account. Accordingly, absent a specific investment restriction or direction or regulatory restriction, it is likely that the Issuer's account may include the securities of issuers for whom PNC performs services.

The PNC Financial Services Group, Inc. ("**PNC**"), a bank holding company regulated as a "financial holding company" (an "**FHC**") by the Board of Governors of the Federal Reserve System (the "**Federal Reserve**") under the Bank Holding Company Act of 1956 (the "**BHC Act**"), currently has a minority investment in BlackRock's capital stock. Based on the Federal Reserve's interpretation of the BHC Act, the Federal Reserve currently takes the position that this ownership interest causes BlackRock and the Collateral Manager to be treated as nonbank subsidiaries of PNC for purposes of the BHC Act, thereby subjecting BlackRock and the Collateral Manager to banking regulation, including the supervision and regulation of the Federal Reserve and to most banking laws, regulations and orders that apply to PNC. Because of this position, and because the Collateral Manager may be deemed to exercise corporate control over the Issuer for purposes of the BHC Act, each of the Issuer, the Collateral Manager and BlackRock are expected to comply with the investment and activities restrictions applicable to PNC as an FHC. Under the BHC Act, an FHC and its Affiliates may engage in, and may acquire interests in, or control of, companies engaged in, among other things, a wide range of activities that are "financial in nature," including certain banking, securities, investment management, merchant banking, and insurance activities. Other activities or investments may be limited or prohibited under the BHC Act. Any failure by PNC to qualify as an FHC under the BHC Act could result in restrictions on the activities and investments of the Issuer. The Collateral Manager generally expects substantially all of the Issuer's investments to qualify as permissible investments under the BHC Act.

Investments by the Issuer may be subject to various monitoring, reporting, and other regulatory requirements under the BHC Act. These requirements may be greater with respect to investments over which the Issuer,

BlackRock or PNC are deemed to have control or a significant influence, including any circumstances where the Issuer and other BlackRock clients, in aggregate, own 25% or more of an issuer. Such control attributions could also result in investment restrictions applying to the Issuer's investment.

The Collateral Manager reserves the right to rely on any applicable exemptions and to take all reasonable steps deemed necessary, advisable, or appropriate to conform with the BHC Act, including disposing of or refraining from making any investment that would not conform with BHC Act requirements. The BHC Act and Federal Reserve regulations and interpretations thereunder may be amended over the term of the Notes. The Dodd-Frank Act has substantially amended the BHC Act and various other federal statutes.

The Collateral Manager may utilise the personnel or services of its Affiliates in a variety of ways to make BlackRock's global capabilities available to the Issuer. Although the Collateral Manager believes this practice is generally in the best interests of its clients, it is possible that conflicts with respect to allocation of investment opportunities, portfolio execution, client servicing or other matters may arise due to differences in regulatory requirements in various jurisdictions, time differences or other reasons. The Collateral Manager will seek to ameliorate any conflicts that arise and may determine not to utilise the personnel or services of a particular affiliate in circumstances where it believes the potential conflict or adverse impact of ameliorative steps may outweigh the potential benefits.

The Collateral Manager may from time to time consult with, receive input from and provide information to third parties (who may or may not be or become direct and indirect holders of the Notes) in respect of obligations being considered for acquisition by the Issuer. Some of those same third parties may have interests adverse to those of the holders of the Notes and may take a short position (for example, by buying protection under a credit default swap) relating to any such obligations or securities.

Furthermore, so long as the Issuer is relying on the exemption from the Investment Company Act provided by Rule 3a-7, it is not permitted to acquire or dispose of Collateral Debt Obligations, or Eligible Investments for the primary purpose of recognising gains or decreasing losses from market value changes. This could prevent the Issuer (or the Collateral Manager on its behalf) from selling assets that the Collateral Manager expects may decline in value or from reinvesting principal payments or sale proceeds in Collateral Debt Obligations.

The Issuer has the right by notice to the Trustee to elect (which election may be made only upon confirmation from the Collateral Manager that it has obtained legal advice from reputable international legal counsel knowledgeable in such matters to the effect that to do so would not result in the Issuer being construed as a "covered fund" in relation to any holder of Outstanding Notes for the purposes of the Volcker Rule) to rely solely on the exemption under Section 3(c)(7) under the Investment Company Act and to no longer rely on the exemption from the Investment Company Act provided by Rule 3a-7. Unless and until the Issuer so elects, the Collateral Manager will be restricted from causing the Issuer to acquire any Collateral Debt Obligation or Eligible Investment which is not an "eligible asset" under Rule 3a-7. The Collateral Debt Obligations, Collateral Enhancement Obligations or Eligible Investments being acquired or disposed of by the Issuer will be subject to the terms and conditions set forth in the Trust Deed and the other Transaction Documents. The acquisition or disposition of any Collateral Debt Obligation, Collateral Enhancement Obligation or Eligible Investment may result in the reduction or withdrawal of the then-current rating issued by the Rating Agencies on any Class of Notes (other than the Subordinated Notes). Until the Issuer elects to rely solely on the exemption under Section 3(c)(7) of the Investment Company Act in the circumstances described above, the Collateral Manager will also be restricted from causing the Issuer to dispose of any Collateral Debt Obligation, Collateral Enhancement Obligation or Eligible Investment or acquire any Collateral Debt Obligation, Collateral Enhancement Obligation or Eligible Investment for the primary purpose of recognising gains or decreasing losses resulting from market value changes. These restrictions mean that the Issuer may be required to hold a Collateral Debt Obligation, Collateral Enhancement Obligation or Eligible Investment or be precluded from acquiring a Collateral Debt Obligation, Collateral Enhancement Obligation or Eligible Investment when it would have sold such Collateral Debt Obligation, Collateral Enhancement Obligation or Eligible Investment or acquired such Collateral Debt Obligation, Collateral Enhancement Obligation or Eligible Investment, as applicable, had it based such determination on expected market value changes. As a result, greater losses on the Portfolio may be sustained and there may be insufficient proceeds on any Payment Date to pay in full any expenses of the Issuer or any amounts payable prior to payments in respect of the principal of and interest on the Notes. See "*Risk Factors—Issuer Reliance on Rule 3a-7*" above. The Collateral Manager, in its capacity as agent of the Issuer, has the discretion to advise the Issuer to make the election referred to above and accordingly the Issuer may cease to rely upon the exemption provided by Rule 3a-7 in the future. The Collateral Manager, in making any such a recommendation, and the Issuer in electing to cease to rely upon Rule 3a-7, do not have a duty to act in a way that is favourable to individual or classes of Noteholders and conflicts of interests may arise accordingly.

Rating Agencies

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

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

Citigroup Global Markets Limited and its Affiliates (the "**Citi Parties**") will play various roles in relation to the offering, including acting as the structurer of the transaction, as a Warehouse Provider, and in other roles described below.

The Citi Parties have formulated and developed the Portfolio Profile Tests, Coverage Tests, Collateral Quality Tests and Priorities of Payment and other criteria in and provisions of the Trust Deed, Collateral Management Agreement and the Risk Retention Letter. These may be influenced by discussions that the Placement Agent may have or have had with one or more investors and there is no assurance that investors would agree with the views of one another or that the resulting modifications will not adversely affect the performance of the Notes or any particular Class of Notes.

Citigroup Global Markets Limited will purchase the Notes from the Issuer on the Issue Date and resell them in individually negotiated transactions at varying prices, which may result in a lower fee being paid to the Placement Agent in respect of those Notes. The Citi Parties may assist clients and counterparties in transactions related to the Notes (including assisting clients in future purchases and sales of the Notes and hedging transactions). The Citi Parties expect to earn fees and other revenues from these transactions.

The Citi Parties are part of a global investment banking and securities and investment management firm that provides a wide range of financial services to a substantial and diversified client base that includes corporations, financial institutions, governments and high-net-worth individuals. As such, they actively make markets in and trade financial instruments for their own account and for the accounts of customers in the ordinary course of their business.

In carrying out its obligations as Placement Agent or any other transaction party, no Citi Party shall be under any duty to disclose to the Collateral Manager, the Issuer, the Trustee, any Noteholders, prospective investor or any other person, any non-public information acquired in the course of carrying on any business for, or in connection with, the provision of services to any other party. The Citi Parties may have positions in and will likely have placed, underwritten or syndicated certain of the Collateral Debt Obligations (or other obligations of the Obligors of Collateral Debt Obligations) when they were originally issued and may have provided or may be providing investment banking services and other services to Obligors of certain Collateral Debt Obligations. In addition, the Citi Parties and their clients may invest in debt obligations and securities that are senior to, or have interests different from or adverse to, Collateral Debt Obligations. Each of the Citi Parties will act in its own commercial interest in its various capacities without regard to whether its interests conflict with those of the holders of the Notes or any other party. Moreover, the Issuer may invest in loans of Obligors affiliated with the Citi Parties or in which one or more Citi Parties hold an equity or participation interest. The purchase, holding or sale of such Collateral Debt Obligations by the Issuer may increase the profitability of the Citi Party's own investments in such Obligors.

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

The Citi Parties do not disclose specific trading positions or their hedging strategies, including whether they are in long or short positions in any Notes or obligations referred to in this Prospectus except where required in accordance with the applicable law. Nonetheless, in the ordinary course of business, Citi Parties and employees or customers of the Citi Parties may actively trade in and/or otherwise hold long or short positions in the Notes, Collateral Debt Obligations and Eligible Investments or enter into transactions similar to referencing the Notes, Collateral Debt Obligations and Eligible Investments or the Obligors thereof for their own accounts and for the

accounts of their customers. If a Citi Party becomes an owner of or obtains exposure to any of the Notes, through market-making activity or otherwise, any actions that it takes in its capacity as owner, including voting, providing consents or otherwise will not necessarily be aligned with the interests of other owners of the same Class or other Classes of the Notes. To the extent a Citi Party makes a market in the Notes (which it is under no obligation to do), it would expect to receive income from the spreads between its bid and offer prices for the Notes. In connection with any such activity, it will have no obligation to take, refrain from taking or cease taking any action with respect to these transactions and activities based on the potential effect on an investor in the Notes. The price at which a Citi Party may be willing to purchase Notes, if it makes a market, will depend on market conditions and other relevant factors and may be significantly lower than the issue price for the Notes and significantly lower than the price at which it may be willing to sell the Notes.

6. INVESTMENT COMPANY ACT

The Issuer has not registered with the United States Securities and Exchange Commission (the "**SEC**") as an investment company pursuant to the Investment Company Act, in reliance on both (i) an exemption under Section 3(c)(7) of the Investment Company Act for issuers (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 and (ii) an exclusion from the definition of investment company for certain asset-backed issuers that meet the conditions of Rule 3a-7 under the Investment Company Act. So long as the Issuer relies on Rule 3a-7, its ability to acquire and dispose of Collateral Debt Obligations may be limited, which could adversely affect its ability to realise gains, mitigate losses or reinvest principal payments or sale proceeds. In 2011, the SEC published an advance notice of proposed rulemaking to potentially consider proposing amendments to Rule 3a-7. Any guidance from the SEC or its staff regarding Rule 3a-7, including changes that the SEC may ultimately adopt to Rule 3a-7, that narrow the scope of Rule 3a-7, could further inhibit the business activities of the Issuer and adversely affect the holders of the Notes.

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

Each initial purchaser of an interest in a Rule 144A Note and each transferee of an interest in a Rule 144A Note will be deemed to represent at the time of purchase that, amongst other things, the purchaser is a QIB/QP.

The Trust Deed provides that if, notwithstanding the restrictions on transfer contained therein, the Issuer determines that any holder of an interest in a Rule 144A Note is a Non-Permitted Holder, the Issuer may require the sale of the relevant Notes subject to and in accordance with the Conditions. See 3.25 "*Forced Transfer*" above.

7. RISKS RELATING TO THE ISSUER UNDER IRISH LAW

7.1 Lack of Operating History

The Issuer is a newly incorporated designated activity company with limited liability under Irish law that has no prior operating history or revenues upon which may be used to evaluate its likely performance and the performance of the Notes.

7.2 *Preferred Creditors under Irish Law and Floating Charges*

If the Issuer becomes subject to an insolvency proceeding and the Issuer has obligations to creditors that are treated under Irish law as creditors that are senior relative to the Noteholders and other Secured Parties, the Noteholders (and other Secured Parties) may suffer losses as a result of their subordinated status during such insolvency proceedings. In particular, under Irish law, upon an insolvency of an Irish company, such as the Issuer, when applying the proceeds of assets subject to fixed security which 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 (which may include any borrowings made by an examiner to fund the company's requirements for the duration of his appointment) which have been approved by the relevant Irish courts (see 7.4 "*Examinership*" below).

The holder of a fixed security over the book debts of an Irish tax resident company (which 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 which the holder received in payment of debts due to it by the company.

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

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

In relation to the disposal of assets of any Irish tax resident company which 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 person creating the charge does not have liberty to deal with the assets which 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 monies 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 over the relevant charged assets 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.

7.3 Centre of Main Interests

The Issuer has its registered office in Ireland. As a result there is a rebuttable presumption that its centre of main interest ("**COMI**") is in Ireland and consequently that any main insolvency proceedings applicable to it would be governed by Irish law. In the decision by the Court of Justice of the European Union ("**CJEU**") in relation to Eurofood IFSC Limited, the CJEU restated the presumption in Council Regulation (EC) No. 1346/2000 of 29 May 2000 on Insolvency Proceedings, that the place of a company's registered office is presumed to be the

company's COMI and stated that the presumption can only be rebutted if "factors which are both objective and ascertainable by third parties enable it to be established that an actual situation exists which is different from that which locating it at the registered office is deemed to reflect". As the Issuer has its registered office in Ireland, has Irish Directors, is registered for tax in Ireland and has an Irish corporate services provider, the Issuer does not believe that factors exist that would rebut this presumption, although this would ultimately be a matter for the relevant court to decide, based on the circumstances existing at the time when it was asked to make that decision. If the Issuer's COMI is not located in Ireland, and is held to be in a different jurisdiction within the European Union, main insolvency proceedings may not be opened in Ireland.

7.4 Examinership

Examinership is a court procedure available under the Companies Act 2014 to facilitate the survival of Irish companies in financial difficulties. Where a company, which has its COMI in Ireland is, or is likely to be unable to pay its debts an examiner may be appointed on a petition to the relevant Irish court under Section 509 of the Companies Act 2014.

The Issuer, the directors of the Issuer, a contingent, prospective or actual creditor of the Issuer, or shareholders of the Issuer holding, at the date of presentation of the petition, not less than one-tenth of the voting share capital of the Issuer are each entitled to petition the court for the appointment of an examiner. The examiner, once appointed, has the power to set aside contracts and arrangements entered into by the company after this appointment and, in certain circumstances, can avoid a negative pledge given by the company prior to this appointment. Furthermore, the examiner may sell assets, the subject of a fixed charge. However, if such power is exercised the examiner must account to the holders of the fixed charge for the amount realised and discharge the amount due to the holders of the fixed charge out of the proceeds of the 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 relevant Irish court 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 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 included a writing down to the value of amounts due by the Issuer to the Noteholders.

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

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

(a) the potential for a compromise or scheme of arrangement being approved involving the writing down or rescheduling of the debt due by the Issuer to the Noteholders as secured by the Trust Deed;

(b) the Trustee, acting for and on behalf of the Secured Parties, would not be able to enforce rights against the Issuer during the period of examinership;

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

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

7.5 Irish Taxation Position of the Issuer

The Issuer has been advised that it should fall within the Irish regime for the taxation of qualifying companies as set out in Section 110 of the Taxes Consolidation Act 1997 (as amended) ("**Section 110**"). As a result, it is anticipated that the Issuer should be subject to Irish corporation tax only on its profit calculated under generally accepted accounting practice, after deducting all of its revenue expenses (including interest payable to the Noteholders in respect of the Notes). If, for any reason, the Issuer is not or ceases to be such a 'qualifying company' for the purposes of Section 110, the Issuer could be obliged to account for Irish tax in respect of profits for Irish tax purposes, which are in excess of profit calculated under generally accepted accounting practice. This could result in material tax being payable in Ireland which has not been contemplated in the cash flows in respect of the Notes issued to the Noteholders. In such circumstances, the Irish tax treatment of both the Issuer and payments by the Issuer in respect of the Notes could be adversely affected. In turn, this may therefore affect the return which the Noteholders receive on the Notes.

7.6 No Regulation of the Issuer by any Irish Regulatory Authority

The Issuer is not required to be licensed or authorised under any current securities, commodities, insurance or banking laws of its jurisdiction of incorporation. In particular, the Issuer is not and will not be regulated by 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.

TERMS AND CONDITIONS OF THE NOTES

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

The issue of €244,000,000 Class A Senior Secured Floating Rate Notes due 2030 (the "**Class A Notes**"), €48,000,000 Class B Senior Secured Floating Rate Notes due 2030 (the "**Class B Notes**"), €23,000,000 Class C Senior Secured Deferrable Floating Rate Notes due 2030 (the "**Class C Notes**"), €20,000,000 Class D Senior Secured Deferrable Floating Rate Notes due 2030 (the "**Class D Notes**"), €25,000,000 Class E Senior Secured Deferrable Floating Rate Notes due 2030 (the "**Class E Notes**"), €12,000,000 Class F Senior Secured Deferrable Floating Rate Notes due 2030 (the "**Class F Notes**" and, together with the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes, the "**Rated Notes**"), €43,800,000 Subordinated Notes due 2030 (the "**Subordinated Notes**", and together with the Rated Notes, the "**Notes**") of BlackRock European CLO II Designated Activity Company (the "**Issuer**"), was authorised by a resolution of the board of Directors dated on or about 9 December 2016. The Notes are constituted by a trust deed dated on or about 15 December 2016 (the "**Trust Deed**") between, among others, the Issuer, U.S. Bank National Association, in its capacity as trustee for itself and for the Noteholders and as security trustee for the Secured Parties (the "**Trustee**", which term shall include any permitted successors or assigns appointed pursuant to and in accordance with the terms of the Trust Deed).

These terms and conditions of the Notes (the "**Conditions of the Notes**" or the "**Conditions**") include summaries of, and are subject to, the detailed provisions of the Trust Deed (which includes the forms of the certificates representing the Notes). The following agreements have been entered into in relation to the Notes: (a) an agency agreement dated on or about 15 December 2016 (the "**Agency Agreement**") between, among others, the Issuer, the Trustee, U.S. Bank National Association as registrar (the "**Registrar**", which term shall include any permitted successors or assigns appointed pursuant to and in accordance with the terms of the Agency Agreement), U.S. Bank National Association as transfer agent (the "**Transfer Agent**", which term shall include any permitted successors or assigns appointed pursuant to and in accordance with the terms of the Agency Agreement and, together with the Registrar, the "**Transfer Agents**" and each, a "**Transfer Agent**") and Elavon Financial Services DAC as principal paying agent, account bank, calculation agent and custodian (respectively, the "**Principal Paying Agent**", the "**Account Bank**", the "**Calculation Agent**" and the "**Custodian**", each of which terms shall include any permitted successors or assigns appointed pursuant to and in accordance with the terms of the Agency Agreement); (b) a collateral management agreement dated on or about 15 December 2016 (the "**Collateral Management Agreement**") between the Issuer, the Trustee, BlackRock Investment Management (UK) Limited as collateral manager (the "**Collateral Manager**", which term shall include any permitted successors or assigns appointed pursuant to and in accordance with the terms of the Collateral Management Agreement) and Elavon Financial Services DAC as collateral administrator and information agent (respectively, the "**Collateral Administrator**" and the "**Information Agent**", each of which terms shall include any permitted successors or assigns appointed pursuant to and in accordance with the terms of the Collateral Management Agreement); and (c) a corporate services agreement dated on or about 11 July 2016 (the "**Corporate Services Agreement**") between the Issuer and TMF Administration Services Limited as corporate services provider (the "**Corporate Services Provider**", which term shall include any permitted successors or assigns appointed pursuant to and in accordance with the terms of the Corporate Services Agreement). Copies of the Trust Deed, the Agency Agreement, the Collateral Management Agreement and the Corporate Services Agreement are available for inspection, during usual business hours, at the registered office of the Issuer (presently at 3rd Floor Kilmore House, Park Lane, Spencer Dock, Dublin 1, Ireland) and at the specified offices of the Principal Paying Agent and each 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. The holders of each Class of Notes are also deemed to have notice of all the provisions of each other Transaction Document.

1. Definitions

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

"**Accounts**" means the Principal Account, the Interest Account, the Custody Account, the Unused Proceeds Account, the Payment Account, the Expense Reserve Account, the Collateral Enhancement Account, the Counterparty Downgrade Collateral Accounts, the Interest Smoothing Account, the Hedge Termination

Accounts, the Currency Account, the First Period Reserve Account, the Unfunded Revolver Reserve Account, the Contribution Account and the Collection Account all of which shall be held and administered outside Ireland.

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

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

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

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

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

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

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

(f) the Excess CCC/Caa Adjustment Amount;

provided further,

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

(ii) in respect of each of paragraph (b), (c), (d), (e) and (f) above, any non-Euro amounts received will be converted into Euro at the Applicable Exchange Rate; and

(iii) in respect of paragraph (c) above:

(A) Principal Proceeds to be used to purchase Collateral Debt Obligations in respect of which the Collateral Manager on behalf of the Issuer has entered into a binding commitment to acquire but which are yet to settle shall be excluded; and

(B) Principal Proceeds to be received in respect of any sale of Collateral Debt Obligations in respect of which the Collateral Manager on behalf of the Issuer has entered into a binding commitment to sell but is yet to settle shall be included,

(iv) in each case, for the purposes of calculating the Adjusted Collateral Principal Amount.

"**Administrative Expenses**" means amounts due and payable by the Issuer in the following order of priority (in each case, including all VAT thereon, if any, and to the extent such Administrative Expenses relate to costs and expenses, such VAT to be limited to irrecoverable VAT):

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

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

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

(ii) on a *pro rata* and *pari passu* basis, to each Reporting Delegate pursuant to any Reporting Delegation Agreement;

(iii) to the independent certified public accountants, auditors, agents (including the listing agent) and counsel of the Issuer and the share trustee of the Issuer, (other than amounts payable to the Agents pursuant to paragraph (a) above);

(iv) to the Collateral Manager pursuant to the Collateral Management Agreement (including, but not limited to, the indemnities provided for therein), but excluding any Collateral Management Fees or any VAT payable thereon and excluding any amount in respect of Collateral Manager Advance;

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

(vi) on a *pro rata* basis to any other Person in respect of any other fees or expenses contemplated in these 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, an amount up to €10,000 per annum in respect of fees and expenses incurred by the Issuer (in its sole and absolute discretion) in assisting in the preparation, provision or validation of data for purposes of Noteholder tax jurisdictions;

(vii) to the Placement Agent pursuant to the Placement Agency Agreement in respect of any indemnity payable to it thereunder;

(viii) to the payment on a *pro rata* basis of any fees, expenses or indemnity payments in relation to the restructuring of a Collateral Debt Obligation, including but not limited to a steering committee relating thereto;

(ix) 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); and

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

(c) 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 Rule 17g-5, EMIR, CRA3, AIFMD the US Commodity Exchange Act of 1936 (as amended), Solvency II, the STS Regulation or the Dodd-Frank Act or any implementing and/or delegated regulations, technical standards or guidance related thereto;

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

(iii) any costs of complying with FATCA, including the fees and expenses of any person appointed by or on behalf of the Issuer to help ensure the Issuer's compliance with FATCA (and any other international automatic exchange of tax information regime such as the CRS and Council Directive 2011/16/EU of 15 February 2011 on administrative cooperation in the field of taxation as may be amended from time to time);

(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);

(v) any Refinancing Costs; and

(vi) except to the extent already provided for above, on a *pro rata* basis payment of any indemnities payable to any Person as contemplated in these Conditions or in the Transaction Documents,

provided that:

(x) the Collateral Manager may direct the payment of any Rating Agency fees set out in paragraph (b)(i) above other than in the order required by paragraph (b) above if the Collateral Manager, Trustee or Issuer has been advised by a Rating Agency that non-payment of its fees will immediately result in the withdrawal of any ratings on any Class of Rated Notes so long as no such payments are made in priority to any payments due and payable under paragraph (a) above; and

(y) the Collateral Manager may, in its reasonable judgement, determine that a payment other than in the order required by paragraphs (b) and (c) above is required to ensure the delivery of certain accounting services and reports so long as no such payments are made in priority to any payments due and payable under paragraph (a) above.

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

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

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

(i) of such Person;

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

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

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

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

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

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

(i) the Collateral Quality Tests (other than the S&P CDO Monitor Test), the Principal Balance of each Defaulted Obligation shall be excluded;

(ii) the Portfolio Profile Tests, the Principal Balance of each Defaulted Obligation shall be equal to its S&P Collateral Value; and

(iii) determining whether an Event of Default has occurred in accordance with Condition 10(a)(iv) (*Collateral Debt Obligations*), the Principal Balance of each Defaulted Obligation shall be equal to its S&P Collateral Value; *plus*

(b) the Balances standing to the credit of the Principal Account and the Unused Proceeds Account (to the extent such amounts represent Principal Proceeds) and any Eligible Investments which represent Principal Proceeds (excluding, for the avoidance of doubt, any interest accrued on Eligible Investments) *provided that*:

(i) Principal Proceeds to be used to purchase Collateral Debt Obligations in respect of which the Collateral Manager on behalf of the Issuer has entered into a binding commitment to acquire, which are yet to settle shall be excluded; and

(ii) Principal Proceeds to be received in respect of any sale of Collateral Debt Obligations in respect of which the Collateral Manager on behalf of the Issuer has entered into a binding commitment to sell and which is yet to settle shall be included,

in each case, for the purposes of calculating the Aggregate Collateral Balance; *plus*

(c) without double counting and solely for the purpose of calculating the Collateral Management Fees, the aggregate amount of all accrued and/or capitalised interest in respect of the Collateral Debt Obligations purchased with Principal Proceeds and/or amounts out of the Unused Proceeds Account (other than any Ramp Accrued Interest and other than with respect to Defaulted Obligations).

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

"**AIFMD**" means the European Union Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012 as amended from time to time (the "**AIFMD Level 2 Regulation**") and EU Directive 2011/61/EU on Alternative Investment Fund Managers (as amended from time to time and as implemented by Member States of the European Union) together with any implementing or delegated regulations, technical standards and guidance related thereto as may be amended, replaced or supplemented from time to time.

"**AIFMD Retention Requirements**" means Article 17 of the AIFMD, as implemented by Section 5 of the AIFMD Level 2 Regulation including any guidance published in relation thereto and any implementing laws or regulations in force in any Member State of the European Union, provided that any reference to the AIFMD Retention Requirements shall be deemed to include any successor or replacement provisions of Section 5 included in any European Union directive or regulation subsequent to the AIFMD or the European Union Commission Delegated Regulation (EU) No 231/2013 of 18 December 2012 supplementing the AIFMD.

"**Applicable Exchange Rate**" means:

(a) with respect to any calculations or determinations to be made under the Transaction Documents or these Conditions in relation to any Non-Euro Obligation which is the subject of a Currency Hedge Transaction, the relevant Currency Hedge Transaction Exchange Rate; and

(b) with respect to any other calculations or determinations not covered by paragraph (a) above and unless otherwise specified in these Conditions or the Transaction Documents, the Spot Rate.

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

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

"**Assignment**" means an interest in a loan acquired directly by way of novation or assignment.

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

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

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

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

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

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

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

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

"**Benefit Plan Investor**" means:

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

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

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

"**Bivariate Risk Table**" means the table set forth in the Collateral Management Agreement.

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

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

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

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

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

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

(a) the excess of the Aggregate Principal Balance of all CCC Obligations with a Market Value of less than 100 per cent. of their principal balance over an amount equal to 7.5 per cent. of the Aggregate Collateral Balance as of such date of determination; and

(b) the excess of the Aggregate Principal Balance of all Caa Obligations with a Market Value of less than 100 per cent. of their principal balance over an amount equal to 7.5 per cent. of the Aggregate Collateral Balance as of such date of determination,

provided that: (i) in determining the Aggregate Collateral Balance for the purposes of paragraphs (a) and (b) above, the Principal Balance of Defaulted Obligations shall be excluded; and (ii) in determining which of the CCC Obligations or the Caa Obligations, as applicable, shall be included under part (a) or (b) above, the CCC Obligations or the Caa Obligations, as applicable, with the lowest Market Value (assuming that such Market Value is expressed as a percentage of the principal balance of such Collateral Debt Obligations as of such Determination Date) shall be deemed to constitute the CCC/Caa Excess.

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

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

(a) the Class A Notes;

(b) the Class B Notes;

(c) the Class C Notes;

(d) the Class D Notes;

(e) the Class E Notes;

(f) the Class F Notes; and

(g) the Subordinated Notes,

and "**Class of Noteholders**" and "**Class**" shall be construed accordingly; provided that:

(a) 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;

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

(c) 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; and

(d) 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 are in the same Class,

they shall not be treated as a single Class in respect of any vote or determination of quorum under the Trust Deed or these Conditions in connection with any CM Removal Resolution or CM Replacement Resolution, as further described in these Conditions, the Trust Deed and the Collateral Management Agreement.

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

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

"**Class A/B Interest Coverage Test**" means the test which will apply as of any Measurement Date occurring on and after the Determination Date immediately preceding the second Payment Date and which will be satisfied on such Measurement Date if the Class A/B Interest Coverage Ratio is at least equal to 120 per cent.

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

"**Class A/B Par Value Test**" means the test which will apply as of any Measurement Date on and after the Effective Date and which will be satisfied on such Measurement Date if the Class A/B Par Value Ratio is at least equal to 127.99 per cent.

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

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

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

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

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

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

"**Class C Interest Coverage Test**" means the test which will apply as of any Measurement Date occurring on and after the Determination Date immediately preceding the second Payment Date and which will be satisfied on such Measurement Date if the Class C Interest Coverage Ratio is at least equal to 110 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 119.48 per cent.

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

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

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

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

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

"**Class D Interest Coverage Test**" means the test which will apply as of any Measurement Date occurring on and after the Determination Date immediately preceding the second Payment Date and which will be satisfied on such Measurement Date if the Class D Interest Coverage Ratio is at least equal to 105 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 113.40 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 106.61 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 expiry of the Reinvestment Period and which will be satisfied on such Measurement Date if the Class F Par Value Ratio is at least equal to 103.53 per cent.

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

"**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 votes in respect of 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 votes in respect of 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 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 Agreement.

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

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

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

"**Collateral Debt Obligation**" means any debt obligation or debt security purchased (including by way of a Participation) by or on behalf of the Issuer from time to time (or, if the context so requires, to be purchased by or on behalf of the Issuer) and which the Collateral Manager has determined in accordance with the Standard of Care (as defined in the Collateral Management Agreement) satisfies the Eligibility Criteria at the time that any

commitment to purchase is entered into by or on behalf of the Issuer (or the Participation Agreement is entered into in respect of a Participation). References to Collateral Debt Obligations shall include Non-Euro Obligations but shall not include Collateral Enhancement Obligations, Eligible Investments or Exchanged Securities. Obligations which are to constitute Collateral Debt Obligations in respect of which the 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 Debt Obligations in the calculation of the Portfolio Profile Tests, Collateral Quality Tests, the Coverage Tests and the Reinvestment Overcollateralisation Test at any time as if such purchase had been completed. Each Collateral Debt Obligation in respect of which the Collateral Manager on behalf of the Issuer has entered into a binding commitment to sell, but in respect of which such sale has not yet settled, shall be excluded from being Collateral Debt Obligations solely for the purpose of the calculation of the Portfolio Profile Tests, Collateral Quality Tests, the Coverage Tests and the Reinvestment Overcollateralisation Test at any time as if such sale had been completed. The failure of any obligation to satisfy the Eligibility Criteria, at any time after the Issuer or the Collateral Manager on behalf of the Issuer has entered into a binding agreement to purchase it, shall not cause such obligation to cease to constitute a Collateral Debt Obligation unless it is an Issue Date Collateral Debt Obligation which does not satisfy the Eligibility Criteria on the Issue Date. A Collateral Debt Obligation which has been restructured (whether effected by way of an amendment to the terms of such Collateral Debt Obligation (including but not limited to an extension of its maturity) or by way of substitution of new obligations and/or change of Obligor) shall only constitute a Collateral Debt Obligation if it satisfies the Restructured Obligation Criteria on the appropriate Restructuring Date.

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

"**Collateral Enhancement Account**" means an interest bearing account in the name of the Issuer, so entitled and held with the Account Bank.

"**Collateral Enhancement Amount**" means, with respect to any Payment Date during the Reinvestment Period, the amount of Interest Proceeds retained in the Collateral Enhancement Account on the Payment Date in accordance with the Interest Proceeds Priority of Payments, at the sole discretion of the Collateral Manager which amounts shall not exceed €3,500,000 in the aggregate for any Payment Date or an aggregate amount for all applicable Payment Dates of €15,000,000.

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

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

"**Collateral Enhancement Obligation Proceeds Priority of Payments**" means the priority of payments in respect of Collateral Enhancement Obligation Proceeds set out in Condition 3(c)(iii) (*Application of Collateral Enhancement Obligation Proceeds*).

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

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

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

(a) so long as any Notes rated by S&P are Outstanding, (as of the Effective Date and until the expiry of the Reinvestment Period only) the S&P CDO Monitor Test;

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

(i) the Moody's Minimum Diversity Test;

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

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

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

(i) the Minimum Weighted Average Spread Test; and

(ii) the Weighted Average Life Test,

each as defined in the Collateral Management Agreement.

"**Collateral Tax Event**" means at any time, as a result of: (i) FATCA; or (ii) the introduction of a new, or any change in a statute, treaty, regulation, rule, ruling, practice, procedure or judicial decision or interpretation (whether proposed, temporary or final), in any jurisdiction, interest, discount or premium payments due from the Obligors of any Collateral Debt Obligations in relation to any Due Period to the Issuer becoming properly subject to the imposition of direct taxation or withholding tax (other than where such tax is compensated for by a "gross-up" provision or indemnity in the terms of the Collateral Debt Obligation or such requirement to withhold is eliminated pursuant to a double taxation treaty or otherwise so that the Issuer receives the same amount on an after tax basis that it would have received had no direct taxation or withholding tax been imposed) so that the aggregate amount of such direct or withholding tax on all Collateral Debt Obligations in relation to such Due Period is equal to or in excess of 6 per cent. of the aggregate interest, discount or premium payments due (for the avoidance of doubt, excluding any additional payments arising as a result of the operation of any gross up provision or indemnity) on all Collateral Debt Obligations in relation to such Due Period.

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

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

"**Constitution**" means the constitution of the Issuer comprising the memorandum and articles of association of the Issuer (as adopted by special resolution on 20 May 2016) (as may be amended form time to time).

"**Contribution**" has the meaning specified in Condition 2(n) (*Contributions*).

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

"**Contributor**" has the meaning specified in Condition 2(n) (*Contributions*).

"**Controlling Class**" means:

(a) the Class A Notes; or

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

(ii) prior to 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,

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,

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,

the Class D Notes; or

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

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

the Class E Notes; or

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

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

provided that, solely in connection with 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 shall (A) constitute or form part of the Controlling Class, (B) be entitled to vote in respect of such CM Removal Resolution or CM Replacement Resolution, or (C) be counted for the purposes of determining a quorum or the result of voting in respect of such CM Removal Resolution or CM Replacement Resolution.

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

"**Corporate Rescue Loan**" means a Collateral Debt Obligation that is an interest in a loan or financing facility that is acquired by way of assignment, novation or Participation which is paying interest and principal (as applicable) on a current basis, and either:

(a) is an obligation of a debtor in possession as described in § 1107 of the United States Bankruptcy Code or a trustee (if appointment of such trustee has been ordered pursuant to § 1104 of the United States Bankruptcy Code) (a "**Debtor**") organised under the laws of the United States or any State therein, the terms of which have been approved by an order of the United States Bankruptcy Court, the United States District Court, or any other court of competent jurisdiction, the enforceability of which order is not subject to any pending contested matter or proceeding (as such terms are defined in the Federal Rules of Bankruptcy Procedure) and which order provides that (i) such Corporate Rescue Loan is secured by liens on the Debtor's otherwise unencumbered assets pursuant to § 364(c)(2) of the United States Bankruptcy Code; or (ii) such Corporate Rescue Loan is secured by liens of equal or senior priority on property of the Debtor's estate that is otherwise subject to a lien pursuant to § 364(d) of the United States Bankruptcy Code; or (iii) such Corporate Rescue Loan is secured by junior liens on the Debtor's unencumbered assets and such Corporate Rescue Loan is fully secured based upon a current

valuation or appraisal report; or (iv) if the Corporate Rescue Loan or any portion thereof is unsecured, the repayment of such Corporate Rescue Loan retains priority over all other administrative expenses pursuant to § 364(c)(1) of the United States Bankruptcy Code; or

(b) is a credit facility or other advance made available to a company or group in a restructuring or insolvency process with main proceedings outside of the United States which: (i) constitutes the most senior secured obligations of the entity which is the borrower thereof; and either: (ii) (A) 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 (B) 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,

provided, in each case, that if, at any time a Collateral Debt Obligation that is a Corporate Rescue Loan in accordance with the provisions above:

(i) has a Moody's Rating of not less than "Caa1" and an S&P Rating of not less than "CCC+"; and

(ii) either:

(A) the relevant Obligor is no longer a Debtor as described in paragraph (a) above; or

(B) the restructuring or insolvency process referred to in paragraph (b) above pursuant to which such Collateral Debt Obligation was made available is complete and no further restructuring or insolvency process is outstanding in respect of the relevant Obligor,

such Collateral Debt Obligation shall no longer be a Corporate Rescue Loan.

"**Corporate Services Agreement**" means the corporate services agreement dated 11 July 2016 between the Issuer and the Corporate Services Provider.

"**Corporate Services Provider**" means TMF Administration Services Limited (including any permitted successors or assigns).

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

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

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

"**Cov-Lite Loan**" means a Collateral Debt Obligation, as determined by the Collateral Manager in its reasonable commercial judgment, that is an interest in a loan, the Underlying Instruments for which do not (i) contain any financial covenants or (ii) require the 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 six 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 Impaired Obligation**" means any Collateral Debt Obligation that, in the Collateral Manager's reasonable commercial judgement (which judgement will not be called into question as a result of subsequent events) has a significant risk of declining in credit quality or price or the Credit Impaired Obligation Criteria are satisfied with respect to such Collateral Debt Obligation; *provided that*, at any time during a Restricted Trading Period or following the expiry of the Reinvestment Period, a Collateral Debt Obligation will qualify as a Credit Impaired Obligation for the purposes of sales of Collateral Debt Obligations only if (i) the Credit Impaired Obligation Criteria are satisfied with respect to such Collateral Debt Obligation or (ii) the Controlling Class acting by Ordinary Resolution votes to treat such Collateral Debt Obligation as a Credit Impaired Obligation.

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

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

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

(c) the price of such Collateral Debt Obligation has decreased by at least 1.00 per cent. of the price paid by the Issuer for such Collateral Debt Obligation;

(d) if such Collateral Debt Obligation is a Floating Rate Collateral Debt Obligation, the spread over the applicable reference rate for such Collateral Debt Obligation has been increased in accordance with the underlying Collateral Debt Obligation since the date the Issuer or the 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 such a Collateral Debt Obligation with a spread (prior to such increase) less than or equal to 2.00 per cent.), (2) 0.375 per cent. or more (in the case of such a Collateral Debt Obligation with a spread (prior to such increase) greater than 2.00 per cent. but less than or equal to 4.00 per cent.) or (3) 0.50 per cent. or more (in the case of such a Collateral Debt Obligation with a spread (prior to such increase) greater than 4.00 per cent.), due to a deterioration in the Obligor's financial ratios or financial results;

(e) if such Collateral Debt Obligation has a projected cash flow interest coverage ratio (earnings before interest and taxes divided by cash interest expense as estimated by the Collateral Manager) of the Obligor of such Collateral Debt Obligation of less than 1.00 or that is expected to be less than 0.85 times the current year's projected cash flow interest coverage ratio; or

(f) it has been downgraded by any Rating Agency by at least one rating sub-category or has been placed and remains on a watch list for possible downgrade or on negative outlook by either Rating Agency since it was acquired by the Issuer.

"**Credit Improved Obligation**" means any Collateral Debt Obligation which, in the Collateral Manager's reasonable commercial judgement (which judgement will not be called into question as a result of subsequent events), has improved in credit quality after it was acquired by the Issuer or the Credit Improved Obligation Criteria are satisfied with respect to such Collateral Debt Obligation; *provided that*, at any time during a Restricted Trading Period or following the expiry of the Reinvestment Period, a Collateral Debt Obligation will

qualify as a Credit Improved Obligation only if (i) the Credit Improved Obligation Criteria are satisfied with respect to such Collateral Debt Obligation or (ii) the Controlling Class acting by Ordinary Resolution votes to treat such Collateral Debt Obligation as a Credit Improved Obligation.

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

(a) if such Collateral Debt Obligation is a loan obligation, a bond or security, the Sale Proceeds (excluding Sale Proceeds that constitute Interest Proceeds) of such loan obligation, bond or security would be at least 101.00 per cent. of the purchase price paid by the Issuer at the time of its acquisition;

(b) if such Collateral Debt Obligation is a Floating Rate Collateral Debt Obligation, the price of such 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 obligation to the proposed sale date by a percentage either at least 0.25 per cent. more positive, or 0.25 per cent. less negative, as the case may be, than the percentage change in the average price of the applicable Eligible Loan Index over the same period;

(c) if such Collateral Debt Obligation is a Fixed Rate Collateral Debt Obligation which is a bond or security, the price of such obligation has changed since the date the Issuer or the Collateral Manager acting on behalf of the Issuer entered into a binding commitment to purchase such obligation by a percentage either at least 1.00 per cent. more positive or at least 1.00 per cent. less negative than the percentage change in the Eligible Bond Index over the same period;

(d) if such Collateral Debt Obligation is a Floating Rate Collateral Debt Obligation, the spread over the applicable reference rate for such Collateral Debt Obligation has been decreased in accordance with the underlying Collateral Debt Obligation since the date the Issuer or the 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 such a Collateral Debt Obligation with a spread (prior to such decrease) less than or equal to 2.00 per cent.), (2) 0.375 per cent. or more (in the case of such a Collateral Debt Obligation with a spread (prior to such decrease) greater than 2.00 per cent. but less than or equal to 4.00 per cent.) or (3) 0.50 per cent. or more (in the case of such a Collateral Debt Obligation with a spread (prior to such decrease) greater than 4.00 per cent.) due, in each case, to an improvement in the Obligor's financial ratios or financial results;

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

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

"**CRR**" means Regulation (EU) No. 575/2013 of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms (as the same may be amended from time to time).

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

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

"**Currency Account**" means the accounts in the name of the Issuer held with the Account Bank which shall comprise separate accounts denominated in the relevant currencies of Non-Euro Obligations, into which

amounts received in respect of Non-Euro Obligations shall be paid and out of which amounts payable to a Currency Hedge Counterparty pursuant to any Currency Hedge Transaction shall be paid.

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

"**Currency Hedge Issuer Termination Payment**" means any amount payable by the Issuer to a Currency Hedge Counterparty upon termination or modification of the applicable Currency Hedge Agreement or Currency Hedge Transaction (or a group thereof), in whole or in part, but excluding, for all purposes other than determining the amount payable by the Issuer to the Currency Hedge Counterparty under the relevant Currency Hedge Agreement, any due and unpaid scheduled amounts payable thereunder.

"**Currency Hedge Obligation**" means any Collateral Debt Obligation which (i) is denominated in a Qualifying Currency other than Euro and which is, or will become no later than the settlement date thereof, the subject of a Currency Hedge Transaction, or (ii)(a) is denominated in a Qualified Unhedged Currency, (b) is acquired in the Primary Market, (c) was not the subject of a Currency Hedge Transaction on settlement and (d) is subject to a Currency Hedge Transaction at such point in time of the determination of this definition (and entered into no later than 180 calendar days following the settlement date of the acquisition thereof).

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

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

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

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

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

(c) the Collateral Debt Obligation has a Market Value of at least 80 per cent. of its outstanding principal amount; and

(d) if any Rated Notes are then rated by Moody's, satisfies the Moody's Additional Current Pay Criteria.

"**Custody Account**" means the custody account or accounts held and administered outside Ireland established on the books of the Custodian in accordance with the provisions of the Agency Agreement, which term shall include each 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 (or a group thereof) in respect of which the Currency Hedge Counterparty is a Defaulting Hedge Counterparty, including any due and unpaid scheduled amounts thereunder.

"**Defaulted Interest Rate Hedge Termination Payment**" means any amount payable by the Issuer to an Interest Rate Hedge Counterparty upon termination of any Interest Rate Hedge Transaction (or a group thereof) in respect of which the Interest Rate Hedge Counterparty is a Defaulting Hedge Counterparty, including any due and unpaid scheduled amounts thereunder.

"**Defaulted Obligation**" means a Collateral Debt Obligation as determined by the Collateral Manager using reasonable commercial judgement based on circumstances at the time of determination (which judgment will not be called into question as a result of subsequent events which change the position from that which existed on the date of the original determination):

(a) in respect of which there has occurred and is continuing a default with respect to the payment of interest or principal, disregarding any grace periods applicable thereto or waiver or forbearance thereof, provided that in the case of any Collateral Debt Obligation in respect of which the Collateral Manager has confirmed to the Trustee in writing that, to the knowledge of the Collateral Manager, such default has resulted from non-credit related causes, such Collateral Debt Obligation shall not constitute a "Defaulted Obligation" for the greater of five Business Days, seven calendar days or any grace period applicable thereto, in each case which default entitles the holders thereof, with notice or passage of time or both, to accelerate the maturity of all or a portion of the principal amount of such obligation, but only until such default has been cured;

(b) in respect of which any bankruptcy, insolvency or receivership proceeding has been initiated in connection with the Obligor of such Collateral Debt Obligation (provided that a Collateral Debt Obligation shall not constitute a Defaulted Obligation under this paragraph (b) if it is a Current Pay Obligation subject to paragraph (g) below) whether initiated under the Obligor's local law or otherwise, and, to the knowledge of the Collateral Manager, such proceedings have not been stayed or dismissed or such Obligor has filed for protection under Chapter 11 of the United States Bankruptcy Code;

(c) in respect of which the Collateral Manager knows the Obligor thereunder is in default as to payment of principal and/or interest on another of its obligations, save for obligations constituting trade debts which the applicable Obligor is disputing in good faith, (and such default has not been cured), but only if both such other obligation and the Collateral Debt Obligation are either:

  (i) both full recourse and unsecured obligations; or

  (ii) the other obligation ranks at least *pari passu* with the Collateral Debt Obligation in right of payment without regard to any grace period applicable thereto, or waiver or forbearance thereof, after the passage (other than in the case of a default that in the Collateral Manager's reasonable judgment, as certified to the Trustee in writing, is not due to credit-related causes) of five Business Days or seven calendar days, whichever is greater, but in no case beyond the passage of any grace period applicable thereto and the holders of such obligation have accelerated the maturity of all or a portion of such obligation,

  provided that the Collateral Debt Obligations shall constitute a Defaulted Obligation under this sub-paragraph (c) only until, to the knowledge of the Collateral Manager, such acceleration has been rescinded.

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

(e) which is a Participation in a loan with respect to which the Selling Institution has (x) an S&P Rating of "CC", "SD" or "D" or below or had such rating immediately before such rating was withdrawn or (y) a Moody's Rating of "Ca" or "C" or below or had such rating immediately before such rating was withdrawn or (z) is a Participation in a loan with respect to which the participating institution has defaulted in any respect in the performance of any of its payment obligations under that Participation; or;

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

(g) which would be treated as a Current Pay Obligation except that such Collateral Debt Obligation would result in the Aggregate Principal Balance of all Collateral Debt Obligations which constitute Current Pay Obligations exceeding 5.0 per cent. of the Aggregate Collateral Balance; or

(h) if the Obligor thereof offers holders of such Collateral Debt Obligation a new security, obligation or package of securities or obligations that amount to a diminished financial obligation (such as preferred or common stock, or debt with a lower coupon or par amount) of such Obligor and in the reasonable commercial judgment of the Collateral Manager, such offer has the apparent purpose of helping the Obligor avoid default; provided, however, such obligation will cease to be a Defaulted Obligation under this paragraph if such new obligation is: (i) a Restructured Obligation; and (ii) such Restructured Obligation does not otherwise constitute a Defaulted Obligation pursuant to any other paragraph of the definition hereof,

provided that: (i) a Collateral Debt Obligation which is a Corporate Rescue Loan shall constitute a Defaulted Obligation if such Corporate Rescue Loan satisfies this definition of "Defaulted Obligation" other than paragraphs (b) and (h) thereof; (ii) if the Aggregate Principal Balance of Corporate Rescue Loans exceeds 5 per cent. of the Aggregate Collateral Balance, such excess will be treated as Defaulted Obligations as determined by the Collateral Manager; (iii) save in the case of paragraph (g) above, a Collateral Debt Obligation which is a Current Pay Obligation shall not constitute a Defaulted Obligation; and (iv) any Collateral Debt Obligation shall cease to be a Defaulted Obligation on the date such obligation no longer satisfies this definition of "Defaulted Obligation".

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

"**Defaulting Hedge Counterparty**" means a Hedge Counterparty which is either:

(a) the "Defaulting Party" in respect of an "Event of Default" (each as such terms are defined in the applicable Hedge Agreement); or

(b) the sole "Affected Party" (as such term is defined in the applicable Hedge Agreement) in respect of either:

  (i) a "Tax Event Upon Merger" (as such term is defined in the applicable Hedge Agreement); or

  (ii) an "Additional Termination Event" (as such term is defined in the applicable Hedge Agreement) as a result of such Hedge Counterparty failing to comply with the requirements of the Rating Agencies in the event that it (or, as relevant, its guarantor) is subject to a rating withdrawal or downgrade by the Rating Agencies to below the applicable Rating Requirement,

each such term as defined in the applicable Hedge Agreement.

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

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

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

"**Deferring Security**" means a PIK Security that is deferring the payment of the current cash interest due thereon and has been so deferring the payment of such interest due thereon: (a) with respect to Collateral Debt Obligations that have a Moody's Rating of at least "Baa3", for the shorter of two consecutive accrual periods or one year; and (b) with respect to Collateral Debt Obligations that have a Moody's Rating of "Ba1" or below, for the shorter of one accrual period or six consecutive months, which deferred capitalised interest has not, as of the date of determination, been paid in cash.

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

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

"**Determination Date**" means the last Business Day of each Due Period, or in the event of any redemption of the Notes following the occurrence of an Event of Default or an exercise of an optional redemption pursuant to Condition 7(b) (*Optional Redemption*), eight Business Days prior to the applicable Redemption Date.

"**Directors**" means those person(s) who have been or who may be appointed as director(s) of the Issuer from time to time (including any alternate directors duly appointed in accordance with the Constitution of the Issuer).

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

(a) a Floating Rate Collateral Debt Obligation that has a Moody's Rating of "B3" or above and that is acquired by the Issuer at a price that is lower than the lesser of:

(i) 80 per cent. of par; or

(ii) the price of the Eligible Loan Index as of the relevant determination date; or

(b) a Floating Rate Collateral Debt Obligation that has a Moody's Rating below "B3" and that is acquired by the Issuer at a price that is lower than the lesser of:

(i) 85 per cent. of par; or

(ii) the price of the Eligible Loan Index as of the relevant determination date; or

(c) an obligation that is a Fixed Rate Collateral Debt Obligation and that has a Moody's Rating of "B3" or above and that is acquired by the Issuer at a price that is lower than the lesser of:

(i) 75 per cent. of par; or

(ii) the price of the Eligible Bond Index as of the relevant determination date; or

(d) an obligation that is a Fixed Rate Collateral Debt Obligation and that has a Moody's Rating below "B3" and that is acquired by the Issuer at a price that is lower than the lesser of:

(i) 80 per cent. of par; or

(ii) the price of the Eligible Bond Index as of the relevant determination date,

provided that such Collateral Debt Obligation will cease to be a Discount Obligation at such time as: (x) for a Floating Rate Collateral Debt Obligation, the Market Value (expressed as a percentage of par) of such Collateral Debt Obligation, for any period of 30 consecutive calendar days since the acquisition by the Issuer of such Collateral Debt Obligation (no more than 7 days of which were determined pursuant to sub-paragraph (e)(ii) of the definition of Market Value), equals or exceeds 90 per cent. of par; or (y) for an obligation that is a Fixed Rate Collateral Debt Obligation, the Market Value (expressed as a percentage of par) of such Collateral Debt Obligation, for any period of 30 consecutive calendar days since the acquisition by the Issuer of such Collateral Debt Obligation (no more than 7 days of which were determined pursuant to sub-paragraph (e)(ii) of the definition of Market Value), equals or exceeds 85 per cent. of par; *provided***,** *further*, that where the Principal Balance of a Collateral Debt Obligation is partially composed of a Discount Obligation, any sale, repayment or prepayment in respect of such Collateral Debt Obligation will be applied *pro rata* to (1) the discounted portion of such Collateral Debt Obligation and (2) the non-discounted portion of such Collateral Debt Obligation; and provided further that if such interest is a Revolving Obligation or Delayed Drawdown Collateral Debt Obligation, the purchase price of such Revolving Obligation or Delayed Drawdown Collateral Debt Obligation for such purpose shall include an amount equal to the Unfunded Amount of such Revolving Obligation or Delayed Drawdown Collateral Debt Obligation which is required to be deposited in the Unfunded Revolver Reserve Account.

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

"**Dodd-Frank Act**" means the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act, which was signed into law on 21 July 2010, as amended.

"**Domicile**" or "**Domiciled**" means with respect to any Obligor with respect to a Collateral Debt Obligation:

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

(b) the jurisdiction and the country in which, in the Collateral Manager's reasonable judgement, a substantial portion of such Obligor's operations are located or from which a substantial portion of its revenue is derived, in each case directly or through subsidiaries (which shall be any jurisdiction 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 (as applicable):

(a) in the case of any Payment Date which is not an unscheduled Payment Date or the Final Distribution Date, the period commencing on and including the relevant Due Period Start Date and ending on and including the eighth Business Day prior to such Payment Date;

(b) in the case of any Payment Date which is not a scheduled Payment Date, a Redemption Date or the Final Distribution Date, the period commencing on and including the relevant Due Period Start Date and ending on and including the third Business Day prior to such Payment Date; and

(c) in the case of any Payment Date that is the Final Distribution Date, the period commencing on and including the relevant Due Period Start Date and ending on and including the Business Day preceding the Final Distribution Date.

"**Due Period Start Date**" means:

(a) in the case of the period relating to the first Payment Date, the Issue Date; and

(b) in the case of any subsequent Due Period, the day immediately following:

(i) if the immediately preceding Payment Date was a scheduled Payment Date, the eighth Business Day prior to the preceding Payment Date; or

(ii) if the immediately preceding Payment Date was an unscheduled Payment Date, the third Business Day prior to the preceding 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 Agreement, subject to the Effective Date Determination Requirements having been satisfied; and

(b) 15 June 2017 (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 Debt Obligations the Aggregate Principal Balance of which equals or exceeds the Reinvestment Target Par Balance by such date (provided that, for the purposes of determining the Aggregate Principal Balance as provided above, any repayments or prepayments of any Collateral Debt Obligations subsequent to the Issue Date not subsequently reinvested shall be disregarded and the Principal Balance of a Collateral Debt Obligation which is a Defaulted Obligation will be the lower of its S&P Collateral Value and its Moody's Collateral Value).

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

(a) the Issuer is provided with an accountants' certificate recalculating and comparing the Aggregate Principal Balance of all Collateral Debt Obligations to be purchased or committed to be purchased as at the Effective Date and the computations and results of the Portfolio Profile Tests, the Collateral Quality Tests and the Coverage Tests (other than the Interest Coverage Tests) and confirming that the Effective Date Determination Requirements have been met; and

(b) Moody's is provided with the Effective Date Report by the Issuer (or the Collateral Manager on its behalf).

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

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

(ii) either the failure by the Collateral Manager (acting on behalf of the Issuer) to present a Rating Confirmation Plan to Moody's or the Collateral Manager (acting on behalf of the Issuer) does present a Rating Confirmation Plan to Moody's but Rating Agency Confirmation from Moody's has not been obtained for the Rating Confirmation Plan following request therefor from the Collateral Manager; or

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

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

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

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

"**Eligibility Criteria**" means the Eligibility Criteria specified in the Collateral Management Agreement which are required to be satisfied in respect of each Collateral Debt 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 Debt Obligations, the Issue Date.

"**Eligible Bond Index**" means Markit iBoxx EUR High Yield Index (or any subsequent name given to such index) or, subject to Rating Agency Confirmation from Moody's, any other index proposed by the Collateral Manager and notified to Moody's, S&P and the Collateral Administrator.

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

(a) direct obligations of, and obligations the timely payment of principal of and interest under which is fully and expressly guaranteed (such guarantee to comply with the current S&P criteria on guarantees) by, a Qualifying Country or any agency or instrumentality of a Qualifying Country, the obligations of which are fully and expressly guaranteed by a Qualifying Country, which in each case has a rating of not less than the applicable Eligible Investments Minimum Rating;

(b) demand and time deposits in, certificates of deposit of and bankers' acceptances issued by any depository institution (including the Account Bank) or trust company incorporated under the laws of a Qualifying Country with, in each case, a maturity of no more than 90 days, or following the occurrence of a Frequency Switch Event, 180 days and subject to supervision and examination by governmental banking authorities so long as the commercial paper and/or the debt obligations of such depository institution or trust company (or, in the case of the principal depository institution in a holding company system, the commercial paper or debt obligations of such holding company) at the time of such

investment or contractual commitment have a rating of not less than the applicable Eligible Investment Minimum Rating;

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

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

(ii) any other security issued or guaranteed by an agency or instrumentality of a Qualifying Country, in either case entered into with a depository institution or trust company (acting as principal) described in paragraph (b) above or entered into with a corporation (acting as principal) whose debt obligations are rated not less than the applicable Eligible Investments Minimum Rating at the time of such investment;

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

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

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

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

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

(ii) which has a credit rating not less than the applicable Eligible Investments Minimum Rating; and

(iii) is an "eligible asset" under Rule 3a-7 of the Investment Company Act (so long as the Trading Requirements are applicable),

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 Debt 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 Debt Obligation Stated Maturity (giving effect to any applicable grace period) no later than the Business Day immediately preceding the next following Payment Date or (B) is capable of being liquidated at par on demand without penalty, provided, however, that Eligible Investments shall not include any mortgage backed security, interest only security, security subject to withholding or similar taxes, security rated with an "f", "r", "(sf") or "t" subscript assigned by S&P or such other qualifying subscript published and assigned by S&P from time to time as may be applicable, security purchased at a price in excess of 100 per cent. of par, security whose repayment is subject to substantial non-credit related risk (as determined by the Collateral Manager in its discretion) or investments the acquisition of which would give rise to stamp duty, stamp duty reserve tax or any other transfer duty or tax (except to the extent that such duty or tax is taken into account in deciding whether to acquire the investments).

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

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

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

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

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

(i) in the case of Eligible Investments with a Collateral Debt Obligation Stated Maturity of more than 60 days:

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

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

(C) such other ratings as confirmed by S&P;

(ii) in the case of Eligible Investments with a Collateral Debt Obligation Stated Maturity of 60 days or less:

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

(B) such other ratings as confirmed by S&P.

"**Eligible Loan Index**" means the S&P European Leveraged Loan Index (or any subsequent name given to such index), the Credit Suisse Western European Leveraged Loan Index, or, subject to Rating Agency Confirmation from Moody's, any other index proposed by the Collateral Manager and notified to Moody's, S&P and the Collateral Administrator.

"**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 amended from time to time), including any implementing and/or delegated regulation, technical standards and guidance related thereto.

"**Enforcement Agent**" means an agent, receiver, administrative receiver or other Appointee appointed by the Trustee to discharge certain of its functions under Condition 11 (*Enforcement*), including without limitation, the Collateral Manager or any independent investment banking firm.

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

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

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

(b) in the case of each six month Accrual Period, as applicable to six month Euro deposits or, in the case of the period from, and including, the final Payment Date before the Maturity Date to, but excluding, the Maturity Date, if such first mentioned Payment Date falls in October 2029, as applicable to three month Euro deposits; and

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

provided that where such rate is used to determine the Class A Floating Rate of Interest, the Class B Floating Rate of Interest, the Class C Floating Rate of Interest, the Class D Floating Rate of Interest, the Class E Floating Rate of Interest or the Class F Floating Rate of Interest, it shall be subject to a minimum of zero per cent. per annum.

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

"**Euroclear**" means Euroclear Bank SA/NV, as operator of the Euroclear system.

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

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

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

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

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

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

"**Exchanged Security**" means any of:

(a) an equity security or warrant, including any equity security received upon conversion or exchange of, or exercise of an option in respect of a Collateral Debt Obligation (which in each case is not a Collateral Enhancement Obligation), the acquisition of which would not cause the breach of applicable selling or transfer restrictions relating to the offering of securities or of collective investment schemes and which is delivered to the Issuer upon acceptance of an Offer in respect of a Defaulted Obligation or received by the Issuer as a result of restructuring of the terms of a Defaulted Obligation in effect as of the later of the Issue Date and the date of issuance of the relevant Collateral Debt Obligation; or

(b) a Collateral Debt Obligation which has been restructured (whether effected by way of an amendment to the terms of such Collateral Debt Obligation or by way of substitution of new obligations and/or a change of Obligor) for so long as it does not satisfy the Restructured Obligation Criteria on the applicable Restructuring Date.

"**Expense Reserve Account**" means the interest bearing account of the Issuer with the Account Bank into which amounts are to be paid in accordance with Condition 3(c)(i) (*Application of Interest Proceeds*) (and on the Issue Date from proceeds of the issuance of the Notes in accordance with Condition 3(j)(xi)(A) (*Expense Reserve Account*)) and out of which, among other things, Trustee Fees and Expenses and Administrative Expenses shall be paid.

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

"**FATCA**" means Sections 1471 through 1474 of the Code, 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).

"**Final Distribution Date**" means the date upon which the Notes will be redeemed in full or upon which the proceeds from the realisation of the security will be distributed in full.

"**Final RTS**" means Delegated Regulation (EU) no. 625/2014 as published in the Official Journal of the European Union on 13 June 2014 supplementing the CRR by way of regulatory technical standards specifying the requirements for investors, sponsors, original lenders and originator institutions relating to exposures to transferred credit risk.

"**First Lien Last Out Loan**" means a Collateral Debt Obligation that is an interest in a loan, the Underlying Instruments for which (a) 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 (b) 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 interest bearing account described as such in the name of the Issuer with the Account Bank.

"**Fixed Rate Collateral Debt Obligation**" means a Collateral Debt Obligation which bears interest at a fixed rate provided that if such obligation is subject to a Hedge Agreement where payments received by the Issuer from a Hedge Counterparty are calculated by reference to a floating interest rate or index such obligation shall not constitute a Fixed Rate Collateral Debt Obligation but will be classified as a Floating Rate Collateral Debt Obligation for as long as such obligation is subject to such Hedge Agreement.

"**Floating Rate Collateral Debt Obligation**" means a Collateral Debt Obligation, interest payable in respect of which is calculated by reference to a floating interest rate or index, provided that if such obligation is subject to a Hedge Agreement where payments received by the Issuer from a Hedge Counterparty are calculated by reference to a fixed interest rate, such obligation shall not constitute a Floating Rate Collateral Debt Obligation but will be classified as a Fixed Rate Collateral Debt Obligation for as long as such obligation is subject to such Hedge Agreement.

"**Floating Rate Notes**" means the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes.

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

"**Form Approved Hedge**" means either:

(a) an Interest Rate Hedge Transaction the documentation for and structure of which conforms to a form for which Rating Agency Confirmation has been received by the Issuer or which has previously been approved by the Rating Agencies and in respect of which the Rating Agencies have not notified the Issuer or Collateral Manager that such approval has been withdrawn (in each case save for the amount and timing of periodic payments, the name of the Collateral Debt Obligation, the notional amount, the effective date, the termination date and other consequential and immaterial changes which have been notified in writing to the Rating Agencies); or

(b) a Currency Hedge Transaction the documentation for and structure of which conforms to a form for which Rating Agency Confirmation has been received by the Issuer or which has previously been approved by the Rating Agencies and in respect of which the Rating Agencies have not notified the Issuer or 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**" shall occur if, on any Frequency Switch Measurement Date (a)(i) the Aggregate Principal Balance (determined in accordance with the definition thereof, excluding Defaulted Obligations) of Collateral Debt Obligations that reset so as to become Semi-Annual Obligations in the previous Due Period (or where such Due Period is the first Due Period, in the last three months of such Due Period), is greater than or equal to 20 per cent. of the Aggregate Collateral Balance (the Aggregate Collateral Balance being determined in accordance with the definition thereof, excluding Defaulted Obligations); (ii) for so long as any of the Class A Notes or the Class B Notes remain outstanding, the Class A/B Interest Coverage Ratio is less than 100 per cent. (and provided that for such purpose, paragraphs (b) and (f) of the definition of Interest Coverage Amount shall be deemed to be equal to zero); and (iii) for so long as any of the Class A Notes or the Class B Notes remain outstanding, the Class A/B Interest Coverage Ratio is greater than 100 per cent. (and provided for such purpose, (1) paragraphs (b) and (f) of the definition of Interest Coverage Amount shall be deemed to be equal to zero (2) accrued interest of Semi-Annual Obligations referred to in (a)(i) above shall be added to the numerator of the Class A/B Interest Coverage Ratio and (3) amounts standing to the credit of the Principal Account shall be added to the numerator of the Class A/B Interest Coverage Ratio), or (b) the Collateral Manager declaring in its sole discretion that a Frequency Switch Event shall have occurred, (*provided that* for so long as any of the Class A Notes or the Class B Notes remain outstanding, the Class A/B Interest Coverage Ratio is greater than 100 per cent. (and provided for such purpose, (1) paragraphs (b) and (f) of the definition of Interest Coverage Amount shall be deemed to be equal to zero (2) accrued interest of Semi-Annual Obligations referred to in (a)(i) above

shall be added to the numerator of the Class A/B Interest Coverage Ratio) and (3) amounts standing to the credit of the Principal Account shall be added to the numerator of the Class A/B Interest Coverage Ratio), in each case, (but, in respect of a Frequency Switch Event occurring under limb (a) above, only upon receipt of notice from the Collateral Administrator of the same), that has been notified in writing by the Collateral Manager to the Rating Agencies, the Calculation Agent, the Issuer, the Principal Paying Agent, the Trustee, the Transfer Agent and the Registrar, and (with respect to a Frequency Switch Event which has occurred under limb (b) of the definition thereof only) the Collateral Administrator.

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

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

"**Global Certificate**" has the meaning given to it in the Trust Deed.

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

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

"**Hedge Counterparty Termination Payment**" means the amount payable by a Hedge Counterparty to the Issuer upon termination or modification of a Hedge Transaction (or a group thereof), in whole or in part, but excluding, for all purposes other than determining the amount payable by the Hedge Counterparty to the Issuer under the relevant Hedge Agreement, any due and unpaid scheduled amounts payable thereunder.

"**Hedge Issuer Tax Credit Payments**" means any amounts payable by the Issuer to a Hedge Counterparty pursuant to the terms of a Hedge Agreement in connection with any credit against, relief or remission for, or repayment of, any tax that has been obtained or utilised by the Issuer and which is attributable to a grossed up payment made by that Hedge Counterparty as a result of or in connection with any required withholding or deduction for or on account of any tax (or to such withholding or deduction itself) (but excluding, for the avoidance of doubt, any Hedge Issuer Termination Payments).

"**Hedge Issuer Termination Payment**" means the amount payable to a Hedge Counterparty by the Issuer upon termination or modification of a Hedge Transaction (or a group thereof), in whole or in part, but excluding, for all purposes other than determining the amount payable by the Issuer to a Hedge Counterparty under the relevant Hedge Agreement and Condition 3(j)(v) (*Counterparty Downgrade Collateral Accounts*), any due and unpaid scheduled amounts payable thereunder.

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

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

"**Hedge Termination Account**" means, in respect of any Hedge Agreement, the interest bearing account of the Issuer with the Account Bank into which all Hedge Counterparty Termination Payments and Hedge Replacement Receipts relating to that Hedge Agreement will be deposited.

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

"**Hedging Condition**" means, in respect of a Hedge Agreement or a Hedge Transaction:

(a) receipt by the Collateral Manager of legal advice from reputable legal counsel to the effect that the entry into such arrangements shall not require any of the Issuer, its Directors or officers or the Collateral Manager, 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; and

(b) unless and until the Issuer elects (which election may be made only upon confirmation from the Collateral Manager that it has obtained legal advice from reputable international legal counsel knowledgeable in such matters to the effect that to do so would not result in the Issuer being construed as a "covered fund" in relation to any holder of Outstanding Notes for the purposes of the Volcker Rule) to rely solely on the exemption under Section 3(c)(7) under the Investment Company Act, the Issuer or Collateral Manager obtains legal advice from reputable international legal counsel knowledgeable in such matters that the acquisition of or entry into such Hedge Agreement will not eliminate the Issuer's ability to rely on Rule 3a-7 under the Investment Company Act.

"**High Yield Bond**" means a Collateral Debt Obligations debt security other than a Senior Secured Bond which, on acquisition by the Issuer, is either rated below investment grade by at least one internationally recognised credit rating agency (provided that, if such debt security is, at any time following acquisition by the Issuer, no longer rated by at least one internationally recognised credit rating agency as below investment grade it will not, as a result of such change in rating, fall outside this definition) or which is a high yielding debt security, in each case as determined by the Collateral Manager, excluding any debt security which is secured directly on, or represents the ownership of, a pool of consumer receivables, auto loans, auto leases, equipment leases, home or commercial mortgages, corporate debt or sovereign debt obligations or similar assets, including, without limitation, collateralised bond obligations, collateralised loan obligations or any similar security.

"**Incentive Collateral Management Fee**" means the fee payable to the Collateral Manager pursuant to the Collateral Management Agreement in an amount, as determined by the Collateral Administrator, equal to the amount specified at paragraph (Z) of the Interest Proceeds Priority of Payments, paragraph (S) of the Principal Proceeds Priority of Payments, paragraph (B) of the Collateral Enhancement Obligation Proceeds Priority of Payments and paragraph (Z) of the Post-Acceleration Priority of Payments (exclusive of VAT) provided that such amount will only be payable to the Collateral Manager if the Incentive Collateral Management Fee IRR Threshold has been reached.

"**Incentive Collateral Management Fee IRR Threshold**" means the threshold which will have been reached on the relevant Payment Date if the Subordinated Notes Outstanding have received an annualised internal rate of return (computed using the "XIRR" function in Microsoft® Excel or an equivalent function in another software package and assuming for this purpose that all Subordinated Notes were purchased on the Issue Date at a price equal to the Subordinated Notes Issue Price Percentage of the principal amount thereof) of least 12 per cent. or such other greater amount as may be specified by the Collateral Manager in writing to the Issuer in accordance with the terms of the Collateral Management Agreement on the Principal Amount Outstanding of the Subordinated Notes as of the first day of the Due Period preceding such Payment Date (after giving effect to all payments in respect of the Subordinated Notes to be made on such Payment Date), provided that any additional issuances of the Subordinated Notes pursuant to Condition 17 (*Additional Issuances*) shall be included for the purposes of calculating the Incentive Collateral Management Fee IRR Threshold at their issue price and issue date and not the Subordinated Notes Issue Price Percentage.

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

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

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

"**Interest Amount**" has the meaning specified in Condition 6(e)(ii) (*Determination of Floating Rate of Interest and Calculation of Interest Amount*) in respect of the Floating Rate Notes.

"**Interest Coverage Amount**" means, on any particular Measurement Date, without double counting, the sum of:

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

(b) plus the sum of all scheduled interest payments (including (x) any commitment fees due but not yet received in respect of any Revolving Obligations or Delayed Drawdown Collateral Debt Obligations, all amendment and waiver fees, all late payment fees, all commitment fees, all syndication fees, delayed compensation and all other fees and commission, (y) any amounts which the applicable

Obligor has agreed to pay by way of gross-up in respect of amounts withheld at source or otherwise deducted in respect of taxes and (z) any amounts which the Collateral Manager determines will be received within the same Due Period by way of recovery from an applicable tax authority under a double tax treaty) in each case, due but not yet received (in each case regardless of whether the applicable due date has yet occurred) in the Due Period in which such Measurement Date occurs, on the Collateral Debt Obligations and the Eligible Investments, but only to the extent not representing Principal Proceeds, and the Accounts (other than each Counterparty Downgrade Collateral Account, but including interest on third party collateral accounts of the kind referred to in Condition 3(j)(vii) (*The Unfunded Revolver Reserve Account*)) excluding:

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

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

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

(iv) any amounts expected to be withheld at source or otherwise deducted in respect of taxes;

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

(vi) any Purchased Accrued Interest; and

(vii) any Ramp Accrued Interest;

provided that, in respect of the Due Period in which such Measurement Date occurs and in respect of a Non-Euro Obligation (1) that is a Currency Hedge Obligation, this paragraph (b) shall be deemed to refer to the aggregate of the related Scheduled Periodic Currency Hedge Counterparty Payment, subject to the exclusions set out above, and (2) that is an Unhedged Collateral Debt Obligation, the amount taken into account for this paragraph (b) shall be an amount equal to (X) during the period ending 180 calendar days following the settlement date of the acquisition thereof, if such Unhedged Collateral Debt Obligation is denominated in a Qualified Unhedged Currency and was purchased in the Primary Market, 50 per cent. of the scheduled interest payments referred to above due but not yet received in respect of such Unhedged Collateral Debt Obligation (subject to the exclusions set out above), converted into Euro at the then prevailing Applicable Exchange Rate, and (Y) otherwise zero;

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

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

(e) plus any amounts that would be payable from the Interest Smoothing Account, the First Period Reserve Account and/or the Expense Reserve Account (to the extent such amounts are not designated for transfer to the Principal Account) to the Interest Account in the Due Period in which such Measurement Date falls (without double counting any such amounts which have been already transferred to the Interest Account);

(f) plus the aggregate of any Scheduled Periodic Interest Rate Hedge Counterparty Payments payable to the Issuer to the extent not already included in accordance with (a) above; and

(g) minus any interest in respect of a PIK Security that has been deferred (but only to the extent such amount has not already been excluded in accordance with (b)(ii) or (iii) above).

For the purposes of calculating any Interest Coverage Amount, the expected or scheduled interest income on Floating Rate Collateral Debt Obligations and Eligible Investments and the expected or scheduled interest

payable on any Class of Notes and on any relevant Account shall be calculated using then current interest rates applicable thereto.

"**Interest Coverage Ratio**" means the Class A/B Interest Coverage Ratio, the Class C Interest Coverage Ratio and the Class D Interest Coverage Ratio. For the purposes of calculating an Interest Coverage Ratio, the expected interest income on Collateral Debt Obligations, Eligible Investments and the Accounts (to the extent applicable) and the expected interest payable on the relevant Rated Notes will be calculated using the then current interest rates applicable thereto.

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

"**Interest Determination Date**" means the second Business Day prior to the commencement of each Accrual Period. 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 and 9 month Euro deposits on the Issue Date but such offered rate shall be calculated as of the second Business Day prior to the Issue Date.

"**Interest Proceeds**" means all amounts paid or payable into the Interest Account from time to time and, with respect to any Payment Date, means any Interest Proceeds received or receivable by the Issuer during the related Due Period to be disbursed pursuant to the Interest Proceeds Priority of Payments on such Payment Date (for the avoidance of doubt, excluding any Interest Smoothing Amount required to be transferred to the Interest Smoothing Account in accordance with these Conditions), together with any other amounts to be disbursed out of the Payment Account as Interest Proceeds on such Payment Date pursuant to Condition 3(i) (*Accounts*).

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

"**Interest Rate Hedge Agreement**" means each 1992 ISDA Master Agreement (Multicurrency-Cross Border) or 2002 ISDA Master Agreement (or such other pro forma Master Agreement as may be published by ISDA from time to time) and the schedule thereto which is entered into between the Issuer and an Interest Rate Hedge Counterparty, including any guarantee thereof and any credit support annex entered into pursuant to the terms thereof and together with each confirmation entered into thereunder from time to time in respect of an Interest Rate Hedge Transaction, as amended and/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, satisfies the applicable Rating Requirement upon the date of entry into such agreement or whose obligations are guaranteed by a guarantor which satisfies the applicable Rating Requirement on such date or in respect of which Rating Agency Confirmation has been obtained on such date and that has the regulatory capacity to enter into derivatives transactions.

"**Interest Rate Hedge Issuer Termination Payment**" means any amount payable by the Issuer to an Interest Rate Hedge Counterparty upon termination or modification of the applicable Interest Rate Hedge Agreement or Interest Rate Hedge Transaction (or a group thereof), in whole or in part, but excluding, for all purposes other than determining the amount payable by the Issuer to the Interest Rate Hedge Counterparty under the relevant Interest Rate Hedge Agreement, any due and unpaid scheduled amounts payable thereunder.

"**Interest Rate Hedge Transaction**" means each interest rate protection transaction entered into under an Interest Rate Hedge Agreement which may be an interest rate swap, an interest rate cap or an interest rate floor transaction.

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

"**Interest Smoothing Amount**" means, in respect of each Determination Date on and following the Determination Date upon which a Frequency Switch Event occurs, zero and, in respect of each other Determination Date and for so long as any Rated Notes are Outstanding, an amount equal to the excess, if any, of:

(a) the sum of all payments of interest received during the related Due Period in respect of each Semi-Annual Obligation (that was a Semi-Annual Obligation at all times during such Due Period); over

(b) the sum of

(i) (1) the product of:

(A) 0.25; multiplied by

(B) the sum of:

(1) EURIBOR (as of the relevant Determination Date); plus

(2) the Weighted Average Spread provided that, for the purpose of calculating the Weighted Average Spread, such calculation shall only include Floating Rate Collateral Debt Obligations which are Semi-Annual Obligations and that were Semi-Annual Obligations at all times during the related Due Period and such calculation shall exclude any Floating Rate Collateral Debt Obligations that are Defaulted Obligations or Deferring Securities; multiplied by

(C) the Aggregate Principal Balance of all Semi-Annual Obligations that were Semi-Annual Obligations at all times during the related Due Period and which are Floating Rate Collateral Debt Obligations, excluding the Aggregate Principal Balance of any Semi-Annual Obligations that are Defaulted Obligations or Deferring Securities; and

(ii) the product of:

(A) 0.25; multiplied by

(B) the Weighted Average Fixed Coupon, provided that, for purposes of calculating the Weighted Average Fixed Coupon, such calculation shall only include Fixed Rate Collateral Debt Obligations which are Semi-Annual Obligations and that were Semi-Annual Obligations at all times during the related Due Period and such calculation shall exclude any Fixed Rate Collateral Debt Obligations that are Defaulted Obligations or Deferring Securities; multiplied by

(C) the Aggregate Principal Balance of all Semi-Annual Obligations that were Semi-Annual Obligations at all times during the related Due Period and which are Fixed Rate Collateral Debt Obligations, excluding the Aggregate Principal Balance of any Semi-Annual Obligations that are Defaulted Obligations or Deferring Securities,

provided that (x) such amount may not be less than zero and (y) following redemption in full of the Rated Notes or if the Aggregate Principal Balance of the Semi-Annual Obligations (as at the last day of the related Due Period and where, for such purpose, the Principal Balance of each Defaulted Obligation shall be equal to its S&P Collateral Value) is less than or equal to 5 per cent. of the Aggregate Collateral Balance (and where, for such purpose, the Principal Balance of each Defaulted Obligation shall be equal to its S&P 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.

"**Irish Excluded Assets**" means rights of the Issuer under the Corporate Services Agreement and the Issuer Profit Account.

"**Irish Stock Exchange**" means the Irish Stock Exchange plc.

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

"**Issue Date**" means 15 December 2016 (or such other date as may shortly follow such date as may be agreed between the Issuer, the Placement Agent, the Collateral Manager and the Retention Holder and is notified to the Noteholders in accordance with Condition 16 (*Notices*) and the Irish Stock Exchange).

"**Issue Date Collateral Debt Obligation**" means an obligation for which the Issuer (or the Collateral Manager, acting on behalf of the Issuer) has entered into a binding commitment to purchase on or prior to the Issue Date.

"**Issuer Profit Account**" means the bank account of the Issuer into which the Issuer's share capital and Issuer Profit Amount are deposited.

"**Issuer Profit Amount**" means €1,000 per annum payable to the Issuer in equal instalments (i) quarterly in arrear prior to the occurrence of a Frequency Switch Event, and (ii) semi-annually in arrear following the occurrence of a Frequency Switch Event, in each case in accordance with the Priorities of Payment and representing the profit to be retained by the Issuer.

"**Main Securities Market**" means the regulated market of the Irish Stock Exchange.

"**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 Debt Obligation, on any date of determination and as provided by the Collateral Manager to the Collateral Administrator (in each case expressed as a percentage of the principal amount outstanding thereof):

(a) the bid price of such Collateral Debt Obligation determined by an independent recognised pricing service selected by the Collateral Manager; or

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

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

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

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

  (i) 70 per cent.; and

  (ii) the fair market value thereof determined by the Collateral Manager on a best efforts basis (x) in a manner consistent with reasonable and customary market practice, (y) in a manner consistent with any determination the Collateral Manager applies with respect to any other similar obligation managed by the Collateral Manager, and (z) using the same fair market value as is assigned by the Collateral Manager to such Collateral Debt Obligation for all other purposes, in each case, as notified to the Collateral Administrator on the date of determination thereof; provided that if the Market Value cannot be ascertained by broker-dealers or an independent recognised pricing service pursuant to paragraphs (a) to (d) above and the Collateral Manager does not determine the Market Value in accordance with this paragraph (e)(ii), the Market Value shall be deemed to be zero,

provided 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)(ii) above, such Market Value shall only be valid for 30 days, after which time if the Market Value cannot be ascertained by broker-dealers or an independent recognised pricing service the Market Value shall be deemed to be zero.

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

"**Maturity Date**" means 15 January 2030 (or, if such day is not a Business Day, then the next succeeding Business Day (unless it would fall in the following month, in which case it shall be moved to the immediately preceding Business Day)).

"**Measurement Date**" means:

(a) the Effective Date;

(b) for the purposes of determining satisfaction of the Reinvestment Criteria, any Business Day after the Effective Date on which such criteria are required to be determined;

(c) the date of acquisition of any additional Collateral Debt Obligation following the Effective Date;

(d) each Determination Date;

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

(f) following the Effective Date, with reasonable (and not less than five Business Days') notice, any Business Day requested by any Rating Agency then rating any Class of Notes Outstanding.

"**Member State**" means a member state of the European Union.

"**Mezzanine Obligation**" means an obligation (other than a Senior Secured Loan or a Second Lien 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, including any such obligation with attached warrants and any such obligation which is evidenced by an issue of notes (other than High Yield Bonds and Senior Secured Bonds), as determined by the Collateral Manager in its reasonable commercial judgment, or a Participation therein.

"**Minimum Denomination**" means:

(a) in the case of the Regulation S Notes of each Class, €100,000;

(b) in the case of the Rule 144A Notes of each Class, €250,000;

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

"**Monthly Report**" means any monthly report or the Effective Date Report (where no Monthly Report is prepared in accordance with the Collateral Management Agreement) defined as such in the Collateral Management 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 Agreement, is made available via a secured website at https://usbtrustgateway.usbank.com (or such other website as may be notified by the Collateral Administrator to the Issuer, the Trustee, the Collateral Manager, the Placement Agent, each Hedge Counterparty, each Rating Agency, the Principal Paying Agent and the Noteholders from time to time) which shall be accessible to the Issuer, the Trustee, each Hedge Counterparty, the Collateral Manager, the Placement Agent and the Rating Agencies by way of a unique password (which in the case of each Noteholder may be obtained from the Collateral Administrator subject to receipt by the Collateral Administrator of certification that such holder is a holder of a beneficial interest in any Notes) and, upon request therefor in accordance with Condition 4(f) (*Information Regarding the Collateral*), to any Noteholder and which shall include information regarding the status of certain of the Collateral pursuant to the Collateral Management Agreement.

"**Moody's**" means Moody's Investors Service, Ltd. and any successor or successors thereto.

"**Moody's Additional Current Pay Criteria**" means criteria satisfied with respect to any Collateral Debt Obligation, as determined by the Collateral Manager, if (a) either such Collateral Debt Obligation has (i) a

Market Value of at least 85 per cent. of its outstanding principal amount and a Moody's Rating of at least "Caa2"; or (ii) a Market Value of at least 80 per cent. of its outstanding principal amount and a Moody's Rating of at least "Caa1", or (b) (i) if such Collateral Debt Obligation is a Floating Rate Collateral Debt Obligation and the price of the Eligible Loan Index as of the applicable date of determination is trading below 90 per cent., such Collateral Debt Obligation has either (x) a Market Value of at least 85 per cent. of the price of the applicable Eligible Loan Index as of the applicable date of determination and a Moody's Rating of at least "Caa2" or (y) a Market Value of at least 80 per cent. of the price of the applicable Eligible Loan Index as of the applicable date of determination and a Moody's Rating of at least "Caa1", or (ii) if such Collateral Debt Obligation is a Fixed Rate Collateral Debt Obligation and the Eligible Bond Index is trading below 90 per cent., the Market Value of such Collateral Debt Obligation has a Market Value of at least 80 per cent. of the Eligible Bond Index and a Moody's Rating of at least "Caa2". For purposes of this definition, with respect to a Collateral Debt Obligation already owned by the Issuer whose facility rating from Moody's is withdrawn, the facility rating will be the last outstanding facility rating before such withdrawal.

"**Moody's Collateral Value**" means in the case of any Collateral Debt Obligation or Eligible Investment, the lower of:

(a) its prevailing Market Value; and

(b) its Moody's Recovery Rate,

in each case, multiplied by its Principal Balance.

"**Moody's Maximum Weighted Average Rating Factor Test**" has the meaning given to it in the Collateral Management Agreement.

"**Moody's Minimum Diversity Test**" has the meaning given to it in the Collateral Management Agreement.

"**Moody's Minimum Weighted Average Recovery Rate Test**" has the meaning given to it in the Collateral Management Agreement.

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

"**Moody's Recovery Rate**" means, in respect of each Collateral Debt Obligation, the recovery rate determined in accordance with the Collateral Management Agreement or as so advised by Moody's.

"**Moody's Test Matrix**" has the meaning given to it in the Collateral Management Agreement.

"**Non-Call Period**" means the period from and including the Issue Date up to, but excluding 15 October 2018 (or, if such day is not a Business Day, then the next succeeding Business Day (unless it would fall in the following month, in which case it shall be moved to the immediately preceding Business Day)).

"**Non-Eligible Issue Date Collateral Debt Obligation**" has the meaning given thereto in the Collateral Management Agreement.

"**Noteholders**" means the several persons in whose name the Notes are registered from time to time in accordance with and subject to their terms and the terms of the Trust Deed, and "**holder**" (in respect of the Notes) shall be construed accordingly.

"**Non-Euro Obligation**" means any Collateral Debt Obligation or part thereof, as applicable, denominated in a currency other than Euro.

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

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

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

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

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

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

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

provided that, for the purposes of any redemption of the Notes in accordance with the Note Payment Sequence following any breach of Coverage Tests, the Note Payment Sequence shall terminate immediately after the paragraph above that refers to the Class of Notes to which such Coverage Test relates.

"**Note Tax Event**" means, at any time:

(a) the introduction of a new, or any change in, any home jurisdiction or foreign tax statute, treaty, regulation, rule, ruling, practice, procedure or judicial decision or interpretation (whether proposed, temporary or final) which results in (or would on the next Payment Date result in) any payment of principal or interest on the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and/or the Subordinated Notes becoming properly subject to any withholding tax other than:

  (i) a payment in respect of Deferred Interest becoming properly subject to any withholding tax;

  (ii) withholding tax in respect of FATCA; or

  (iii) withholding tax that arises by reason of the failure by the relevant Noteholder to comply with any applicable procedures required to establish non-residence or other similar claim for exemption from such tax or to provide information concerning nationality, residency or connection with Ireland or other applicable taxing authority; or

(b) United Kingdom or U.S. state or federal tax or governmental authorities impose net income, profits or similar tax upon the Issuer of any amount in excess of EUR 1,000 for the relevant year (other than any U.S. federal, state or local income or franchise tax imposed solely with respect to an equity security or United States real property interest (as defined for U.S. federal income tax purposes) received in an Offer, so long as the Issuer disposes of such equity security or United States real property interest within 30 Business Days after receipt).

"**Obligor**" means, in respect of a Collateral Debt Obligation, the borrower thereunder or issuer thereof or, in either case, the guarantor thereof (as determined by the Collateral Manager on behalf of the Issuer).

"**Offer**" means, with respect to any Collateral Debt Obligation:

(a) any offer by the Obligor under such obligation or by any other Person made to all of the creditors of such Obligor in relation to such obligation to purchase or otherwise acquire such obligation (other than pursuant to any redemption in accordance with the terms of the related Underlying Instruments) or to convert or exchange such obligation into or for cash, securities or any other type of consideration; or

(b) any solicitation by the Obligor of such obligation or any other Person to amend, modify or waive any provision of such obligation or any related Underlying Instrument.

"**Ongoing Expense Excess Amount**" means, on any Payment Date, an amount equal to the excess, if any, of (i) the Senior Expenses Cap, over (ii) the sum of (without duplication) (x) all amounts paid pursuant to paragraphs (B)(1) and (B)(2) of Condition 3(c)(i) (*Application of Interest Proceeds*) on such Payment Date plus (y) all Trustee Fees and Expenses and Administrative Expenses paid during the related Due Period.

"**Ongoing Expense Reserve Amount**" means, an amount equal to the lesser of (i) the Ongoing Expense Reserve Ceiling and (ii) the Ongoing Expense Excess Amount.

"**Ongoing Expense Reserve Ceiling**" means, on any Payment Date, the excess, if any, of €250,000 over the amount then on deposit in the Expense Reserve Account without giving effect to any deposit thereto on such Payment Date pursuant to paragraph (C) of Condition 3(c)(i) (*Application of Interest Proceeds*).

"**Optional Redemption**" means a redemption pursuant to and in accordance with Condition 7(b) (*Optional Redemption*).

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

"**Other Plan Law**" means any federal, state, local or non-U.S. law or regulation that is similar to the prohibited transaction provisions of Section 406 of ERISA and/or Section 4975 of the Code.

"**Outstanding**" means in relation to the Notes of a Class as of any date of determination, all of the Notes of such Class that have been issued and not redeemed or purchased and cancelled by the Issuer, as further defined in the Trust Deed.

"**Par Value Ratio**" means the Class A/B Par Value Ratio, 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 or the Class E Par Value Test or the Class F Par Value Test (as applicable).

"**Participation**" means an interest in a Collateral Debt Obligation taken indirectly by the Issuer by way of sub-participation from a Selling Institution which shall include, for the purposes of the Bivariate Risk Table set forth in the Collateral Management Agreement, Intermediary Obligations.

"**Participation Agreement**" means an agreement between the Issuer and a Selling Institution in relation to the purchase by the Issuer of a Participation.

"**Payment Account**" means the account described as such in the name of the Issuer held with the Account Bank to which amounts shall be transferred by the Account Bank on the instructions of the Collateral Administrator on the Business Day prior to each Payment Date out of certain of the other Accounts in accordance with Condition 3(i) (*Accounts*) and out of which the amounts required to be paid on each Payment Date pursuant to the Priorities of Payment shall be paid.

"**Payment Date**" means:

(a) following the occurrence of a Frequency Switch Event, on (A) 15 January and 15 July (where the Payment Date immediately prior to the occurrence of the relevant Frequency Switch Event falls in either January or July), or (B) 15 April and 15 October (where the Payment Date immediately prior to the occurrence of the relevant Frequency Switch Event falls in either April or October); and

(b) 15 January, 15 April, 15 July and 15 October at all other times,

in each case, in each year commencing on 15 July 2017 up to and including the Maturity Date (each a "**Scheduled Payment Date**"), any Redemption Date in connection with a redemption in whole, the Final Distribution Date, and/or following the date upon which the Rated Notes have been redeemed in full, any Business Day (other than and in addition to the dates set out in paragraphs (a) and (b) above and any Redemption Date) either agreed between the Issuer and the Collateral Manager or designated by the Issuer and the Collateral Manager as directed by the Subordinated Noteholders acting by Ordinary Resolution and notified to the Principal Paying Agent, the Collateral Administrator and the Noteholders (each an "**unscheduled Payment Date**"), provided that if any Payment Date would otherwise fall on a day which is not a Business Day, it shall be postponed to the next day that is a Business Day (unless it would thereby fall in the following month, in which case it shall be brought forward to the immediately preceding Business Day).

"**Payment Date Report**" means the accounting report defined as such in the Collateral Management Agreement which is prepared and determined as of each Determination Date by the Collateral Administrator (in consultation with the Collateral Manager) on behalf of the Issuer and made available via a secured website at

https://usbtrustgateway.usbank.com (or such other website as may be notified by the Collateral Administrator to the Issuer, the Trustee, the Collateral Manager, the Placement Agent, each Hedge Counterparty, each Rating Agency, the Principal Paying Agent and the Noteholders from time to time) which shall be accessible to the Issuer, the Trustee, the Collateral Manager, the Placement Agent, each Hedge Counterparty and any holder of a beneficial interest in any Note by way of a unique password (which, in the case of each Noteholder, may be obtained from the Collateral Administrator subject to receipt by the Collateral Administrator of certification that such holder is a holder of a beneficial interest in any Notes) in the case of any Noteholder, upon written request) in accordance with Condition 4(f) (*Information Regarding the Collateral*) and each Rating Agency not later than the Business Day preceding the related Payment Date.

"**Person**" means an individual, company, corporation (including a business trust), partnership, joint venture, association, joint stock company, trust (including any beneficiary thereof), unincorporated association or government or any agency or political subdivision thereof.

"**PIK Security**" means any Collateral Debt Obligation which is a security, the terms of which permit the deferral of the payment of all interest thereon, including without limitation by way of capitalising interest thereon provided that, for the avoidance of doubt, Mezzanine Obligations shall not constitute PIK Securities.

"**Placement Agency Agreement**" means the placement agency agreement dated on or about 15 December 2016 between the Issuer and the Placement Agent.

"**Placement Agent**" means Citigroup Global Markets Limited.

"**Plan Asset Regulation**" means 29 C.F.R. Section 2510.3-101, as modified by Section 3(42) of ERISA, as they may be amended or modified.

"**Portfolio**" means the Collateral Debt Obligations, Collateral Enhancement Obligations, Exchanged Securities, Eligible Investments and other similar obligations or securities held by or on behalf of the Issuer from time to time.

"**Portfolio Profile Tests**" means the Portfolio Profile Tests each as defined in the Collateral Management Agreement.

"**Post-Acceleration Priority of Payments**" means the priority of payments set out in Condition 11 (*Enforcement*).

"**Presentation Date**" means a day which (subject to Condition 12 (*Prescription*)):

(a) is a Business Day;

(b) is or falls after the relevant due date or, if the due date is not or was not a Business Day in the place of presentation, is or falls after the next following Business Day which is a Business Day in the place of presentation; and

(c) is a Business Day in the place in which the account specified by the payee is located.

"**Primary Market**" means, in respect of a Collateral Debt Obligation, the Issuer (or the Collateral Manager on the Issuer's behalf) entered into a binding commitment to purchase such Collateral Debt Obligation within 180 calendar days of the date of issue of such Collateral Debt Obligation and in the case of a Collateral Debt Obligation which is a Restructured Obligation, within 180 calendar days of the relevant Restructuring Date.

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

"**Principal Amount Outstanding**" means in relation to any Class of Notes and at any time, the aggregate principal amount outstanding under such Class of Notes at that time, including, in the case of the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes, Deferred Interest which has been capitalised pursuant to Condition 6(c) (*Deferral of Interest*) save that Deferred Interest shall not be included for the purposes of determining voting rights or quorums attributable to the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes as applicable, and the applicable quorum at any meeting of the Noteholders pursuant to Condition 14 (*Meetings of Noteholders, Modification, Waiver and Substitution*) and, for the avoidance of doubt, shall not be double-counted when making payments pursuant to the Priorities of Payment.

"**Principal Balance**" means, with respect to any Collateral Debt Obligation, Eligible Investment, Collateral Enhancement Obligation or Exchanged Security, as of any date of determination, the outstanding principal amount thereof (excluding any interest capitalised pursuant to the terms of such instrument other than, with respect to a Mezzanine Obligation and a PIK Security, any such interest capitalised pursuant to the terms thereof which is paid for on the date of acquisition of such Mezzanine Obligation or PIK Security), provided however that:

(a) the Principal Balance of any Revolving Obligation and Delayed Drawdown Collateral Debt Obligation as of any date of determination, shall be the outstanding principal amount of such Revolving Obligation or Delayed Drawdown Collateral Debt Obligation, plus any undrawn commitments that have not been irrevocably cancelled with respect to such Revolving Obligation or Delayed Drawdown Collateral Debt Obligation;

(b) the Principal Balance of each Exchanged Security and each Collateral Enhancement Obligation, shall be deemed to be zero; and

(c) the Principal Balance of any Non-Euro Obligation shall be:

(i) in the case of a Currency Hedge Obligation, an amount equal to the Euro equivalent of the outstanding principal amount for the reference Non-Euro Obligation, converted into Euro at the Applicable Exchange Rate; or

(ii) in the case of an Unhedged Collateral Debt Obligation:

(A) during the period ending 180 calendar days following the settlement date of the acquisition thereof, if such Unhedged Collateral Debt Obligation is denominated in a Qualified Unhedged Currency and was purchased in the Primary Market, an amount equal to (i) prior to the settlement date, 100 per cent. of the outstanding principal amount of such Unhedged Collateral Debt Obligation, or (ii) after the settlement date, 50 per cent. of the outstanding principal amount of such Unhedged Collateral Debt Obligation, in each case, converted into Euro at the Applicable Exchange Rate; and

(B) otherwise, zero;

(d) for the purposes of the Collateral Quality Tests only (other than the S&P CDO Monitor Test), the Principal Balance of a Defaulted Obligation shall be zero;

(e) the Principal Balance of any cash shall be the amount of such cash converted where applicable into Euro at the Applicable Exchange Rate; and

(f) so long as S&P is rating any Notes, in respect of a Collateral Debt Obligation: (i) the S&P Rating of which has been determined pursuant to paragraph (e)(ii) of the definition of S&P Rating for a consecutive period of ninety calendar days during which S&P has not provided a credit estimate in respect of such Collateral Debt Obligation; and (ii) that has not had a public rating by S&P withdrawn or suspended within six months prior to the date of application for a credit estimate in respect of such Collateral Debt Obligation, following the earlier of (x) S&P notifying the Collateral Manager that no credit estimate will be provided for such Collateral Debt Obligation after the expiry of the ninety calendar day period during which S&P has not provided a credit estimate and (y) the expiry of a period of six months during which the S&P Rating of such Collateral Debt Obligation has been continuously determined in accordance with paragraph (e)(ii) of the S&P Rating definition without a credit estimate having been assigned to it during such period, the Principal Balance of such Collateral Debt Obligation shall be zero, unless S&P has agreed to extend such period, and until an S&P Rating can be determined in respect of such Collateral Debt Obligation pursuant to paragraph (a), (b) or (e)(i) of the definition of S&P Rating, a credit estimate being assigned by S&P in respect of such Collateral Debt Obligation or such other treatment being applied to such Collateral Debt Obligation as may be advised by S&P.

"**Principal Proceeds**" means all amounts paid or payable into the Principal Account from time to time and, with respect to any Payment Date, means Principal Proceeds received or receivable by the Issuer during the related Due Period and any other amounts to be disbursed as Principal Proceeds on such Payment Date pursuant to Condition 3(c)(ii)) (*Application of Principal Proceeds*) or Condition 11(b) (*Enforcement*).

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

"**Priorities of Payment**" means:

(a) save for (i) in connection with any optional redemption of the Notes in whole but not in part pursuant to Condition 7(b) (*Optional Redemption*), (ii) in connection with a redemption in whole pursuant to Condition 7(g) (*Redemption following Note Tax Event*) or (iii) following the delivery of an Acceleration Notice (deemed or otherwise) which has not subsequently been rescinded and annulled in accordance with Condition 10(c) (*Curing of Default*), in the case of Interest Proceeds, the Interest Proceeds Priority of Payments and in the case of Principal Proceeds, the Principal Proceeds Priority of Payments;

(b) in the event of any optional redemption of the Notes in whole but not in part pursuant to Condition 7(b) (*Optional Redemption*) or Condition 7(g) (*Redemption following Note Tax Event*) or following the delivery of an Acceleration Notice (deemed or otherwise) which has not subsequently been rescinded and annulled in accordance with Condition 10(c) (*Curing of Default*), the Post-Acceleration Priority of Payments; and

(c) in the case of Collateral Enhancement Obligation Proceeds, the Collateral Enhancement Obligation Proceeds Priority of Payments set out in Condition 3(c)(iii)) (*Application of Collateral Enhancement Obligation Proceeds*).

"**Purchased Accrued Interest**" means, with respect to any Due Period, all payments of interest and proceeds of sale received during such Due Period in relation to any Collateral Debt Obligation, in each case, to the extent that such amounts represent accrued and/or capitalised interest in respect of such Collateral Debt Obligation (including, in respect of a Mezzanine Obligation, any accrued interest which, as at the time of purchase, had been capitalised and added to the principal amount of such Mezzanine Obligation in accordance with its terms), which was purchased at the time of the acquisition thereof with Principal Proceeds and/or amounts paid out of the Unused Proceeds Account (other than Ramp Accrued Interest).

"**QIB**" means a Person who is a "qualified institutional buyer" as defined in Rule 144A.

"**QIB/QP**" means a Person who is both a QIB and a QP.

"**Qualified Unhedged Currency**" means Sterling, U.S. Dollars, Danish Krone, Norwegian Krone, Swedish Krona or Swiss Francs.

"**Qualified Purchaser**" and "**QP**" mean a Person who is a "qualified purchaser" as defined in Section 2(a)(51)(A) of the Investment Company Act.

"**Qualifying Country**" means each of Austria, Belgium, Bermuda, Canada, the Channel Islands, Denmark, Finland, France, Germany, Republic of Ireland, Italy, Jersey, Liechtenstein, Luxembourg, The Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, the United States, the United Kingdom and any country the local currency country risk ceiling of which is rated, at the time of acquisition of the relevant Collateral Debt Obligation, at least "A3" by Moody's and the country ceiling of which is rated, at the time of acquisition of the relevant Collateral Debt Obligation, at least "BBB-" by S&P (provided that Rating Agency Confirmation is received in respect of any such country which is not in the Euro zone) or any other country in respect of which, at the time of acquisition of the relevant Collateral Debt Obligation, Rating Agency Confirmation is received.

"**Qualifying Currency**" means Euro, Sterling, U.S. Dollars, Swedish Krona, Norwegian Krone, Danish Krone, Australian Dollars, Swiss Francs, Canadian Dollars or such other currency in respect of which Rating Agency Confirmation from each of Moody's and S&P is received and for which the Account Bank has confirmed it is able to hold deposits.

"**Ramp Accrued Interest**" means, with respect to any Due Period, all payments of interest and proceeds of sale received during such Due Period in relation to any Collateral Debt Obligation, in each case, to the extent that such amounts represent accrued interest in respect of such Collateral Debt Obligation (including, in respect of a Mezzanine Obligation, any accrued interest which, as at the time of purchase, had been capitalised and added to the principal amount of such Mezzanine Obligation in accordance with its terms), which was purchased at the time of the acquisition thereof with amounts paid out of the Unused Proceeds Account (in respect of interest that

has accrued but has not been capitalised) and/or by payment of such purchase price to the Warehouse Providers under the Warehouse Arrangements.

"**Rated Notes**" means the Class A Notes, the Class B Notes, the Class C Note, the Class D Notes, the Class E Notes and the Class F Notes.

"**Rating Agencies**" means Moody's and S&P, provided that if at any time Moody's and/or S&P ceases to provide rating services, "**Rating Agencies**" shall mean any other nationally recognised investment rating agency or rating agencies (as applicable) selected by the Issuer and satisfactory to the Trustee (a "**Replacement Rating Agency**") and "**Rating Agency**" means any such rating agency. In the event that at any time a Rating Agency is replaced by a Replacement Rating Agency, references to rating categories of the original Rating Agency in these Conditions, the Trust Deed and the Collateral Management Agreement shall be deemed instead to be references to the equivalent categories of the relevant Replacement Rating Agency as of the most recent date on which such other rating agency published ratings for the type of security in respect of which such Replacement Rating Agency is used and all references herein to "Rating Agencies" shall be construed accordingly. Any rating agency shall cease to be a Rating Agency if, at any time, it ceases to assign a rating in respect of any Class of Rated Notes.

"**Rating Agency Confirmation**" means, with respect to any specified action, determination or appointment, receipt by the Issuer and/or the Trustee of written confirmation (which may take the form of a bulletin, press release, email or other written communication) by each Rating Agency which has, as at the relevant date assigned ratings to any Class of the Rated Notes that are Outstanding (or, if applicable, the Rating Agency specified in respect of any such action or determination, provided that such Rating Agency has, as at the relevant date assigned ratings to any Class of the Rated Notes) that such specified action, determination or appointment will not result in the reduction or withdrawal of any of the ratings currently assigned to the Rated Notes by such Rating Agency. Notwithstanding anything to the contrary in any Transaction Document and these Conditions, no Rating Agency Confirmation shall be required from a Rating Agency in respect of any action or determination if such Rating Agency has declined a request from the Trustee, the Collateral Manager or the Issuer to review the effect of such action, determination or appointment or if 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 such Rating Agency has ceased to engage in the business of providing ratings or has made a public statement to the effect that it will no longer review events or circumstances of the type requiring a Rating Agency Confirmation under any Transaction Document or these Conditions for purposes of evaluating whether to confirm the then-current ratings (or initial ratings) of obligations rated by such Rating Agency.

"**Rating Confirmation Plan**" means a plan provided by the Collateral Manager (acting on behalf of the Issuer) to the Rating Agencies setting forth the intended timing and manner of acquisition of additional Collateral Debt Obligations and/or any other intended action which will cause confirmation of the Initial Ratings.

"**Rating Requirement**" means:

(a) in the case of the Account Bank:

(i) a short-term senior unsecured deposit rating of "P-1" by Moody's and a long-term senior unsecured issuer credit rating of at least "A3" by Moody's; and

(ii) a long-term issuer credit rating of at least "A" and a short-term issuer credit rating of at least "A-1" by S&P, or if it does not have such short-term rating, a long-term issuer credit rating of at least "A+" by S&P; and

(b) in the case of the Custodian or any sub-custodian appointed thereby:

(i) a short-term senior unsecured deposit rating of "P-1" by Moody's and a long-term senior unsecured issuer credit rating of at least "A3" by Moody's; and

(ii) a long-term issuer credit rating of at least "A" and a short-term issuer credit rating of at least "A-1" by S&P, or if it does not have such short-term rating, a long-term issuer credit rating of at least "A+" by S&P; and

(c) in the case of any Hedge Counterparty, the rating requirement(s) as set out in the relevant Hedge Agreement; and

(d) in the case of a Selling Institution with regards to a Participation only, a counterparty which satisfies the ratings set out in the Bivariate Risk Table; and

(e) in the case of the Principal Paying Agent:

(i) a long-term senior unsecured issuer credit rating of at least "Baa3" by Moody's; or

(ii) if the Principal Paying Agent has no long-term senior unsecured issuer credit rating by Moody's, a short-term senior unsecured issuer credit rating of at least "P-3" by Moody's; or

(f) in each case, or such other rating subject to Rating Agency Confirmation and 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 Notes that are represented by a Definitive Certificate, the fifteenth day before the relevant due date for payment of principal and interest in respect of such Notes; and

(b) in respect of Notes that are 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 Notes.

"**Redemption Date**" means each date specified for a redemption of the Notes of a Class pursuant to Condition 7 (*Redemption and Purchase*) or, if such day is not a Business Day, the next following Business Day or the date on which the Notes of such Class are accelerated pursuant to Condition 10 (*Events of Default*).

"**Redemption Determination Date**" has the meaning given thereto in Condition 7(b)(vi) (*Optional Redemption effected through Liquidation only*).

"**Redemption Notice**" means a redemption notice in the form available from any of the Transfer Agents which has been duly completed by a Noteholder and which specifies, amongst other things, the applicable Redemption Date.

"**Redemption Price**" means, when used with respect to:

(a) any Subordinated Note, such Subordinated Note's *pro rata* share (calculated in accordance with paragraph (Z) of Condition 3(c)(i) (*Application of Interest Proceeds*), paragraph (S) of Condition 3(c)(ii) (*Application of Principal Proceeds*), paragraph (B) of the Collateral Enhancement Obligations Proceeds Priority of Payments and paragraph (Z) of the Post-Acceleration Priority of Payments of the aggregate proceeds of liquidation of the Collateral, or realisation of the security thereover in such circumstances, remaining following application thereof in accordance with the Priorities of Payment; and

(b) any Class A Note, Class B Note, Class C Note, Class D Note, Class E Note or Class F Note, 100 per cent. of the Principal Amount Outstanding thereof (if any), together with any accrued and unpaid interest in respect thereof to the relevant day of redemption and in respect of the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes any Deferred Interest or, in relation to a Class of Rated Notes, such lesser amount as the Noteholders of that Class may agree, acting by Unanimous Resolution.

"**Redemption Threshold Amount**" means the aggregate of all amounts which would be due and payable on redemption of the Rated Notes on the scheduled Redemption Date (to the extent such amounts are ascertainable by the Collateral Administrator or have been provided to them by the relevant Secured Party) as calculated by the Collateral Administrator in consultation with the Collateral Manager, which rank in priority to payments in respect of the Subordinated Notes in accordance with the applicable Priorities of Payment.

"**Reference Banks**" has the meaning given thereto in paragraph 6(e)(i)(B) of Condition 6(e)(i) (*Floating Rate of Interest*).

"**Refinancing**" has the meaning given to it in Condition 7(b)(v) (*Optional Redemption effected in whole or in part through Refinancing*).

"**Refinancing Costs**" means the fees, costs, charges and expenses (including any VAT thereon) incurred by or on behalf of the Issuer in respect of a Refinancing and have been incurred as a direct result of a Refinancing, as determined by the Collateral Manager.

"**Refinancing Proceeds**" means the cash proceeds from a Refinancing.

"**Register**" means the register of holders of the legal title to the Notes kept by the Registrar pursuant to the terms of the Agency Agreement.

"**Regulation S**" means Regulation S under the Securities Act.

"**Regulation S Notes**" means the Notes offered for sale to non-U.S. Persons in "offshore transactions" outside of the United States in reliance on Regulation S.

"**Reinvestment Criteria**" has the meaning given to it in the Collateral Management Agreement.

"**Reinvestment Overcollateralisation Test**" means the test which will apply as of any applicable Measurement Date on and after the Effective Date and during the Reinvestment Period which will be satisfied on such Measurement Date if the Class F Par Value Ratio is at least equal to 103.53 per cent.

"**Reinvestment Period**" means the period from and including the Issue Date up to and including the earliest of: (i) 15 January 2021 or, if such day is not a Business Day, the immediately following Business Day; (ii) the date of the acceleration of the Notes pursuant to Condition 10(b) (*Acceleration*) (provided such Acceleration Notice has not been rescinded or annulled in accordance with Condition 10(c) (*Curing of Default*)); and (iii) the date on which the Collateral Manager reasonably believes and notifies the Issuer, the Rating Agencies and the Trustee that it can no longer reinvest in additional Collateral Debt Obligations in accordance with the Reinvestment Criteria.

"**Reinvestment Target Par Balance**" means, as of any date of determination an amount equal to: (a) the Target Par Amount minus (b) the amount of any reduction in the Principal Amount Outstanding of the Notes (excluding Deferred Interest which has been capitalised pursuant to Condition 6(c) (*Deferral of Interest*)), plus (c) the aggregate amount of net issue proceeds designated as Principal Proceeds that results from the issuance of any additional Notes, issued pursuant to Condition 17 (*Additional Issuance*).

"**Relevant Payment Date**" means the Payment Date immediately following the occurrence of a Frequency Switch Event.

"**Replacement Currency Hedge Agreement**" means any Currency Hedge Agreement entered into by the Issuer upon termination of an existing Currency Hedge Agreement on substantially the same terms as such existing Currency Hedge Agreement that preserves for the Issuer the economic effect of the terminated Currency Hedge Agreement and all Currency Hedge Transactions thereunder, subject to such amendments as may be approved by the Collateral Manager and in respect of which Rating Agency Confirmation is obtained.

"**Replacement Hedge Agreements**" means each Replacement Currency Hedge Agreement and each Replacement Interest Rate Hedge Agreement and "Replacement Hedge Agreement" means any of them.

"**Replacement Hedge Transaction**" means any replacement Interest Rate Hedge Transaction or Currency Hedge Transaction entered into under a Replacement Interest Rate Hedge Agreement or Replacement Currency Hedge Agreement (as applicable) (or under another existing Interest Rate Hedge Agreement or Currency Hedge Agreement with another Hedge Counterparty) in respect of the relevant terminated Interest Rate Hedge Transactions or Currency Hedge Transactions under the relevant terminated Interest Rate Hedge Agreement or Currency Hedge Agreement (as applicable).

"**Replacement Interest Rate Hedge Agreement**" means any Interest Rate Hedge Agreement entered into by the Issuer upon termination of an existing Interest Rate Hedge Agreement in full on substantially the same terms as the original Interest Rate Hedge Agreement that preserves for the Issuer the economic equivalent of the terminated Interest Rate Hedge Transactions outstanding thereunder, subject to such amendments as may be approved by the Collateral Manager and in respect of which Rating Agency Confirmation is obtained.

"**Report**" means each Monthly Report and Payment Date Report.

"**Reporting Delegate**" means a Hedge Counterparty or third party that undertakes to provide delegated reporting in connection with certain derivative transaction reporting obligations of the Issuer.

"**Reporting Delegation Agreement**" means an agreement in a form approved by the Rating Agencies for the delegation by the Issuer of certain derivative transaction reporting obligations to one or more Reporting Delegates.

"**Resolution**" means any Ordinary Resolution, Extraordinary Resolution or Unanimous Resolution, as the context may require.

"**Restricted Trading Period**" means the period during which (i) the Moody's rating or the S&P rating of the Class A Notes is withdrawn (and not reinstated) or is one or more sub-categories below its rating on the Issue Date, or (ii) the Moody's rating or the S&P rating of the Class B Notes is withdrawn (and not reinstated) or is two or more sub-categories below its rating on the Issue Date, provided in each case that such period shall not constitute a Restricted Trading Period if:

(a) the Class A Notes are no longer outstanding (in the case of (i) above), or the Class B Notes are no longer outstanding (in the case of (ii) above); or

(b) the Aggregate Principal Balance of all Collateral Debt Obligations and Eligible Investments representing Principal Proceeds is at least equal to the Reinvestment Target Par Balance; or

(c) if the downgrade or withdrawal of such rating is as a result of either:

  (i) regulatory change: or

  (ii) a change in the Moody's structured finance rating criteria or the S&P structured finance rating criteria; or

(d) (so long as such Moody's rating or S&P rating, as applicable, has not been further downgraded, withdrawn or put on watch for potential downgrade) upon the direction of the Issuer with the consent of the Controlling Class acting by Ordinary Resolution, which direction shall remain in effect until the earlier of:

  (i) a further downgrade or withdrawal of such Moody's rating or S&P rating, as applicable, that, disregarding such direction, would cause the conditions set out above to be true; and

  (ii) a subsequent direction to the Issuer (with a copy to the Trustee and the Collateral Administrator) by the Controlling Class acting by way of Ordinary Resolution declaring the beginning of a Restricted Trading Period; or

(e) each of the Coverage Tests applicable during such period is satisfied; or

(f) each of the Collateral Quality Tests is satisfied,

provided, further, that no Restricted Trading Period will restrict any sale or purchase of a Collateral Debt Obligation entered into by the Issuer at a time when a Restricted Trading Period was not in effect, regardless of whether such sale or purchase has settled.

"**Restructured Obligation**" means a Collateral Debt Obligation which has been restructured (whether effected by way of an amendment to the terms of such Collateral Debt Obligation (including but not limited to an extension of its maturity) or by way of substitution of new obligations and/or change of Obligor) and which satisfies the Restructured Obligation Criteria as at its applicable Restructuring Date provided that the failure of a Restructured Obligation to satisfy the Restructured Obligation Criteria at any time after the applicable Restructuring Date shall not cause such obligation to cease to constitute a Restructured Obligation unless it is subsequently restructured again, in which case such obligation shall constitute a Restructured Obligation provided it satisfies the Restructured Obligation Criteria as at its Restructuring Date.

"**Restructured Obligation Criteria**" means the restructured obligation criteria specified in the Collateral Management Agreement which are required to be satisfied in respect of each Restructured Obligation at the applicable Restructuring Date.

"**Restructuring Date**" means the date a restructuring of a Collateral Debt Obligation becomes binding on the holders thereof provided that if an obligation satisfies the Restructured Obligation Criteria at a later date, such later date shall be deemed to be the Restructuring Date for the purposes of determining whether such obligation shall constitute a Restructured Obligation.

"**Retention Holder**" means BlackRock Investment Management (UK) Limited in its capacity as retention holder in accordance with the Risk Retention Letter and any successor assign or transferee to the extent permitted under the Risk Retention Letter and the Retention Requirements.

"**Retention Notes**" means the Notes subscribed for by the Retention Holder on the Issue Date and comprising as at the Issue Date, at least 5 per cent of the nominal value of each of the tranches sold or transferred to the investors within the meaning of paragraph 1(a) of Article 405 of the CRR, paragraph 1(a) of Article 51 of the AIFMD Level 2 Regulations and paragraph 2(a) of Article 254 of the Solvency II Level 2 Regulation.

"**Retention Note Purchase Deed**" means an agreement entered into as a deed dated on or about 15 December 2016 between the Placement Agent and the Retention Holder for the purchase of the Retention Notes by the Retention Holder in accordance with the Risk Retention Letter and the Retention Requirements.

"**Retention Requirements**" means the CRR Retention Requirements, the AIFMD Retention Requirements and the Solvency II Retention Requirements.

"**Revolving Obligation**" means any Collateral Debt Obligation (other than a Delayed Drawdown Collateral Debt Obligation) that is a loan (including, without limitation, revolving loans, funded and unfunded portions of revolving credit lines and letter of credit facilities, unfunded commitments under specific facilities and other similar loans and investments) that pursuant to the terms of its Underlying Instruments may require one or more future advances to be made to the borrower by the Issuer; but any such Collateral Debt Obligation will be a Revolving Obligation only until all commitments to make advances to the borrower expire or are terminated or reduced to zero.

"**Risk Retention Letter**" means the letter entered into between the Issuer, the Retention Holder, the Trustee, the Collateral Administrator and Citigroup Global Markets Limited in its capacities as Arranger and Placement Agent dated on or about 15 December 2016.

"**Rule 144A**" means Rule 144A under the Securities Act.

"**Rule 144A Notes**" means Notes offered for sale within the United States or to U.S. Persons in reliance on Rule 144A.

"**Rule 17g-5**" means Rule 17g-5 under the Exchange Act.

"**Rule 3a-7**" means Rule 3a-7 under the Investment Company Act.

"**S&P**" means Standard & Poor's Credit Market Services Europe Limited, a division of S&P Global Inc. and any successor or successors thereto.

"**S&P CDO Monitor Test**" has the meaning given to it in the Collateral Management Agreement.

"**S&P CDO Monitor BDR**" has the meaning given to it in the Collateral Management Agreement.

"**S&P CDO Monitor SDR**" has the meaning given to it in the Collateral Management Agreement.

"**S&P Collateral Value**" means:

(a) for each Defaulted Obligation, the lower of:

(i) its prevailing Market Value; and

(ii) the relevant S&P Recovery Rate,

multiplied by its Principal Balance; and

(b) in the case of any other applicable Collateral Debt Obligation the relevant S&P Recovery Rate multiplied by its Principal Balance.

"**S&P Issuer Credit Rating**" means, in respect of a Collateral Debt Obligation, a publicly available issuer credit rating by S&P in respect of the Obligor thereof.

"**S&P Rating**" has the meaning given to it in the Collateral Management Agreement.

"**S&P Recovery Rate**" means, in respect of each Collateral Debt Obligation, the recovery rate determined in accordance with the Collateral Management Agreement or as so advised by S&P.

"**Sale Proceeds**" means:

(a) all proceeds received upon the sale of any Collateral Debt Obligation (other than any Non-Euro Obligations with a related Currency Hedge Transaction) excluding any sale proceeds representing accrued interest designated as Interest Proceeds, by the Collateral Manager provided that no such designation may be made in respect of: (i) Purchased Accrued Interest; or (ii) Ramp Accrued Interest (provided that any Ramp Accrued Interest shall be credited to the Unused Proceeds Account in accordance with these Conditions); or (iii) proceeds that represent deferred interest accrued in respect of any PIK Security; or (iv) proceeds representing accrued interest received in respect of any Defaulted Obligation unless and until 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 Euros (or other currencies, if applicable) received by the Issuer from the applicable Currency Hedge Counterparty in exchange for payment by the Issuer of the sale proceeds of any Collateral Debt Obligation as described in paragraph (a) above, under the related Currency Hedge Transaction; and

(c) in the case of any Collateral Enhancement Obligation or Exchanged Security, all proceeds and any fees received upon the sale of such Collateral Enhancement Obligation or Exchanged Security (as applicable),

in each case net of any amounts expended by or payable by the Issuer or the Collateral Administrator (on behalf of the Issuer) in connection with sale, disposition or termination of such Collateral Debt Obligation and, where applicable, converted into Euro at the Applicable Exchange Rate.

"**Scheduled Periodic Currency Hedge Counterparty Payment**" means, with respect to any Currency Hedge Agreement, all amounts in the nature of or with respect to a coupon rather than principal payments, scheduled to be paid by the Currency Hedge Counterparty to the Issuer pursuant to the terms of such Currency Hedge Agreement, excluding any Hedge Counterparty Termination Payment.

"**Scheduled Periodic Currency Hedge Issuer Payment**" means, with respect to any Currency Hedge Agreement, all amounts scheduled in the nature of or with respect to a coupon rather than principal payments, to be paid by the Issuer to the applicable Currency Hedge Counterparty pursuant to the terms of such Currency Hedge Agreement, excluding any Currency Hedge Issuer Termination Payment.

"**Scheduled Periodic Hedge Counterparty Payment**" means a Scheduled Periodic Currency Hedge Counterparty Payment or a Scheduled Periodic Interest Rate Hedge Counterparty Payment.

"**Scheduled Periodic Hedge Issuer Payment**" means a Scheduled Periodic Currency Hedge Issuer Payment or a Scheduled Periodic Interest Rate Hedge Issuer Payment.

"**Scheduled Periodic Interest Rate Hedge Counterparty Payment**" means, with respect to any Interest Rate Hedge Agreement, all amounts scheduled to be paid by the Hedge Counterparty to the Issuer pursuant to the terms of such Interest Rate Hedge Agreement, excluding any Interest Rate Hedge Counterparty Termination Payment.

"**Scheduled Periodic Interest Rate Hedge Issuer Payment**" means, with respect to any Interest Rate Hedge Agreement, all amounts scheduled to be paid by the Issuer to the applicable Interest Rate Hedge Counterparty pursuant to the terms of such Hedge Agreement, excluding any Interest Rate Hedge Issuer Termination Payment.

"**Scheduled Principal Proceeds**" means:

(a) in the case of any Collateral Debt Obligation (other than Non-Euro Obligations with a related Currency Hedge Transaction), scheduled principal repayments received by the Issuer (including scheduled amortisation, instalment or sinking fund payments);

(b) in the case of any Non-Euro Obligation with a related Currency Hedge Transaction, scheduled final and interim payments in the nature of principal payable to the Issuer by the applicable Currency Hedge Counterparty under the related Currency Hedge Transaction; and

(c) in the case of any Hedge Agreements, any Hedge Replacement Receipts and Hedge Counterparty Termination Payments transferred from the Hedge Termination Accounts into the Principal Account and any amounts transferred from Counterparty Downgrade Collateral Accounts to the Principal Account in accordance with Condition 3(j)(v) (*Counterparty Downgrade Collateral Accounts*).

"**Second Lien Loan**" means a collateral debt obligation which is a debt obligation (other than a Senior Secured Loan) with a junior contractual claim on tangible or intangible property (which property is subject to a prior lien (other than customary permitted liens, such as, but not limited to, any tax liens)) to secure payment of a debt or the fulfilment of a contractual obligation, as determined by the Collateral Manager in its reasonable commercial judgment or a Participation therein 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 A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders, the Class F Noteholders, the Subordinated Noteholders, the Placement Agent, the Collateral Manager, the Trustee, any Receiver, any Appointee, the Agents, each Reporting Delegate, each Hedge Counterparty and the Corporate Services Provider, and "**Secured Parties**" means any two or more of them as the context so requires.

"**Secured Senior RCF Percentage**" means, in relation to a Senior Secured Bond or a Senior Secured Loan, 15 per cent, or more, if Rating Agency Confirmation from each Rating Agency is obtained.

"**Securities Act**" means the United States Securities Act of 1933, as amended.

"**Selling Institution**" means an institution from whom: (i) a Participation is taken and satisfies the applicable Rating Requirement; or (ii) an Assignment is acquired.

"**Semi-Annual Obligations**" means Collateral Debt Obligations which, at the relevant date of measurement, pay interest less frequently than quarterly.

"**Senior Collateral Management Fee**" means the fee payable to the Collateral Manager (exclusive of VAT) in arrear on each Payment Date in respect of each Due Period pursuant to the Collateral Management Agreement in an amount, as determined by the Collateral Administrator, equal to 0.15 per cent. per annum (calculated semi-annually following the occurrence of a Frequency Switch Event and quarterly at all other times, in each case on the basis of a 360-day year and the actual number of days elapsed in such Due Period) of the Aggregate Collateral Balance as of the first day of such Due Period, as determined by the Collateral Administrator.

"**Senior Expenses Cap**" means, in respect of each Payment Date and the Due Period immediately preceding such Payment Date the sum of:

(a) €300,000 per annum (pro rated for the Due Period for the first Payment Date on the basis of a 360-day year and the actual number of days elapsed in such Due Period and thereafter on the basis of a 360-day year comprised of twelve 30-day months with each anniversary of the first Payment Date being the start of such 360-day period); and

(b) 0.02 per cent. per annum (pro rated for the Due Period for the first Payment Date on the basis of a 360-day year and the actual number of days elapsed in such Due Period and thereafter on the basis of a 360-day year and the actual number of days elapsed in such Due Period with each anniversary of the first Payment Date being the start of such 360-day period) of the Aggregate Collateral Balance as at the Determination Date immediately preceding such Payment Date,

provided however that if the aggregate amount of Trustee Fees and Expenses and Administrative Expenses paid on the three immediately preceding Payment Dates (or, if a Frequency Switch Event has occurred, the immediately preceding Payment Date) together with the aggregate amount of Trustee Fees and Expenses and Administrative Expenses paid during the related Due Period(s) is less than the stated Senior Expenses Cap, the amount of each such shortfall shall be added to the Senior Expenses Cap with respect to the then current Payment Date. For the avoidance of doubt, the application of any such shortfall in this manner may not at any time result in an increase of the Senior Expenses Cap on a per annum basis.

"**Senior Loan**" means a collateral debt obligation that is a Senior Secured Loan, an Unsecured Senior Loan or a Second Lien Loan as determined by the Collateral Manager in its reasonable commercial judgement.

"**Senior Secured Bond**" means a Collateral Debt Obligation that is a senior secured debt security in the form of, or represented by, a bond, note, certificated debt security or other debt security (that is not a Senior Secured Loan) as determined by the Collateral Manager in its reasonable commercial judgment or a Participation therein, provided that:

(a) it is secured (i) by assets of the Obligor thereof if and to the extent that the provision of security over assets is permissible under applicable law (save in the case of assets where the failure to take such security is consistent with reasonable secured lending practices), and otherwise (ii) by at least 80.0 per cent. of the equity interests in the shares of an entity owning, either directly or indirectly, such assets; and

(b) no other obligation of the Obligor has any higher priority security interest in such assets or shares referred to in paragraph (a) above provided that a revolving loan of the Obligor that, pursuant to its terms, may require one or more future advances to be made to the borrower may have a higher priority security interest in such assets or shares in the event of an enforcement in respect of such loan representing up to the Secured Senior RCF Percentage of the Obligor's senior debt.

"**Senior Secured Loan**" means a Collateral Debt Obligations that is a senior secured loan obligation as determined by the Collateral Manager in its reasonable commercial judgment or a Participation therein, provided that:

(a) it is secured (i) by assets of the Obligor thereof if and to the extent that the provision of security over assets is permissible under applicable law (save in the case of assets where the failure to take such security is consistent with reasonable secured lending practices), and otherwise (ii) by at least 80.0 per cent. of the equity interests in the stock of an entity owning, either directly or indirectly, such assets; and

(b) no other obligation of the Obligor has any higher priority security interest in such assets or stock referred to in (a) above provided that a revolving loan of the Obligor that, pursuant to its terms, may require one or more future advances to be made to the borrower may have a higher priority security interest in such assets or stock in the event of an enforcement in respect of such loan representing up to the Secured Senior RCF Percentage of the Obligor's senior debt.

"**Similar Law**" means any federal, state, local or non-U.S. law or regulation that could cause the underlying assets of the Issuer to be treated as assets of the investor in any Note (or any interest therein) by virtue of its interest and thereby subject the Issuer or the Collateral Manager (or other persons responsible for the investment and operation of the Issuer's assets) to any Other Plan Law.

"**Solvency II**" means Directive 2009/138/EC including any implementing and/or delegated regulations, technical standards and guidance related thereto as may be amended, replaced or supplemented from time to time.

"**Solvency II Level 2 Regulation**" means Delegated Regulation No 2015/35, supplementing Solvency II.

"**Solvency II Retention Requirements**" means Articles 254 and 256 of the Solvency II Level 2 Regulation, including any guidance published in relation thereto and any implementing laws or regulations in force in any Member State of the European Union, provided that references to Solvency II Retention Requirements shall be deemed to include any successor or replacement provisions of Articles 254 and 256 included in any European Union directive or regulation subsequent to Solvency II or the Solvency II Level 2 Regulation.

"**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 after prior consultation and agreement with the Collateral Manager on the date of calculation.

"**Standard of Care**" has the meaning given thereto in the Collateral Management Agreement.

"**STS Regulation**" shall mean the proposed regulation of the European Union relating to a European framework for simple, transparent and standardised securitisation including any implementing regulation, technical standards and official guidance related thereto.

"**Structured Finance Security**" means any debt security which is secured directly, or represents the ownership of, a pool of consumer receivables, auto loans, auto leases, equipment leases, home or commercial mortgages, corporate debt or sovereign debt obligations or similar assets, including, without limitation, collateralised bond obligations, collateralised loan obligations or any similar security.

"**Subordinated Collateral 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 Agreement equal to 0.35 per cent. per annum (calculated semi-annually following the occurrence of or Frequency Switch Event and quarterly at all other times, in each case on the basis of a 360-day year and the actual number of days elapsed in such Due Period) of the Aggregate Collateral Balance (exclusive of VAT) as of the first day of such Due Period, as determined by the Collateral Administrator.

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

"**Subordinated Notes**" have the meaning ascribed to them in the first paragraph of these Conditions.

"**Subordinated Notes Issue Price Percentage**" means 95 per cent.

"**Substitute Collateral Debt Obligation**" means a Collateral Debt Obligation purchased in substitution for a previously held Collateral Debt Obligation pursuant to the terms of the Collateral Management Agreement and which satisfies both the Eligibility Criteria and the Reinvestment Criteria.

"**Swapped Non-Discount Obligation**" means any Collateral Debt Obligation that would otherwise be considered a Discount Obligation, but that is purchased with the Sale Proceeds of a Collateral Debt Obligation (the "**Original Obligation**") that was not a Discount Obligation at the time of its purchase, and will not be considered a Discount Obligation so long as such purchased Collateral Debt Obligation:

(a) is purchased or committed to be purchased within 20 Business Days of the sale of such Original Obligation;

(b) is purchased at a price (as a percentage of par) equal to or greater than the sale price of the Original Obligation;

(c) is purchased at a price not less than the lower of (i) 50 per cent. of the Principal Balance thereof; and (ii) the price of the Eligible Loan Index or Eligible Bond Index (as applicable) as determined by the Collateral Manager as at the applicable date of acquisition; and

(d) the Moody's Rating thereof is equal to or higher than the Moody's Rating of the Original Obligation,

provided, however that:

(i) to the extent the Aggregate Principal Balance of all Swapped Non-Discount Obligations held by the Issuer as at the relevant date of determination exceeds 5.0 per cent. of the Aggregate Collateral Balance, such excess will not constitute Swapped Non-Discount Obligations (and for the avoidance of doubt, such excess will instead constitute Discount Obligations);

(ii) to the extent the cumulative Aggregate Principal Balance of all Swapped Non-Discount Obligations acquired by the Issuer on or after the Issue Date exceeds 10.0 per cent. of the

Target Par Amount, such excess will not constitute Swapped Non-Discount Obligations (and for the avoidance of doubt, such excess will instead constitute Discount Obligations);

(iii) in the case of a Collateral Debt Obligation that is an interest (including a Participation) in a Floating Rate Collateral Debt Obligation, such Collateral Debt Obligation will cease to be a Swapped Non-Discount Obligation at such time as the Market Value (expressed as a percentage of its Principal Balance) for such Collateral Debt Obligation on each day during any period of 30 consecutive days since the acquisition of such Collateral Debt Obligation equals or exceeds 90 per cent.; and

(iv) in the case of any Collateral Debt Obligation that is an interest in a Fixed Rate Collateral Debt Obligation, such Collateral Debt Obligation will cease to be a Swapped Non-Discount Obligation at such time as the Market Value (expressed as a percentage of its Principal Balance) for such Collateral Debt Obligation on each day during any period of 30 consecutive days since the acquisition of such Collateral Debt Obligation equals or exceeds 85 per cent.

"**Target Par Amount**" means €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).

"**Trading Requirements**" means:

(a) a Collateral Debt Obligation, Collateral Enhancement Obligation, Exchanged Security or Eligible Investment, if being acquired by the Issuer, is an "eligible asset" under Rule 3a-7 of the Investment Company Act;

(b) such Collateral Debt Obligation, Collateral Enhancement Obligation, Exchanged Security or Eligible Investment is being acquired or disposed of in accordance with the terms and conditions set forth in the Trust Deed and the Collateral Management Agreement;

(c) the acquisition or disposition of such Collateral Debt Obligation, Collateral Enhancement Obligation, Exchanged Security or Eligible Investment does not result in a reduction or withdrawal of the then-current rating issued by any Rating Agency on any Class of Notes (other than the Subordinated Notes) then outstanding; and

(d) such Collateral Debt Obligation, Collateral Enhancement Obligation, Exchanged Security or Eligible Investment is not being acquired or disposed of for the primary purpose of recognising gains or decreasing losses resulting from market value changes,

provided the requirements set out in paragraphs (a) to (d) (inclusive) above shall be deemed to have been satisfied in respect of any acquisition or disposal of a Collateral Enhancement Obligation if the Issuer obtains a legal opinion of reputable international legal counsel knowledgeable in such matters to the effect that (i) such acquisition or disposal shall not require any of the Issuer, its directors or officers or the Collateral Manager, 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, and (ii) unless and until the Issuer elects to rely solely on the exemption under Section 3(c)(7) under the Investment Company Act, that such acquisition or disposal will not eliminate the Issuer's ability to rely on Rule 3a-7 under the Investment Company Act.

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

"**Trustee Fees and Expenses**" means the fees and expenses (including, without limitation, legal fees) and all other amounts payable to the Trustee or to any Receiver or Appointee pursuant to the Trust Deed or any other Transaction Document from time to time plus any applicable VAT thereon payable under the Trust Deed or any other Transaction Document (and in the case of any costs and expenses, such VAT to be limited to irrecoverable

VAT), including indemnity payments and any fees, costs, charges and expenses properly incurred by the Trustee in respect of any Refinancing.

"**UCITS Directive**" means Directive 2009/65/EC on Undertakings for Collective Investment in Transferable Securities (as amended from time to time) including any implementing and/or delegated regulations, technical standards and guidance related thereto.

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

"**Underlying Instrument**" means the agreements or instruments pursuant to which a Collateral Debt Obligation has been issued or created and each other agreement that governs the terms of, or secures the obligations represented by, such Collateral Debt Obligation or under which the holders or creditors under such Collateral Debt Obligation are the beneficiaries.

"**Unfunded Amount**" means, with respect to any Revolving Obligation or Delayed Drawdown Collateral Debt Obligation, the excess, if any, of (i) the Commitment Amount under such Revolving Obligation or Delayed Drawdown Collateral Debt Obligation, as the case may be, at such time over (ii) the Funded Amount thereof at such time.

"**Unfunded Revolver Reserve Account**" means the interest bearing account of the Issuer established and maintained with the Account Bank pursuant to the Agency Agreement, amounts standing to the credit of which, subject to certain conditions, may be used to fund in full the amount of any unfunded commitments or unfunded liabilities from time to time, in relation to Delayed Drawdown Collateral Debt Obligations and Revolving Obligations.

"**Unhedged Collateral Debt Obligation**" means a Non-Euro Obligation which is not a Currency Hedge Obligation.

"**United States Person**" has the meaning given to it in Section 7701(a)(30) of the Code.

"**Unscheduled Principal Proceeds**" means (i) with respect to any Collateral Debt Obligation (other than Non-Euro Obligations with a related currency Hedge Transaction), principal proceeds received by the Issuer prior to the Collateral Debt Obligation Stated Maturity thereof as a result of optional redemptions, prepayments (including any acceleration) or Offers (excluding any premiums or make whole amounts in excess of the principal amount of such Collateral Debt Obligation), and (ii) with respect to any Non-Euro Obligation with a related Currency Hedge Transaction any amounts in Euro payable to the Issuer by the applicable Currency Hedge Counterparty in exchange for payment by the Issuer of any unscheduled principal proceeds received in respect of any Collateral Debt Obligation under the related Currency Hedge Transaction.

"**Unsecured Senior Loan**" means a Collateral Debt Obligation that:

(a) is a loan obligation senior to any unsecured, subordinated obligation of the Obligor as determined by the Collateral Manager in its reasonable commercial judgment; and

(b) is not secured (i) by assets of the Obligor or guarantor thereof if and to the extent that the granting of security over assets is permissible under applicable law or (ii) by at least 80 per cent. of the equity interests in the stock of an entity owning such fixed assets.

"**Unused Proceeds Account**" means an interest bearing account in the name of the Issuer with the Account Bank into which the Issuer will procure amounts are deposited in accordance with Condition 3(j)(iii) (*Unused Proceeds Account*).

"**U.S. Person**" means a "U.S. person" as such term is defined under Regulation S.

"**VAT**" means any tax imposed in conformity with the Council Directive of 28 November 2006 on the common system of VAT (EC Directive 2006/112) and any other tax of a similar fiscal nature substituted for, or levied in addition to such tax whether in the European Union or elsewhere in any jurisdiction together with any interest and penalties thereon.

"**Warehouse Arrangements**" means the warehouse financing and related arrangements entered into by the Issuer prior to the Issue Date to finance the acquisition of Collateral Debt Obligations prior to the Issue Date.

"**Warehouse Providers**" means the senior and junior lenders under the Warehouse Arrangements.

"**Weighted Average Fixed Coupon**" has the meaning given to it in the Collateral Management Agreement.

"**Weighted Average Life Test**" has the meaning given to it in the Collateral Management Agreement.

"**Weighted Average Spread**" has the meaning given to it in the Collateral Management Agreement.

"**Written Resolution**" means any Resolution of the Noteholders of each relevant Class in writing, as described in Condition 14 (*Meetings of Noteholders, Modification, Waiver and Substitution*) and as further described in, and as defined in, the Trust Deed.

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. The Register shall be kept and maintained outside the United Kingdom and no copy of the Register shall be created, kept or maintained in the United Kingdom.

(b) Title to the Registered Notes

Title to the Notes passes upon registration of transfers in the Register in accordance with the provisions of the Agency Agreement and the Trust Deed. Notes will be transferable only on the books of the Issuer and its agents. The registered holder of any Note will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it, any writing on it, or its theft or loss) and no person will be liable for so treating the holder.

(c) Transfer

In respect of Notes represented by a Definitive Certificate, one or more such Notes may be transferred in whole or in part in nominal amounts of the applicable Authorised Denomination only upon the surrender, at the specified office of the Registrar or any Transfer Agent, of the Definitive Certificate representing such Note(s) to be transferred, with the form of transfer endorsed on such Definitive Certificate duly completed and executed and together with such other evidence as the Registrar or Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Notes represented by one Definitive Certificate, a new Definitive Certificate will be issued to the transferee in respect of the part transferred and a further new Definitive Certificate in respect of the balance of the holding not transferred will be issued to the transferor.

Interests in a Global Certificate will be transferable in accordance with the rules and procedures for the time being of the relevant Clearing System.

(d) Delivery of New Certificates

Each new Definitive Certificate to be issued pursuant to Condition 2(c) (*Transfer*) will be available for delivery within five Business Days of receipt of such form of transfer or of surrender of an existing certificate upon partial redemption. Delivery of new Definitive Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar, as the case may be, to whom delivery or surrender shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the form of transfer or otherwise in writing, shall be mailed by pre-paid first class post, at the risk of the holder entitled to the new Definitive Certificate, to such address as may be so specified. In this Condition 2(d) (*Delivery of New Certificates*), "**Business Day**" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified offices of the Transfer Agent and the Registrar.

(e) Transfer Free of Charge

Transfer of Notes and Global Certificates or Definitive Certificates (as applicable) representing such Notes in accordance with these Conditions on registration or transfer will be effected without charge by or on behalf of the Issuer, the Registrar or a Transfer Agent, but upon payment (or the giving of such indemnity as the Registrar or such Transfer Agent may require in respect thereof) of any tax or other governmental charges which may be imposed in relation to such transfer.

(f) Closed Periods

No Noteholder may require the transfer of a Note to be registered (i) during the period of 15 calendar days ending on the due date for redemption (in full) of that Note or (ii) during the period of seven calendar days ending on (and including) any Record Date.

(g) Regulations Concerning Transfer and Registration

All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning the transfer of Notes scheduled to the Trust Deed, including without limitation, that a transfer of Notes in breach of certain of such regulations will result in such transfer being void *ab initio*. The regulations may be changed by the Issuer in any manner which is reasonably required by the Issuer (after consultation with the Trustee) to reflect changes in legal or regulatory requirements or in any other manner which, in the opinion of the Issuer (after consultation with the Trustee and subject to not less than 60 days' notice of any such change having been given to the Noteholders in accordance with Condition 16 (*Notices*)), is not prejudicial to the interests of the holders of the relevant Class of Notes. A copy of the current regulations may be inspected at the offices of any Transfer Agent during usual business hours on any Business Day for the term of the Notes and will be sent by the Registrar to any Noteholder who so requests.

(h) Forced Transfer of Rule 144A Notes

If the Issuer determines at any time that a holder of Rule 144A Notes is a U.S. Person that is not a QIB/QP (any such person, a "**Non-Permitted Holder**"), the Issuer may, promptly after determination that such person is a Non-Permitted Holder by the Issuer, send notice to such Non-Permitted Holder demanding that such holder transfer its Notes outside the United States to a non-U.S. Person or within the United States to a QIB/QP within 30 days of the date of receipt of such notice. If such holder fails to effect the transfer of its Rule 144A Notes within such period, such holder may be required by the Issuer to sell such Rule 144A Notes to a purchaser selected by the Issuer on such terms as the Issuer may choose, subject to the transfer restrictions set out herein. The Issuer may select the purchaser by soliciting one or more bids from one or more brokers or other market professionals that regularly deal in securities similar to the Rule 144A Notes and selling such Rule 144A Notes to the highest such bidder. However, the Issuer may select a purchaser by any other means determined by it in its sole discretion. Each Noteholder and each other person in the chain of title from the permitted Noteholder to the Non-Permitted Holder by its acceptance of an interest in the Rule 144A Notes agrees to cooperate with the Issuer and the Trustee to effect such transfers. The proceeds of such sale, net of any commissions, expenses and taxes due in connection with such sale shall be remitted to the selling Noteholder. The terms and conditions of any sale hereunder shall be determined in the sole discretion of the Issuer, subject to the transfer restrictions set out herein, and neither the Issuer nor the Trustee shall be liable to any person having an interest in the Notes sold as a result of any such sale or the exercise of such discretion. The Issuer and the Trustee reserve the right to require any holder of Notes to submit a written certification substantiating that it is a QIB/QP or a non-U.S. Person. If such holder fails to submit any such requested written certification on a timely basis, the Issuer and the Trustee have the right to assume that the holder of the Notes from whom such a certification is requested is neither a non-U.S. Person nor a QIB/QP. Furthermore, the Issuer and the Trustee reserve the right to refuse to honour a transfer of beneficial interests in a Rule 144A Note to any Person who is not either a non-U.S. Person or a QIB/QP.

(i) Forced Sale pursuant to FATCA

Each Noteholder (which, for the purposes of this Condition 2(i) (*Forced Sale pursuant to FATCA*) may include a nominee or beneficial owner of a Note) will agree to provide the Issuer and its agents with any correct, complete and accurate information or documentation that may be required for the Issuer to

comply with FATCA and to prevent the imposition of tax under FATCA on payments to or for the benefit of the Issuer. In the event the Noteholder fails to provide such information or documentation, or to the extent that its ownership of the Notes would otherwise cause the Issuer to be subject to tax under FATCA, (A) the Issuer and its agents are authorised to withhold amounts otherwise distributable to the Noteholder as compensation for any taxes to which the Issuer is subject under FATCA as a result of such failure or the Noteholder's ownership of Notes, and (B) except in the case of the Retention Notes, to the extent necessary to avoid an adverse effect on the Issuer as a result of such failure or the Noteholder's ownership of Notes, the Issuer will have the right to compel the Noteholder to sell its Notes, and, if the Noteholder does not sell its Notes within 10 Business Days after notice from the Issuer or any agent of the Issuer, the Issuer will have the right to sell such Notes at a public or private sale called and conducted in any manner permitted by law, and to remit the net proceeds of such sale (taking into account any expenses, costs and taxes incurred by the Issuer in connection with such sale) to the Noteholder as payment in full for such Notes. The Issuer may also assign each such Note a separate ISIN in the Issuer's sole discretion.

(j) Forced Transfer pursuant to ERISA

If any Noteholder is determined by the Issuer to be a Noteholder who has made or is deemed to have made a prohibited transaction, Benefit Plan Investor, Controlling Person, Other Plan Law or Similar Law representation that is subsequently shown to be false or misleading, or whose beneficial ownership otherwise causes a violation of the 25 per cent. limitation set out in ERISA and the relevant regulations (any such Noteholder a "**Non-Permitted ERISA Holder**"), the Non-Permitted ERISA Holder 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 and the Trustee, to the extent required to effect such transfers. None of the Issuer, the Trustee and the Registrar shall be liable to any Noteholder having an interest in the Notes sold or otherwise transferred as a result of any such sale or transfer. The Issuer shall be entitled to deduct from the sale or transfer price an amount equal to all the expenses and costs incurred and any loss suffered by the Issuer as a result of such forced transfer. The Non-Permitted ERISA Holder will receive the balance, if any.

(k) Forced Transfer mechanics

In order to effect the forced transfer provisions set out in Conditions 2(h) (*Forced Transfer of Rule 144A Notes*), 2(j) (*Forced Transfer pursuant to ERISA*) and 2(i) (*Forced Sale pursuant to FATCA*), the Issuer may repay any affected Notes and issue replacement Notes and the Issuer, the Trustee, the Agents and the Registrar shall work with the Clearing Systems to take such action as may be necessary to effect such repayment and issue of replacement Notes.

(l) Registrar authorisation

The Noteholders hereby authorise the Registrar and the Clearing Systems to take such actions as are necessary in order to effect the forced transfer provisions set out in Conditions 2(h) (*Forced Transfer of Rule 144A Notes*), 2(j) (*Forced Transfer pursuant to ERISA*) and 2(i) (*Forced Sale pursuant to FATCA*) above without the need for any further express instruction from any affected Noteholder. The Noteholders shall be bound by any actions taken by the Registrar, the Clearing Systems or any other party taken pursuant to the above-named Conditions.

(m) Exchange of Voting/Non-Voting Notes

A Noteholder holding Notes in the form of 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 Non-Voting Notes.

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.

Notes in the form of CM Removal and Replacement Voting Notes shall be exchangeable at any time for Notes in the form of CM Removal and Replacement Non-Voting Notes or CM Removal and Replacement Exchangeable Non-Voting Notes.

(n) Contributions

At any time during or after the Reinvestment Period, any Subordinated Noteholder may (i) make a contribution of cash or (ii) by notice in writing to the Issuer, the Trustee, the Collateral Administrator and the Collateral Manager, designate as a contribution any portion of Interest Proceeds or Principal Proceeds that would otherwise be distributed on its Notes in accordance with the Priorities of Payment (each, a "**Contribution**" and each such Noteholder, a "**Contributor**"). The Collateral Manager, on behalf of the Issuer, may accept or reject any Contribution in its reasonable discretion. If a Contribution is accepted, it will be received into the Contribution Account and applied by the Collateral Manager on behalf of the Issuer as directed by the Contributor at the time such Contribution is made (or, if no direction is given by the Contributor, at the Collateral Manager's reasonable discretion) in accordance with Condition 3(j)(xiv) (*Contribution Account*). No Contribution or portion thereof will be returned to the Contributor at any time (other than in accordance with the Priorities of Payment). The acceptance of Contributions by the Collateral Manager, on behalf of the Issuer, shall be subject to the conditions that: (i) no more than three Contributions in aggregate shall be accepted by the Collateral Manager on behalf of the Issuer and (ii) on each occasion each Contribution must be a minimum of EUR 1,000,000.

3. Status

(a) Status

The Notes of each Class constitute direct, general, secured, unconditional obligations of the Issuer, recourse in respect of which is limited in the manner described in Condition 4(c) (*Limited Recourse*). The Notes of each Class are secured in the manner described in Condition 4(a) (*Security*) and, within each Class, shall at all times rank *pari passu* and without any preference amongst themselves.

(b) Relationship Among the Classes

The Notes of each Class are constituted by the Trust Deed and are secured on the Collateral as further described in the Trust Deed. Payment of interest on the Class A Notes will be senior in right of payment to payments of interest in respect 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; payment of interest on the Class B Notes will be subordinated in right of payment to payments of interest in respect of the Class A Notes, but senior in right of payment to payments of interest in respect of the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Subordinated Notes; payment of interest on the Class C Notes will be subordinated in right of payment to payments of interest in respect of the Class A Notes and the Class B Notes, but senior in right of payment to payments of interest in respect of the Class D Notes, the Class E Notes, the Class F Notes and the Subordinated Notes; payment of interest on the Class D Notes will be subordinated in right of payment to payments of interest in respect of the Class A Notes, the Class B Notes and the Class C Notes, but senior in right of payment to payments of interest in respect of the Class E Notes, the Class F Notes and the Subordinated Notes; payment of interest on the Class E Notes will be subordinated in right of payment to payments of interest in respect of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes, but senior in right of payment to payments of interest in respect of the Class F Notes and the Subordinated Notes; payment of interest on the Class F Notes will be subordinated in right of payment to payments of interest in respect of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes, but senior in right of payment to payments of interest in respect of the Subordinated Notes; and payment of interest on the Subordinated Notes will be subordinated in right of payment to payments of

interest in respect of the Rated Notes. Interest on the Subordinated Notes shall be paid *pari passu* and without any preference amongst themselves.

No amount of principal in respect of the Class B Notes shall become due and payable until redemption and payment in full of the Class A Notes. No amount of principal in respect of the Class C Notes shall become due and payable until redemption and payment in full of the Class A Notes and the Class B Notes. No amount of principal in respect of the Class D Notes shall become due and payable until redemption and payment in full of the Class A Notes, the Class B Notes and the Class C Notes. No amount of principal in respect of the Class E Notes shall become due and payable until redemption and payment in full of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes. No amount of principal in respect of the Class F Notes shall become due and payable until redemption and payment in full of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes. Subject to the applicability of the Post-Acceleration Priority of Payments, the Subordinated Notes will be entitled to receive, out of Principal Proceeds, the amounts described under the Principal Proceeds Priority of Payments on a *pari passu* basis. Payments on the Subordinated Notes are subordinated to payments on the Rated Notes and other amounts described in the Priorities of Payment and no payments out of Principal Proceeds will be made on the Subordinated Notes until the Rated Notes and other payments ranking prior to the Subordinated Notes in accordance with the Priorities of Payment are paid in full.

(c) Priorities of Payment

The Collateral Administrator shall (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 Agreement on each Determination Date), on behalf of the Issuer (i) on each Payment Date prior to the delivery of an Acceleration Notice (deemed or otherwise) in accordance with Condition 10(b) (*Acceleration*); (ii) following delivery of an Acceleration Notice (deemed or otherwise) which has subsequently been rescinded and annulled in accordance with Condition 10(c) (*Curing of Default*); and (iii) other than in connection with an optional redemption in whole under Condition 7(b) (*Optional Redemption*) or in accordance with Condition 7(g) (*Redemption following Note Tax Event*) (in which event the Post-Acceleration Priority of Payments shall apply to Interest Proceeds and Principal Proceeds, but not, for the avoidance of doubt, Collateral Enhancement Obligation Proceeds), cause the Account Bank to disburse Interest Proceeds, Principal Proceeds and Collateral Enhancement Obligations 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 accrued in respect of the related Due Period (other than Irish corporate income tax in relation to the Issuer Profit Amount referred to in (ii) below and any amounts payable in respect of VAT to the recipient of a payment made by the Issuer pursuant to the Priorities of Payment), as certified by an Authorised Officer of the Issuer to the Trustee, if any; 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) (1) *firstly*, to the payment of accrued and unpaid Trustee Fees and Expenses, up to an amount equal to the Senior Expenses Cap in respect of the related Due Period; provided that following the occurrence of an Event of Default that is continuing, the Senior Expenses Cap shall not apply in respect of such Trustee Fees and Expenses; and

(2) *secondly*, to the payment of Administrative Expenses in the priority stated in the definition thereof, up to an amount equal to the Senior Expenses Cap in respect of the related Due Period less any amounts paid pursuant to paragraph (B)(1) above;

(C) to the Expense Reserve Account, at the Collateral Manager's discretion, of an amount equal to the Ongoing Expense Reserve Amount;

(D) to the payment:

(1) *firstly*, to the Collateral Manager of the Senior Collateral 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:

(a) (x) designate for reinvestment in Collateral Debt Obligations or (y) defer payment of some or all of the amounts that would have been payable to the Collateral Manager under this paragraph (D) (any such amounts, being "**Deferred Senior Collateral Management Amount**") on any Payment Date, provided that any such amount in the case of (x) shall (i)(A) be used to purchase Substitute Collateral Debt Obligations or (B) be deposited in the Principal Account pending investment in Collateral Debt Obligations and (ii) not be treated as unpaid for the purposes of this paragraph (D) or paragraph (W) below or in the case of (y), shall be applied to the payment of amounts in accordance with paragraphs (E) through (V) (inclusive) and (X) through (Z) (inclusive) below; and/or

(b) irrevocably waive its right to receive some or all of the amounts that would have been payable to the Collateral Manager under this paragraph (D) on any Payment Date, provided that any such amounts shall be applied to the payment of amounts in accordance with paragraphs (E) through (Z) (inclusive) below,

subject, in each case, to the Collateral Manager having notified the Collateral Administrator in writing not later than one Business Day prior to the relevant Determination Date of any amounts to be so applied; and

(2) *secondly*, to the Collateral Manager, any previously due and unpaid Senior Collateral Management Fees (other than Deferred Senior Collateral Management Amounts) and any VAT in respect thereof (whether payable to the Collateral Manager or directly to the relevant taxing authority),

(E) (1) *firstly* 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 the Currency Account, any relevant Counterparty Downgrade Collateral Accounts or the relevant Hedge Termination Account and other than Defaulted Currency Hedge Termination Payments) and (iii) any Interest Rate Hedge Issuer Termination Payments (to the extent not paid out of the Interest Account or the relevant Hedge Termination Account, any relevant Counterparty Downgrade Collateral Accounts and other than Defaulted Interest Rate Hedge Termination Payments); and

(2) *secondly*, on a *pro rata* basis, to the payment of any Hedge Replacement Payments (to the extent not paid out of the relevant Hedge Termination Account or the Counterparty Downgrade Collateral Account);

(F) to the payment on a *pro rata* basis of all Interest Amounts due and payable on the Class A Notes in respect of the Accrual Period ending on such Payment Date and all other Interest Amounts due and payable on such Class A Notes;

(G) to the payment on a *pro rata* basis of the Interest Amounts due and payable on the Class B Notes in respect of the Accrual Period ending on such Payment Date and all other Interest Amounts due and payable on such Class B Notes;

(H) if either of the Class A/B Coverage Tests is not satisfied on any Determination Date on and after the Effective Date, or in the case of the Class A/B Interest Coverage Test, on the Determination Date immediately preceding the second Payment Date and each 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;

(I) 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);

(J) 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*);

(K) if either of the Class C Coverage Tests is not satisfied on any Determination Date on and after the Effective Date, or in the case of the Class C Interest Coverage Test, on the Determination Date immediately preceding the second Payment Date and each Determination Date thereafter, to the redemption of the Notes in accordance with the Note Payment Sequence to the extent necessary to cause each Class C Coverage Test to be satisfied if recalculated following such redemption;

(L) 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);

(M) 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*);

(N) if either of the Class D Coverage Tests is not satisfied on any Determination Date on and after the Effective Date, or in the case of the Class D Interest Coverage Test, on the Determination Date immediately preceding the second Payment Date and each Determination Date thereafter, to the redemption of the Notes in accordance with the Note Payment Sequence to the extent necessary to cause each Class D Coverage Test to be satisfied if recalculated following such redemption;

(O) to the payment on a *pro rata* basis of the Interest Amounts due and payable on the Class E Notes in respect of the Accrual Period ending on such Payment Date (excluding any Deferred Interest but including interest on Deferred Interest in respect of the relevant Accrual Period);

(P) 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*);

(Q) if the Class E 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 the Class E Par Value Test to be satisfied if recalculated following such redemption;

(R) to the payment on a *pro rata* basis of the Interest Amounts due and payable on the Class F Notes in respect of the Accrual Period ending on such Payment Date (excluding any Deferred Interest but including interest on Deferred Interest in respect of the relevant Accrual Period);

(S) 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*);

(T) if the Class F Par Value Test is not satisfied on any Determination Date on and after the expiry of the Reinvestment Period to the redemption of the Notes in accordance with the Note Payment Sequence to the extent necessary to cause the Class F Par Value Test to be satisfied if recalculated following such redemption;

(U) on the Payment Date following the Effective Date and each Payment Date thereafter to the extent required, in the event of the occurrence of an Effective Date Rating Event which is continuing on the Business Day prior to such Payment Date, to redeem the Rated Notes in full in accordance with the Note Payment Sequence or, if earlier, until an Effective Date Rating Event is no longer continuing;

(V) if, on any Determination Date on and after the Effective Date and during the Reinvestment Period only, after giving effect to the payment of all amounts payable in respect of paragraphs (A) through (U) (inclusive) above, the Reinvestment Overcollateralisation Test has not been met, to the payment to the Principal Account as Principal Proceeds, for the

acquisition of additional Collateral Debt Obligations in an amount (such amount, the "**Required Diversion Amount**") equal to the lesser of (1) 50 per cent. of all remaining Interest Proceeds available for payment and (2) the amount which, after giving effect to the payment of all amounts payable in respect of paragraphs (A) through (U) (inclusive) above, would be sufficient to cause the Reinvestment Overcollateralisation Test to be met;

(W) to the payment:

(1) *firstly*, to the Collateral Manager of the Subordinated Collateral 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:

(a) (x) designate for reinvestment in Collateral Debt Obligations or (y) defer payment of some or all of the amounts that would have been payable to the Collateral Manager under this paragraph (W) (any such amounts, being "**Deferred Subordinated Collateral Management Amounts**") on any Payment Date, provided that any such amount in the case of (x) shall (i)(A) be used to purchase Substitute Collateral Debt Obligations or (B) be deposited in the Principal Account pending reinvestment in Substitute Collateral Debt Obligations and (ii) not be treated as unpaid for the purposes of paragraph (D) above or this paragraph (W) or in the case of (y), shall be applied to the payment of amounts in accordance with paragraphs (X) through (Z) (inclusive) below; and/or

(b) irrevocably waive its right to receive some or all of the amounts that would have been payable to the Collateral Manager under this paragraph (W) on any Payment Date, provided that any such amounts shall be applied to the payment of amounts in accordance with paragraphs (X) through (Z) (inclusive) below,

subject, in each case, to the Collateral Manager having notified the Collateral Administrator in writing not later than one Business Day prior to the relevant Determination Date of any amounts to be so applied;

(2) *secondly*, to the Collateral Manager of any previously due and unpaid Subordinated Collateral Management Fee (other than Deferred Senior Collateral Management Amounts and Deferred Subordinated Collateral Management Amounts) and any VAT in respect thereof (whether payable to the Collateral Manager or directly to the relevant taxing authority);

(3) *thirdly*, at the election of the Collateral Manager (in its sole discretion) to the Collateral Manager in payment of any previously Deferred Senior Collateral Management Amounts and Deferred Subordinated Collateral Management Amounts and to the relevant tax authority any VAT in respect thereof payable directly thereto; and

(4) *fourthly*, to the repayment of any Collateral Manager Advances and any interest thereon;

(X) (1) *firstly*, to the payment of Trustee Fees and Expenses (if any) not paid by reason of the Senior Expenses Cap;

(2) *secondly*, 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;

(3) *thirdly*, to the payment on a *pari passu* and *pro rata* basis of any Defaulted Currency Hedge Termination Payments due to any Currency Hedge Counterparty or Defaulted Interest Rate Hedge Termination Payments due to any Interest Rate Hedge Counterparty (in each case to the extent not paid out of the Hedge Termination Accounts or any relevant Counterparty Downgrade Collateral Account);

(Y) during the Reinvestment Period at the direction and in the discretion of the Collateral Manager, to transfer to the Collateral Enhancement Account, any Collateral Enhancement Amount; and

(Z) (1) if the Incentive Collateral Management Fee IRR Threshold has not been reached, any remaining Interest Proceeds to the payment of interest on the Subordinated Notes on a *pro rata* basis (determined upon redemption in full thereof by reference to the proportion that the principal amount of the Subordinated Notes held by Subordinated Noteholders bore to the Principal Amount Outstanding of the Subordinated Notes immediately prior to such redemption), until the Incentive Collateral Management Fee IRR Threshold is reached; and

(2) if, after taking into account all prior distributions to Subordinated Noteholders and any distributions to be made to Subordinated Noteholders on such Payment Date in accordance with the Interest Proceeds Priority of Payments, the Principal Proceeds Priority of Payments and the Collateral Enhancement Obligation Proceeds Priority of Payments, the Incentive Collateral Management Fee IRR Threshold has been reached (on or prior to such Payment Date):

(a) *firstly*, up to 20 per cent. of any remaining Interest Proceeds, to the payment to the Collateral Manager as an Incentive Collateral Management Fee, except that the Collateral Manager may, in its sole discretion elect to irrevocably waive its right to receive some or all of the amounts that would have been payable to the Collateral Manager under this paragraph (Z)(2)(a) on any Payment Date, provided that any such amounts shall be applied to the payment of amounts in accordance with paragraph (Z)(2)(c) below;

(b) *secondly*, to the payment of any VAT in respect of the Incentive Collateral Management Fee referred to in paragraph (Z)(2)(a) above (whether payable to the Collateral Manager or directly to the relevant taxing authority); and

(c) *thirdly*, any remaining Interest Proceeds, to the payment of interest on the Subordinated Notes on a *pro rata* basis (determined upon redemption in full thereof by reference to the proportion that the principal amount of the Subordinated Notes held by Subordinated Noteholders bore to the Principal Amount Outstanding of the Subordinated Notes immediately prior to such redemption).

(ii) Application of Principal Proceeds

Principal Proceeds in respect of a Due Period shall be paid on the Payment Date immediately following such Due Period in the following order of priority:

(A) to the payment on a sequential basis of the amounts referred to in paragraphs (A) through (H) (inclusive) of the Interest Proceeds Priority of Payments, but only to the extent not paid in full thereunder;

(B) to the payment of the amounts referred to in paragraph (I) of the Interest Proceeds Priority of Payments but only to the extent not paid in full thereunder and only to the extent that the Class C Notes are the Controlling Class;

(C) to the payment of the amounts referred to in paragraph (J) of the Interest Proceeds Priority of Payments but only to the extent not paid in full thereunder and to the extent that the Class C Notes are the Controlling Class;

(D) to the payment of the amounts referred to in paragraph (K) of the Interest Proceeds Priority of Payments but only to the extent not paid in full thereunder and only to the extent necessary to cause the Class C Coverage Tests that are applicable on such Payment Date with respect to the Class C Notes to be met as of the related Determination Date;

(E) to the payment of the amounts referred to in paragraph (L) of the Interest Proceeds Priority of Payments but only to the extent not paid in full thereunder and only to the extent that the Class D Notes are the Controlling Class;

(F) to the payment of the amounts referred to in paragraph (M) of the Interest Proceeds Priority of Payments but only to the extent not paid in full thereunder and to the extent that the Class D Notes are the Controlling Class;

(G) to the payment of the amounts referred to in paragraph (N) of the Interest Proceeds Priority of Payments but only to the extent not paid in full thereunder and only to the extent necessary to cause the Class D Coverage Tests that are applicable on such Payment Date with respect to the Class D Notes to be met as of the related Determination Date;

(H) to the payment of the amounts referred to in paragraph (O) of the Interest Proceeds Priority of Payments but only to the extent not paid in full thereunder and only to the extent that the Class E Notes are the Controlling Class;

(I) to the payment of the amounts referred to in paragraph (P) of the Interest Proceeds Priority of Payments but only to the extent not paid in full thereunder and only to the extent that the Class E Notes are the Controlling Class;

(J) to the payment of the amounts referred to in paragraph (Q) of the Interest Proceeds Priority of Payments but only to the extent not paid in full thereunder and only to the extent necessary to cause the Class E Par Value Test that are applicable on such Payment Date with respect to the Class E Notes to be met as of the related Determination Date;

(K) to the payment of the amounts referred to in paragraph (R) of the Interest Proceeds Priority of Payments but only to the extent not paid in full thereunder and only to the extent that the Class F Notes are the Controlling Class;

(L) to the payment of the amounts referred to in paragraph (S) of the Interest Proceeds Priority of Payments but only to the extent not paid in full thereunder and only to the extent that the Class F Notes are the Controlling Class;

(M) to the payment of the amounts referred to in paragraph (T) of the Interest Proceeds Priority of Payments but only to the extent not paid in full thereunder and only to the extent necessary to cause the Class F Par Value Test that are applicable on such Payment Date with respect to the Class F Notes to be met as of the related Determination Date;

(N) to the payment of the amounts referred to in paragraph (U) of the Interest Proceeds Priority of Payments, but only to the extent not paid in full thereunder;

(O) if such Payment Date is a Special Redemption Date, at the election of the Collateral Manager, to make payments in an amount equal to the Special Redemption Amount (if any) applicable to such Payment Date in accordance with the Note Payment Sequence;

(P) (1) during the Reinvestment Period, at the discretion of the Collateral Manager, either to the purchase of Substitute Collateral Debt Obligations or to the Principal Account pending reinvestment in Substitute Collateral Debt Obligations at a later date in each case in accordance with the Collateral Management Agreement;

(2) after the Reinvestment Period in the case of Principal Proceeds representing Unscheduled Principal Proceeds and Sale Proceeds from the sale of Credit Impaired Obligations and Credit Improved Obligations at the discretion of the Collateral Manager, either to the purchase of Substitute Collateral Debt Obligations or to the Principal Account pending reinvestment in Substitute Collateral Debt Obligations at a later date in each case in accordance with the Collateral Management Agreement;

(Q) after the Reinvestment Period, to redeem the Notes in accordance with the Note Payment Sequence;

(R) after the Reinvestment Period to the payment on a sequential basis of the amounts referred to in paragraphs (W) through (X) (inclusive) of the Interest Proceeds Priority of Payments, but only to the extent not paid in full thereunder; and

(S) (1) if the Incentive Collateral Management Fee IRR Threshold has not been reached, any remaining Principal Proceeds to the payment on the Subordinated Notes on a *pro rata* basis (determined upon redemption in full thereof by reference to the proportion that the principal amount of the Subordinated Notes held by Subordinated Noteholders bore to the Principal Amount Outstanding of the Subordinated Notes and immediately prior to such redemption), until the Incentive Collateral Management Fee IRR Threshold is reached; and

(2) if, after taking into account all prior distributions to Subordinated Noteholders and any distributions to be made to Subordinated Noteholders on such Payment Date including in accordance with the Interest Proceeds Priority of Payments, the Principal Proceeds Priority of Payments and the Collateral Enhancement Obligation Proceeds Priority of Payments, the Incentive Collateral Management Fee IRR Threshold has been reached (on or prior to such Payment Date):

(a) firstly, 20 per cent. of any remaining Principal Proceeds, to the payment to the Collateral Manager as an Incentive Collateral Management Fee, except that the Collateral Manager may, in its sole discretion elect to irrevocably waive its right to receive some or all of the amounts that would have been payable to the Collateral Manager under this paragraph (S)(2)(a) on any Payment Date, provided that any such amounts shall be applied to the payment of amounts in accordance with paragraph (S)(2)(c) below;

(b) secondly, to the payment of any VAT in respect of the Incentive Collateral Management Fee referred to in (S)(2)(a) above (whether payable to the Collateral Manager or directly to the relevant taxing authority); and

(c) thirdly, any remaining Principal Proceeds, to the payment of principal on the Subordinated Notes on a *pro rata* basis and thereafter to the payment of interest on a *pro rata* basis on the Subordinated Notes (determined upon redemption in full thereof by reference to the proportion that the principal amount of the Subordinated Notes held by Subordinated Noteholders bore to the Principal Amount Outstanding of the Subordinated Notes and immediately prior to such redemption).

(iii) Application of Collateral Enhancement Obligation Proceeds

Collateral Enhancement Obligation Proceeds in respect of a Due Period that are not paid into the Principal Account or the Interest Account (at the discretion of the Collateral Manager) shall be paid on the Payment Date immediately following such Due Period in the following order of priority:

(A) to the payment of interest on the Subordinated Notes until the Incentive Collateral Management Fee IRR Threshold has been reached; and

(B) if the Incentive Collateral Management Fee IRR Threshold has been reached:

(1) *firstly*, 20 per cent. of any remaining Collateral Enhancement Obligation Proceeds, to the payment to the Collateral Manager as the accrued but unpaid Incentive Collateral Management Fee due and payable on such Payment Date, except that the Collateral Manager may, in its sole discretion elect to irrevocably waive its right to receive some or all of the amounts that would have been payable to the Collateral Manager under this paragraph (B)(1) on any Payment Date, provided that any such amounts shall be applied to the payment of amounts in accordance with paragraph (B)(3) below;

(2) *secondly*, to the payment of any VAT in respect of the Incentive Collateral Management Fee referred to in paragraph (B)(1) above (whether payable to the Collateral Manager or directly to the relevant taxing authority); and

(3) *thirdly*, any remaining Collateral Enhancement Obligation Proceeds, to the payment of principal on the Subordinated Notes on a *pro rata* basis and thereafter to the payment of interest on a *pro rata* basis on the Subordinated Notes (determined upon redemption in full thereof by reference to the proportion that the principal amount of the Subordinated

Notes held by Subordinated Noteholders bore to the Principal Amount Outstanding of the Subordinated Notes and immediately prior to such redemption).

(iv) 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.

If the Issuer must account to the recipient of any payment for any amounts in respect of VAT or in respect of any other taxes attributable to any of the items referred to in the Priorities of Payment set out above then such amounts in respect of such taxes shall be paid *pro rata* and *pari passu* with such items (other than in respect of the Incentive Collateral Management Fee at paragraph (Z)(2) of the Interest Proceeds Priority of Payments and paragraph (S)(2) of the Principal Proceeds Priority of Payments and paragraph (B)(2) of the Collateral Enhancement Obligations Proceeds Priority of Payments).

(d) Non-payment of Amounts

Failure on the part of the Issuer to pay the Interest Amounts due and payable on the Class A Notes or the Class B Notes in accordance with Condition 6 (*Interest*) and the Priorities of Payment by reason solely that there are insufficient funds standing to the credit of the Payment Account shall not constitute an Event of Default unless and until such failure continues for a period of at least five Business Days, save in the case of an administrative error or omission only, where such failure continues for a period of at least seven Business Days and except in each case as the result of any deduction therefrom or the imposition of any withholding thereon as set out in Condition 9 (*Taxation*).

Failure on the part of the Issuer to pay Interest Amounts on the Class C Notes, the Class D Notes, the Class E Notes or the Class F Notes on any Payment Date prior to the Relevant Payment Date as a result of the insufficiency of available Interest Proceeds or Principal Proceeds shall not constitute an Event of Default.

Failure on the part of the Issuer to pay interest and principal amounts on the Subordinated Notes as a result of the insufficiency of available Interest Proceeds or Principal Proceeds, shall not at any time constitute an Event of Default.

Subject always, in the case of Interest Amounts payable in respect of the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes to Condition 6(c) (*Deferral of Interest*) and save as otherwise provided in respect of any unpaid Collateral Management Fees (and VAT payable in respect thereof), in the event of non-payment of any amounts referred to in the Interest Proceeds Priority of Payments or the Principal Proceeds Priority of Payments on any Payment Date, such amounts shall remain due and shall be payable on each subsequent Payment Date in the orders of priority provided for in this Condition 3 (*Status*). References to the amounts referred to in the Interest Proceeds Priority of Payments and the Principal Proceeds Priority of Payments of this Condition 3 (*Status*) shall include any amounts thereof not paid when due in accordance with this Condition 3 (*Status*) on any preceding Payment Date.

(e) Determination and Payment of Amounts

The Collateral Administrator will, in consultation with the Collateral Manager, on each Determination Date, calculate the amounts payable on the applicable Payment Date pursuant to the Priorities of Payment and will notify the Issuer and the Trustee of such amounts. The Account Bank (acting in accordance with the Payment Date Report compiled by the Collateral Administrator on behalf of the Issuer) shall, on behalf of the Issuer not later than 12.00 noon (London time) on the Business Day preceding each Payment Date, cause the amounts standing to the credit of the Principal Account, the Unused Proceeds Account and if applicable the Interest Account and the Collateral Enhancement Account (together with, to the extent applicable, amounts standing to the credit of any other Account) to the extent required to pay the amounts referred to in the Interest Proceeds Priority of Payments, the Principal Proceeds Priority of Payments, the Collateral Enhancement Obligation Proceeds Priority of

Payments and the Post-Acceleration Priority of Payments which are payable on such Payment Date, to be transferred to the Payment Account in accordance with Condition 3(j) (*Payments to and from the Accounts*).

(f) De Minimis Amounts

The Collateral Administrator may, in consultation with the Collateral Manager, adjust the amounts required to be applied in payment of principal on the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Subordinated Notes from time to time pursuant to the Priorities of Payment so that the amount to be so applied in respect of each Class A Note, Class B Note, Class C Note, Class D Note, Class E Note, Class F Note and the Subordinated Note is a whole amount, not involving any fraction of a 0.01 Euro or, at the discretion of the Collateral Administrator, part of a Euro.

(g) Publication of Amounts

The Collateral Administrator will cause details of the amounts of interest and principal to be paid, and any amounts of interest payable but not paid, on each Payment Date in respect of the Notes to be notified at the expense of the Issuer to the Issuer, the Trustee, the Principal Paying Agent, the Registrar and the Irish Stock Exchange by no later than 11.00 am (London time) on the Business Day following the applicable Payment Date and the Registrar shall procure that details of such amounts are notified at the expense of the Issuer to the Noteholders of each Class in accordance with Condition 16 (*Notices*) as soon as possible after notification thereof to the Registrar in accordance with the above but in no event later than (to the extent applicable) the third Business Day after the last day of the applicable Due Period.

(h) Notifications to be Final

All notifications, opinions, determinations, certificates, quotations and decisions given, expressed, made or obtained or discretions exercised for the purposes of the provisions of this Condition 3 (*Status*) will (in the absence of manifest error) be binding on the Issuer, the Collateral Administrator, the Collateral Manager, the Trustee, the Registrar, the Principal Paying Agent, the Transfer Agent and all Noteholders and (in the absence as referred to above) no liability to the Issuer or the Noteholders shall attach to the Collateral Administrator in connection with the exercise or non-exercise by it of its powers, duties and discretions under this Condition 3 (*Status*).

(i) Accounts

The Issuer shall, on or prior to the Issue Date, establish the following accounts with the Account Bank or (as the case may be) with the Custodian:

- the Principal Account;
- the Interest Account;
- the Unused Proceeds Account;
- the Payment Account;
- the Collateral Enhancement Account;
- the Expense Reserve Account;
- the Unfunded Revolver Reserve Account;
- each Currency Account;
- the Interest Smoothing Account;
- the First Period Reserve Account;

- each Counterparty Downgrade Collateral Account;
- each Hedge Termination Account;
- the Contribution Account;
- the Custody Account; and
- the Collection Account.

The Account Bank and the Custodian shall at all times be a financial institution satisfying the Rating Requirement applicable thereto, which is not resident or which is acting through an office which is not situated, in Ireland but which has the necessary regulatory capacity and licences to perform the services required by it in Ireland. If the Account Bank at any time fails to satisfy the Rating Requirement, it shall inform the Issuer and the Collateral Manager in writing as soon as practicable, and the Issuer shall use reasonable endeavours to procure that a replacement Account Bank acceptable to the Trustee, which satisfies the Rating Requirement is appointed in accordance with the provisions of the Agency Agreement.

Amounts standing to the credit of the Accounts (other than the Unfunded Revolver Reserve Account, each Counterparty Downgrade Collateral Account, the Payment Account and the Collection Account) from time to time may be invested by the Collateral Manager on behalf of the Issuer in Eligible Investments.

All interest accrued on any of the Accounts (other than any Counterparty Downgrade Collateral Accounts) from time to time shall be paid into the Interest Account, save to the extent that the Issuer is contractually bound to pay such amounts to a third party. All principal amounts received in respect of Eligible Investments standing to the credit of any Account from time to time shall be credited to that Account upon maturity, save to the extent that the Issuer is contractually bound to pay such amounts to a third party. All interest accrued on such Eligible Investments (including capitalised interest received upon the sale, maturity or termination of any such investment) shall be paid to the Interest Account as, and to the extent provided, above.

To the extent that any amounts required to be paid into any Account (other than any Counterparty Downgrade Collateral Accounts) pursuant to the provisions of this Condition 3 (*Status*) are denominated in a currency other than Euro, the Collateral Manager, acting on behalf of the Issuer, may convert such amounts into the currency of the Account at the Applicable Exchange Rate.

Notwithstanding any other provisions of this Condition 3(i) (*Accounts*) or Condition 3(j) (*Payments to and from the Accounts*), all amounts standing to the credit of each of the Accounts (other than (i) the Interest Account, (ii) the Payment Account, (iii) the Expense Reserve Account, (iv) the Collateral Enhancement Account, (v) all interest accrued on the Accounts, (vi) the Counterparty Downgrade Collateral Accounts, (vii) the First Period Reserve Account, (viii) the Interest Smoothing Account, (ix) the Contribution Account and (x) the Currency Account to the extent that the same represent Sale Proceeds, prepayments or redemptions 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 Interest Smoothing Account, the Expense Reserve Account, the Collateral Enhancement Account, the First Period Reserve Account and, to the extent not required to be repaid to any Hedge Counterparty, each Counterparty Downgrade Collateral Account shall be transferred to the Payment Account as Interest Proceeds on the Business Day prior to any redemption of the Notes in full.

Application of amounts in respect of Hedge Issuer Tax Credit Payments received by the Issuer shall be paid out of the Interest Account to the relevant Hedge Counterparty in accordance with the terms of the relevant Hedge Agreement, without regard to the Priorities of 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:

(A) all principal payments received in respect of any Collateral Debt Obligation including, without limitation:

(1) Scheduled Principal Proceeds, other than any Hedge Replacement Receipts or Hedge Counterparty Termination Payments;

(2) amounts received in respect of any maturity, scheduled amortisation, mandatory prepayment or mandatory sinking fund payment on a Collateral Debt Obligation;

(3) Unscheduled Principal Proceeds; and

(4) any other principal payments with respect to Collateral Debt Obligations or Eligible Investments (to the extent not included in the Sale Proceeds);

but excluding any such payments received in respect of any Revolving Obligation or Delayed Drawdown Collateral Debt Obligation, to the extent required to be paid into the Unfunded Revolver Reserve Account;

(B) all interest and other amounts received in respect of any Defaulted Obligation for so long as it is a Defaulted Obligation (save for Defaulted Obligation Excess Amounts) and amounts representing the element of deferred interest in any payments received in respect of any PIK Security;

(C) all premiums (including prepayment premiums) receivable upon redemption of any Collateral Debt Obligation at maturity or otherwise or upon exercise of any put or call option in respect thereof which is above the outstanding principal amount of any Collateral Debt Obligation;

(D) all fees and commissions received in connection with the purchase or sale of any Collateral Debt Obligations or Eligible Investments or work out or restructuring of any Defaulted Obligations or Collateral Debt Obligations as determined by the Collateral Manager in its reasonable discretion;

(E) all Sale Proceeds received in respect of a Collateral Debt Obligation;

(F) all Distributions and Sale Proceeds received in respect of Exchanged Securities;

(G) all Purchased Accrued Interest;

(H) amounts transferred to the Principal Account from any other Account as required below;

(I) pending any reinvestment, all proceeds received from any additional issuance of the Notes that are not invested in Collateral Debt Obligations or required to be paid into the Collateral Enhancement Account or the Unused Proceeds Account;

(J) any other amounts received in respect of the Collateral which are not required to be paid into another Account;

(K) all amounts transferable from the Counterparty Downgrade Collateral Accounts to the Principal Account in accordance with Condition 3(j)(v) (*Counterparty Downgrade Collateral Accounts*) below;

(L) all amounts transferred from the Collateral Enhancement Account in accordance with paragraph (3(j)(vi)(B) of Condition 3(j)(vi) (*Collateral Enhancement Account*);

(M) all amounts transferred from the Expense Reserve Account in accordance with paragraph 3(j)(xi)(B)(3) of Condition 3(j)(xi) (*Expense Reserve Account*);

(N) all amounts payable into the Principal Account pursuant to paragraph (V) of the Interest Proceeds Priority of Payments upon the failure to meet the Reinvestment

Overcollateralisation Test as of any Measurement Date on and after the Effective Date and during the Reinvestment Period;

(O) all principal payments received in respect of any Non-Eligible Issue Date Collateral Debt Obligation or any other asset which did not satisfy the Eligibility Criteria on the date it was required to do so and which have not been sold by the Collateral Manager in accordance with the Collateral Management Agreement; and

(P) all amounts transferred to the Principal Account from the Currency Account pursuant to paragraph (B) of Condition 3(j)(x) (*Currency Accounts*) following exchange of such amounts into Euros (to the extent not already in Euros) by the Issuer following consultation with the Collateral Manager;

(Q) all Refinancing Proceeds;

(R) all amounts transferred from the Contribution Account;

(S) amounts transferred from the Unused Proceeds Account in accordance with paragraph (3) and (4) of Condition 3(j)(iii) (*Unused Proceeds Account*); and

(T) any other amounts which are not required to be paid into any other Account in accordance with this Condition 3(j) (*Payments to and from the Accounts*).

The Issuer shall procure payment of the following amounts (and shall ensure that payment of no other amount is made, save to the extent otherwise permitted above) out of the Principal Account:

(1) on the Business Day prior to each Payment Date, all Principal Proceeds standing to the credit of the Principal Account to the Payment Account to the extent required for disbursement pursuant to the Principal Proceeds Priority of Payments, save for: (a) amounts deposited after the end of the related Due Period; and (b) any Principal Proceeds deposited prior to the end of the related Due Period to the extent such Principal Proceeds are permitted to be and have been designated for reinvestment by the Collateral Manager (on behalf of the Issuer) pursuant to the Collateral Management Agreement for a period beyond such Payment Date, provided that (i) if the Coverage Tests are not satisfied, Principal Proceeds from Defaulted Obligations may not be designated for reinvestment by the Collateral Manager (on behalf of the Issuer) until after the following Payment Date or, if earlier, 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 Proceeds Priority of Payments on such Payment Date;

(2) at any time at the discretion of the Collateral Manager, acting on behalf of the Issuer, in accordance with the terms of, and to the extent permitted under, the Collateral Management Agreement, in the acquisition of Collateral Debt Obligations including amounts equal to the Unfunded Amounts of any Revolving Obligations or Delayed Drawdown Collateral Debt Obligations which are required to be deposited in the Unfunded Revolver Reserve Account and including any initial principal exchange amounts payable by the Issuer to a Currency Hedge Counterparty pursuant to any Currency Hedge Transaction in connection with funding the acquisition of Non-Euro Obligations (and provided that, in accordance with the Collateral Management Agreement, all costs and expenses payable by the Issuer in connection with the acquisition of any Collateral Debt Obligation, including, without limitation, any assignment or transfer fees, shall be paid by the Issuer out of Interest Proceeds and not Principal Proceeds to the extent that such costs and expenses have not been included in the purchase price of such Collateral Debt Obligation);

(3) on any Payment Date on which a Refinancing has occurred, all amounts credited to the Principal Account pursuant to paragraph (Q) above in redemption of the relevant Class or Classes of Rated Notes, subject to and in accordance with the applicable paragraphs of Condition 7(b) (*Optional Redemption*);

(4) 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

Agreement, in payment of the purchase price of any Notes purchased by the Issuer in accordance with Condition 7(k) (*Purchase*); and

(5) on any Redemption Date upon which a Refinancing of the Rated Notes occurs in whole or in part in accordance with these Conditions, to the Interest Account at the Collateral Manager's discretion, provided that before and immediately following any such transfer on such date (i) the ratings of each Class of Rated Notes that is not subject to a Refinancing on such date shall be no lower than each such rating prevailing on the Issue Date; (ii) the Aggregate Collateral Balance shall be at least equal to the Reinvestment Target Par Balance; (iii) each condition precedent to the applicable Refinancing on such date shall have been satisfied in accordance with these Conditions and the Trust Deed; and (iv) the cumulative aggregate amount transferred or to be transferred in accordance with the foregoing in respect of all Redemption Dates upon which a Refinancing has occurred on or before such date, shall not exceed 1 per cent. of the Target Par Amount.

(ii) Interest Account

The Issuer will procure that the following Interest Proceeds are credited to the Interest Account promptly upon receipt thereof:

(A) all cash payments of interest in respect of the Collateral Debt Obligations other than any Purchased Accrued Interest or any Ramp Accrued Interest, together with all amounts received by the Issuer by way of gross up in respect of such interest and from a tax authority in respect of a claim under any applicable double taxation treaty but excluding (i) interest proceeds on any Non-Euro Obligation to the extent required to be paid into the Currency Account and (ii) any interest received in respect of any Defaulted Obligation for so long as it is a Defaulted Obligation other than Defaulted Obligation Excess Amounts;

(B) all interest accrued on the Balance standing to the credit of the Interest Account from time to time and all interest accrued in respect of the Balances standing to the credit of the other Accounts (including interest on any Eligible Investments standing to the credit thereof) (other than in respect of any Counterparty Downgrade Collateral Account); provided that in the case of any interest amount that is not denominated in euro, the Collateral Manager shall instruct the Collateral Administrator to convert such amount at the relevant Spot Rate prior to any transfer of such amount to the Interest Account in accordance with this paragraph (B);

(C) all amendment and waiver fees, all late payment fees, all commitment fees, syndication fees, delayed compensation and all other fees and commissions received in connection with any Collateral Debt Obligations and Eligible Investments as determined by the Collateral Manager in its reasonable discretion (other than fees and commissions received in connection with the purchase or sale of any Collateral Debt Obligations or Eligible Investments or work out or restructuring of any Defaulted Obligations or Collateral Debt Obligations which fees and commissions shall be payable into the Principal Account and shall constitute Principal Proceeds);

(D) all accrued interest included in the proceeds of sale of any other Collateral Debt Obligation that are designated by the Collateral Manager as Interest Proceeds pursuant to the Collateral Management Agreement (provided that no such designation may be made in respect of (i) any Purchased Accrued Interest, (ii) any Ramp Accrued Interest or (iii) any interest received in respect of a Defaulted Obligation save for Defaulted Obligation Excess Amounts);

(E) all amounts representing the element of deferred interest in any payments received in respect of any Mezzanine Obligation which by its contractual terms provides for the deferral of interest;

(F) amounts transferred to the Interest Account from the Unused Proceeds Account in the circumstances described under Condition 3(j)(iii) (*Unused Proceeds Account*) below;

(G) all scheduled commitment fees received by the Issuer in respect of any Revolving Obligations or Delayed Drawdown Collateral Debt Obligations;

(H) all amounts received by the Issuer in respect of interest paid in respect of any collateral deposited by the Issuer with a third party as security for any reimbursement or indemnification obligations to any other lender under a Revolving Obligation or a Delayed Drawdown Collateral Debt Obligation in an account established pursuant to an ancillary facility;

(I) all amounts transferred from the Collateral Enhancement Account to the Interest Account in accordance with Condition 3(j)(vi) (*Collateral Enhancement Account*);

(J) all amounts transferred from the Expense Reserve Account to the Interest Account in accordance with Condition 3(j)(xi) (*Expense Reserve Account*);

(K) any Interest Smoothing Amounts which are required to be transferred from the Interest Smoothing Account;

(L) all Scheduled Periodic Hedge Counterparty Payments payable to the Issuer under any Hedge Transaction;

(M) all cash payments of interest in respect of any Non-Eligible Issue Date Collateral Debt Obligations or any other asset which did not satisfy the Eligibility Criteria on the date it was required to do so and that have not been sold by the Collateral Manager, other than any Purchased Accrued Interest and Ramp Accrued Interest, together with all amounts received by the Issuer by way of gross up in respect of such interest and in respect of a claim under any applicable double taxation treaty in accordance with the Collateral Management Agreement;

(N) all amounts transferred from the First Period Reserve Account to the Interest Account in accordance with Condition 3(j)(xiii) (*First Period Reserve Account*);

(O) any Hedge Issuer Tax Credit Payments received by the Issuer;

(P) all proceeds received during the related Due Period from any additional issuance of Subordinated Notes that are not reinvested or retained for reinvestment in Collateral Debt Obligations; and

(Q) on any Redemption Date upon which a Refinancing of the Rated Notes in whole or in part has occurred in accordance with these Conditions, from the Principal Account at the Collateral Manager's discretion in accordance with paragraph (5) of Condition 3(j)(i) (*Principal 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 Proceeds Priority of Payments save for amounts deposited after the end of the related Due Period and any amounts to be disbursed pursuant to (2) below on such Business Day or amounts representing any Hedge Issuer Tax Credit Payments to be disbursed pursuant to (3) below;

(2) at any time in accordance with the terms of, and to the extent permitted under, the Collateral Management Agreement, in the acquisition of Collateral Debt Obligations to the extent that any such acquisition costs represent accrued interest or costs and expenses payable by the Issuer in connection with such acquisition to the extent that such costs and expenses have not been included in the purchase price of the applicable Collateral Debt Obligation;

(3) at any time any Scheduled Periodic Interest Rate Hedge Issuer Payments and any Hedge Issuer Tax Credit Payments; and

(4) on the Business Day following each Determination Date save for (i) the first Determination Date following the Issue Date; (ii) a Determination Date following the

occurrence of an Event of Default which is continuing; (iii) the Determination Date immediately prior to any redemption of the Notes in full; and (iv) the Determination Date upon which a Frequency Switch Event occurs, any Interest Smoothing Amount required to be transferred to the Interest Smoothing Account.

(iii) Unused Proceeds Account

The Issuer shall procure that the following amounts are credited to the Unused Proceeds Account, as applicable:

(A) an amount transferred from the Collection Account equal to the net proceeds of issue of the Notes remaining after the payment of all amounts pursuant to Condition 3(j)(xii)(B)(1) (*Collection Account*) below;

(B) all proceeds received during the Initial Investment Period from any additional issuance of Notes that are not invested in Collateral Debt Obligations or paid into the Interest Account in accordance with Condition 17(b) (*Additional Issuances*);

(C) amounts transferred from the First Period Reserve Account to the Unused Proceeds Account at the direction of the Collateral Manager; and

(D) all Ramp Accrued Interest.

The Issuer shall procure payment of the following amounts (and shall ensure that payment of no other amount is made, save to the extent otherwise permitted above) out of the applicable sub-ledger of the Unused Proceeds Account:

(1) at any time up to and including the last day of the Initial Investment Period, in accordance with the terms of, and to the extent permitted under, the Collateral Management Agreement, in the acquisition of Collateral Debt Obligations;

(2) in the event of the occurrence of an Effective Date Rating Event, the Balance standing to the credit of the Unused Proceeds Account, on the Business Day prior to the Payment Date falling immediately after the Effective Date, to the extent required, to the Payment Account for application as Principal Proceeds in accordance with the Priorities of 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;

(3) on or after the Effective Date but no later than the Determination Date related to the first Payment Date, the Balance standing to the credit of the Unused Proceeds Account, to the Principal Account or the Interest Account, in each case, at the discretion of the Collateral Manager, acting on behalf of the Issuer, provided that as at such date: (i) the Issuer has acquired or entered into binding commitments to acquire Collateral Debt Obligations, the Aggregate Principal Balance (provided that, for the purposes of determining the Aggregate Principal Balance, any repayments or prepayments of any Collateral Debt Obligations subsequent to the Issue Date, not subsequently reinvested shall be disregarded and the Principal Balance of a Collateral Debt Obligation which is a Defaulted Obligation will be the lower of its S&P Collateral Value and its Moody's Collateral Value) of which equals or exceeds the Reinvestment Target Par Balance; and (ii) on a cumulative basis, no more than 1 per cent. of the Reinvestment Target Par Balance may be transferred to the Interest Account; and

(4) at any time on and after the Effective Date and after the Determination Date related to the first Payment Date, the Balance standing to the credit of the Unused Proceeds Account, to the Principal Account or the Interest Account, in each case, at the discretion of the Collateral Manager, acting on behalf of the Issuer, provided that as at such date: (i) the Issuer has acquired or entered into binding commitments to acquire Collateral Debt Obligations, the Aggregate Principal Balance (provided that, for the purposes of determining the Aggregate Principal Balance, any repayments or prepayments of any Collateral Debt Obligations subsequent to the Issue Date, not subsequently reinvested shall be disregarded and the Principal Balance of a Collateral Debt Obligation which is a Defaulted Obligation will be the lower of its S&P Collateral Value and its Moody's

Collateral Value) of which equals or exceeds the Reinvestment Target Par Balance; and (ii) on a cumulative basis, no more than 1 per cent. of the Reinvestment Target Par Balance may be so transferred to the Interest Account (after taking into account all transfers to the Interest Account from such Account).

(iv) Payment Account

The Issuer shall procure that, on the Business Day prior to each Payment Date, all amounts standing to the credit of each of the Accounts which are required to be transferred from the other accounts to the Payment Account pursuant to Condition 3(i) (*Accounts*) and Condition 3(j) (*Payments to and from the Accounts*) are so transferred and, on such Payment Date, the Collateral Administrator shall cause the Account Bank (acting on the basis of the Payment Date Report), to disburse such amounts in accordance with the Priorities of 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 (or the Collateral Manager on its behalf) shall 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 the Counterparty Downgrade Collateral Accounts and any interest or distributions thereon or liquidation proceeds thereof are held separate from and do not form part of Principal Proceeds, Interest Proceeds or of Collateral Enhancement Obligation Proceeds (other than in the circumstances set out below) and accordingly, are not available to fund general distributions of the Issuer (save as set out below and in the applicable Hedge Agreement). The amounts standing to the credit of the applicable Counterparty Downgrade Collateral Account shall not be commingled with any other funds from any other party.

Amounts standing to the credit of each Counterparty Downgrade Collateral Account will not be available for the Issuer to make payments to the Noteholders nor any other creditor of the Issuer (other than in the circumstances set out below). The Issuer will procure the payment of the following amounts out of the relevant Counterparty Downgrade Collateral Account (and shall ensure that no other payments are made, save to the extent required hereunder):

(A) prior to the occurrence or designation of an "Early Termination Date" (as defined in the relevant Hedge Agreement) in respect of all "Transactions" (as defined in such Hedge Agreement) entered into under such Hedge Agreement pursuant to which all such "Transactions" under such Hedge Agreement are terminated early, solely in or towards payment or transfer of:

(1) any "Return Amounts" (if applicable and as defined in such Hedge Agreement including, if applicable, the credit support annex thereto);

(2) any "Interest Amounts" and "Distributions" (if applicable and each as defined in such Hedge Agreement including, if applicable, the credit support annex thereto); and

(3) any other return or transfer of collateral or other payment amounts in the nature of interest or distributions in respect of collateral in accordance with the terms of such Hedge Agreement (including without limitation in connection with any permitted novation or other transfer of the Hedge Counterparty's obligations thereunder),

directly to the Hedge Counterparty in accordance with the terms of such Hedge Agreement (including, if applicable, the credit support annex thereto);

(B) following the designation of an "Early Termination Date" (as defined in the relevant Hedge Agreement) in respect of all "Transactions" under and as defined in the relevant Hedge Agreement pursuant to which all "Transactions" under such Hedge Agreement are terminated early where the Issuer enters into one or more Replacement Hedge Agreements or

any novation of the relevant Hedge Counterparty's obligations to a replacement Hedge Counterparty, in the following order of priority:

(1) *first*, in or towards payment of any Hedge Issuer Termination Payments relating to such terminated "Transactions" (to the extent not funded from the relevant Hedge Termination Account);

(2) *second*, in or towards payment of any Hedge Replacement Payments in respect of Replacement Hedge Transactions relating to such terminated "Transactions" (to the extent not funded from the relevant Hedge Termination Account); and

(3) *third*, the surplus amount (if any) standing to the credit of such Counterparty Downgrade Collateral Account to the Principal Account;

(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 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 (if any) standing to the credit of such Counterparty Downgrade Collateral Account to the Principal Account.

(vi) Collateral Enhancement Account

The Issuer shall procure that, all Collateral Enhancement Obligation Proceeds are credited on receipt into the Collateral Enhancement Account; on each Payment Date, any Collateral Enhancement Amount applied in payment into the Collateral Enhancement Account pursuant to paragraph (Y) of the Interest Proceeds Priority of Payments, is credited to the Collateral Enhancement Account; and any Collateral Manager Advances are credited on receipt into the Collateral Enhancement 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 Collateral Enhancement Account:

(A) on the Business Day prior to each Payment Date, all Collateral Enhancement Obligation Proceeds standing to the credit of the Collateral Enhancement Account to be transferred to the Payment Account to the extent required for disbursements pursuant to the Collateral Enhancement Obligation Proceeds Priority of Payments, save for amounts deposited after the end of the related Due Period;

(B) at any time to the Principal Account (x) during the Reinvestment Period to reinvest in Substitute Collateral Debt Obligations or (y) otherwise for distribution on the next following Payment Date in accordance with the Priorities of Payment;

(C) at any time to the Interest Account for distribution in accordance with the Priorities of Payment;

(D) at any time in the acquisition of, or in respect of any exercise of any option or warrant comprised in, Collateral Enhancement Obligations, in accordance with the terms of the Collateral Management Agreement; and

(E) at any time to purchase any Rated Notes in accordance with Condition 7(k) (*Purchase*).

For the avoidance of doubt, the Collateral Manager may, in its sole discretion, but shall not be obliged to, direct the Issuer to transfer all or any portion of the Balance standing to the credit of the Collateral Enhancement Account to the Payment Account to be applied in accordance with the Collateral Enhancement Obligation Proceeds Priority of Payments.

(vii) The Unfunded Revolver Reserve Account

The Issuer shall procure the following amounts are paid into the Unfunded Revolver Reserve Account:

(A) upon the acquisition by or on behalf of the Issuer of any Revolving Obligation, Delayed Drawdown Collateral Debt Obligation, an amount equal to the amount which would cause the Balance standing to the credit of the Unfunded Revolver Reserve Account to be at least equal to the combined aggregate principal amounts of the Unfunded Amounts under each of the Revolving Obligations and Delayed Drawdown Collateral Debt Obligations (which Unfunded Amounts will be treated as part of the purchase price for the related Revolving Obligation or Delayed Drawdown Collateral Debt Obligation) less amounts posted thereafter as collateral (which do not constitute Funded Amounts), 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 Debt Obligation, if and to the extent that the amount of such principal payments may be re-borrowed under such Revolving Obligation or Delayed Drawdown Collateral Debt Obligation or otherwise by the Collateral Manager, acting on behalf of the Issuer; and

(C) all repayments of collateral to the Issuer originally paid by the Issuer pursuant to paragraph (2) below.

The Issuer shall procure payment of the following amounts (and shall ensure that no other amounts are paid) out of the Unfunded Revolver Reserve Account:

(1) all amounts required to fund any drawings under any Delayed Drawdown Collateral Debt Obligation or Revolving Obligation;

(2) in respect of Delayed Drawdown Collateral Debt Obligations or Revolving Obligations, all amounts required to be deposited in the Issuer's name with any third party which satisfies the Rating Requirement applicable to an Account Bank (or if the third party does not satisfy the Rating Requirement applicable to an Account Bank, subject to receipt of Rating Agency Confirmation) as collateral for any reimbursement or indemnification obligations of the Issuer owed to any other lender under such Revolving Obligation or Delayed Drawdown Collateral Debt Obligation (subject to such security documentation as may be agreed between such lender, the Collateral Manager acting on behalf of the Issuer and the Trustee);

(3) (x) at any time at the direction of the Collateral Manager (acting on behalf of the Issuer) or (y) upon the sale (in whole or in part) of a Revolving Obligation or the reduction, cancellation or expiry of any commitment of the Issuer to make future advances or otherwise extend credit thereunder, any excess of (a) the amount standing to the credit of the Unfunded Revolver Reserve Account over (b) the sum of the Unfunded Amounts of all Revolving Obligations and Delayed Drawdown Collateral Debt Obligations after taking into account such sale or such reduction, cancellation or expiry of such commitment or notional amount to the Principal Account; and

(4) all interest accrued on the Balance standing to the credit of the Unfunded Revolver Reserve Account from time to time to the Interest Account.

(viii) Interest Smoothing Account

On the Business Day following each Determination Date the Interest Smoothing Amount (if any) shall be credited to the Interest Smoothing Account from the Interest Account provided that such transfer shall not be made on:

(A) the first Determination Date following the Issue Date;

(B) a Determination Date following the occurrence of an Event of Default which is continuing;

(C) the Determination Date immediately prior to any redemption of the Notes in full; or

(D) any Determination Date on or following the occurrence of a Frequency Switch Event.

The Issuer shall procure on each Business Day falling after the Payment Date following the Determination Date on which any Interest Smoothing Amount was transferred to the Interest Smoothing Account, such Interest Smoothing Amount to be transferred to the Interest Account.

(ix) Hedge Termination Accounts

The Issuer shall procure that all Hedge Counterparty Termination Payments and Hedge Replacement Receipts are paid into the relevant Hedge Termination Account promptly upon receipt thereof.

The Issuer shall procure payment of the following amounts (and shall ensure that payment of no other amount is made save to the extent otherwise permitted) out of the relevant Hedge Termination Account as provided below:

(A) at any time, in the case of any Hedge Replacement Receipts paid into the relevant Hedge Termination Account, in payment of any Hedge Issuer Termination Payment, as applicable, due and payable to a Hedge Counterparty under the Hedge Transaction being replaced or to the extent not required to make such payment, in payment of such amount to the Principal Account;

(B) at any time, in the case of any Hedge Counterparty Termination Payments paid into the relevant Hedge Termination Account, in payment of any Hedge Replacement Payment and any other amounts payable by the Issuer upon entry into a Replacement Hedge Transaction in accordance with the Collateral Management Agreement; and

(C) in the case of any Hedge Counterparty Termination Payments paid into the relevant Hedge Termination Account, in the event that:

(1) the Issuer, or the Collateral Manager on its behalf, determines not to replace the Hedge Transaction and Rating Agency Confirmation is received in respect of such determination (other than where such determination is made in connection with a Currency Hedge Transaction which has been terminated, in whole or in part, solely as a result of the sale or prepayment or redemption or repayment of the relevant Non-Euro Obligation); or

(2) termination of the Hedge Transaction under which such Hedge Counterparty Termination Payments are payable occurs on a Redemption Date; or

(3) to the extent that such Hedge Counterparty Termination Payments are not required for application towards costs of entry into a Replacement Hedge Transaction,

in payment of such amounts (save for accrued interest thereon) to the Principal Account.

(x) Currency Accounts

The Issuer shall procure that all amounts received in respect of any Non-Euro Obligations (including Sale Proceeds, prepayments or redemptions and including any initial principal exchange amounts received by the Issuer from a Currency Hedge Counterparty in connection with funding the acquisition of Non-Euro Obligations pursuant to a Currency Hedge Transaction, but excluding Hedge Replacement Receipts and Hedge Counterparty Termination Payments) to the extent not required to be paid directly to the Interest Account or Principal Account are paid into the appropriate Currency Account in the currency of receipt thereof. A separate Currency Account will be established in respect of each applicable currency.

The Issuer shall procure payment of the following amounts (and shall ensure that payment of no other amount is made) out of the Currency Account:

(A) at any time, all amounts payable by the Issuer to the Currency Hedge Counterparty under any Currency Hedge Transaction save for Currency Hedge Issuer Termination Payments (other than where such Currency Hedge Issuer Termination Payments arise in connection with the termination of a Currency Hedge Transaction, in whole or in part, in circumstances where no Replacement Hedge Transaction is entered into by the Issuer which gives rise to a Hedge Replacement Receipt, including where a Currency Hedge Transaction has been terminated, in whole or in part, solely as a result of the sale or prepayment or redemption or repayment of the relevant Non-Euro Obligation), Hedge Replacement Payments, and any initial principal exchange amounts payable by the Issuer to a Currency Hedge Counterparty under any Currency Hedge Transaction in connection with funding the acquisition of Non-Euro Obligations which for the avoidance of doubt shall be payable out of amounts standing to the credit of the Principal Account;

(B) cash amounts representing any excess standing to the credit of the Currency Account after paying, or provision for the payment of any amounts to be paid to, any Currency Hedge Counterparty pursuant to paragraph (A) above shall, upon direction by the Collateral Manager, be converted into Euro at the Spot Rate by the Collateral Administrator on behalf of the Issuer following consultation with the Collateral Manager and transferred to the Principal Account; and

(C) at any time, in the amount of any initial principal exchange amounts received by the Issuer from a Currency Hedge Counterparty under a Currency Hedge Transaction to be applied in connection with the acquisition of Non-Euro Obligations in accordance with the terms of and to the extent permitted under the Collateral Management Agreement.

(xi) Expense Reserve Account

The Issuer shall procure that the following amounts are paid into the Expense Reserve Account:

(A) on the Issue Date, an amount determined on the Issue Date for the payment of amounts due or accrued in connection with the issue of the Notes or any Interest Rate Hedge Transaction, in accordance with, respectively, paragraphs (1) and (2) below; and

(B) any Ongoing Expense Reserve Amount applied in payment into the Expense Reserve Account pursuant to paragraph (C) of the Interest Proceeds Priority of Payments.

The Issuer shall procure payment of the following amounts (and shall procure that no other amounts are paid) out of the Expense Reserve Account:

(1) amounts due or accrued with respect to actions taken on or in connection with the Issue Date with respect to the issue of the Notes and the entry into the Transaction Documents;

(2) amounts due or accrued with respect to actions taken on or in connection with the Issue Date with respect to any Interest Rate Hedge Transaction;

(3) amounts standing to the credit of the Expense Reserve Account on or after the Determination Date immediately preceding the first Payment Date may be transferred to the Principal Account and/or the Interest Account in the sole discretion of the Issuer (or the Collateral Manager acting on its behalf); and

(4) 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, solely in the case of any Trustee Fees and Expenses or Administrative Expenses which are not indemnity payments, receipt of invoices therefor from the relevant creditor, provided that any such payments, in aggregate, shall not cause the balance of the Expense Reserve Account to fall below zero.

(xii) Collection Account

The Issuer shall procure that the following amounts are credited to the Collection Account:

(A) on the Issue Date, the net proceeds of issue of the Notes; and

(B) all amounts received in respect of any Collateral (other than as otherwise provided in Condition 3(j)(v) (*Counterparty Downgrade Collateral Accounts*)).

The Issuer shall procure payment of the following amounts (and shall ensure that payment of no other amount is made, save to the extent otherwise permitted above) out of the Collection Account:

(1) on or about the Issue Date:

(a) in payment of amounts due or accrued with respect to action taken on or in connection with the Issue Date with respect to the issue of Notes, the entry into the Transaction Documents and the termination of the Warehouse Arrangements;

(b) amounts payable into the Expense Reserve Account;

(c) to repay the relevant lenders under the Warehouse Arrangements in respect of the funding provided by them to finance the purchase of Collateral Debt Obligations prior to the Issue Date (including an amount equal to the accrued interest due from the Issuer to the Warehouse Provider in accordance with the Warehouse Arrangements);

(d) to pay to the Collateral Manager certain fees and expenses pursuant to Warehouse Arrangements;

(e) to pay all other amounts due under the Warehouse Arrangements;

(f) amounts payable into the First Period Reserve Account; and

(g) any remaining amounts to the Unused Proceeds Account; and

(2) subject to the prior payment of all amounts pursuant to paragraph (1) above, in transfer to the other Accounts as required in accordance with Condition 3(i) (*Accounts*) on a daily basis, such that the balance standing to the credit of the Collection Account at the end of each Business Day is zero.

(xiii) First Period Reserve Account

The Issuer shall direct the Account Bank to deposit €2,400,000 in the First Period Reserve Account on the Issue Date. At any time prior to the Determination Date related to the first Payment Date at the discretion of the Collateral Manager, the funds in the First Period Reserve Account may be transferred to the Unused Proceeds Account. On the Determination Date relating to the first Payment Date all of the funds in the First Period Reserve Account shall be transferred to the Interest Account for distribution on the first Payment Date.

(xiv) Contribution Account

At any time during or after the Reinvestment Period, any Contributor may make a Contribution to the Issuer. The Collateral Manager, on behalf of the Issuer, may accept or reject any Contribution in its reasonable discretion and will notify the Trustee of any such acceptance; provided that in the case of paragraph (ii) of the definition of "Contribution", such notice must be provided no later than two (2) Business Days prior to the applicable Payment Date. Each accepted Contribution will be credited to the Contribution Account.

The Issuer shall procure payment of Contributions standing to the credit of the Contribution Account (and shall ensure that payment of no other amount is made, save to the extent otherwise permitted above) out of the Contribution Account as directed by the Contributor at the time the relevant Contribution is made or, if no direction is given by the Contributor, at the Collateral manager's reasonable discretion, as follows:

(1) at any time, to the Principal Account for distribution on the next following Payment Date in accordance with the Priorities of Payment;

(2) at any time, at the direction of the Issuer (or the Collateral Manager acting on its behalf), to the Interest Account for distribution in accordance with the Priorities of Payment;

(3) at any time, in the acquisition of, or in respect of any exercise of any option or warrant comprised in, Collateral Enhancement Obligations, in accordance with the terms of the Collateral Management Agreement;

(4) at any time, at the direction of the Issuer (or the Collateral Manager acting on its behalf), to purchase any Rated Notes in accordance with Condition 7(k) (*Purchase*);

(5) 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, or to the purchase of additional Collateral Debt Obligations until an Effective Date Rating Event is no longer continuing; and

(6) the Balance standing to the credit of the Contribution Account to the Payment Account for distribution on such Payment Date in accordance with the Principal Proceeds Priority of Payments or the Post-Acceleration Priority of Payments (as applicable): (i) at the direction of the Collateral Manager at any time prior to an Event of Default; or (ii) automatically upon an acceleration of the Notes in accordance with Condition 10(b) (*Acceleration*).

No Contribution or portion thereof will be returned to the Contributor at any time (other than in accordance with the Priorities of Payment). All interest accrued on amounts standing to the credit of the Contribution Account will be transferred to the Interest Account for application as Interest Proceeds. For the avoidance of doubt, any amounts standing to the credit of the Contribution Account pursuant to clause (ii) of the definition of "Contribution" will be deemed for all purposes as having been paid to the Contributor pursuant to the Priorities of Payment.

(k) Collateral Manager Advances

To the extent that there are insufficient sums standing to the credit of the Collateral Enhancement Account from time to time to purchase or exercise rights under Collateral Enhancement Obligations which the 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 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. The aggregate amount outstanding of all Collateral Manager Advances shall not, at any time, exceed €10,000,000 or such greater number as the Subordinated Noteholders may approve, acting by way of an Ordinary Resolution.

(l) Unscheduled Payment Dates

The Issuer and the Collateral Manager may (and must if so directed by the Subordinated Noteholders acting by Ordinary Resolution) designate a date (other than a scheduled Payment Date and a Redemption Date) as a Payment Date (each an "**unscheduled Payment Date**") if the following conditions are met:

(i) the proposed unscheduled Payment Date is a Business Day falling after the date upon which the Rated Notes have been repaid or redeemed in full;

(ii) the unscheduled Payment Date falls no less than 5 Business Days after the Collateral Manager (on behalf of the Issuer) has notified the Collateral Administrator, the Principal Paying Agent and the Noteholders of the intended date of the unscheduled payment;

(iii) the proposed unscheduled Payment Date falls more than 5 Business Days prior to a scheduled Payment Date; and

(iv) the proposed unscheduled Payment Date falls no less than 5 Business Days after any previous scheduled or unscheduled Payment Date.

4. Security

(a) Security

Pursuant to the Trust Deed, the obligations of the Issuer under the Notes of each Class, the Trust Deed, the Agency Agreement and the Collateral Management Agreement (together with the obligations owed by the Issuer to the other Secured Parties) are secured in favour of the Trustee for the benefit of the Secured Parties by:

(i) an assignment by way of security of all the Issuer's present and future rights, title and interest (and all entitlements or other benefits relating thereto) in respect of all Collateral Debt Obligations, Exchanged Securities, Collateral Enhancement Obligations, Eligible Investments standing to the credit of each of the Accounts (other than Counterparty Downgrade Collateral Accounts) and any other investments (other than the Counterparty Downgrade Collateral), in each case held by the Issuer from time to time (where such rights are contractual rights (other than contractual rights the assignment of which would require the consent of a third party or the entry by the Trustee into an intercreditor agreement or deed) and where such contractual rights arise other than under securities), including, without limitation, all moneys received in respect thereof, all dividends and distributions paid or payable thereon, all property paid, distributed, accruing or offered at any time on, to or in respect of or in substitution therefor and the proceeds of sale, repayment and redemption thereof;

(ii) a first fixed charge and first priority security interest granted over all the Issuer's present and future rights, title and interest (and all entitlements or other benefits relating thereto) in respect of all Collateral Debt Obligations, Exchanged Securities, Collateral Enhancement Obligations, Eligible Investments standing to the credit of each of the Accounts (other than the Counterparty Downgrade Collateral Accounts) and any other investments (other than Counterparty Downgrade Collateral), in each case held by the Issuer (where such assets are securities or contractual rights not assigned by way of security pursuant to paragraph (i) above and which are capable of being the subject of a first fixed charge and first priority security interest), including, without limitation, all moneys received in respect thereof, all dividends and distributions paid or payable thereon, all property paid, distributed, accruing or offered at any time on, to or in respect of or in substitution therefor and the proceeds of sale, repayment and redemption thereof;

(iii) a first fixed charge over all present and future rights of the Issuer in respect of each of the Accounts (other than the Counterparty Downgrade Collateral Accounts) and all moneys from time to time standing to the credit of such Accounts (other than the Counterparty Downgrade Collateral Accounts) and the debts represented thereby and including, without limitation, all interest accrued and other moneys received in respect thereof;

(iv) a first fixed charge and first priority security interest (where the applicable assets are securities) over, or an assignment by way of security (where the applicable rights are contractual obligations) of, all present and future rights of the Issuer in respect of any Counterparty Downgrade Collateral standing to the credit of the Counterparty Downgrade Collateral Accounts; including, without limitation, all moneys received in respect thereof, all dividends and distributions paid or payable thereon, all property paid, distributed, accruing or offered at any time on, to or in respect of or in substitution therefor and the proceeds of sale, repayment and redemption thereof and over the Counterparty Downgrade Collateral Accounts and all moneys from time to time standing to the credit of the Counterparty Downgrade Collateral Accounts and the debts represented thereby, subject, in each case, to the rights of any Hedge Counterparty to Counterparty Downgrade Collateral and in respect of the Counterparty Downgrade Collateral Account pursuant to the terms of the relevant Hedge Agreement and Condition 3(j)(v) (*Counterparty Downgrade Collateral Accounts*) and any first priority security interest granted by the Issuer to the relevant Hedge Counterparty in relation thereto;

(v) an assignment by way of security of all the Issuer's present and future rights against the Custodian under the Agency Agreement (to the extent it relates to the Custody Account) and a first fixed charge over all of the Issuer's right, title and interest in and to the Custody Account (including each cash account relating to the Custody Account) and any cash held therein and the debts represented thereby;

(vi) an assignment by way of security of all the Issuer's present and future rights under each Hedge Agreement and each Hedge Transaction entered into thereunder (including the Issuer's rights under any guarantee or credit support annex entered into pursuant to any Hedge Agreement, provided that such assignment by way of security is without prejudice to, and after giving effect to, any contractual netting or set-off provision under the relevant Hedge Agreement and shall not in any way restrict the release of collateral granted thereunder in whole or in part at any time pursuant to the terms thereof);

(vii) an assignment by way of security of all the Issuer's present and future rights under the Collateral Management Agreement and all sums derived therefrom;

(viii) a first fixed charge over all moneys held from time to time by the Principal Paying Agent and any other Agent for payment of principal, interest or other amounts on the Notes (if any);

(ix) an assignment by way of security of all the Issuer's present and future rights under the Agency Agreement and the Placement Agency Agreement and all sums derived therefrom;

(x) an assignment by way of security of all the Issuer's present and future rights under any Collateral Acquisition Agreements and all sums derived therefrom;

(xi) an assignment by way of security of all of the Issuer's present and future rights under any other Transaction Document and all sums derived therefrom; and

(xii) a floating charge over the whole of the Issuer's undertaking and assets to the extent that such undertaking and assets are not subject to any other security created pursuant to the Trust Deed,

excluding for the purpose of (i) to (xii) (inclusive) above, all of the Issuer's rights in respect of the Irish Excluded Assets.

The security created pursuant to paragraphs (i) to (xii) (inclusive) above is granted to the Trustee for itself and as trustee for the other Secured Parties as continuing security for the payment of the Secured Obligations provided that the security granted by the Issuer over any collateral provided to the Issuer pursuant to a Hedge Agreement will only be available to the Secured Parties (other than with respect to the collateral provided to the relevant Hedge Counterparty pursuant to such Hedge Agreement and Condition 3(j)(v) (*Counterparty Downgrade Collateral Accounts*)) when such collateral is expressed to be available to the Issuer in accordance with the applicable Hedge Agreement and the Conditions and (if a title transfer arrangement) to the extent that no equivalent amount is owed to the relevant Hedge Counterparty pursuant to the relevant Hedge Agreement and/or Condition 3(j)(v) (*Counterparty Downgrade Collateral Accounts*). The security will extend to the ultimate balance of all sums payable by the Issuer in respect of the above, regardless of any intermediate payment or discharge in whole or in part.

If, for any reason, the purported assignment by way of security of, and/or the grant of first fixed charge over, the property, assets, rights and/or benefits described above is found to be ineffective in respect of any such property, assets, rights and/or benefits (together, the "**Affected Collateral**"), the Issuer shall hold to the fullest extent permitted under Irish 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 Agreement, if no Event of Default has occurred and is continuing, the Issuer shall be entitled to apply the benefit of such Trust Collateral and such sums in respect of such Trust Collateral received by it and held on trust under this paragraph without prior direction from the Trustee), (ii) exercise any rights it may have in respect of

the Trust Collateral at the direction of the Trustee and (iii) at its own cost take such action and execute such documents as the Trustee may in its sole discretion require.

The Issuer may from time to time grant security:

(A) by way of a first priority security interest to a Hedge Counterparty over the relevant Counterparty Downgrade Collateral Account and any Counterparty Downgrade Collateral deposited by such Hedge Counterparty in the relevant Counterparty Downgrade Collateral Account as security for the Issuer's obligations to repay or return the Counterparty Downgrade Collateral and to make any termination payments due to the relevant Hedge Counterparty in each case pursuant to the terms of the applicable Hedge Agreement (subject to such security documentation as may be agreed between such third party, the Collateral Manager acting on behalf of the Issuer and the Trustee) and Condition 3(j)(v) (*Counterparty Downgrade Collateral Accounts*); and/or

(B) by way of first priority security interest over amounts representing all or part of the Unfunded Amount of any Revolving Obligation or Delayed Drawdown Collateral Debt Obligation and deposited in its name with a third party as security for any reimbursement or indemnification obligation of the Issuer owed to any other lender under such Revolving Obligation or Delayed Drawdown Collateral Debt Obligation, subject to the terms of Condition 3(j)(vii) (*The Unfunded Revolver Reserve Account*) (including Rating Agency Confirmation),

in each case, excluding all of the Issuer's rights in respect of the Irish Excluded Assets.

All deeds, documents, assignments, instruments, bonds, notes, negotiable instruments, papers and any other instruments comprising, evidencing, representing and/or transferring the Portfolio will be deposited with or held by or on behalf of the Custodian until the security over such obligations is irrevocably discharged in accordance with the provisions of the Trust Deed. In the event that the ratings of the Custodian are downgraded to below the Rating Requirement or withdrawn, the Issuer shall use reasonable endeavours to procure that a replacement Custodian with the Rating Requirement is appointed in accordance with the provisions of the Agency Agreement.

Pursuant to the terms of the Trust Deed, the Trustee is exempted from any liability in respect of any loss or theft or reduction in value of the Collateral, from any obligation to insure the Collateral and from any claim arising from the fact that the Collateral is held in a clearing system or in safe custody by the Custodian, a bank or other custodian. The Trustee has no responsibility for ensuring that the Custodian satisfies the Rating Requirement applicable to it or, in the event of its failure to satisfy such Rating Requirement, to procure the appointment of a replacement custodian. The Trustee has no responsibility for the management of the Portfolio by the Collateral Manager or to supervise the administration of the Portfolio by the Collateral Administrator or by any other party and is entitled to rely on the certificates or notices of any relevant party without further enquiry. The Trust Deed also provides that the Trustee shall accept without investigation, requisition or objection such right, benefit, title and interest, if any, as the Issuer may have in and to any of the Collateral and is not bound to make any investigation into the same or into the Collateral in any respect.

(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

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 and Condition 3(j) (*Payments to and from the Accounts*). Notwithstanding anything to the contrary in these Conditions or any other Transaction Document, if the net proceeds of realisation of the security constituted by the Trust Deed, upon enforcement thereof in accordance with Condition 11 (*Enforcement*) and the provisions of the Trust Deed, 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, debts and liabilities of the Issuer in respect of the Notes of each Class and its obligations, debts and liabilities to the other Secured Parties in such circumstances will be limited to such net proceeds, which shall be applied in accordance with the Priorities of Payment. In such circumstances, the other assets (including the Irish Excluded Assets) of the Issuer will not be available for payment of such shortfall which shall be borne by the Noteholders and the other Secured Parties in accordance with the Priorities of Payment (applied in reverse order). The rights of the Secured Parties to receive any further amounts in respect of such obligations, debts and liabilities shall be extinguished and none of the Noteholders of each Class or the other Secured Parties may take any further action to recover such amounts. None of the Noteholders of any Class, the Trustee or the other Secured Parties (nor any other person acting on behalf of any of them) shall be entitled at any time to institute against the Issuer, or join in any institution against the Issuer of, any bankruptcy, reorganisation, arrangement, examinership, insolvency, winding up or liquidation proceedings, proceedings for the appointment of a liquidator, examiner, administrator or similar official or other proceedings under any applicable bankruptcy or similar law in connection with any obligations, debts and liabilities 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 or judgment 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, agent, employee 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 Placement Agent, the Collateral Manager, the Retention Holder and any Agent has any obligation to any Noteholder of any Class for payment of any amount by the Issuer in respect of the Notes of any Class.

(d) Acquisition and Sale of Portfolio

Prior to the Issue Date, the Issuer acquired certain Collateral Debt Obligations pursuant to the Warehouse Arrangements. The 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 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 Agreement, with respect to the Portfolio include (amongst others) the use of reasonable endeavours to:

(i) purchase Collateral Debt Obligations on or prior to the Issue Date and during the Initial Investment Period;

(ii) invest the amounts standing to the credit of the Accounts (other than the Counterparty Downgrade Collateral Accounts, the Unfunded Revolver Reserve Account, the Payment Account and the Collection Account) in Eligible Investments;

(iii) sell certain of the Collateral Debt Obligations and reinvest the Principal Proceeds received from such sale or from repayments on such Collateral Debt Obligations in Substitute Collateral Debt Obligations in accordance with the criteria set out in the Collateral Management Agreement; and

(iv) unless the Issuer has ceased to rely on Rule 3a-7 of the Investment Company Act, cause the Issuer to be exclusively engaged in (A) purchasing, holding and selling "eligible assets" as defined in Rule 3a-7 of the Investment Company Act and (B) activities related to or incidental to investment in such eligible assets.

The Collateral Manager is required to monitor the Collateral Debt Obligations with a view to seeking to determine whether any Collateral Debt Obligation has converted into, or been exchanged for, an Exchanged Security or Defaulted Obligation, provided that, if it fails to do so, it will not have any liability to the Issuer except by reason of acts constituting bad faith, wilful misconduct, gross

negligence (construed in accordance with New York law) or reckless disregard in the performance of its obligations. No Noteholder shall have any recourse against any of the Issuer, the Collateral Manager, the Retention Holder, the Collateral Administrator, the Custodian, the Principal Paying Agent, the Registrar or the Trustee for any loss suffered as a result of such failure.

Under the Collateral Management Agreement, the Retention Holder, the holders of the Subordinated Notes and 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) 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 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, subject to and in accordance with the management criteria set out in the Collateral Management Agreement.

(f) Information Regarding the Collateral

The Issuer shall procure that a copy of each Monthly Report, each Payment Date Report and the Effective Date Report is made available to each Noteholder of each Class (upon request in writing therefor in the form set out in the Agency Agreement certifying that it is such a Noteholder) and that copies of each such Report are made available to the Trustee, the Collateral Manager, the Placement Agent, each Hedge Counterparty and each Rating Agency in respect of each Payment Date Report, no later than the Business Day preceding the related Payment Date and within two Business Days of publication thereof in respect of each Monthly Report.

5. Covenants of and Restrictions on the Issuer

(a) Covenants of the Issuer

Unless otherwise provided and as more fully described in the Transaction Documents, the Issuer covenants to the Trustee on behalf of the holders of the Notes that, for so long as any Note remains Outstanding, the Issuer will:

(i) take such steps as are reasonable to enforce all its rights:

(A) under the Trust Deed;

(B) in respect of the Collateral;

(C) under the Agency Agreement;

(D) under the Collateral Management Agreement;

(E) under the Corporate Services Agreement;

(F) under any Collateral Acquisition Agreements;

(G) under the Risk Retention Letter;

(H) under any Hedge Agreements; and

(I) any other Transaction Documents;

(ii) comply with its obligations under the Notes, the Trust Deed, the Agency Agreement, the Collateral Management Agreement and each other Transaction Document to which it is a party;

(iii) keep proper books of account;

(iv) at all times maintain its tax residence outside the United Kingdom and the United States and will not establish a branch, agency (and in this regard no account shall be taken of the activities which the Collateral Manager and the Collateral Administrator carries out on behalf of the Issuer pursuant to the Collateral Management Agreement irrespective of whether such activities constitute a permanent establishment or not, and for this purpose "permanent establishment" shall be construed pursuant to Section 1141 of the Corporation Tax Act 2010) or place of business (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;

(v) pay its debts generally as they fall due;

(vi) do all such things as are necessary to maintain its corporate existence;

(vii) use its best endeavours to obtain and maintain the listing on the Main Securities Market of the Irish Stock Exchange of the outstanding Notes of each Class. If, however, it is unable to do so, having used such endeavours, or if the maintenance of such listings are agreed by the Trustee to be unduly onerous and the Trustee is satisfied that the interests of the holders of the Outstanding Notes of each Class would not thereby be materially prejudiced, the Issuer will instead use all reasonable endeavours promptly to obtain and thereafter to maintain a listing for such Notes on such other stock exchange(s) as it may (with the approval of the Trustee) decide;

(viii) supply such information to the Rating Agencies as they may reasonably request;

(ix) ensure that its "centre of main interests" (as that term is referred to in Article 3(1) of Council Regulation (EC) No. 1346/2000 on Insolvency Proceedings) and its tax residence is and remains at all times in Ireland;

(x) ensure an agent is appointed to assist in creating and maintaining the Issuer's website to enable the Rating Agencies to comply with Rule 17g-5;

(xi) act as an entity that issues notes to investors and uses the majority of the proceeds to purchase interests in loans from one or more other lenders within the meaning of the 2012 ECB guidance to Regulation (EC) No. 24/2009 of the European Central Bank of 19 December 2008 (which may include where such purchase is effected by way of novation);

(xii) maintain its central management and control and its place of effective management only in Ireland and in particular shall not be treated under any of the double taxation treaties entered into by Ireland as being resident in any other jurisdiction;

(xiii) 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; and

(xiv) ensure that its tax residence is and remains at all times in Ireland.

(b) Restrictions on the Issuer

As more fully described in the Trust Deed, for so long as any of the Notes remain Outstanding, save as contemplated in the Transaction Documents, the Issuer covenants to the holders of such Outstanding Notes that (to the extent applicable) it will not, without the prior written consent of the Trustee (and in the case of paragraph (vii) below only, subject to Rating Agency Confirmation from Moody's):

(i) sell, factor, discount, transfer, assign, lend or otherwise dispose of any of its right, title or interest in or to the Collateral, other than in accordance with the Collateral Management Agreement, nor will it create or permit to be outstanding any mortgage, pledge, lien, charge, encumbrance or other security interest over the Collateral except in accordance with the Trust Deed, these Conditions or the Transaction Documents;

(ii) sell, factor, discount, transfer, assign, lend or otherwise dispose of, nor create or permit to be outstanding any mortgage, pledge, lien, charge, encumbrance or other security interest over, any of its other property or assets or any part thereof or interest therein other than in accordance with the Trust Deed, a Hedge Agreement, these Conditions or the Transaction Documents;

(iii) for so long as the Issuer relies on Rule 3a-7, except as expressly permitted by the Transaction Documents, engage in activities other than purchasing, holding and selling Eligible Assets and activities related to or incidental to investment in such Eligible Assets;

(iv) engage in any business other than:

(A) acquiring and holding any property, assets or rights that are capable of being effectively charged in favour of the Trustee or that are capable of being held on trust by the Issuer in favour of the Trustee under the Trust Deed;

(B) issuing and performing its obligations under the Notes;

(C) entering into, exercising its rights and performing its obligations under or enforcing its rights under the Trust Deed, the Agency Agreement, the Collateral Management 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;

(v) amend any term or Condition of the Notes of any Class (save in accordance with these Conditions and the Trust Deed);

(vi) agree to any amendment to any provision of, or grant any waiver or consent under the Trust Deed, the Agency Agreement, the Collateral Management 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 respect of each Transaction Document, the terms thereof);

(vii) 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 Agreement;

(viii) amend its Constitution;

(ix) have any subsidiaries or establish any offices, branches or other "establishment" (as that term is used in Article 2(h) of Council Regulation (EC) No. 1346/2000 on Insolvency Proceedings) outside of Ireland;

(x) have any employees (for the avoidance of doubt the Directors of the Issuer do not constitute employees);

(xi) enter into any reconstruction, amalgamation, merger or consolidation;

(xii) 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;

(xiii) issue any shares (other than such share as is in issue as at the Issue Date) nor redeem or purchase any of its issued share capital;

(xiv) enter into any material agreement or contract with any Person (other than an agreement on customary market terms which for the avoidance of doubt will include agreements to buy and sell obligations and documentation relating to restructurings (including steering committee indemnity letters), which terms do not contain the provisions below) unless such contract or agreement contains "limited recourse" and "non-petition" provisions and such Person agrees that it 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;

(xv) otherwise than as contemplated in the Transaction Documents, release from or terminate the appointment of the Custodian or the Account Bank under the Agency Agreement, the Collateral Manager or the Collateral Administrator under the Collateral Management Agreement (including, in each case, any transactions entered into thereunder) or, in each case, from any executory obligation thereunder;

(xvi) enter into any lease in respect of, or own, premises;

(xvii) comingle its assets with those of any other Person or entity; or

(xviii) act as an entity that issues notes to investors and uses any of the proceeds to grant new loans for its own account, within the meaning of the 2012 ECB guidance to Regulation (EC) No. 24/2009 of the European Central Bank of 19 December 2008 (provided that the acquisition of an interest in a loan by way of novation shall not constitute a new loan for the purposes of this restriction).

(c) Additional covenants of the Issuer

For so long as any of the Notes remain Outstanding, the Issuer covenants to the Trustee on behalf of the holders of such Outstanding Notes that (to the extent applicable) it will not, unless and until the Issuer elects (which election may be made only upon confirmation from the Collateral Manager that it has obtained legal advice from reputable international legal counsel knowledgeable in such matters to the effect that to do so would not result in the Issuer being construed as a "covered fund" in relation to any holder of Outstanding Notes for the purposes of the Volcker Rule) to rely solely on the exemption under Section 3(c)(7) under the Investment Company Act of 1940, acquire or dispose of any item of Collateral or other "eligible asset" (as defined in Rule 3a-7 under the Investment Company Act) for the primary purpose of recognising gains or decreasing losses resulting from market value changes and will otherwise comply with the Trading Requirements.

6. Interest

(a) Payment Dates

(i) Rated Notes

The Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes each bear interest from (and including) the Issue Date and such interest will be payable: (A) in the case of interest accrued during the initial Accrual Period, for the period from (and including) the Issue Date to (but excluding) the Payment Date falling in July 2017; (B) in respect of each six month Accrual Period, semi-annually; and (C) in respect of each three month Accrual Period, quarterly, in each case in arrear on each Payment Date.

(ii) Subordinated Notes

Interest shall be payable on the Subordinated Notes to the extent funds are available in accordance with paragraph (Z) of the Interest Proceeds Priority of Payments, paragraph (S) of the Principal Proceeds Priority of Payments paragraph (B) of the Collateral Enhancement Obligation Proceeds Priority of Payments, and paragraph (Z) of the Post-Acceleration Priority of Payments on each

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 the Subordinated Notes remains Outstanding at all times and any amounts which are to be applied in redemption of the Subordinated Notes pursuant hereto which are in excess of the Principal Amount Outstanding thereof minus €1, shall constitute interest payable in respect of the Subordinated Notes and shall not be applied in redemption of the Principal Amount Outstanding thereof, provided always however that such €1 principal shall no longer remain Outstanding and the Subordinated Notes shall be redeemed in full on the date on which all of the Collateral securing the Notes has been realised and is to be finally distributed to the Noteholders.

If the aggregate of income and gains earned by the Issuer during an accounting period exceeds the costs and expenses accrued for that period, such excess shall accrue as additional interest on the Subordinated Notes but shall only be payable on each Relevant Payment Date following payment in full of amounts payable pursuant to the Priorities of Payment.

(b) Interest Accrual

(i) Rated Notes

Each Rated Note will cease to bear interest from the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused. In such event, it shall continue to bear interest in accordance with this Condition 6 (*Interest*) (both before and after judgment) until whichever is the earlier of (A) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (B) the day following seven days after the Trustee or the Principal Paying Agent has notified the Noteholders of such Class of Notes in accordance with Condition 16 (*Notices*) of receipt of all sums due in respect of all the Notes of such Class up to that seventh day (except to the extent that there is failure in the subsequent payment, and including, to the relevant holders under these Conditions).

(ii) Subordinated Notes

Payments on the Subordinated Notes will cease to be payable in respect of each Subordinated Note upon the date that all of the Collateral has been realised and no Interest Proceeds or Principal Proceeds or, where applicable, other net proceeds of the security over the Collateral remain available for distribution in accordance with the Priorities of Payment.

(c) Deferral of Interest

(i) The Issuer shall, and shall only be obliged to, pay any Interest Amount payable in respect of the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes in full on any Payment Date, in each case, to the extent that there are Interest Proceeds or Principal Proceeds available for payment thereof in accordance with the Priorities of Payment.

(ii) In the case of the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes an amount of interest equal to any shortfall in payment of the Interest Amount which would, but for paragraph (i) above, otherwise be due and payable in respect of any of such Classes of Notes on any Payment Date in accordance with the Interest Proceeds Priority of Payments (each such amount being referred to as "**Deferred Interest**") will not be due and payable on such Payment Date, but will be added to the principal amount of the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes, as applicable, and thereafter will accrue interest at the rate of interest applicable to that Class of Notes, and the failure to pay such Deferred Interest to the holders of such Notes, as applicable, will not be an Event of Default until the Maturity Date or any earlier date of redemption in full of the Notes.

(d) Payment of Deferred Interest

Deferred Interest in respect of any Class C Note, Class D Note, Class E Note or Class F Note shall only become payable by the Issuer in accordance with the Priorities of Payment, to the extent that Interest Proceeds or Principal Proceeds, as applicable, 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 and/or Class D Notes and/or the Class E Notes and/or the Class F Notes, as applicable will be added to the principal amount of the Class C Notes and/or Class D Notes and/or the Class E Notes and/or the Class F Notes, as applicable. An amount equal to any such Deferred Interest so paid shall be subtracted from the principal amount of the Class C Notes and/or Class D Notes and/or Class E Notes and/or Class F Notes, as applicable.

(e) Interest on the Rated Notes

(i) Floating Rate of Interest

The rate of interest from time to time in respect of the Class A Notes (the "**Class A Floating Rate of Interest**"), in respect of the Class B Notes (the "**Class B Floating Rate of Interest**"), in respect of the Class C Notes (the "**Class C Floating Rate of Interest**"), in respect of the Class D Notes (the "**Class D Floating Rate of Interest**"), in respect of the Class E Notes (the "**Class E Floating Rate of Interest**") and in respect of the Class F Notes (the "**Class F Floating Rate of Interest**") (and each a "**Floating Rate of Interest**") will be determined by the Calculation Agent on the following basis:

(A) On each Interest Determination Date:

(1) in the case of the initial Accrual Period, the Calculation Agent will determine a straight line interpolation of the offered rate for 6 and 9 month Euro deposits;

(2) in the case of each Interest Determination Date other than the initial Interest Determination Date and prior to the occurrence of a Frequency Switch Event, the Calculation Agent will determine (i) the offered rate for six month Euro deposits; and (ii) the offered rate for three month Euro deposits; and

(3) in the case of each Interest Determination Date following the occurrence of a Frequency Switch Event, the Calculation Agent will determine the offered rate for six month Euro deposits,

in each case, as at 11.00 am (Brussels time) on the Interest Determination Date in question ("**EURIBOR**"). Such offered rate will be that which appears on the display designated on the Bloomberg Screen "**BTMM EU**" Page (or such other page or service as may replace it for the purpose of displaying EURIBOR rates). The Class A Floating Rate of Interest, the Class B Floating Rate of Interest, the Class C Floating Rate of Interest, the Class D Floating Rate of Interest, the Class E Floating Rate of Interest and the Class F Floating Rate of Interest for such Accrual Period shall be the aggregate of the Applicable Margin (as defined below) in respect of (i) the initial Accrual Period, the rate referred to in paragraph (1) above; (ii) each six month Accrual Period, the rate referred to in paragraph (2)(i) or paragraph (3) above (as applicable); and (iii) each three month Accrual Period, the rate referred to in paragraph (2)(ii), above, in each case as determined by the Calculation Agent.

(B) If the offered rate so appearing is replaced by the corresponding rates of more than one bank then paragraph (A) shall be applied, with any necessary consequential changes, to the arithmetic mean (rounded, if necessary, to the nearest one hundred thousandth of a percentage point (with 0.000005 being rounded upwards)) of the rates (being at least two) which so appear, as determined by the Calculation Agent. If for any other reason such offered rate does not so appear, or if the relevant page is unavailable, the Calculation Agent will request each of four major banks in the Euro zone interbank market (selected by the Collateral Manager on behalf of the Issuer, subject to Condition 6(e)(iii) (*Reference Banks and Calculation Agent*) acting in each case through its principal Euro zone office (the "**Reference Banks**") to provide the Calculation Agent with its offered quotation to leading banks for Euro deposits in the Euro zone interbank market:

(1) in the case of the initial Accrual Period, for a straight line interpolation of the offered quotation for six month and nine month Euro deposits;

(2) in respect of each Interest Determination Date other than the initial Interest Determination Date and prior to the occurrence of a Frequency Switch Event, for a period of (i) six months; and (ii) three months; and

(3) in respect of each Interest Determination Date following the occurrence of a Frequency Switch Event, for a period of six months,

in each case, as at 11.00 am (Brussels time) on the Interest Determination Date in question. The Class A Floating Rate of Interest, the Class B Floating Rate of Interest, the Class C Floating Rate of Interest, the Class D Floating Rate of Interest, the Class E Floating Rate of Interest and the Class F Floating Rate of Interest for such Accrual Period shall be the aggregate of the Applicable Margin (if any) and the arithmetic mean, in each case, (rounded, if necessary, to the nearest one hundred thousandth of a percentage point (with 0.000005 being rounded upwards)) of, in respect of (i) the initial Accrual Period; the quotations referred to in paragraph (1) above; (ii) each six month Accrual Period, the quotations referred to in paragraph (2)(i) or paragraph (3) above (as applicable); and (iii) each three month Accrual Period, the quotations referred to in paragraph (2)(ii) above (or of such quotations, being at least two, as are so provided), all as determined by the Calculation Agent.

(C) If on any Interest Determination Date one only or none of the Reference Banks provides such quotations, the Class A Floating Rate of Interest, the Class B Floating Rate of Interest, the Class C Floating Rate of Interest, the Class D Floating Rate of Interest, the Class E Floating Rate of Interest and the Class F Floating Rate of Interest, respectively, for the next Accrual Period shall be the Class A Floating Rate of Interest, the Class B Floating Rate of Interest, the Class C Floating Rate of Interest, the Class D Floating Rate of Interest, the Class E Floating Rate of Interest and the Class F Floating Rate of Interest in each case in effect as at the immediately preceding Accrual Period; provided that in respect of any Accrual Period during which a Frequency Switch Event occurs, the Class A Floating Rate of Interest, the Class B Floating Rate of Interest, the Class C Floating Rate of Interest, the Class D Floating Rate of Interest, the Class E Floating Rate of Interest and the Class F Floating Rate of Interest, shall be calculated using the offered rate for six month Euro deposits using the rate available as at the previous Interest Determination Date.

(D) Where:

"**Applicable Margin**" means:

(1) in the case of the Class A Notes: 0.98 per cent. per annum (the "**Class A Margin**");

(2) in the case of the Class B Notes: 1.60 per cent. per annum (the "**Class B Margin**");

(3) in the case of the Class C Notes: 2.40 per cent. per annum (the "**Class C Margin**");

(4) in the case of the Class D Notes: 3.60 per cent. per annum (the "**Class D Margin**");

(5) in the case of the Class E Notes: 6.25 per cent. per annum (the "**Class E Margin**"); and

(6) in the case of the Class F Notes: 7.50 per cent. per annum (the "**Class F Margin**"),

notwithstanding paragraphs (A), (B) and (C) above, if, in relation to any Interest Determination Date, EURIBOR as determined in accordance with paragraphs (A), (B) and (C) above would yield a rate less than zero, such rate shall be deemed to be zero for the purposes of determining the Class A Floating Rate of Interest, the Class B Floating Rate of Interest, the Class C Floating Rate of Interest, the Class D Floating Rate of Interest, the Class E Floating Rate of Interest and the Class F Floating Rate of Interest pursuant to this Condition 6(e)(i) (*Floating Rate of Interest*).

(ii) Determination of Floating Rate of Interest and Calculation of Interest Amount

In respect of each Accrual Period, the Calculation Agent will, as soon as practicable (and in any event (i) for each Accrual Period following the occurrence of a Frequency Switch Event, not later than the Business Day following the relevant Interest Determination Date; and (ii) for each Accrual Period prior to the occurrence of a Frequency Switch Event and for any Accrual Period during which a Frequency Switch Event occurs, not later than the Determination Date immediately preceding the relevant Payment Date), determine the Class A Floating Rate of Interest, the Class B Floating Rate of Interest, the Class C Floating Rate of Interest, the Class D Floating Rate of Interest, the Class E Floating Rate of Interest and the Class F Floating Rate of Interest and calculate the interest amount payable in respect of original principal amounts of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes equal to the Authorised Integral Amount applicable thereto for the relevant Accrual Period. The amount of interest (an "**Interest Amount**") payable in respect of each Authorised Integral Amount applicable to any such Notes shall be calculated by applying the Class A Floating Rate of Interest in the case of the Class A Notes, the Class B Floating Rate of Interest in the case of the Class B Notes, the Class C Floating Rate of Interest in the case of the Class C Notes, the Class D Floating Rate of Interest in the case of the Class D Notes, the Class E Floating Rate of Interest in the case of the Class E Notes, and the Class F Floating Rate of Interest in the case of the Class F Notes, respectively, to an amount equal to the Principal Amount Outstanding in respect of such Authorised Integral Amount, multiplying the product by the actual number of days in the Accrual Period concerned, divided by 360 and rounding the resultant figure to the nearest €0.01 (€0.005 being rounded upwards).

(iii) Reference Banks and Calculation Agent

The Issuer will procure that, so long as any Class A Note, Class B Note, Class C Note, Class D Note, Class E Note or Class F Note remains Outstanding:

(A) a Calculation Agent shall be appointed and maintained for the purposes of determining the interest rate and interest amount payable in respect of the Notes; and

(B) in the event that the Class A Floating Rate of Interest, the Class B Floating Rate of Interest, the Class C Floating Rate of Interest, the Class D Floating Rate of Interest, the Class E Floating Rate of Interest and the Class F Floating Rate of Interest are to be calculated by Reference Banks pursuant to paragraph (B) of Condition 6(e)(i) (*Floating Rate of Interest*), that the number of Reference Banks required pursuant to such paragraph (B) are appointed.

If the Calculation Agent is unable or unwilling to continue to act as the Calculation Agent for the purpose of calculating interest hereunder or fails duly to establish any Floating Rate of Interest for any Accrual Period, or to calculate the Interest Amount on any Class of Rated Notes, the Issuer shall (with the prior approval of the Trustee) appoint some other leading bank to act as such in its place. The Calculation Agent may not resign its duties without a successor having been so appointed.

(f) Proceeds in respect of Subordinated Notes

Solely in respect of Subordinated Notes, the Calculation Agent will on each Determination Date calculate the 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 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 proceeds to be applied on the Subordinated Notes on the applicable Payment Date pursuant to paragraph (Z) of the Interest Proceeds Priority of Payments, paragraph (S) of the Principal Proceeds Priority of Payments paragraph (B) of the Collateral Enhancement Obligation Proceeds Priority of Payments and paragraph (Z) of the Post-Acceleration Priority of Payments by fractions equal to the amount of such Authorised Integral Amount, as applicable, divided by the aggregate original principal amount of the Subordinated Notes.

(g) Publication of Rates of Interest, Interest Amounts and Deferred Interest

The Calculation Agent will (at the cost of the Issuer) cause the Class A Floating Rate of Interest, the Class B Floating Rate of Interest, the Class C Floating Rate of Interest, the Class D Floating Rate of Interest, the Class E Floating Rate of Interest and the Class F Floating Rate of Interest and the Interest Amounts payable in respect of each Class of Rated Notes, the amount of any Deferred Interest due but not paid on any Class C Notes, Class D Notes, Class E Notes or Class F Notes for each Accrual Period and Payment Date and the Principal Amount Outstanding of each Class of Notes as of the applicable Payment Date to be notified to the Registrar, the Principal Paying Agent, the Transfer Agent, the Trustee and the 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 (and, following receipt of notice thereof from the Collateral Manager, the occurrence of a Frequency Switch Event) to be notified to the Noteholders of each Class in accordance with Condition 16 (*Notices*) as soon as possible following notification to the Principal Paying Agent but in no event later than the third Business Day after such notification. The Interest Amounts in respect of the Notes or the Payment Date in respect of any Class of Notes so published may subsequently be amended (or appropriate alternative arrangements made with the consent of the Trustee by way of adjustment) without notice in the event of an extension or shortening of the Accrual Period. If any of the Notes become due and payable under Condition 10 (*Events of Default*), interest shall nevertheless continue to be calculated as previously by the Calculation Agent in accordance with this Condition 6 (*Interest*) but no publication of the applicable Interest Amounts shall be made unless the Trustee so determines.

(h) Determination or Calculation by Trustee

If the Calculation Agent does not at any time for any reason so calculate the Class A Floating Rate of Interest, the Class B Floating Rate of Interest, the Class C Floating Rate of Interest, the Class D Floating Rate of Interest, the Class E Floating Rate of Interest or the Class F Floating Rate of Interest for an Accrual Period, the Trustee (or a person appointed by it for the purpose) shall do so and such determination or calculation shall be deemed to have been made by the Calculation Agent and shall be binding on the Noteholders. In doing so, the Trustee, or such person appointed by it, shall apply the foregoing provisions of this Condition 6 (*Interest*), with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and in all other respects it shall do so in such manner as it shall deem fair and reasonable in all the circumstances and reliance on such persons as it has appointed for such purpose. The Trustee shall have no liability to any person in connection with any determination or calculation (including with regard to the timelines thereof) it is required to make pursuant to this Condition 6(h) (*Determination or Calculation by Trustee*).

(i) Notifications, etc. to be Final

All notifications, opinions, determinations, certificates, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 6 (*Interest*), whether by the Reference Banks (or any of them), the Calculation Agent or the Trustee, will (in the absence of manifest error) be binding on the Issuer, the Reference Banks, the Calculation Agent, the Trustee, the Registrar, the Principal Paying Agent, the Transfer Agent and all Noteholders and (in the absence as referred to above) no liability to the Issuer or the Noteholders of any Class shall attach to the Reference Banks, the Calculation Agent or the Trustee in connection with the exercise or non-exercise by them of their powers, duties and discretions under this Condition 6(i) (*Notifications, etc. to be Final*).

7. Redemption and Purchase

(a) Final Redemption

Save to the extent previously redeemed in full and cancelled, the Notes of each Class will be redeemed on the Maturity Date of such Notes. In the case of a redemption pursuant to this Condition 7(a) (*Final Redemption*), the Rated Notes will be redeemed at their Redemption Price in accordance with the Note Payment Sequence and the Subordinated Notes will be redeemed at the amount equal to their share of the amounts of Principal Proceeds to be applied towards such redemption pursuant to paragraph (S) of the Principal Proceeds Priority of Payments. Notes may not be redeemed other than in accordance with this Condition 7 (*Redemption and Purchase*).

(b) Optional Redemption

(i) Optional Redemption in Whole – Subordinated Noteholders

Subject to the provisions of Condition 7(b)(iv) (*Terms and Conditions of an Optional Redemption*), Condition 7(b)(v) (*Optional Redemption effected in whole or in part through Refinancing*) and Condition 7(b)(vi) (*Optional Redemption effected through Liquidation only*), the Rated Notes may be redeemed in whole but not in part by the Issuer at the applicable Redemption Prices, from Sale Proceeds or any Refinancing Proceeds (or a combination thereof):

(A) on any Business Day falling on or after expiry of the Non-Call Period at the option of the Subordinated Noteholders acting by Ordinary Resolution (as evidenced by duly completed Redemption Notices); or

(B) upon the occurrence of a Collateral Tax Event, on any Business Day falling after such occurrence at the direction of the Subordinated Noteholders acting by Ordinary Resolution (as evidenced by duly completed Redemption Notices).

(ii) Optional Redemption in Part – Subordinated Noteholders or Collateral Manager

Subject to the provisions of Condition 7(b)(iv) (*Terms and Conditions of an Optional Redemption*) and Condition 7(b)(v) (*Optional Redemption effected in whole or in part through Refinancing*), the Rated Notes of any Class may be redeemed by the Issuer at the applicable Redemption Prices, solely from Refinancing Proceeds (in accordance with Condition 7(b)(v) (*Optional Redemption effected in whole or in part through Refinancing*) below) on any Business Day falling on or after expiry of the Non-Call Period at the direction of either (x) the Subordinated Noteholders acting by Ordinary Resolution (as evidenced by duly completed Redemption Notices), or (y) at the written direction of the Collateral Manager. No such Optional Redemption may occur unless any Class of Rated Notes to be redeemed represents the entire Class of such Rated Notes.

(iii) Optional Redemption in Whole – Collateral Manager

Subject to the provisions of Condition 7(b)(iv) (*Terms and Conditions of an Optional Redemption*) and Condition 7(b)(vi) (*Optional Redemption effected through Liquidation only*), the Rated Notes may be redeemed in whole but not in part by the Issuer, at the applicable Redemption Prices, from Sale Proceeds 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 Collateral Balance is less than 20 per cent. of the Target Par Amount and if directed in writing by the Collateral Manager.

(iv) Terms and Conditions of an Optional Redemption

In connection with any Optional Redemption:

(A) the Issuer shall procure that at least 30 days' prior written notice of such Optional Redemption (but stating that such redemption is subject to satisfaction of the conditions set out in this Condition 7 (*Redemption and Purchase*), including the applicable Redemption Date, and the relevant Redemption Price therefor, is given to the Trustee, the Collateral Administrator, each Hedge Counterparty and the Noteholders in accordance with Condition 16 (*Notices*));

(B) the Rated Notes to be redeemed shall be redeemed at their applicable Redemption Prices (subject, in the case of an Optional Redemption of the Rated Notes in whole, to the right of holders of 100 per cent. of the aggregate Principal Amount Outstanding of any Class of Rated Notes to elect to receive less than 100 per cent. of the Redemption Price that would otherwise be payable to the holders of such Class of Rated Notes). Such right shall be exercised by delivery by each holder of the relevant Class of Rated Notes of a written direction confirming such holder's election to receive less than 100 per cent. of the Redemption Price that would otherwise be payable to it, together with evidence of their holding to the Issuer, the Trustee and the Collateral Manager no later than 20 days (or such shorter period of time as may be agreed by the Trustee and the Collateral Manager, acting reasonably) prior to the relevant Redemption Date;

(C) any such redemption must comply with the procedures set out in Condition 7(b)(vii) (*Mechanics of Redemption*); and

(D) any redemption in part of the Notes pursuant to Condition 7(b)(ii) (*Optional Redemption in Part – Subordinated Noteholders or Collateral Manager*) may be effected solely from Refinancing Proceeds in accordance with Condition 7(b)(v) (*Optional Redemption effected in whole or in part through Refinancing*) below.

(v) Optional Redemption effected in whole or in part through Refinancing

Following receipt of, or as the case may be, confirmation from the Registrar of receipt of (i) a direction in writing from the requisite percentage of Subordinated Noteholders; or (ii) a direction in writing from the Collateral Manager, as the case may be, to exercise any right of optional redemption pursuant Condition 7(b)(i) (*Optional Redemption in Whole – Subordinated Noteholders*) or Condition 7(b)(ii) (*Optional Redemption in Part – Subordinated Noteholders or Collateral Manager*), the Issuer may:

(A) in the case of a redemption in whole of all Classes of Rated Notes (1), enter into a loan (as borrower thereunder) with one or more financial institutions; or (2) issue replacement notes; and

(B) in the case of a redemption in part of the entire Class of a Class of Rated Notes, issue replacement notes (each, a "**Refinancing Obligation**"),

whose terms in each case will be negotiated by the Collateral Manager on behalf of the Issuer (any such refinancing, a "**Refinancing**"). The terms of any Refinancing and the identity of any financial institutions acting as lenders or purchasers thereunder are subject to the prior written consent of the Collateral Manager and, where such Refinancing is to be effected pursuant to Condition 7(b)(ii) (*Optional Redemption in Part – Subordinated Noteholders or Collateral Manager*), solely at the direction of the Subordinated Noteholders, 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 – Subordinated Noteholders or Collateral Manager*).

(A) Refinancing in relation to a Redemption in Whole

In the case of a Refinancing in relation to the redemption of the Rated Notes in whole but not in part pursuant to Condition 7(b)(i) (*Optional Redemption in Whole – Subordinated Noteholders*) as described above, such Refinancing will be effective only if:

(1) the Issuer provides prior written notice thereof to S&P and Moody's;

(2) all Principal Proceeds, Refinancing Proceeds, all Sale Proceeds, if any, from the sale of Collateral Debt Obligations and Eligible Investments, Exchanged Securities 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, Class E Notes and the Class F Notes) and all amounts payable in priority thereto 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, Principal Proceeds and all Sale Proceeds, if any, from the sale of Collateral Debt Obligations and Eligible Investments, are received by (or on behalf of) the Issuer prior to the applicable Redemption Date,

and in addition, where the Refinancing Obligations in relation to any such Refinancing are replacement notes:

(6) the aggregate principal amount of the Refinancing Obligations for each Class is equal to the aggregate Principal Amount Outstanding of such Class of Notes being redeemed with the Refinancing Proceeds;

(7) the maturity date of each class of Refinancing Obligation is the same as the Maturity Date of the Class or Classes of Notes being redeemed with the Refinancing Proceeds;

(8) the interest rate of any Refinancing Obligations will not be greater than the interest rate of the Rated Notes subject to such Optional Redemption;

(9) 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; and

(10) the voting rights, consent rights, redemption rights and all other rights of the Refinancing Obligations are the same as the rights of the corresponding Class of Rated Notes being redeemed,

in each case, as certified to the Issuer and the Trustee by the Collateral Manager.

(B) Refinancing in relation to a Redemption in Part

In the case of a Refinancing in relation to a redemption of the Rated Notes in part by Class (or by tranche as described above, in relation to the Class A Notes and/or the Class B Notes, as applicable) pursuant to Condition 7(b)(ii) (*Optional Redemption in Part – Subordinated Noteholders or Collateral Manager*), such Refinancing will be effective only if:

(1) the Issuer provides prior written notice thereof to S&P and Moody's;

(2) the Refinancing Obligations are in the form of notes;

(3) any redemption of a Class of Notes is a redemption of the entire Class (or tranche, as applicable) which is subject to the redemption;

(4) the sum of (A) the Refinancing Proceeds and (B) the amount of Interest Proceeds standing to the credit of the Interest Account in excess of the aggregate amount of Interest Proceeds which would be applied in accordance with the Interest Proceeds Priority of Payments prior to paying any amount in respect of the Subordinated Notes will be at least sufficient to pay in full:

(a) the aggregate Redemption Prices of the entire Class or Classes (or tranche or tranches, as applicable) of Rated Notes subject to the Optional Redemption; plus

(b) all accrued and unpaid Trustee Fees and Expenses and Administrative Expenses in connection with such Refinancing;

(5) the Refinancing Proceeds are used (to the extent necessary) to make such redemption;

(6) each agreement entered into by the Issuer in respect of such Refinancing contains limited recourse and non-petition provisions substantially the same as those contained in the Trust Deed;

(7) the aggregate principal amount of the Refinancing Obligations is equal to the aggregate Principal Amount Outstanding of the Class or Classes (or tranche or tranches, as applicable) of Notes being redeemed with the Refinancing Proceeds;

(8) the maturity date of each class (or tranche, as applicable) of Refinancing Obligation is the same as the Maturity Date of the Class or Classes (or tranche or tranches, as applicable) of Notes being redeemed with the Refinancing Proceeds;

(9) the interest rate of any Refinancing Obligations will not be greater than the interest rate of the Rated Notes subject to such Optional Redemption;

(10) payments in respect of the Refinancing Obligations are subject to the Priorities of Payment and rank at the same priority pursuant to the Priorities of Payment than the relevant Class or Classes (or tranche or tranches, as applicable) of Rated Notes being redeemed;

(11) the voting rights, consent rights, redemption rights and all other rights of the Refinancing Obligations are the same as the rights of the corresponding Class (or tranche, as applicable) of Rated Notes being redeemed;

(12) all Refinancing Proceeds are received by (or on behalf of) the Issuer prior to the applicable Redemption Date; and

(13) unless and until the Issuer elects (which election may be made only upon confirmation from the Collateral Manager that it has obtained legal advice from reputable international legal counsel knowledgeable in such matters to the effect that to do so would not result in the Issuer being construed as a "covered fund" in relation to any holder of Outstanding Notes for the purposes of the Volcker Rule) to rely solely on the exemption under Section 3(c)(7) under the Investment Company Act, the Issuer will continue to comply with the requirements set out in the Transaction Documents which are intended to allow the Issuer to rely on the exemption under Rule 3a-7 under the Investment Company Act,

in each case, as certified to the Issuer and the Trustee by the Collateral Manager.

If, in relation to a proposed optional redemption of the Notes, any of the conditions specified in this Condition 7(b)(v) (*Optional Redemption effected in whole or in part through Refinancing*) are not satisfied, the Issuer shall cancel the relevant redemption of the Notes and shall give notice of such cancellation to the Trustee, the Collateral Manager 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.

(C) Consequential Amendments

Following a Refinancing, the Trustee shall agree to the modification of the Trust Deed and the other Transaction Documents to the extent the Issuer certifies (upon which certificate the Trustee will be entitled to conclusively rely without further enquiry and without liability) that any such modification is necessary to reflect the terms of the Refinancing. No further consent for such amendments shall be required from the holders of Notes other than from the holders of the Subordinated Notes acting by way of an Ordinary Resolution directing the redemption (if any).

The Trustee will not be obliged to enter into any modification that, in its opinion would have the effect of (i) exposing the Trustee to any liability against which it has not been indemnified and/or secured and/or prefunded to its satisfaction or (ii) adding to or increasing its duties, obligations or liabilities or decreasing its rights, powers, authorisations, indemnities or protections under the Trust Deed or the other Transaction Documents, and the Trustee will be entitled to conclusively rely upon an officer's certificate or opinion of counsel as to matters of law (which may be supported as to factual (including financial and capital markets) matters by any relevant certificates and other documents necessary or advisable in

the judgment of counsel delivering such opinion of counsel) provided by the Issuer to the effect that such amendment meets the requirements specified above and is permitted under the Trust Deed without the consent of the holders of the Notes (except that such officer or counsel will have no obligation to certify or opine as to the sufficiency of the Refinancing Proceeds).

(vi) Optional Redemption effected through Liquidation only

Following receipt of notice from the Issuer or, as the case may be, of confirmation from the Registrar of (i) a direction in writing from the requisite percentage of Subordinated Noteholders, (ii) a direction in writing from the requisite percentage of the Controlling Class; or (iii) a direction in writing from the Collateral Manager, as the case may be, to exercise any right of optional redemption pursuant to this Condition 7(b) (*Optional Redemption*) or Condition 7(g) (*Redemption following Note Tax Event*) to be effected solely through the liquidation or realisation of the Collateral, the Collateral Administrator shall, as soon as practicable, and in any event not later than 15 Business Days prior to the scheduled Redemption Date (the "**Redemption Determination Date**"), calculate the Redemption Threshold Amount in consultation with the Collateral Manager.

The Notes shall not be optionally redeemed where such Optional Redemption is to be effected solely through the liquidation or realisation of the Collateral unless:

(A) at least five Business Days before the scheduled Redemption Date the Collateral Manager shall have furnished to the Trustee evidence in a form reasonably satisfactory to the Trustee that the Collateral Manager on behalf of the Issuer has entered into a binding agreement or agreements with a financial or other institution or institutions (which (a) either (x) has a short-term senior unsecured rating of "P-1" by Moody's or (y) in respect of which Rating Agency Confirmation from Moody's has been obtained and (b) either (x) has a long-term issuer credit rating of at least "A" by S&P and, if it has a long-term issuer credit rating of at least "A" by S&P, a short-term issuer credit rating of at least "A-1" by S&P or, if it does not have such a short-term issuer credit rating, a long-term issuer credit rating of at least "A+" by S&P, or (y) in respect of which a Rating Agency Confirmation from S&P has been obtained) to purchase (directly or by participation or other arrangement) from the Issuer, not later than the Business Day immediately preceding the scheduled Redemption Date in immediately available funds, all or part of the Portfolio at a purchase price at least sufficient, together with the Eligible Investments maturing, redeemable or putable to the issuer thereof at par on or prior to the scheduled Redemption Date, to meet the Redemption Threshold Amount; or

(B) (i) prior to selling any Collateral Debt Obligations and/or Eligible Investments, the Collateral Manager confirms in writing to the Trustee that, in its judgment, the aggregate sum of (A) amounts standing to the credit of the Accounts that will be available to be applied in accordance with the Priorities of Payment, (B) expected proceeds from the sale or maturing of Eligible Investments, and (C) for each Collateral Debt Obligation, the product of its Principal Balance and its Market Value, shall be at least sufficient to meet the Redemption Threshold Amount; and (ii) at least two Business Days before the scheduled Redemption Date, the Issuer shall have received proceeds of disposition of all or part of the Portfolio at least sufficient to meet the Redemption Threshold Amount.

(C) Prior to the scheduled Redemption Date, the Collateral Administrator shall give notice to the Trustee in writing of the amount of all expenses incurred by the Issuer up to and including the scheduled Redemption Date in effecting such liquidation.

(D) Any confirmation delivered by the Collateral Manager pursuant to this section must include (1) details of the amounts standing to the credit of the Accounts that will be available to be applied in accordance with the Priorities of Payment, (2) the prices of, and expected proceeds from, the sale (directly or by participation or other arrangement) or redemption of any Collateral Debt Obligations and/or Eligible Investments and (3) all calculations required by this Condition 7(b) (*Optional Redemption*). Any Noteholder, the Collateral Manager or any of the Collateral Manager's Affiliates, shall have the right, subject to the same terms and conditions afforded to other bidders, to bid on Collateral Debt Obligations to be sold as part of an Optional Redemption pursuant to this Condition 7(b)(vi) (*Optional Redemption effected through Liquidation only*).

(E) The Trustee will be entitled to conclusively rely upon any evidence, confirmation or certificate formalised by the Collateral Manager pursuant to or in connection with this Condition 7(b)(vi) (*Optional Redemption effected through Liquidation only*).

If neither paragraph (A) nor (B) above is satisfied on the Business Day falling immediately prior to the Redemption Date, the Issuer shall cancel the redemption of the Notes and shall give notice of such cancellation to the Trustee, the Collateral Administrator, the Collateral Manager and the Noteholders in accordance with Condition 16 (*Notices*). For the avoidance of doubt, any failure to effect an Optional Redemption due to a cancellation pursuant to the foregoing shall not constitute an Event of Default.

If the condition in (B)(i) above is satisfied and the condition in (B)(ii) is not satisfied on the Business Day immediately prior to the Redemption Date solely as result of the fact that one or more of the trades has not been settled on or prior to that date, the Issuer shall give notice of such to the Trustee, the Collateral Administrator and the Noteholders in accordance with Condition 16 (*Notices*) and the Subordinated Noteholders (acting by Ordinary Resolution) shall have the right to elect to direct the Issuer to redeem the Notes on a date falling not less than 3 Business Days after the first date notified to Noteholders of as the date of such redemption (the "**Original Redemption Date**") and no more than 30 Business Days after the Original Redemption Date.

If the condition in (B)(ii) above is not satisfied on the Business Day immediately prior to the Redemption Date as extended pursuant to the immediately preceding paragraph, the Issuer shall cancel the redemption of the Notes and shall give notice of such cancellation to the Trustee, the Collateral Administrator, the Collateral Manager and the Noteholders in accordance with Condition 16 (*Notices*).

The provisions of Condition 7(b)(iv) (*Terms and Conditions of an Optional Redemption*) and this Condition 7(b)(vi) (*Optional Redemption effected through Liquidation only*) shall apply as conditions to a redemption at the election of the Subordinated Noteholders pursuant to this Condition 7(b)(vi) (*Optional Redemption effected through Liquidation only*), provided that the notice period in Condition 7(b)(iv)(A) (*Terms and Conditions of an Optional Redemption*) shall be read as seven days' prior written notice (rather than 30 days' prior written notice) and the Redemption Determination Date shall be 1 Business Day prior to any such Redemption Date (rather than 15 Business Days prior to the scheduled Redemption Date).

(vii) Mechanics of Redemption

Following calculation by the Collateral Administrator of the relevant Redemption Threshold Amount, if applicable, the Collateral Administrator shall make such other calculations as it is required to make pursuant to the Collateral Management Agreement and shall notify the Issuer, the Trustee, the Collateral Manager and the Registrar, whereupon the Registrar shall notify the Noteholders (in accordance with Condition 16 (*Notices*)) of such amounts.

Any exercise of a right of Optional Redemption by the Subordinated Noteholders pursuant to this Condition 7(b) (*Optional Redemption*) or the Controlling Class pursuant to Condition 7(g) (*Redemption following Note Tax Event*) shall be effected by delivery to a Transfer Agent, by the requisite amount of Subordinated Noteholders or the requisite amount of Notes comprising the Controlling Class (as applicable) held thereby together with duly completed Redemption Notices not less than 30 days, or such shorter period of time as the Trustee and the Collateral Manager find reasonably acceptable, prior to the proposed Redemption Date prior to the applicable Redemption Date. No Redemption Notice and Subordinated Note or Notes comprising the Controlling Class so delivered or any direction given by the Collateral Manager or the Retention Holder may be withdrawn without the prior consent of the Issuer. The Registrar shall copy each Redemption Notice or any direction given by the Collateral Manager or the Retention Holder received to each of the Issuer, the Trustee, the Collateral Administrator and, if applicable, the Collateral Manager.

The Collateral Manager shall notify the Issuer, the Trustee, the Collateral Administrator, each Hedge Counterparty and the Registrar upon satisfaction of any of the relevant conditions set out in this Condition 7(b) (*Optional Redemption*) and shall use commercially reasonable endeavours to arrange for liquidation and/or realisation of the Portfolio in whole or in part as necessary, on behalf of the Issuer in accordance with the Collateral Management Agreement. The Issuer shall deposit,

or cause to be deposited, the funds required for an optional redemption of the Notes in accordance with this Condition 7(b) (*Optional Redemption*) in the Payment Account on or before the Business Day prior to the applicable Redemption Date. Principal Proceeds and Interest Proceeds received in connection with a redemption in whole of all the Rated Notes shall be payable in accordance with the Post-Acceleration Priority of Payments. Any redemption in whole of a Class (or tranche, as applicable) of Rated Notes (other than a redemption in whole of all Classes of Rated Notes) shall be paid to the holders of such Class (or tranche, as applicable) of Notes.

(viii) Optional Redemption of Subordinated Notes

Subject to the provisions of Condition 7(b)(iv) (*Optional Redemption effected through Liquidation only*), the Subordinated Notes may be redeemed at their Redemption Price, in whole but not in part, on any Business Day on or after the redemption or repayment in full of the Rated Notes, at the direction of either of (x) the Subordinated Noteholders (acting by Ordinary Resolution) or (y) the Collateral Manager.

(c) Mandatory Redemption upon Breach of Coverage Tests

(i) Class A Notes and Class B Notes

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

(ii) Class C Notes

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

(v) Class F Notes

If the Class F Par Value Test is not satisfied on any Determination Date on and after the expiry of the Reinvestment Period, Interest Proceeds and thereafter Principal Proceeds will be applied in redemption of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes in accordance with the Note Payment Sequence, on the related Payment Date in accordance with and subject to the Priorities of Payment (including payment of all prior ranking amounts) until the Class F Par Value Test is satisfied if recalculated following such redemption.

(d) Special Redemption

Principal payments on the Notes shall be made in accordance with the Principal Proceeds Priority of Payments at the sole and absolute discretion of the Collateral Manager (acting on behalf of the Issuer) if, at any time during the Reinvestment Period, the Collateral Manager (acting on behalf of the Issuer) notifies the Trustee (with a copy to the Issuer) (upon which notification to the Trustee will be entitled to conclusively rely without further enquiry and without liability) that using reasonable endeavours it has been unable, for a period of 20 consecutive Business Days, to identify additional Collateral Debt Obligations that are deemed appropriate by the Collateral Manager (acting on behalf of the Issuer) in its sole discretion which meet the Eligibility Criteria or, to the extent applicable, the Reinvestment Criteria, in sufficient amounts to permit the investment or reinvestment of all or a portion of the funds then in the Principal Account that are to be invested in additional Collateral Debt Obligations (a "**Special Redemption**"). On the first Payment Date following the Due Period in which such notice is given (a "**Special Redemption Date**"), the funds in the Principal Account representing Principal Proceeds which, using reasonable endeavours, cannot be reinvested in additional Collateral Debt Obligations or Substitute Collateral Debt Obligations (the "**Special Redemption Amount**") will be applied in accordance with paragraph (O) of the Principal Proceeds Priority of Payments. Notice of payments pursuant to this Condition 7(d) (*Special Redemption*) shall be given by the Issuer in accordance with Condition 16 (*Notices*) not less than three Business Days prior to the applicable Special Redemption Date to the Noteholders of each Class of Notes and to each Rating Agency. For the avoidance of doubt, the exercise of a Special Redemption shall be at the sole and absolute discretion of the 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 jurisdiction 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 (i) the date upon which the Issuer notifies (or procures the notification of) the Trustee (upon which notification the Trustee will be entitled to conclusively rely without further enquiry and without liability) and the Noteholders in accordance with Condition 16 (*Notices*) that it is not able to cure the Note Tax Event, and (ii) 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), the Controlling Class or the Subordinated Noteholders, in each case acting by way of Extraordinary Resolution, may elect that the Notes of each Class are redeemed, in whole but not in part, on any Business Day thereafter, at their respective Redemption Prices in accordance with the Note Payment Sequence, in which case the Issuer shall so redeem the Notes on such terms, provided that such Note Tax Event would affect payment of principal or interest in respect of the Controlling Class or, as the case may be, the Subordinated Notes (in addition to any other Class of Notes) on such Business Day; provided further that such redemption of the Notes, whether pursuant to the exercise of such option by the Controlling Class or the Subordinated Noteholders, shall take place in accordance with the procedures set out in Condition 7(b) (*Optional Redemption*).

(h) Redemption

Unless otherwise specified in this Condition 7 (*Redemption and Purchase*), all Notes in respect of which any notice of redemption is given shall be redeemed on the Redemption Date at their applicable Redemption Prices and to the extent specified in such notice and in accordance with the requirements of this Condition 7 (*Redemption and Purchase*).

(i) Cancellation

All Notes redeemed in full by the Issuer will be cancelled and may not be reissued or resold.

No Note may be surrendered (including in connection with any abandonment, donation, gift, contribution or other event or circumstance) except for payment as provided herein for cancellation pursuant to Condition 7(k) (*Purchase*) below, for registration of transfer, exchange or redemption, or for replacement in connection with any Note mutilated, defaced or deemed lost or stolen.

In respect of Notes represented by a Global Certificate, cancellation of any Note required by these 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, Noteholders and each Hedge Counterparty in accordance with Condition 16 (*Notices*) and promptly in writing to the Rating Agencies.

(k) Purchase

On any Payment Date, at the discretion of the Collateral Manager, the Issuer may, subject to the conditions below, purchase any of the Rated Notes (in whole or in part), using Principal Proceeds standing to the credit of the Principal Account, the Contribution Account or the Collateral Enhancement Account.

No purchase of Rated Notes by the Issuer may occur if such Notes are being sold pursuant to Condition 2(h) (*Forced Transfer of Rule 144A Notes*), Condition 2(i) (*Forced Sale pursuant to FATCA*) or Condition 2(j) (*Forced Transfer pursuant to ERISA*) or unless each of the following conditions is satisfied:

(i) (A) such purchase of Rated Notes shall occur in the following sequential order of priority: first, the Class A Notes, until the Class A Notes are purchased or redeemed in full and cancelled; second, the Class B until the Class B Notes are purchased or redeemed in full and cancelled; third, the Class C Notes, until the Class C Notes are purchased or redeemed in full and cancelled; fourth, the Class D Notes, until the Class D Notes are purchased or redeemed in full and cancelled; fifth, the Class E Notes, until the Class E Notes are purchased or redeemed in full and cancelled; and sixth, the Class F Notes, until the Class F Notes are purchased or redeemed in full and cancelled;

(B) (1) each such purchase of Rated Notes of any Class shall be made pursuant to an offer made to all holders of the Rated Notes of such Class, by notice to such holders, which notice shall specify the purchase price (as a percentage of par) at which such purchase will be effected, the maximum amount of Principal Proceeds and Collateral Enhancement Amounts that will be used to effect such purchase and the length of the period during which such offer will be open for acceptance;

(2) each such holder of a Rated Note shall have the right, but not the obligation, to accept such offer in accordance with its terms; and

(3) if the aggregate Principal Amount Outstanding of Notes of the relevant Class held by holders who accept such offer exceeds the amount of Principal Proceeds specified in such offer, a portion of the Notes of each accepting holder shall be purchased *pro rata* based on the respective Principal Amount Outstanding held by each such holder subject to adjustment for Authorised Denominations if required;

(C) each such purchase shall be effected only at prices discounted from par;

(D) each such purchase of Rated Notes shall occur prior to the expiry of the Reinvestment Period;

(E) each Coverage Test is satisfied immediately prior to each such purchase and will be satisfied after giving effect to such purchase or, if any Coverage Test is not satisfied it shall be at least maintained or improved after giving effect to such purchase as it was immediately prior thereto;

(F) if Sale Proceeds are used to consummate any such purchase, either:

(1) each requirement or test, as the case may be, of the Portfolio Profile Tests and the Collateral Quality Tests will be satisfied after giving effect to such purchase; or

(2) if any requirement or test, as the case may be, of the Portfolio Profile Tests and the Collateral Quality Tests was not satisfied immediately prior to such purchase, such requirement or test will be maintained or improved after giving effect to such purchase;

(G) no Event of Default shall have occurred and be continuing;

(H) any Rated Notes to be purchased shall be surrendered to the Registrar for cancellation and may not be reissued or resold; and

(I) each such purchase will otherwise be conducted in accordance with applicable law (including the laws of 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 is given to the Rating Agencies of any purchase of Rated Notes pursuant to this Condition 7(k) (*Purchase*).

(l) Exercise of Optional Redemption

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

8. Payments

(a) Method of Payment

Payments of principal upon final redemption in respect of each Note will be made against presentation and surrender (or, in the case of part payment only, endorsement) of such Note at the specified office of the Principal Paying Agent or any Paying Agent by wire transfer. Payments of interest on each Note and, prior to redemption in full thereof, principal in respect of each Note, will be made by wire transfer. Upon application of the holder to the specified office of the Principal Paying Agent or any Paying Agent not less than five Business Days before the due date for any payment in respect of a Note, the payment may be made (in the case of any final payment of principal against presentation and surrender (or, in the case of part payment only of such final payment, endorsement) of such Note as provided above) by wire transfer, in immediately available funds, on the due date to a Euro account maintained by the payee with a bank in Western Europe.

Payments of principal and interest in respect of Notes represented by a Global Certificate will be made against presentation and, if no further payment falls to be made in respect of the relevant Notes, upon surrender of such Global Certificate to or to the order of the Principal Paying Agent or such other Transfer Agent as shall have been notified to the relevant Noteholders for such purpose. On each occasion on which a payment of interest (if 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.

(b) 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 FATCA. No commission shall be charged to the Noteholders.

(c) Payments on Presentation Days

A holder shall be entitled to present a Note for payment only on a Presentation Date and shall not, except as provided in Condition 6 (*Interest*), be entitled to any further interest or other payment if a Presentation Date falls after the due date.

If a Note is presented for payment at a time when, as a result of differences in time zones it is not practicable to transfer the relevant amount to an account as referred to above for value on the relevant Presentation Date, the Issuer shall not be obliged so to do but shall be obliged to transfer the relevant amount to the account for value on the first practicable date after the Presentation Date.

(d) Principal Paying Agent and Transfer Agents

The names of the initial Principal Paying Agent and Transfer Agents and their initial specified offices are set out below. The Issuer reserves the right at any time, with the prior written approval of the Trustee, to vary or terminate the appointment of the Principal Paying Agent and any Transfer Agent and appoint additional or other Agents, provided that it will maintain (i) a Principal Paying Agent and (ii) if required in order to avoid any withholding or deduction on account of tax pursuant to European Council Directive 2003/48/EC (or any other Directive implementing or complying with, or introduced in order to conform to, such Directive), a paying agent in a Member State that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive, in each case, as approved in writing by the Trustee and shall procure that it shall at all times maintain a Custodian, Account Bank, Collateral Manager and Collateral Administrator. Notice of any change in any Agent or their specified offices or in the Collateral Manager will promptly be given to the Noteholders by the Issuer in accordance with Condition 16 (*Notices*).

9. Taxation

All payments of principal and interest in respect of the Notes shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature

imposed, levied, collected, withheld or assessed by or within Ireland, or any political sub division or any authority therein or thereof or anywhere else in the world having the power to tax, unless such withholding or deduction is required by law. For the avoidance of doubt, the Issuer shall not be required to gross up any payments made to Noteholders of any Class and shall withhold or deduct from any such payments any amounts on account of such tax where so required by law (including FATCA). Any such withholding or deduction shall not constitute an Event of Default under Condition 10(a) (*Events of Default*).

Subject as provided below, if the Issuer certifies to the Trustee (upon which certification the Trustee will be entitled to conclusively rely without further enquiry and without liability) that it has or will on the occasion of the next payment due in respect of the Notes of any Class become obliged by the laws of Ireland to withhold or account for tax so that it would be unable to make payment of the full amount that would otherwise be due but for the imposition of such tax, the Issuer (with the consent of the Trustee and save as provided below) shall use all reasonable endeavours to arrange for the substitution of a company incorporated in another jurisdiction approved by the Trustee as the principal obligor under the Notes of such Class, or to change its tax residence to another jurisdiction approved by the Trustee, subject to receipt of Rating Agency Confirmation in relation to such change.

Notwithstanding the above, if any taxes referred to in this Condition 9 (*Taxation*) arise:

(a) due to any present or former connection of any Noteholder (or between a fiduciary, settlor, beneficiary, member or shareholder of such Noteholder if such Noteholder is an estate, a trust, a partnership, or a corporation) with Ireland (including without limitation, such Noteholder (or such fiduciary, settlor, beneficiary, member 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 Ireland or other applicable taxing authority;

(c) in respect of a payment made or secured for the immediate benefit of an individual or a non-corporate entity which is required to be made pursuant to European Council Directive 2003/48/EC or European Council Directive 2014/48/EU on the taxation of savings or other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any law implementing or complying with, or introduced in order to conform to, these Directives or any arrangement entered into between the Member States and certain third countries and territories in connection with these Directives;

(d) as a result of presentation for payment by or on behalf of a Noteholder who would have been able to avoid such withholding or deduction by presenting the relevant Note to another paying agent or Transfer Agent in a Member State of the European Union;

(e) in connection with FATCA; or

(f) any combination of the preceding paragraphs (a) through (e) (inclusive),

the requirement to substitute the Issuer as a principal obligor and/or change its residence for taxation purposes shall not apply.

10. Events of Default

(a) Events of Default

Any of the following events shall constitute an "**Event of Default**":

(i) Non-payment of Interest

the Issuer fails to pay any interest in respect of any Class A Note or Class B Note when the same becomes due and payable, (save as the result of any deduction therefrom or the imposition of withholding thereon in the circumstances described in Condition 9 (*Taxation*)) and provided that any such failure to pay such interest in such circumstances continues for a period of at least five

Business Days (save in the case of a failure to disburse due to an administrative error or omission only, where such failure continues for a period of at least seven Business Days after the Issuer, the Collateral Administrator and the Principal Paying Agent receive written notice of, or have actual knowledge of, such administrative error or omission); provided further, that the failure to effect any Optional Redemption or Redemption following a Note Tax Event for which notice is withdrawn in accordance with these Conditions or, in the case of an Optional Redemption with respect to which a Refinancing fails, will not constitute an Event of Default;

(ii) Non-payment of Principal

the Issuer fails to pay any principal when the same becomes due and payable on any Rated Note on any Redemption Date and such failure to pay principal continues for a period of at least five Business Days provided that, in the case of a failure to disburse due to an administrative error or omission, such failure continues for a period of at least seven Business Days after the Issuer and/or the Trustee receive written notice of, or have 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 (except to the extent provided in (i) (*Non-payment of Interest*) or (ii) (*Non-payment of Principal*) 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 ten 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 Issuer and the Trustee (upon which certification the Issuer and the Trustee may rely absolutely and without further enquiry or liability), but without liability as to such determination) by the Issuer, such failure continues for ten Business Days after the Issuer and the Trustee receive written notice of, or have actual knowledge of, such administrative error or omission or such other non-credit-related reason;

(iv) Collateral Debt Obligations

on any Measurement Date on and after the Effective Date, failure of the percentage equivalent of a fraction, (A) the numerator of which is equal to (1) the Aggregate Collateral Balance for which purpose the Principal Balance of each Defaulted Obligation shall be equal to its S&P Collateral Value) and (B) the denominator of which is equal to the Principal Amount Outstanding of the Class A Notes, to equal or exceed 102.5 per cent.;

(v) Breach of Other Obligations

except as otherwise provided in this definition of "Event of Default" a default in a material respect in the performance by, or breach in a material respect of any material covenant of, the Issuer under the Trust Deed (provided that any failure to meet any Portfolio Profile Test, Collateral Quality Test, Coverage Test or the Reinvestment Overcollateralisation Test is not an Event of Default and any failure to satisfy the Effective Date Determination Requirements is not an Event of Default, except in either case to the extent provided in paragraph (iv) (*Collateral Debt Obligation*) above) or the failure of any material representation or warranty of the Issuer made in the Trust Deed or in any certificate or other writing delivered pursuant thereto or in connection therewith to be correct in each case in all material respects when the same shall have been made, and the continuation of such default, breach or failure for a period of 45 days after the earlier of (A) the date the Issuer has actual knowledge of such default, breach or failure and (B) the date notice is given to the Issuer and the Collateral Manager by registered or certified mail or courier, from the Trustee, the Issuer, or the Collateral Manager, or to the Issuer, the Collateral Manager and the Trustee from the Controlling Class acting pursuant to an Ordinary Resolution, specifying such default, breach or failure and requiring it to be remedied and stating that such notice is a "Notice of Default" under the Trust Deed; provided that if the Issuer (as notified to the Trustee by the Collateral Manager in writing) has commenced curing such default, breach or failure during the 45 day period specified

above, such default, breach or failure shall not constitute an Event of Default under this paragraph (v) (*Breach of Other Obligations*) unless it continues for a period of 60 days (rather than, and not in addition to, such 45 day period specified above) after the earlier of (A) the date the Issuer has actual knowledge of such default, breach or failure and (B) the date notice is given to the Issuer in accordance herewith. For the purposes of this paragraph, the materiality of such default, breach, representation or warranty shall be determined by the Trustee;

(vi) Insolvency Proceedings

proceedings are initiated against the Issuer under any applicable liquidation, examinership, insolvency, bankruptcy, composition, reorganisation or other similar laws (together, "**Insolvency Law**"), or a receiver, administrative receiver, trustee, administrator, custodian, conservator, liquidator, examiner, curator, or other similar insolvency official (a "**Receiver**") is appointed in relation to the Issuer or in relation to the whole or any substantial part of the undertaking or assets of the Issuer and in any of the foregoing cases, except in relation to the appointment of a Receiver, is not discharged within 30 days; or the Issuer is subject to, or initiates or consents to judicial proceedings relating to itself under any applicable Insolvency Law, or seeks the appointment of a Receiver, or makes a conveyance or assignment for the benefit of its creditors generally or otherwise becomes subject to any reorganisation or amalgamation (other than on terms previously approved in writing by the Trustee or by an Extraordinary Resolution of the Controlling Class);

(vii) Illegality

it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under the Notes; or

(viii) Investment Company Act

the Issuer or any of the Collateral becomes required to register as an "investment company" under the Investment Company Act and such requirement continues for 45 days.

(b) Acceleration

(i) If an Event of Default occurs and is continuing, the Trustee may, at its discretion and shall, at the request of the Controlling Class acting by way of Ordinary Resolution, (subject, in each case, to being indemnified and/or secured and/or prefunded to its satisfaction against all liabilities, proceedings, claims and demands to which it may thereby become liable and all costs, charges and expenses which may be incurred by it in connection therewith) give notice to the Issuer and the Collateral Manager that all the Notes are immediately due and repayable (such notice, an "**Acceleration Notice**"), provided that following an Event of Default described in paragraph (vi) (*Insolvency Proceedings*) or paragraph (vii) (*Illegality*) of the definition thereof shall occur, an Acceleration Notice shall be deemed to have been given and all the Notes shall automatically become immediately due and repayable at their applicable Redemption Price.

(ii) Upon any such Acceleration Notice being given to the Issuer in accordance with paragraph (i) (*Acceleration*), all of the Notes shall immediately become due and repayable at their applicable Redemption Prices (other than with respect to an Event of Default occurring under paragraph (vi) (*Insolvency Proceedings*) or paragraph (vii) (*Illegality*) of the definition thereof where delivery of an Acceleration Notice is not required and shall be deemed to have been given).

(c) Curing of Default

At any time after an Acceleration Notice has been given pursuant to Condition 10(b)(i) (*Acceleration*) following the occurrence of an Event of Default (other than with respect to an Event of Default occurring under paragraph (vi) (*Insolvency Proceedings*) or paragraph (vii) (*Illegality*) of the definition thereof where delivery of an Acceleration Notice is not required and shall be deemed to have been given) and prior to enforcement of the security pursuant to Condition 11 (*Enforcement*), the Trustee, subject to receipt of consent in writing from the Controlling Class, may and shall, if so requested by the Controlling Class, in each case, acting by Extraordinary Resolution, (and subject, in each case, to the Trustee being indemnified and/or secured and/or prefunded to its satisfaction against all liabilities, proceedings, claims and demands to which it may thereby become liable and all costs, charges and

expenses which may be incurred by it in connection therewith) rescind and annul such Acceleration Notice under Condition 10(b)(i) (*Acceleration*) above and its consequences if:

(i) the Issuer has paid or deposited with the Trustee (or to its order) a sum sufficient to pay:

(A) all overdue payments of interest and principal on the Notes, other than the Subordinated Notes;

(B) all due but unpaid taxes owing by the Issuer, as certified by an Authorised Officer of the Issuer to the Trustee;

(C) all unpaid Administrative Expenses up to the Senior Expenses Cap and Trustee Fees and Expenses; and

(D) all amounts due and payable by the Issuer under any Currency Hedge Agreement or Interest Rate Hedge Agreement;

(ii) the Trustee has determined that all Events of Default, other than the non-payment of the interest in respect of, or principal of, the Notes that have become due solely as a result of the acceleration thereof under Condition 10(b)(i) (*Acceleration*) above due to such Events of Default, have been cured or waived.

Any previous rescission and annulment of a notice of an Acceleration Notice pursuant to this paragraph (c) (*Curing of Default*) shall not prevent the subsequent acceleration of the Notes if the Trustee, at its discretion or, as subsequently requested, accelerates the Notes or if the Notes are automatically accelerated in accordance with paragraph (b)(i) (*Acceleration*) above.

All amounts received in respect of this paragraph (c) (*Curing of Default*) shall be distributed two Business Days following receipt by or on behalf of the Trustee of such amounts in accordance with the Post-Acceleration Priority of Payment.

(d) Restriction on Acceleration of Notes

No acceleration of the Notes shall be permitted pursuant to this paragraph (d) (*Restriction on Acceleration of Notes*) by any Class of Noteholders, other than the Controlling Class as provided in paragraph (b) (*Acceleration*) above.

(e) Notification and Confirmation of No Default

The Issuer shall immediately notify the Trustee, the Collateral Manager, the Noteholders (in accordance with Condition 16 (*Notices*)) and the Rating Agencies upon becoming aware of the occurrence of an Event of Default. The Trust Deed contains provision for the Issuer to provide written confirmation to the Trustee and the Rating Agencies on an annual basis that no Event of Default has occurred and that no condition, event or act has occurred which, with the lapse of time and/or the issue, making or giving of any notice, certification, declaration and/or request and/or the taking of any similar action and/or the fulfilment of any similar condition would constitute an Event of Default and that no other matter which is required (pursuant thereto) to be brought to the Trustee's attention has occurred.

11. Enforcement

(a) Security Becoming Enforceable

Subject as provided in paragraph (b) (*Enforcement*) below, the security constituted by the Trust Deed over the Collateral shall become enforceable upon an acceleration of the maturity of the Notes pursuant to Condition 10(b) (*Acceleration*).

(b) Enforcement

At any time after the Notes become due and repayable and the security under the Trust Deed becomes enforceable, the Trustee may, at its discretion but subject always to Condition 4(c) (*Limited Recourse*), and shall, if so directed by the Controlling Class acting by Ordinary Resolution, institute such proceedings or take such other action against the Issuer or take any other action as it may think fit to

enforce the terms of the Trust Deed and the Notes and pursuant and subject to the terms of the Trust Deed and the Notes, realise and/or otherwise liquidate or sell the Collateral in whole or in part and/or take such other action as may be permitted under applicable laws against any Obligor in respect of the Collateral and/or take any other action to enforce the security over the Collateral in accordance with the Trust Deed (such actions together, "**Enforcement Actions**"), in each case without any liability as to the consequence of such action and without having regard (save to the extent provided in Condition 14(e) (*Entitlement of the Trustee and Conflicts of Interest*)) to the effect of such action on individual Noteholders of any Class or any other Secured Party provided however that:

(i) no such Enforcement Action may be taken by the Trustee unless:

(A) subject to being indemnified and/or prefunded and/or secured to its satisfaction, the Trustee (or any Appointee on its behalf) determines that the anticipated proceeds realised from such Enforcement Action (after deducting any expenses properly incurred in connection therewith) would be sufficient to discharge in full all amounts due and payable in respect of all Classes of Notes (including, without limitation, Deferred Interest on the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes) other than the Subordinated Notes and all amounts payable in priority thereto pursuant to the Post-Acceleration Priority of Payments (such amount the "**Enforcement Threshold**" and such determination being an "**Enforcement Threshold Determination**"), subject to consultation with the Collateral Manager; or

(B) if the Enforcement Threshold will not have been met then:

(1) in the case of an Event of Default specified in sub-paragraph (i) (*Non-payment of Interest*), (ii) (*Non-payment of Principal*) or (iv) (*Collateral Debt Obligations*) of Condition 10(a) (*Events of Default*), the Controlling Class acting by way of Extraordinary Resolution (and no other Class of Notes) directs the Trustee to take Enforcement Action without regard to any other Event of Default which has occurred prior to, contemporaneously or subsequent to such Event of Default; or

(2) in the case of any other Event of Default, the Holders of each Class of Rated Notes voting separately by Class by way of Ordinary Resolution direct the Trustee to take Enforcement Action,

(ii) the Trustee shall not be bound to institute any Enforcement Action or take any other action unless it is directed to do so by the Controlling Class or, in the case of Condition 11(b)(i)(B)(2) (*Enforcement*), each Class of Rated Notes as applicable, acting by Ordinary Resolution and, in each case, the Trustee is indemnified and/or secured and/or prefunded to its satisfaction against all liabilities, proceedings, claims and demands to which it may thereby become liable and all costs, charges and expenses which may be incurred by it in connection therewith. Following redemption and payment in full of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes, the Trustee shall (provided it is indemnified and/or secured and/or prefunded to its satisfaction against all liabilities, proceedings, claims and demands to which it may thereby become liable and all costs, charges and expenses which may be incurred by it in connection therewith) act upon the directions of the Subordinated Noteholders acting by Extraordinary Resolution; and

(iii) the Trustee shall determine or shall procure that an Enforcement Agent determines the aggregate proceeds that can be realised pursuant to any Enforcement Action by using reasonable efforts to obtain, with the cooperation of the Collateral Manager (to the extent the Enforcement Agent is not the Collateral Manager), bid prices with respect to each asset comprising the Portfolio from two recognised dealers (as specified by the Collateral Manager in writing) at the time making a market therein and shall compute the anticipated proceeds of sale or liquidation on the basis of the lower of such bid prices for each such asset. In the event that the Trustee or the Enforcement Agent, as applicable and with the cooperation of the Collateral Manager (to the extent the Enforcement Agent is not the Collateral Manager), is only able to obtain bid prices with respect to an asset from one recognised dealer at the time making a market therein, the Trustee or the Enforcement Agent shall compute the anticipated proceeds of sale or liquidation on the basis of such one bid price. In addition, for the purposes of determining issues relating to the execution of a sale or liquidation of the Portfolio and the execution of a sale or other liquidation thereof in connection with an

Enforcement Threshold Determination will be met, the Trustee or the Enforcement Agent may obtain and rely on an opinion of an independent investment banking firm, or other appropriate advisor (the cost of which shall be payable as a Trustee Fee and Expense).

(iv) The Trustee shall notify the Noteholders (in accordance with Condition 16 (*Notices*)), the Issuer, the Agents, each Hedge Counterparty, the Collateral Manager and the Rating Agencies in the event that it or any Appointee on its behalf makes an Enforcement Threshold Determination at any time or the Trustee takes any Enforcement Action at any time (such notice an "**Enforcement Notice**"). Following the delivery of an Acceleration Notice (deemed or otherwise) which has not been rescinded and annulled in accordance with Condition 10(c) (*Curing of Default*) or, as the case may be following automatic acceleration of the Notes or pursuant to an Optional Redemption in whole in accordance with Condition 7(b) (*Optional Redemption*) or Condition 7(g) (*Redemption following Note Tax Event*), Interest Proceeds, Principal Proceeds and the net proceeds of enforcement of the security over the Collateral (other than with respect to any Counterparty Downgrade Collateral which is 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 any Collateral Enhancement Obligation Proceeds (which are required to be applied in accordance with the Collateral Enhancement Obligation Proceeds Priority of Payments) and other than Sale Proceeds in respect of Non-Euro Obligations sold subject to and in accordance with a Currency Hedge Transaction which shall be paid to the relevant Hedge Counterparty in accordance with the terms thereof outside the Priorities of 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 (i) other than following an enforcement of the Notes in accordance with this Condition 11(b) (*Enforcement*), taxes owing by the Issuer accrued in respect of the related Due Period (other than Irish corporate income tax in relation to the Issuer Profit Amount referred to in (ii) below), as certified by an Authorised Officer of the Issuer to the Trustee, if any, (save for any VAT payable in respect of any Collateral Management Fee); and (ii) 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 in respect of the related Due Period; provided that following the occurrence of an Event of Default that is continuing, or following an acceleration of the Notes (which has not been rescinded or annulled) in accordance with Condition 10(b) (*Acceleration*), the Senior Expenses Cap shall not apply in respect of such Trustee Fees and Expenses;

(C) to the payment of accrued and unpaid Administrative Expenses in relation to each item thereof, on a *pari passu* basis up to an amount equal to the Senior Expenses Cap in respect of the related Due Period less any amounts paid pursuant to paragraph (B) above, provided that upon an acceleration of the Notes (which has not been rescinded or annulled) in accordance with Condition 10(b) (*Acceleration*) the Senior Expenses Cap shall not apply in respect of such Administration 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* basis to the Collateral Manager of the Senior Collateral 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 which shall not be paid pursuant to this paragraph; and

(2) *secondly*, to the Collateral Manager, any previously due and unpaid Senior Collateral Management Fees (other than Deferred Senior Collateral Management Amounts) and any VAT in respect thereof (whether payable to the Collateral Manager or directly to the relevant taxing authority),

(E) to the payment, on a *pari passu* and *pro rata* basis, of (i) any Scheduled Periodic Hedge Issuer Payments, (ii) any Currency Hedge Issuer Termination Payments (to the extent not paid out of the Currency Account or the relevant Hedge Termination Account or the relevant Counterparty Downgrade Collateral Account and other than Defaulted Currency Hedge Termination Payments), and (iii) any Interest Rate Hedge Issuer Termination Payments (to the extent not paid out of the Interest Account or the relevant Hedge Termination Account or the relevant Counterparty Downgrade Collateral Account and other than Defaulted Interest Rate Hedge Termination Payments);

(F) to the payment on a *pro rata* basis of all Interest Amounts due and payable on the Class A Notes;

(G) to the redemption on a *pro rata* basis of the Class A Notes, until the Class A Notes have been redeemed in full;

(H) to the payment on a *pro rata* basis of the Interest Amounts due and payable on the Class B Notes;

(I) to the redemption on a *pro rata* basis of the Class B Notes, until the Class B Notes have been redeemed in full;

(J) to the payment on a *pro rata* basis of the Interest Amounts (excluding any Deferred Interest, but including interest on Deferred Interest) due and payable on the Class C Notes;

(K) to the payment on a *pro rata* basis of any Deferred Interest on the Class C Notes;

(L) to the redemption on a *pro rata* basis of the Class C Notes, until the Class C Notes have been redeemed in full;

(M) to the payment on a *pro rata* basis of the Interest Amounts (excluding any Deferred Interest, but including interest on Deferred Interest) due and payable on the Class D Notes;

(N) to the payment on a *pro rata* basis of any Deferred Interest on the Class D Notes;

(O) to the redemption on a *pro rata* basis of the Class D Notes, until the Class D Notes have been redeemed in full;

(P) to the payment on a *pro rata* basis of the Interest Amounts (excluding any Deferred Interest but including interest on Deferred Interest) due and payable on the Class E Notes;

(Q) to the payment on a *pro rata* basis of any Deferred Interest on the Class E Notes;

(R) to the redemption on a *pro rata* basis of the Class E Notes, until the Class E Notes have been redeemed in full;

(S) to the payment on a *pro rata* basis of the Interest Amounts (excluding any Deferred Interest but including interest on Deferred Interest) due and payable on the Class F Notes;

(T) to the payment on a *pro rata* basis of any Deferred Interest on the Class F Notes;

(U) to the redemption on a *pro rata* basis of the Class F Notes, until the Class F Notes have been redeemed in full;

(V) to the payment:

(1) *firstly*, to the Collateral Manager of the Subordinated Collateral Management Fee due and payable on such Payment Date and any VAT in respect thereof (whether payable to the Collateral Manager or directly on the relevant taxing authority) save for any Deferred Senior Collateral Management Amounts which shall not be paid pursuant to this paragraph;

(2) *secondly*, to the Collateral Manager of any previously due and unpaid Subordinated Collateral Management Fee (other than Deferred Senior Collateral Management Amounts

and Deferred Subordinated Collateral Management Amounts) and any VAT in respect thereof (whether payable to the Collateral Manager or directly to the relevant taxing authority);

(3) *thirdly*, to the Collateral Manager in payment of any Deferred Senior Collateral Management Amounts and Deferred Subordinated Collateral Management Amounts and to the relevant tax authority any VAT in respect thereof payable directly thereto; and

(4) *fourthly*, to the repayment of any Collateral Manager Advances and any interest thereon;

(W) to the payment of Trustee Fees and Expenses not paid by reason of the Senior Expenses Cap (if any), in relation to each item thereof, on a *pro rata* basis;

(X) to the payment of Administrative Expenses not paid by reason of the Senior Expenses Cap (if any), in relation to each item thereof, on a *pro rata* basis, provided that, following an enforcement of the Notes in accordance with this Condition 11 (*Enforcement*), such payment shall only be made to any recipients thereof that are Secured Parties;

(Y) to the payment on a *pari passu* and *pro rata* basis of any Defaulted Currency Hedge Termination Payments due to any Currency Hedge Counterparty or Defaulted Interest Rate Hedge Termination Payments due to any Interest Rate Hedge Counterparty (in each case to the extent not paid out of the relevant Hedge Termination Account or any relevant Counterparty Downgrade Collateral Account);

(Z) (1) if the Incentive Collateral Management Fee IRR Threshold has not been reached, any remaining Interest Proceeds and Principal Proceeds to the payment on the Subordinated Notes on a *pro rata* basis (determined upon redemption in full thereof by reference to the proportion that the principal amount of the Subordinated Notes held by Subordinated Noteholders bore to the Principal Amount Outstanding of the Subordinated Notes and immediately prior to such redemption), until the Incentive Collateral Management Fee IRR Threshold is reached; and

(2) if, after taking into account all prior distributions to Subordinated Noteholders and any distributions to be made to Subordinated Noteholders on such Payment Date including pursuant to paragraph (Z)(1) above, the Interest Proceeds Priority of Payments, the Principal Proceeds Priority of Payments and the Collateral Enhancement Obligation Proceeds Priority of Payments the Incentive Collateral Management Fee IRR Threshold has been reached (on or prior to such Payment Date):

(a) *firstly*, 20 per cent. of any remaining Interest Proceeds and Principal Proceeds, to the payment to the Collateral Manager as an Incentive Collateral Management Fee except that the Collateral Manager may, in its sole discretion elect to irrevocably waive its right to receive some or all of the amounts that would have been payable to the Collateral Manager under this paragraph (Z)(2)(a) on any Payment Date, provided that any such amounts shall be applied to the payment of amounts in accordance with paragraph (Z)(2)(c) below;

(b) *secondly*, to the payment of any VAT in respect of the Incentive Collateral Management Fee referred to in paragraph (Z)(2)(a) above (whether payable to the Collateral Manager or directly to the relevant taxing authority); and

(c) *thirdly*, any remaining Interest Proceeds and Principal Proceeds, to the payment on the Subordinated Notes on a *pro rata* basis (determined upon redemption in full thereof by reference to the proportion that the principal amount of the Subordinated Notes held by Subordinated Noteholders bore to the Principal Amount Outstanding of the Subordinated Notes and immediately prior to such redemption).

For the avoidance of doubt, at such time that the Post-Acceleration Priority of Payments becomes applicable, (i) any amounts standing to the credit of the Collateral Enhancement Account, and (ii) any Collateral Enhancement Obligation Proceeds shall not be subject to the Post-Acceleration Priority of Payments but shall be distributed in accordance with and subject to the Collateral Enhancement Obligation Proceeds Priority of Payments.

If the Issuer must account to the recipient of any payment for any amounts in respect of VAT or in respect of any other taxes attributable to any of the items referred to in paragraphs (B) to (Z)(1) above, then such amounts in respect of such taxes shall be paid *pro rata* and *pari passu* with such items. If such amounts are paid pursuant to the Post-Acceleration Priority of Payments above as a result of the enforcement of the security pursuant to this Condition 11(b) (*Enforcement*), the Issuer shall only account for the tax liabilities of a Secured Party.

(c) Only Trustee to Act

Only the Trustee may pursue the remedies available under the Trust Deed to enforce the rights of the Noteholders or, in respect of the Collateral, of any of the other Secured Parties under the Trust Deed and the Notes and no Noteholder or other Secured Party may proceed directly against the Issuer or any of its assets unless the Trustee, having become bound to proceed in accordance with the terms of the Trust Deed, fails or neglects to do so within a reasonable period after having received notice of such failure and such failure or neglect continues for at least 30 days following receipt of such notice by the Trustee. Any proceeds received by a Noteholder or other Secured Party pursuant to any such proceedings brought by a Noteholder or other Secured Party shall be paid promptly following receipt thereof to the Trustee for application pursuant to the Conditions and 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 out of the net proceeds of such sale is equal to or exceeds the purchase moneys so payable.

12. Prescription

Claims in respect of principal and interest payable on redemption in full of the relevant Notes while the Notes are represented by a Definitive Certificate will become void unless presentation for payment is made as required by Condition 7 (*Redemption and Purchase*) within a period of five years, in the case of interest, and ten years, in the case of principal, from the date on which payment is respect of such Notes is received by the applicable 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 any Transfer Agent, subject in each case to all applicable laws and Irish Stock Exchange requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may require (provided that the requirement is reasonable in the light of prevailing market practice). Mutilated or defaced Notes must be surrendered before replacements will be issued.

14. Meetings of Noteholders, Modification, Waiver and Substitution

(a) Provisions in Trust Deed

The Trust Deed contains provisions for convening meetings of the Noteholders (and for passing Written Resolutions) to consider matters affecting the interests of the Noteholders including, without limitation, modifying or waiving certain of the provisions of these Conditions and the substitution of the Issuer in certain circumstances. The provisions in this Condition 14 (*Meetings of Noteholders, Modification, Waiver and Substitution*) are descriptive of the detailed provisions of the Trust Deed.

(b) Decisions and Meetings of Noteholders

(i) General

Decisions may be taken by Noteholders by way of Ordinary Resolution, Extraordinary Resolution or Unanimous Resolution, in each case, either acting together or, to the extent specified in any applicable Transaction Document, as a Class of Noteholders acting independently. Such Resolutions can be effected either at a duly convened meeting of the applicable Noteholders or by the applicable Noteholders resolving in writing, in each case, in at least the minimum percentages specified in the table "Minimum Percentage Voting Requirements" in paragraph (iii) (*Minimum Voting Rights*) below. Meetings of the Noteholders may be convened by the Issuer, the Trustee or by one or more Noteholders holding not less than 10 per cent. in principal amount of the Notes Outstanding of a particular Class, subject to certain conditions including minimum notice periods.

The Trustee may, in its discretion, determine that any proposed Ordinary Resolution, Extraordinary Resolution or Unanimous 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, Extraordinary Resolution or Unanimous Resolution may be determined by reference only to the holders of that Class or Classes of Notes and not the holders of any other Notes as set forth in the tables below.

Notice of any Resolution passed by the Noteholders will be given to S&P and Moody's in writing.

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.

(ii) Quorum

The quorum required for any meeting convened to consider an Ordinary Resolution, Extraordinary Resolution or Unanimous Resolution, in each case, of all the Noteholders or of any Class of Noteholders, or at any adjourned meeting to consider such a Resolution, shall be as set out in the relevant column and row corresponding to the type of resolution in the table "Quorum Requirements" below.

Quorum Requirements

Type of Resolution	Any meeting other than a meeting adjourned for want of quorum	Meeting previously adjourned for want of quorum
Unanimous Resolution of all Noteholders (or a certain Class or Classes only)	One or more persons holding or representing 100 per cent. of the aggregate Principal Amount Outstanding of the Notes (or the relevant Class or Classes only, if applicable)	One or more persons holding or representing 100 per cent. of the aggregate Principal Amount Outstanding of the Notes (or the relevant Class or Classes only, if applicable)
Extraordinary Resolution of all Noteholders (or a certain Class or Classes only)	One or more persons holding or representing not less than 66⅔ per cent. of the aggregate Principal Amount Outstanding of the Notes (or the relevant Class or Classes only, if applicable)	One or more persons holding or representing not less than 25 per cent. of the aggregate Principal Amount Outstanding of the Notes (or the relevant Class or Classes only if applicable)
Ordinary Resolution of all Noteholders (or a certain Class or Classes only)	One or more persons holding or representing not less than 50 per cent. of the aggregate Principal Amount Outstanding of the Notes (or the relevant Class or Classes only, if applicable)	One or more persons holding or representing not less than 25 per cent. of the aggregate Principal Amount Outstanding of the Notes (or the relevant Class or Classes only if applicable)

The Trust Deed does not contain any provision for higher quorums in any circumstances.

(iii) Minimum Voting Rights

Set out in the table "Minimum Percentage Voting Requirements" below are the minimum percentages required to pass the Resolutions specified in such table which (A) in the event that such Resolution is being considered at a duly convened meeting of Noteholders, shall be determined by reference to the percentage which the aggregate Principal Amount Outstanding of Notes held or represented by any person or persons who vote in favour of such Resolution represents of the aggregate Principal Amount Outstanding of all applicable Notes which are represented at such meeting and are voted (or, in the case of an Unanimous Resolution, are entitled to vote) 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.
Unanimous Resolution of all Noteholders (or of a certain Class or Classes only)	100 per cent.
Extraordinary Resolution of all Noteholders (or of a certain Class or Classes only)	At least 66⅔ per cent.
Ordinary Resolution of all Noteholders (or of a certain Class or Classes only)	More than 50 per cent.

(iv) Written Resolutions

Any Written Resolution may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the relevant Noteholders and the date of such Written Resolution shall be the date on which the latest such document is signed. Any Unanimous Resolution, Extraordinary Resolution or Ordinary Resolution may be passed by way of a Written Resolution.

(v) All Resolutions Binding

Subject to Condition 14(e) (*Entitlement of the Trustee and Conflicts of Interest*) and in accordance with the Trust Deed, any Resolution of the Noteholders (including any resolution of a specified Class or Classes of Noteholders, where the resolution of one or more other Classes is not required) duly passed shall be binding on all Noteholders (regardless of Class and regardless of whether or not a Noteholder was present at the meeting at which such Resolution was passed).

(vi) Unanimous Resolution

Any Resolution by the Noteholders of a Class of Rated Notes to sanction any of the following items (each a "**Key Terms Modification**") will be required to be passed by a Unanimous Resolution:

(A) the Redemption Price in respect of a Class of Notes being less than 100 per cent. of the Principal Amount Outstanding thereof, together with any accrued and unpaid interest in respect thereof to the relevant day of redemption;

(B) 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;

(C) the modification of any provision relating to the timing and/or circumstances of the payment of interest or redemption of the Notes of a Class at maturity or otherwise (including the circumstances in which the maturity of such Notes may be accelerated);

(D) 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;

(E) the adjustment of the outstanding principal amount of the Notes Outstanding of the relevant Class other than in connection with a further issue of Notes pursuant to Condition 17 (*Additional Issuances*);

(F) a change in the currency of payment of the Notes of a Class;

(G) any change in the Priorities of Payment or of any payment items in the Priorities of Payment;

(H) any item requiring approval by Unanimous Resolution pursuant to these Conditions or any Transaction Document; and

(I) any modification of this Condition 14(b) (*Decisions and Meetings of Noteholders*).

(vii) Extraordinary Resolution

Subject to paragraph (vi) (*Unanimous Resolution*) above, any Resolution to sanction any of the following items will be required to be passed by an Extraordinary Resolution:

(A) any modification of any Transaction Document having a material adverse effect on the security over the Collateral constituted by the Trust Deed; and

(B) any item requiring approval by Extraordinary Resolution pursuant to these Conditions or any Transaction Document.

(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 (vi) (*Unanimous Resolution*) or (vii) (*Extraordinary Resolution*) above.

(ix) Matters affecting a certain Class of Notes

Matters affecting the interests of only one Class (in the opinion of the Trustee) shall only be considered by and voted upon at a meeting of Noteholders of that relevant Class or by written resolution of the holders of that relevant Class.

(c) Modification and Waiver

The Trust Deed and the Collateral Management Agreement both provide that, without the consent of the Noteholders (other than as set out below), the Issuer may amend, modify, supplement and/or waive the relevant provisions of the Trust Deed and/or the Collateral Management Agreement and/or any other Transaction Document (subject to the consent of the other parties thereto) (as applicable) and the Trustee shall, without the consent of the Noteholders and in reliance on a certificate of the Issuer, consent to such amendment, modification, supplement or waiver (other than as provided in paragraphs (xi), (xii) and (xiv) below, where any such amendment, modification, supplement and/or waiver shall be subject to the prior written consent of the Trustee in accordance with the relevant paragraph), for any of the following purposes (other than, in each case, any such amendment, modification, supplement and/or waiver that has the effect of sanctioning a Key Terms Modification or the effect of sanctioning any item described in paragraph (b)(vii) (*Extraordinary Resolution*) above):

(i) to add to the covenants of the Issuer for the benefit of the Noteholders or to surrender any right or power in the Trust Deed or the Collateral Management Agreement (as applicable) conferred upon the Issuer;

(ii) to charge, convey, transfer, assign, mortgage or pledge any property to or with the Trustee or add to the conditions, limitations or restrictions on the authorised amount, terms and purposes of the issue, authentication and delivery of the Notes;

(iii) to correct or amplify the description of any property at any time subject to the security of the Trust Deed, or to better assure, convey and confirm unto the Trustee any property subject or required to be subject to the security of the Trust Deed (including, without limitation, any and all actions necessary or desirable as a result of changes in law or regulations) or subject to the security of the Trust Deed any additional property;

(iv) to modify the provisions of the Trust Deed relating to the creation, perfection and preservation of the security interests of the Trustee in the Collateral to conform with applicable law;

(v) to evidence and provide for the acceptance of appointment under the Trust Deed by a successor Trustee subject to and in accordance with the terms of the Trust Deed and to add to or change any of the provisions of the Trust Deed as shall be necessary to facilitate the administration of the trusts under the Trust Deed by more than one Trustee, pursuant to the requirements of the relevant provisions of the Trust Deed;

(vi) to make such changes 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 Main Securities Market of the Irish Stock Exchange or any other exchange;

(vii) to amend, modify, enter into, accommodate the execution or facilitate the transfer by the relevant Hedge Counterparty of any Hedge Agreement upon terms satisfactory to the Collateral Manager and subject to receipt of Rating Agency Confirmation (unless any such amended or modified Hedge Agreement constitutes a Form Approved Hedge);

(viii) save as contemplated in paragraph (d) (*Substitution*) below, to take any action advisable to prevent the Issuer from becoming subject to (or to otherwise reduce) withholding or other taxes, fees or assessments;

(ix) to take any action advisable to prevent the Issuer from being treated as resident in the UK for UK tax purposes, as trading in the UK for UK tax purposes or as subject to UK VAT in respect of any Collateral Management Fees;

(x) to take any action advisable to prevent the Issuer from being treated as engaged in a United States trade or business or subject to U.S. federal, state or local income tax on a net income basis;

(xi) following the provision of notice by, or on behalf of, the Issuer to the Controlling Class, to enter into any additional agreements not expressly prohibited by the Trust Deed or the Collateral Management Agreement (as applicable) as well as any amendment, modification or waiver of such additional agreements if the Trustee determines that such entry, amendment, modification or waiver would not, upon or after becoming effective, be materially prejudicial to the interests of the Noteholders of any Class of Notes; in each case provided that any such additional agreements include customary limited recourse and non-petition provisions and provided that at least 75 per cent. of the Controlling Class by Principal Amount Outstanding do not object to the same within five Business Days of such notice being sent by, or on behalf of, the Issuer;

(xii) to make any other modification of any of the provisions of the Trust Deed, the Collateral Management Agreement or any other Transaction Document which, in the opinion of the Trustee, is of a formal, minor or technical nature or is made to correct a manifest error or to conform the provisions of the Transaction Documents to the Conditions and, in the case of a modification to the Collateral Management Agreement, subject to the consent in writing of the Collateral Manager;

(xiii) subject to (A) Conditions 14(c)(xvii), 14(c)(xix) and 14(c)(xxvi) below, which shall take priority in the event of a conflict, (B) Rating Agency Confirmation and (C) the consent of the Controlling Class, acting by way of Ordinary Resolution, to make any modifications to the Collateral Quality Tests, Portfolio Profile Tests, Reinvestment Overcollateralisation Test, Reinvestment Criteria or Eligibility Criteria and all related definitions (including in order to reflect changes in the methodology applied by the Rating Agencies);

(xiv) to make any other modification (save as otherwise provided in the Trust Deed, the Collateral Management Agreement or the relevant Transaction Document), and/or give any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed or any other Transaction Document which in the opinion of the Trustee is not materially prejudicial to the interests of the Noteholders of any Class and, in the case of a modification to the Collateral Management Agreement, subject to the consent in writing of the Collateral Manager;

(xv) to amend the name of the Issuer;

(xvi) to enable the Issuer to comply with FATCA or the CRS;

(xvii) notwithstanding Condition 14(c)(xiii) above, to modify or amend any components of the S&P CDO Monitor BDR, the S&P CDO Monitor SDR or the Moody's Test Matrix, subject to receipt of Rating Agency Confirmation from S&P or Moody's, as applicable;

(xviii) to make any changes necessary to reflect any additional issuances of Notes or to issue replacement notes in accordance with Condition 7(b)(v) (*Optional Redemption effected in whole or in part through Refinancing*) or any changes necessary as a consequence of a Refinancing under Condition 7(b)(v) (*Optional Redemption effect in whole or in part through refinancing*);

(xix) (A) notwithstanding Conditions 14(c)(xiii) and 14(c)(xvii) above, to evidence any waiver or modification by any Rating Agency in its rating methodology or as to any requirement or condition, as applicable, of such Rating Agency set forth in the Transaction Documents or (B) to conform the Transaction Documents to the Prospectus;

(xx) to modify the Transaction Documents in order to comply with Rule 17g-5 or Rules 17g-10 of the Exchange Act;

(xxi) to modify the terms of the Transaction Documents and/or the Conditions and/or to enter into any additional agreements not expressly prohibited by the Trust Deed or these Conditions in order to enable the Issuer to comply with any requirements which apply to it under EMIR, AIFMD, the

Dodd-Frank Act, CRA3 or STS Regulation (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 Agreement or any other Transaction Document to comply with changes in the Retention Requirements or corresponding retention requirements under the UCITS Directive;

(xxiii) to make such changes as shall be necessary to facilitate the Issuer to effect a Refinancing in part in accordance with Condition 7(b)(v) (*Optional Redemption effected in whole or in part through Refinancing*);

(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 including, without limitation, the applicable Rating Requirement;

(xxv) subject to Rating Agency Confirmation (other than to the extent otherwise permitted pursuant to Condition 14(c)(xxi) (*Modification and Waiver*) above), to amend, modify or supplement any Hedge Agreement to the extent necessary to allow the Issuer or the relevant Hedge Counterparty to comply with any enactment, promulgation, execution or ratification of, or any change in or amendment to, any law or regulation (or in the application or official interpretation of any law or regulation) that occurs after the parties enter into the Hedge Agreement, provided that Rating Agency Confirmation shall not be required in the event that the relevant Hedge Agreement will be a Form Approved Hedge following such amendment, modification or supplement;

(xxvi) notwithstanding Condition 14(c)(xiii) above, 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 (upon which certificate the Trustee shall rely absolutely and without further enquiry or liability) would not materially prejudice the interests of the Noteholders of any Class of Notes, subject to receipt by the Trustee of Rating Agency Confirmation that such modifications will not result in the reduction or withdrawal of any of the ratings currently assigned to the Rated Notes by such Rating Agency 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 liability);

(xxvii) to make any change necessary to prevent the Issuer from becoming an investment company or being required to register as an investment company under the Investment Company Act or to rely on the exemption provided in Rule 3a-7 thereunder;

(xxviii) to make any modification or amendment determined by the Issuer, as advised by the Collateral Manager, (in consultation with legal counsel experienced in such matters) as necessary or advisable for any Class of Rated Notes to not be considered an "ownership interest" as defined for purposes of section 13 of the U.S. Bank Holding Company Act of 1956, as amended, and the applicable rules and regulations thereunder, provided that such modification or amendment would not, in the opinion of the Issuer, be materially prejudicial to the interests of the Noteholders of any Class;

(xxix) to amend, modify or otherwise accommodate changes to any Transaction Document relating to the administrative procedures for reaffirmation of ratings on the Notes as required by the rating criteria of the Rating Agencies;

(xxx) to change the date within the month on which Reports are required to be delivered; and

(xxxi) notwithstanding any other provision of this Condition 14(c) (*Modification and Waiver*), if S&P or Moody's (as applicable) publicly announce a change in the S&P Recovery Rates, Moody's Recovery Rates or Moody's Rating Factors (as applicable), to amend or modify such recovery rates or rating factors in the Transaction Documents at the discretion of the Collateral Manager;

Any such modification, authorisation or waiver shall be binding on upon the Noteholders and shall be notified by the Issuer as soon as reasonably practicable following the execution of any trust deed supplemental to the Trust Deed or any other modification, authorisation or waiver pursuant to this Condition 14(c) (*Modification and Waiver*) to:

(A) so long as any of the Notes rated by the Rating Agencies remains Outstanding, each Rating Agency; and

(B) the Noteholders in accordance with Condition 16 (*Notices*).

Notwithstanding anything to the contrary herein and in the Trust Deed, the Issuer shall not agree to amend, modify or supplement any provisions of the Transaction Documents without the prior consent of each Hedge Counterparty if such change would have a material adverse effect on the rights or obligations of such Hedge Counterparty without such Hedge Counterparty's prior written consent.

To the extent required pursuant to a Hedge Agreement, the Issuer shall notify each Hedge Counterparty of any proposed amendment to any provisions of the Transaction Documents and, other than where there are no Hedge Transactions then outstanding with the relevant Hedge Counterparty, seek the 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 Issuer may make such proposed amendment if any timeframe specified in the relevant Hedge Agreement for such Hedge Counterparty to provide their consent to the relevant proposed amendment has lapsed.

For the avoidance of doubt, the Trustee shall, without the consent or sanction of any of the Noteholders or any other Secured Party (unless otherwise specified above), concur with the Issuer, in making any modification, amendment, waiver or supplement pursuant to the paragraphs above (other than a modification, waiver or supplement pursuant to paragraphs (xi), (xii) or (xiv) above) to the Transaction Documents which the Issuer certifies to the Trustee as being made subject to and in accordance with such paragraphs (upon which certification the Trustee will be entitled to conclusively rely without further enquiry and, absent any fraud, negligence or wilful misconduct on the part of the Trustee, any liability), provided that the Trustee shall not be obliged to agree to any modification which, in the opinion of the Trustee, would have the effect of (i) exposing the Trustee to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or (ii) adding to or increasing the obligations, liabilities or duties, or decreasing the rights, powers, authorisations, indemnities or protections, of the Trustee in respect of the Transaction Documents.

In the case of a modification, amendment, waiver or supplement pursuant to paragraphs (xi), (xii) and (xiv) above, the Trustee shall be entitled to obtain, at the expense of the Issuer, and rely on such advice in connection with giving such consent as it sees fit.

(d) Substitution

The Trust Deed contains provisions permitting the Trustee to agree, subject to such amendment of the Trust Deed and such other conditions as the Trustee may require (without the consent of the Noteholders of any Class), to the substitution of any other company in place of the Issuer, or of any previous substituted company, as principal debtor under the Trust Deed and the Notes of each Class, if required for taxation purposes, provided that such substitution would not be materially prejudicial to the interests of the Noteholders of any Class. In the case of such a substitution the Trustee may agree, without the consent of the Noteholders, but subject to receipt of Rating Agency Confirmation (subject to receipt of such information and/or opinions as the Rating Agency may require), to a change of the law governing the Notes and/or the Trust Deed, provided that such change would not in the opinion of the Trustee be materially prejudicial to the interests of the Noteholders of any Class. Any substitution agreed by the Trustee pursuant to this Condition 14(d) (*Substitution*) shall be binding on the Noteholders, and shall be notified by the Issuer to the Noteholders as soon as practicable in accordance with Condition 16 (*Notices*).

The Trustee may, subject to the satisfaction of certain conditions specified in the Trust Deed, including receipt of Rating Agency Confirmation, agree to a change in the place of residence of the Issuer for taxation purposes without the consent of the Noteholders of any Class, provided the Issuer does all such things as the Trustee may reasonably require in order that such change in the place of residence of the Issuer for taxation purposes is fully effective and complies with such other requirements which are in the interests of the Noteholders as it may reasonably direct.

The Issuer shall procure that, so long as the Notes are listed on the Main Securities Market of the Irish Stock Exchange any material amendments or modifications to the Conditions of the Notes, the Trust Deed or such other conditions made pursuant to Condition 14 (*Meetings of Noteholders, Modification, Waiver and Substitution*) shall be notified to the Irish Stock Exchange.

(e) Entitlement of the Trustee and Conflicts of Interest

In connection with the exercise of its trusts, powers, duties and discretions (including but not limited to those referred to in this Condition 14(e) (*Entitlement of the Trustee and Conflicts of Interest*)), the Trustee shall have regard to the interests of each Class of Noteholders as a Class and shall not have regard to the consequences of such exercise for individual Noteholders of such Class and the Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer, the Trustee or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders except to the extent already provided for in Condition 9 (*Taxation*).

In considering the interests of Noteholders while the Global Certificates are held on behalf of a clearing system, the Trustee may have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its account holders with entitlements to each Global Certificate and may consider such interests as if such account holders were the holders of any Global Certificate.

The Trust Deed provides that in the event of any conflict of interest between or among the holders of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Subordinated Notes, the interests of the holders of the Controlling Class will prevail. If the holders of the Controlling Class do not have an interest in the outcome of the conflict, the Trustee shall give priority to the interests of (i) the Class A Noteholders over the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders, the Class F Noteholders and the Subordinated Noteholders, (ii) Class B Noteholders over the Class C Noteholders, the Class D Noteholders, the Class E Noteholders, the Class F Noteholders and the Subordinated Noteholders, (iii) the Class C Noteholders over the Class D Noteholders, the Class E Noteholders, the Class F Noteholders and the Subordinated Noteholders, (iv) the Class D Noteholders over the Class E Noteholders, the Class F Noteholders and the Subordinated Noteholders, (v) the Class E Noteholders over the Class F Noteholders and the Subordinated Noteholders, and (vi) the Class F Noteholders over the Subordinated Noteholders. If the Trustee receives conflicting or inconsistent requests from two or more groups of holders of a Class, given priority as described in this paragraph, each representing less than the majority by principal amount of such Class, the Trustee shall give priority to the group which holds the greater amount of Notes Outstanding of such Class. The Trust Deed provides further that, except as expressly provided otherwise in any applicable Transaction Document or these Conditions, the Trustee will act upon the directions of the holders of the Controlling Class (or other Class where the holders of the Class or Classes having priority over such other Class do not have an interest in the subject matter of such directions) (in each case acting by Extraordinary Resolution) subject to being indemnified and/or secured and/or prefunded to its satisfaction, and shall not be obliged to consider the interests of and is exempted from any liability to the holders of any other Class of Notes.

In addition, the Trust Deed provides that, so long as any Note is Outstanding, the Trustee shall have no regard to the interests of any Secured Party other than the Noteholders or, at any time, to the interests of any other person.

15. Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility in certain circumstances, including provisions relieving it from instituting proceedings to enforce repayment or to enforce the security constituted by or pursuant to the Trust Deed, unless

indemnified and/or secured and/or prefunded to its satisfaction. The Trustee is entitled to enter into business transactions with the Issuer or any other party to any Transaction Document and any entity related to the Issuer or any other party to any Transaction Document without accounting for any profit. The Trustee is exempted from any liability in respect of any loss or theft of the Collateral from any obligation to insure, or to monitor the provisions of any insurance arrangements in respect of, the Collateral (for the avoidance of doubt, under the Trust Deed the Trustee is under no such obligation) and from any claim arising from the fact that the Collateral is held by the Custodian or is otherwise held in safe custody by a bank or other custodian. The Trustee shall not be responsible for the performance by the Custodian of any of its duties under the Agency Agreement or for the performance by the Collateral Manager of any of its duties under the Collateral Management Agreement, for the performance by the Collateral Administrator of its duties under the Collateral Management Agreement or for the performance by any other person appointed by the Issuer in relation to the Notes or by any other party to any Transaction Document. The Trustee shall not have any responsibility for the administration, management or operation of the Collateral including the request by the 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 Main Securities Market of the Irish Stock Exchange and the rules of the Irish Stock Exchange so require) shall be sent to the Company Announcements Office of the Irish Stock Exchange or such other process as the Irish Stock Exchange may require. Any such notice shall be deemed to have been given to the Noteholders (a) in the case of inland mail three days after the date of dispatch thereof, (b) in the case of overseas mail, seven days after the dispatch thereof or, (c) in the case of electronic transmission, on the date of dispatch.

Notices will be valid and will be deemed to have been given, for so long as the Notes are admitted to trading on the Irish Stock Exchange, when such notice is filed in the Company Announcements Office of the Irish Stock Exchange or such other process as the Irish Stock Exchange may require.

The Trustee shall be at liberty to sanction some other method of giving notice to the Noteholders (or a category of them) if, in its opinion, such other method is reasonable having regard to market practice then prevailing and to the rules of the stock exchange on which the Notes are then listed and provided that notice of such other method is given to the Noteholders in such manner as the Trustee shall require.

Notwithstanding the above, so long as any Notes are represented by a Global Certificate and such Global Certificate is held on behalf of a clearing system, notices to Noteholders may be given by delivery of the relevant notice to that clearing system for communication by it to entitled account holders in substitution for delivery thereof as specified above, provided that such notice is also made to the Company Announcements Office of the Irish Stock Exchange for so long as such Notes are listed on the Main Securities Market of the Irish Stock Exchange and the rules of the Irish Stock Exchange so require. Such notice will be deemed to have been given to the Noteholders on the date of delivery of the relevant notice to the relevant clearing system.

17. Additional Issuances

The Issuer may from time to time create and issue (x) additional Notes of each Class (on a *pro rata* basis with respect to each existing Class of Notes and/or (y) additional Subordinated Notes only (in each case, any such Notes, "**Additional Notes**") and use the proceeds to purchase additional Collateral Debt Obligations and, if applicable, enter into additional Hedge Transactions in connection with the Issuer's issuance of, and making payments on, the Notes and ownership of and disposition of the Collateral Debt Obligations or, solely with the proceeds of an issuance of additional Subordinated Notes, to purchase Collateral Enhancement Obligations or as otherwise permitted under the Trust Deed, provided that the following conditions are met:

(a) in the case of an issuance of Additional Notes of an existing Class, such issuance may not exceed 100 per cent. of the original outstanding amount of the applicable Class or Classes of Rated Notes;

(b) in the case of an issuance of Additional Notes of an existing Class, the terms of the issued Notes must be identical to the respective terms of previously issued Notes of the applicable Class (except that the interest due on additional Rated Notes will accrue from the issue date of such additional Rated Notes and the interest rate and price of such Notes do not have to be identical to those of the initial Notes of that Class);

(c) the proceeds of any Additional Notes (net of fees and expenses incurred in connection with such issuance) will be treated as Principal Proceeds, used to purchase additional Collateral Debt Obligations and, if applicable, enter into additional Hedge Transactions in connection with the Issuer's issuance of, and making payments on, the Notes and ownership of and disposition of the Collateral Debt Obligations or, solely with the proceeds of an issuance of additional Subordinated Notes, Collateral Enhancement Obligations, or applied as otherwise permitted under the Trust Deed;

(d) the Issuer must notify the Rating Agencies then rating any Notes of such additional issuance;

(e) in respect of any additional issuance occurring on or after the Effective Date, the Par Value Tests will be maintained or improved after giving effect to such additional issuance of Notes when compared with the results of such tests immediately prior to such additional issuance of Notes;

(f) 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;

(g) (so long as the existing Notes of the Class of Notes to be issued are listed on the Main Securities Market of the Irish Stock Exchange) the additional Notes of such Class to be issued are in accordance with the requirements of the Irish Stock Exchange and are listed on the Main Securities Market of the Irish Stock Exchange (for so long as the rules of the Irish Stock Exchange so requires);

(h) 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;

(i) an opinion of tax counsel of nationally recognised standing in the United Kingdom experienced in such matters will be delivered to the Trustee that provides such additional issuance will not (1) result in the Issuer becoming subject to United Kingdom taxation with respect to its net income, (2) result in the Issuer being treated as being engaged in a trade or business within the United Kingdom or (3) have a material adverse effect on the U.K. tax treatment of the Issuer or the U.K. tax consequences to the holders of any Class of Notes outstanding at the time of issuance;

(j) the Issuer and the Trustee will have received advice of tax counsel of nationally recognised standing in the United States experienced in such matters to the effect that (A) such additional issuance will not cause the opinion delivered on the Issue Date by Cadwalader, Wickersham & Taft LLP with respect to the characterisation of the Class A Notes, Class B Notes, Class C Notes, Class D Notes and the Class E Notes as indebtedness for U.S. federal income tax purposes to be incorrect, and (B) any additional Class A Notes, Class B Notes, Class C Notes and Class D Notes will be treated, and any additional Class E Notes should be treated, as indebtedness for U.S. federal income tax purposes, *provided, however*, that the advice of tax counsel described in sub-paragraph (B) will not be required with respect to any Additional Notes that bear a different ISIN (or equivalent identifier) from the Notes of the same Class that were issued on the Issue Date and are Outstanding at the time of the additional issuance;

(k) any Additional Notes that are not fungible for U.S. federal income tax purposes with existing Notes shall have a different International Securities Identification Number (or equivalent identifier);

(l) an officer's certificate of the Issuer is delivered to the Trustee stating that the foregoing paragraphs (a) to (k) (inclusive) have been satisfied;

(m) the Retention Holder consenting to purchase a sufficient amount of each of the tranches sold or transferred to investors which are the subject of such additional issuance such that its holding equals no less than 5 per cent. of the nominal value of each of the tranches sold or transferred to investors, and for these purposes, any Class of Notes ranking at the same level shall constitute a "**tranche**";

(n) so long as the Issuer has not elected (which election may be made only upon confirmation from the Collateral Manager that it has obtained legal advice from reputable international legal counsel knowledgeable in such matters to the effect that to do so would not result in the Issuer being construed as a "covered fund" in relation to any holder of Outstanding Notes for the purposes of the Volcker Rule) to rely solely on the exemption from the Investment Company Act provided by Section 3(c)(7) of the Investment Company Act by providing written notice thereof to the Trustee, an opinion of counsel 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 and that the Issuer will continue to comply with the requirements set out in the Transaction Documents which are intended to allow the Issuer to rely on the exemption under Rule 3a-7 under the Investment Company Act after such additional issuance(s); and

(o) Rating Agency Confirmation from S&P has been obtained.

References in these Conditions to the "Notes" include (unless the context requires otherwise) any other notes issued pursuant to this Condition 17 (*Additional Issuances*) and forming a single series with the Notes. Any further securities forming a single series with Notes constituted by the Trust Deed or any deed supplemental to it shall be constituted by a deed supplemental to the Trust Deed.

18. Third Party Rights

No person shall have any right to enforce any term of these Conditions under the Contracts (Rights of Third Parties) Act 1999.

19. Governing Law

(a) Governing Law

The Trust Deed and each Class of Notes and any dispute, controversy, proceedings or claim of whatever nature (whether contractual or non-contractual) arising out of or in any way relating to the Trust Deed or any Class of Notes are governed by and shall be construed in accordance with English law. The Corporate Services Agreement and any non-contractual obligations arising out of or in connection with the Corporate Services Agreement is governed by and shall be construed in accordance with Irish law.

(b) Jurisdiction

The courts of England are to have jurisdiction to settle any disputes (whether contractual or non-contractual) which may arise out of or in connection with the Notes, and accordingly any legal action or proceedings arising out of or in connection with the Notes ("**Proceedings**") may be brought in such courts. The Issuer has in the Trust Deed irrevocably submitted to the jurisdiction of such courts and waives any objection to Proceedings in any such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is made for the benefit of each of the Noteholders, the Trustee and the other Secured Parties and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

(c) Agent for Service of Process

The Issuer appoints TMF Global Services (UK) Limited (having an office, at the date hereof, at 6 St. Andrew Street, 5th Floor, London, EC4A 3AE) as its agent in England to receive service of process in any Proceedings in England based on any of the Notes. If for any reason the Issuer does not have such agent in England, it will promptly appoint a substitute process agent in England and notify the Trustee and the Noteholders of such appointment. Nothing herein shall affect the right to service of process in any other manner permitted by law.

USE OF PROCEEDS

The estimated net proceeds of the issue of the Notes after payment of fees, expenses and other amounts payable on or about the Issue Date (including, without duplication, amounts deposited into the Expense Reserve Account) are expected to be approximately €403,400,000. Such proceeds will be used by the Issuer in payment of all net amounts due and payable in connection with the acquisition of Issue Date Collateral Debt Obligations on or prior to the Issue Date and net amounts due and payable in connection with the Warehouse Arrangements (as further described in "*The Portfolio – Acquisition of Collateral Debt Obligations*") and to fund the First Period Reserve Account on the Issue Date. The remaining proceeds shall be retained in the Unused Proceeds Account.

FORM OF THE NOTES

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

Initial Issue of Notes

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

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

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

Any beneficial interest in a Regulation S Global Certificate that is transferred to a person who takes delivery in the form of an interest in a Rule 144A Global Certificate will, upon transfer, cease to be an interest in such Regulation S Global Certificate and become an interest in the Rule 144A Global Certificate, and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in a Rule 144A Global Certificate for as long as it remains such an interest. Any beneficial interest in a Rule 144A Global Certificate that is transferred to a person who takes delivery in the form of an interest in a Regulation S Global Certificate will, upon transfer, cease to be an interest in a Rule 144A Global Certificate and become an interest in the Regulation S Global Certificate and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in a Regulation S Global Certificate for so long as it remains such an interest. No service charge will be made for any registration of transfer or exchange of Notes, but the Transfer Agent may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

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.

A transferee of a Class E Note, Class F Note or Subordinated Note in the form of a Rule 144A Global Certificate or a Regulation S Global Certificate will be deemed to represent (among other things) that it is not a Benefit Plan Investor or a Controlling Person. If a transferee is unable to make such deemed representation, such transferee may not acquire such Class E Note, Class F Note or Subordinated Note, as applicable, in the form of a Rule 144A Global Certificate or a Regulation S Global Certificate unless such transferee (i) obtains the written consent of the Issuer, (ii) provides an ERISA certificate in or substantially in the form set out in the Trust Deed, to a Transfer Agent and the Issuer as to its status as a Benefit Plan Investor or Controlling Person and (iii) holds such Class E Note, Class F Note or Subordinated Note, as applicable, in the form of a Definitive Certificate and in such case provides the Issuer and a Transfer Agent with a duly completed declaration in the form set out in Annex D (*Form of Irish Tax Declaration*) to this Prospectus, other than in the case where the transferee is acquiring Class E Notes, Class F Notes or Subordinated Notes on the Issue Date, in which case they may acquire such Class E Notes, Class F Notes or Subordinated Notes in the form of a Rule 144A Global Certificate

or a Regulation S Global Certificate. Any Class E Note, Class F Note or Subordinated Note in the form of a Definitive Certificate shall be registered in the name of the holder thereof.

The Notes are not issuable in bearer form.

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; (ii) the transferee has provided the Issuer and a Transfer Agent with an ERISA certificate (in or substantially in the form set out in the Trust Deed); and (iii) such transferee has provided the Issuer and a Transfer Agent with a duly completed declaration (in the form set out in Annex D (*Form of Irish Tax Declaration*) to this Prospectus) so that an exemption from withholding tax may apply (as described in the "*Tax Considerations – Irish Taxation*" section of this Prospectus).

No proposed transfer of Class E Notes, Class F Notes or Subordinated Notes (or interests therein) will be permitted or recognised if such transfer will cause 25 per cent. or more of the total value of the Class E Notes, Class F Notes or Subordinated Notes (determined separately by Class) to be held by Benefit Plan Investors, disregarding Class E Notes, Class F Notes or Subordinated Notes (or interests therein) held by Controlling Persons.

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

The Registrar will not register the transfer of, or exchange of interests in, a Global Certificate for Definitive Certificates during the period from (but excluding) the Record Date to (and including) the date for any payment of principal or interest in respect of the Notes.

If only one of the Global Certificates (the "**Exchanged Global Certificate**") becomes exchangeable for Definitive Certificates in accordance with the above paragraphs, transfers of Notes may not take place between, on the one hand, persons holding Definitive Certificates issued in exchange for beneficial interests in the Exchanged Global Certificate and, on the other hand, persons wishing to purchase beneficial interests in the other Global Certificate.

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

Delivery

In such circumstances, the relevant Global Certificate shall be exchanged in full for Definitive Certificates and the Issuer will, at the cost of the Issuer (but against such indemnity as the Registrar or any relevant Transfer Agent may require in respect of any tax or other duty of whatever nature which may be levied or imposed in connection with such exchange), cause sufficient Definitive Certificates to be executed and delivered to the Registrar for completion, authentication and dispatch to the relevant Noteholders. A person having an interest in a Global Certificate must provide the Registrar with (a) a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such Definitive Certificates and (b) a fully completed, signed certification substantially to the effect that the exchanging holder is not transferring its interest at the time of such exchange or, in the case of simultaneous sale pursuant to Rule 144A or Regulation S, as applicable, a certification that the transfer is being made in compliance with the

provisions of Rule 144A or Regulation S, as applicable. Definitive Certificates issued in exchange for a beneficial interest in the Rule 144A Global Certificate or Regulation S Global Certificate, as applicable, shall bear the legends applicable to transfers, as set out under "*Transfer Restrictions*" below.

Legends

The holder of a Definitive Certificate in registered definitive form, as applicable, may transfer the Notes represented thereby in whole or in part in the applicable minimum denomination or authorised integral amounts thereof by surrendering it at the specified office of the Registrar or any Transfer Agent, together with the completed form of transfer and to the extent applicable, written consent of the Issuer and a duly completed ERISA certificate (in or substantially in the form set out in the Trust Deed). Upon the transfer, exchange or replacement of a Definitive Certificate in registered definitive form, as applicable, bearing the legend referred to under "*Transfer Restrictions*" below, or upon specific request for removal of the legend on a Definitive Certificate in registered definitive form, as applicable, the Issuer will deliver only Definitive Certificates that bear such legend, or will refuse to remove such legend, as the case may be, unless there is delivered to the Issuer and the Registrar such satisfactory evidence, which may include an opinion of counsel, as may reasonably be required by the Issuer that neither the legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act and the Investment Company Act.

BOOK ENTRY CLEARANCE PROCEDURES

The information set out below has been obtained from sources that the Issuer believes to be reliable, but prospective investors are advised to make their own enquiries as to such procedures. In particular, such information is subject to any change in or interpretation of the rules, regulations and procedures of Euroclear or Clearstream, Luxembourg (together, the "**Clearing Systems**") currently in effect and investors wishing to use the facilities of any of the Clearing Systems are therefore advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuer, the Trustee, the Collateral Manager, the Placement Agent or any Agent party to the Agency Agreement (or any Affiliate of any of the above, or any person by whom any of the above is controlled for the purposes of the Securities Act), will have any responsibility for the performance by the Clearing Systems or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations or for the sufficiency for any purpose of the arrangements described below.

Euroclear and Clearstream, Luxembourg

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 deposited with, and registered in the name of a nominee of, the common depositary on behalf of Euroclear and Clearstream, Luxembourg.

Relationship of Participants with Clearing Systems

Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a Note represented by a Global Certificate must look solely to Euroclear or Clearstream, Luxembourg (as the case may be) for his share of each payment made by the Issuer to the holder of such Global Certificate and in relation to all other rights arising under the Global Certificate, subject to and in accordance with the respective rules and procedures of Euroclear or Clearstream, Luxembourg. The Issuer expects that, upon receipt of any payment in respect of Notes represented by a Global Certificate, the common depositary by whom such Note is held, or nominee in whose name it is registered, will immediately credit the relevant Participants' or accountholders' accounts in the relevant Clearing System with payments in amounts proportionate to their respective beneficial interests in the principal amount of the relevant Global Certificate as shown on the records of the relevant Clearing System or its nominee. The Issuer also expects that payments by Direct Participants in any Clearing System to owners of beneficial interests in any Global Certificate held through such Direct Participants in any Clearing System will be governed by standing instructions and customary practices. Save as aforesaid, such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Certificate and the obligations of the Issuer will be discharged by payment to the registered holder, as the case may be, of such Global Certificate in respect of each amount so paid. None of the Issuer, the Trustee or any Agent will have any responsibility or liability for any aspect of the records

relating to or payments made on account of ownership interests in any Global Certificate or for maintaining, supervising or reviewing any records relating to such ownership interests.

Settlement and Transfer of Notes

Subject to the rules and procedures of each applicable Clearing System, purchases of Notes held within a Clearing System must be made by or through Direct Participants, which will receive a credit for such Notes on the Clearing System's records. The ownership interest of each actual purchaser of each such Note (the "**Beneficial Owner**") will in turn be recorded on the Direct Participant and Indirect Participant's records. Beneficial Owners will not receive written confirmation from any Clearing System of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct Participant or Indirect Participant through which such Beneficial Owner entered into the transaction. Transfers of ownership interests in Notes held within the Clearing System will be effected by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in such Notes, unless and until interests in any Global Certificate held within a Clearing System are exchanged for Definitive Certificates.

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

Trading between Euroclear and/or Clearstream, Luxembourg Participants

Secondary market sales of book entry interests in the Notes held through Euroclear or Clearstream, Luxembourg to purchasers of book entry interests in the Notes held through Euroclear or Clearstream, Luxembourg will be conducted in accordance with the normal rules and operating procedures of Euroclear and Clearstream, Luxembourg and will be settled using the procedures applicable to conventional eurobonds.

RATINGS OF THE NOTES

General

It is a condition of the issue and sale of the Notes that the Notes (except for the Subordinated Notes) be issued with at least the following ratings: the Class A Notes: "Aaa (sf)" from Moody's and "AAA (sf)" from S&P; the Class B Notes: "Aa2 (sf)" from Moody's and "AA (sf)" from S&P; the Class C Notes: "A2 (sf)" from Moody's and "A (sf)" from S&P; the Class D Notes: "Baa2 (sf)" from Moody's and "BBB (sf)" from S&P; the Class E Notes: "Ba2 (sf)" from Moody's and "BB (sf)" from S&P; and the Class F Notes: "B2 (sf)" from Moody's and "B- (sf)" from S&P. The Subordinated Notes will not be rated. The Subordinated Notes being offered hereby will not be rated.

The ratings assigned by S&P to the Class A Notes and the Class B Notes address the timely payment of interest and the ultimate payment of principal. The ratings assigned by S&P to the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes address the ultimate payment of principal and interest. The ratings assigned by Moody's to the Rated Notes address the expected loss posed to investors by the legal final maturity on the Maturity Date.

A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the applicable rating agency.

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

Moody's Ratings

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

Moody's analysis of the likelihood that each Collateral Debt Obligation will default is based on historical default rates for similar debt obligations, the historical volatility of such default rates (which increases as securities with lower ratings are added to the portfolio) and an additional default assumption to account for future fluctuations in defaults. Moody's then determines the level of credit protection necessary to achieve the expected loss associated with the rating of the structured securities, taking into account the expected volatility of the default rate of the portfolio based on the level of diversification by region, issuer and industry. There can be no assurance that the actual default rates on the Collateral Debt Obligations held by the Issuer will not exceed the rates assumed by Moody's in its analysis.

In addition to these quantitative tests, Moody's Ratings take into account qualitative features of a transaction, including the experience of the Collateral Manager, the legal structure and the risks associated with such structure and other factors that Moody's deem relevant.

S&P Ratings

S&P will rate the Rated Notes in a manner similar to the manner in which it rates other structured issues. This requires an analysis of the following:

(a) the credit quality of the portfolio of Collateral Debt Obligations securing the Notes;

(b) the cash flow used to pay liabilities and the priorities of these payments; and

(c) legal considerations.

Based on these analyses, S&P determines the necessary level of credit enhancement needed to achieve a desired rating. In this connection, the S&P CDO Monitor Test is applied prior to the end of the Reinvestment Period.

S&P's analysis includes the application of its proprietary default expectation computer model (the "**S&P CDO Monitor**"), which is used to estimate the default rate S&P projects the Portfolio is likely to experience and which will be provided to the Collateral Manager on or before the Issue Date. The S&P CDO Monitor calculates the cumulative default rate of a pool of Collateral Debt Obligations and Eligible Investments consistent with a specified benchmark rating level based upon S&P's proprietary corporate debt default studies. The S&P CDO

Monitor takes into consideration the rating of each Obligor, the number of Obligors, the Obligor industry concentration and the remaining weighted average maturity of each of the Collateral Debt Obligations included in the Portfolio. The risks posed by these variables are accounted for by effectively adjusting the necessary default level needed to achieve a desired rating. The higher the desired rating, the higher the level of defaults the Portfolio must withstand. For example, the higher the Obligor industry concentration or the longer the weighted average maturity, the higher the default level is assumed to be.

Credit enhancement to support a particular rating is then provided on the results of the S&P CDO Monitor, as well as other more qualitative considerations such as legal issues and management capabilities. Credit enhancement is typically provided by a combination of over collateralisation/subordination, cash collateral/reserve account, excess spread/interest and amortisation. A cash flow model (the "**Transaction Specific Cash Flow Model**") is used to evaluate the portfolio and determine whether it can comfortably withstand the estimated level of default while fully repaying the class of debt under consideration.

There can be no assurance that actual losses on the Collateral Debt Obligations will not exceed those assumed in the application of the S&P CDO Monitor or that recovery rates and the timing of recovery with respect thereto will not differ from those assumed in the Transaction Specific Cash Flow Model. None of S&P, the Issuer, the Collateral Manager, the Collateral Administrator, the Trustee, the Placement Agent or the Retention Holder, makes any representation as to the expected rate of defaults on the Portfolio or as to the expected timing of any defaults that may occur.

S&P's ratings of the Rated Notes will be established under various assumptions and scenario analyses. There can be no assurance that actual defaults on the Collateral Debt Obligations will not exceed those assumed by S&P in its analysis, or that recovery rates with respect thereto (and, consequently, loss rates) will not differ from those assumed by S&P.

THE ISSUER

General

The Issuer was incorporated in Ireland as a designated activity company on 19 May 2016 under the name BlackRock European CLO II Designated Activity Company pursuant to the Companies Act 2014.

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 three Shares, which are fully paid up and are held directly or indirectly by three Irish companies limited by guarantee, Badb Charitable Trust Limited, Medb Charitable Trust Limited and Eurydice Charitable Trust Limited (each a "**Share Trustee**" and together, the "**Share Trustees**") on trust for charitable purposes. Each Share Trustee has, *inter alia*, undertaken not to exercise its voting rights to wind up the Issuer unless and until it has received written confirmation from the Directors of the Issuer that the Issuer does not intend to carry on further business.

The Issuer has been established as a special purpose vehicle for the purposes of acquiring financial assets, issuing financial instruments and the entering into of other legally binding arrangements.

Directors and Company Secretary

The directors of the Issuer and their respective business addresses and principal activities outside the Issuer are:

Name	**Address**	**Principal Activities**
John Fisher	3rd Floor, Kilmore House, Park Lane, Spencer Dock, Dublin 1, Ireland	Company Director
Morgan Sheehy	3rd Floor, Kilmore House, Park Lane, Spencer Dock, Dublin 1, Ireland	Company Director

The company secretary of the Issuer is TMF Administration Services Limited.

The registered office of the Company Secretary of the Issuer is at 3rd Floor Kilmore House, Park Lane, Spencer Dock, Dublin 1, Ireland. The telephone number of the registered office of the Issuer is +353 1 614 6240 and the facsimile number is +353 1 614 6250.

In accordance with the terms of the Corporate Services Agreement, the Issuer has appointed TMF Administration Services Limited as corporate services provider to provide certain administrative, accounting and related services to the Issuer in consideration for the Issuer paying it the remuneration and expenses set out in the Corporate Services Agreement. The appointment of the Corporate Services Provider may be terminated forthwith if, *inter alia*, the Corporate Services Provider commits any material breach of the Corporate Service Agreement, is unable to pay its debts as they fall due or otherwise becomes insolvent or enters into any composition or arrangement with or for the benefit of its creditors or any class thereof. The registered office of the Corporate Services Provider is at 3rd Floor, Kilmore House, Park Lane, Spencer Dock, Dublin 1, Ireland.

John Fisher and Morgan Sheehy are employees of TMF Management (Ireland) Limited.

Activities of the Issuer to date

The principal activities of the Issuer are set out in clause 3 of its memorandum of association and include, *inter alia*, carrying on the business of entering into financial transactions.

Prior to the Issue Date, the Issuer entered into the Warehouse Arrangements in order to enable the Issuer to acquire certain Collateral Debt Obligations on or before the Issue Date (including, for the avoidance of doubt, pursuant to certain forward purchase agreements between the Collateral Manager and the Issuer). Amounts owing under the Warehouse Arrangements shall be paid in full on the Issue Date using (in part) 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, conversion to a designated activity company pursuant to the Companies Act 2014, the authorisation and entry into of the Warehouse Arrangements, the acquisition of certain Collateral Debt Obligations, the authorisation and issue of the Notes, and all other activities incidental thereto.

Indebtedness

Other than which the Issuer has incurred or shall incur in relation to the Warehouse Arrangements (which shall be repaid in full on the Issue Date) and the transactions contemplated in this Prospectus, the Issuer has no indebtedness as at the date of this Prospectus.

Financial Statements

The Issuer has not prepared financial statements as of the date of this Prospectus. The Issuer intends to publish its first financial statements in respect of the period ending on 31 December 2016. The Issuer will not prepare interim financial statements. The financial year of the Issuer ends on 31 December in each year.

The independent auditors of the Issuer are Deloitte of Deloitte & Touche House, 29 Earlsfort Terrace, Dublin 2, Ireland, who are chartered accounts and are members of the Institute of Chartered Accountants of Ireland and registered auditors qualified to practice in Ireland.

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 Placement Agent or any other party. Accordingly, notwithstanding anything to the contrary herein, the Issuer and the Placement Agent do not assume any responsibility for the accuracy, completeness or applicability of such information.

General

Certain management and administrative functions with respect to the Portfolio will be performed by BlackRock Investment Management (UK) Limited (the "**Collateral Manager**") under the Collateral Management Agreement.

The Collateral Manager

The Collateral Manager is a wholly-owned subsidiary of BlackRock, Inc. (together with the Collateral Manager and its Affiliates, "**BlackRock**") and a limited liability company incorporated in the UK (company number: 02020394) with its registered office at 12 Throgmorton Avenue, London, EC2N 2DL.

The Collateral Manager is an investment firm regulated by the UK Financial Conduct Authority.

BlackRock, Inc.

As of June 30, 2016, BlackRock's pro forma assets under management ("**AUM**") were approximately U.S.$4.89 trillion, with approximately U.S.$15.4 billion of bank loans in dedicated fundamental portfolios, including structured products (but excluding multi-sector fixed income portfolios, multi-asset strategies, other alternatives) as well as approximately U.S.$43.4 billion in dedicated fundamental high yield mandates.

BlackRock manages assets on behalf of institutions and individuals worldwide through a variety of equity, fixed income, multi-asset, real estate, cash management and alternative investment products. In addition, BlackRock provides risk management, strategic advisory and enterprise investment system services to a growing number of institutional investors. Headquartered in New York City, BlackRock has more than 12,000 employees in more than 30 countries and 70 cities across the Americas, Europe, Asia-Pacific, the Middle East and Africa. With 27 primary investment centres worldwide as of June 30, 2016, BlackRock has access to all major capital markets. See "*Risk Factors— Certain Conflicts of Interest—the Collateral Manager*".

BlackRock is an experienced collateralized debt obligation manager, with approximately U.S.$8.4 billion of BlackRock-managed U.S. cash-flow CLOs issued since 2002 and a third-party CLO investment team with approximately U.S.$9.4 billion AUM invested globally as at June 30, 2016.

European Fundamental Credit Team

BlackRock's European Fundamental Credit Team is a 24 person team dedicated to running leveraged finance and alternative credit strategies forming part of BlackRock's European Fundamental Credit platform. The team is headed by Michael Phelps, Managing Director, and consists of portfolio managers, leveraged credit research analysts and portfolio assistants. The team is supported by additional personnel including risk analysts, lawyers and compliance specialists, loan documentation professionals, global CDO administration specialists and product strategists.

Investment Philosophy

BlackRock's investment philosophy as a collateral manager emphasises creating value through intensive bottom-up research and robust leveraged loan credit selection, coupled with an active CLO portfolio management style. BlackRock uses a team-oriented approach, with constant dialogue between credit research analysts and portfolio managers and a regular review of investment positions.

In making investment decisions BlackRock employs a credit review process that focuses on a thorough analysis of the underlying issuer's creditworthiness and a relative value comparison that outlines the merits of each investment. Also considered is the outlook for the company's industry and BlackRock's own assessment. BlackRock develops a specific rationale for each investment made and uses it in the course of continually reviewing the merits of the investment and determining appropriate exit strategies. This investment selection

and surveillance process helps ensure that all investments benefit from the combined experience, skill sets and information sources of the European Fundamental Credit Team.

The credit review process assesses a company with respect to four key fundamental factors: industry attractiveness, competitive position, management quality and financial position. Depending on the issuer of a particular investment, BlackRock's credit review process may include some or all of the following:

1. developing and maintaining a direct dialogue with the issuer's management,

2. monitoring the issuer's financial and operating performance through examination of financial results, capital structure, pricing power, management, cash flow, catalysts, covenants, assets, valuation and liquidity characteristics,

3. monitoring changes/trends in the market value of investments,

4. reviewing all available information to determine potential changes in the issuer's credit and industry position,

5. monitoring macro or industry effects and their potential influence on the investment,

6. incorporating and reviewing all relevant information from industry sources,

7. continually reviewing "relative values" of investments, and

8. selling when the rationale for a position no longer supports holding it.

In addition to its credit review process, BlackRock utilises a risk controlled approach to sector rotation and security selection. The key elements typically considered in BlackRock's risk controlled approach are:

1. an overview of investment markets in order to identify asset classes and industry sectors that are overvalued and undervalued,

2. an extensive bottom up review of each issuer, targeting companies with strong underlying fundamentals,

3. an active management approach stressing flexibility in the reallocation of investments as appropriate,

4. portfolio diversification to minimize exposure to any individual investment,

5. use of advanced hedging techniques to protect the portfolio from certain market risks, and

6. leveraging the resources and extensive industry contacts of BlackRock to provide access to investment opportunities.

Biographies of the Members of the Investment Committee

Michael Phelps*, Managing Director*, is Head of European Fundamental Credit. Prior to joining BlackRock in 2009, Mr. Phelps was the head of European Businesses at R3 Capital Partners. Earlier, he was with Lehman Brothers where he was most recently the head of the Global Principal Strategies (GPS) European operations. He joined Lehman Brothers in 2006 to manage a credit and distressed debt portfolio for the GPS team. Mr. Phelps joined Lehman Brothers from J.P. Morgan's Proprietary Positioning Business, where he was responsible for the US single name credit and distressed portfolios. Before taking on that role, he was an analyst for the European equity long/short portfolio and sole analyst for the distressed debt business. Mr. Phelps earned BA and MA degrees in Economics from the University of Cambridge in 1997.

Aly Hirji*, Director*, is a portfolio manager in European Fundamental Credit, focusing primarily on the high yield leveraged loan asset class and related products, including CLOs. Prior to joining BlackRock in 2014, Mr. Hirji was a partner and portfolio manager at New Amsterdam Capital, a European credit manager focused on leveraged credit. He was responsible for managing CLOs, leveraged loan and high yield funds, managed accounts and trading. He joined the firm as its first investment-related employee in 2004 as a credit analyst and contributed to growing out the firm and its assets under management. He began his career at JP Morgan in 1999

working in leveraged finance origination, debt capital markets and financial sponsor coverage. Mr. Hirji earned a BSc degree, with honours in economics from the University of Bristol in 1999.

***Jose Aguilar**, Managing Director*, is a senior portfolio manager in European Fundamental Credit, focusing on credit hedge funds, absolute return funds and leverage finance strategies. Prior to joining BlackRock in 2009, Mr. Aguilar was a senior research analyst at R3 Capital Partners focusing on leverage finance and special situations. He began his career at Lehman Brothers in 2005 in the Mergers and Acquisitions Group covering financial institutions and subsequently moved to Global Principal Strategies (GPS). Mr. Aguilar earned degrees in business administration and law from Universidad Pablo de Olavide in Seville, Spain.

***Stefano Donati**, Managing Director*, is Lead Credit Analyst and Head of European Fundamental Credit Research. Prior to joining BlackRock in 2009, Mr. Donati was a Vice President and credit research analyst at R3 Capital Partners. Previously, he spent four years as a research analyst with the Goldman Sachs Special Situations team. Mr. Donati earned a BS degree in financial institutions and markets from Universita Commerciale Luigi Bocconi, Milan, in 2001.

THE RETENTION HOLDER AND RETENTION REQUIREMENTS

The information appearing in the section entitled "The Retention Holder and Retention Requirements" below consists of a summary of certain provisions of the Risk Retention Letter and does not purport to be complete and is qualified by reference to the detailed provisions of such letter.

Description of the Retention Holder

The Issuer has accurately reproduced the information contained in the section entitled "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 Placement Agent or any other party and none of such Persons assumes any responsibility for the accuracy, completeness or applicability of such information.

On the Issue Date, the Collateral Manager, in its capacity as Retention Holder, acting for its own account, will sign the Risk Retention Letter addressed to the Issuer, the Trustee (for the benefit of the Noteholders), the Collateral Administrator and the Placement Agent.

The Collateral Manager, as Retention Holder, intends to hold the requisite risk retention in its capacity as "originator" for the purposes of the 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 Retention Requirements.

The Collateral Manager will represent and warrant in the Risk Retention Letter, that the Originator Requirement (as defined below) has been satisfied on the Issue Date.

Other than the representations, warranties and covenants summarised below, the Collateral Manager makes no representation or warranty nor gives any undertaking as to whether it satisfies the description of "originator" for the purposes of the Retention Requirements.

The Retention

Background

By way of background, the CRR definition of an "originator" refers to any entity which either:

(a) itself or through related entities, directly or indirectly, was involved in the original agreement which created the obligations being securitised; or

(b) purchases third party exposures "for its own account" and then securitises them.

Article 3(4)(a) of the regulatory technical standards adopted by the EU Commission on 12 March 2014 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 CRR Retention Requirements may be fulfilled by a single originator where the relevant originator has established and is managing the scheme.

Undertakings

Under the Risk Retention Letter, the Retention Holder will:

(a) undertake to, on the Issue Date, subscribe for and hold on an ongoing basis, as originator, not less than 5 per cent. of the nominal value of each of the tranches sold or transferred to investors within the meaning of paragraph 1(a) of Article 405 of the CRR, paragraph 1(a) of Article 51 of the AIFMD Level 2 Regulations and paragraph 2(a) of Article 254 of the Solvency II Level 2 Regulation (the "**Retention Notes**"), and for these purposes, any Classes of Notes ranking at the same level and *pro rata* shall together constitute a single "tranche";

(b) agree not to sell, hedge or otherwise mitigate its credit risk under or associated with the Retention Notes, except to the extent permitted in accordance with the Retention Requirements;

(c) take such further reasonable action, provide such information (subject to any applicable duties of confidentiality) and on a confidential basis including confirmation of its compliance with paragraphs (a) and (b) above and enter into such other agreements as may reasonably be required to satisfy the Retention Requirements as of (i) the Issue Date, and (ii) solely as regards the provision of information in the possession of the Retention Holder and to the extent the same is not subject to a duty of confidentiality, at any time prior to maturity of the Notes;

(d) agree to confirm its continued compliance with the covenants set out at paragraphs (a) and (b) above (i) on a monthly basis to the Issuer, the Trustee, the Collateral Administrator and the Placement Agent in writing (which may be by way of email) and (ii) upon reasonable request in writing by the Issuer, the Trustee, the Collateral Administrator or the Placement Agent;

(e) represents that in relation to every Collateral Debt Obligation it sells or transfers to the Issuer on or before the Issue Date, that it either:

  (i) itself or through related entities, directly or indirectly, has been involved in the original agreement which created or will create such asset; or

  (ii) has purchased such obligation for its own account prior to selling or transferring such asset to the Issuer; and

(f) agree that it shall promptly notify the Issuer, the Trustee, the Collateral Administrator and the Placement Agent 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 (b) or (c) above in any way; or (iii) any of the representations contained in the Risk Retention Letter fail to be true on any date,

provided, however, that (i) the Retention Holder shall be permitted to transfer the Retention Notes to the extent such transfer would not in and of itself cause the transaction described in this Prospectus to be non-compliant with the Retention Requirements, and (ii) the Retention Holder's undertakings in respect of the Retention Notes are, unless otherwise specified, made as of the Issue Date, with such undertakings being binding for so long as any of the Notes remain Outstanding, and the Retention Holder does not have any obligation to change the quantum, method or nature of its holding of the Retention Notes as a result of any changes to the Retention Requirements following the Issue Date or any other changes to regulations or the interpretation thereof the result of which the Issuer is considered to be an alternative investment fund as defined under AIFMD following the Issue Date.

"**Originator Requirement**" means the requirement which will be satisfied if, on the Issue Date:

(a) the Aggregate Principal Balance of all Collateral Debt Obligations that have been acquired by the Issuer from the Collateral Manager; divided by

(b) the Target Par Amount,

is greater than or equal to 5 per cent.

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 (including the Reports) are sufficient to comply with the Retention Requirements. None of the Issuer, the Placement Agent, the Arranger, the Trustee, the Agents, the Retention Holder, their respective Affiliates, corporate officers or professional advisors or any other Person makes any representation, warranty or guarantee that any such information is sufficient for such purposes or any other purpose and no such Person shall have any liability to any prospective investor or any other Person with respect to the insufficiency of such information or any failure of the transactions contemplated hereby to satisfy the Retention Requirements or any other applicable legal, regulatory or other requirements other than, in the case of the Retention Holder, where such failure results from a breach of the Risk Retention Letter by the Retention Holder. Each prospective investor in the Notes which is subject to the Retention Requirements should consult with its own legal, accounting, regulatory and other advisors and/or its national regulator to determine whether, and to what extent, such information is sufficient for such purposes and any other requirements of which it is uncertain. See "*Risk Factors— Regulatory Initiatives*".

Origination of Collateral Obligations

The Issuer has accurately reproduced the information contained in the section entitled "The Retention Holder and Retention 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 Arranger, the Placement Agent 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 Prospectus 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 Prospectus, or that the information contained or referred to herein is correct as of any time subsequent to the date of this Prospectus.

General

The Collateral Manager may acquire assets which are intended to form part of the Collateral Obligations ("**Originator Assets**"). These Originator Assets shall be acquired by the Collateral Manager in the primary or secondary market from third parties ("**Market Sellers**").

In relation to any asset acquired by it, the Collateral Manager may from time to time:

(a) hold such asset to maturity;

(b) sell such asset to the market; or

(c) as intended in the majority of cases, sell the asset into a CLO transaction in respect of which it is the collateral manager, in each case, subject to the satisfaction of certain conditions described below.

The Collateral Manager, having due regard to the assets and liabilities held on its own balance sheet from time to time, shall have absolute discretion to (i) acquire, hold and/or sell assets at any time, and (ii) if appropriate, nominate the CLO transaction into which any asset is proposed to be sold.

Application of Losses/Risk

Any credit risk arising in connection with (i) the Collateral Manager's ownership of any Originator Asset, or (ii) with its indirect financing of any Collateral Obligation by way of its holding of the Retention Notes, shall be borne by the Collateral Manager.

Sale of Collateral Obligations into CLO transactions

With a view to effectively managing its exposure to market price volatility of the Originator Assets, the Collateral Manager may from time to time (and is expected to do so in the majority of cases) acquire Originator Assets and immediately enter into a forward purchase agreement in respect of such assets (a "**Forward Purchase Agreement**") with one of the issuers established in connection with a CLO transaction managed by it (each, a "**CLO Issuer**"). Under a Forward Purchase Agreement, the relevant CLO Issuer commits to purchase the relevant Originator Assets for the same purchase price as the Collateral Manager committed to purchase such Collateral Obligations from the relevant Market Seller. If, however, the Collateral Manager does not immediately enter into a Forward Purchase Agreement in respect of any Originator Assets which it later determines should be sold into a CLO Issuer, the purchase price for such Originator Assets shall be the current market value thereof (determined on the basis of an arm's length transaction). The effective date for any purchase of an Originator Asset by a CLO Issuer from the Collateral Manager shall be no earlier than 15 Business Days after the date the Collateral Manager committed to the purchase of such Originator Asset from the Market Seller. Pursuant to the foregoing, the Collateral Manager entered into a forward purchase agreement with the Issuer on 26 October 2016 under which the Issuer shall acquire Originator Assets from the Collateral Manager. The Aggregate Principal Balance of Collateral Obligations to be acquired by the Issuer under the aforementioned forward purchase agreement is intended to be an amount sufficient to satisfy the Originator Requirement.

The CLO Issuer, the Collateral Manager and the Market Seller may also enter into a multilateral netting agreement (the "**Netting Agreement**") in connection with the purchase of Originator Assets. The Netting

Agreement shall require the relevant Market Seller to enter into an assignment or similar transfer agreement with the CLO Issuer to effect the transfer of such Originator Assets directly from the Market Seller to the CLO Issuer. Subject to the terms of the Netting Agreement, the CLO Issuer shall, on the date of settlement, pay the purchase price for the Collateral Obligations to the Collateral Manager (as determined pursuant to the Forward Purchase Agreement) and the Collateral Manager shall in turn pay the Market Seller the agreed upon consideration for the Originator Assets as adjusted pursuant to the terms set out therein.

In the event that any Originator Asset does not satisfy certain conditions precedent on the date the purchase by and transfer of the Originator Asset to the CLO Issuer is due to be effective, the CLO Issuer will not be obliged to complete the purchase of the relevant Originator Asset. The conditions precedent to the purchase by the CLO Issuer include, but are not limited to, the Originator Asset (i) not being in default or otherwise credit impaired, and (ii) satisfying the eligibility criteria pursuant to the Warehouse Arrangements (if such purchase effective date falls prior to the Issue Date) or the Eligibility Criteria (if such purchase effective date falls on or after the Issue Date). As a result, the Collateral Manager will be exposed to default and credit risk on Originator Assets for the period between its purchase of such Originator Asset and the date the sale of such Originator Asset is effective under the applicable Forward Purchase Agreement.

THE PORTFOLIO

Terms used and not otherwise defined herein or in this Prospectus as specifically referenced herein shall have the meaning given to them in Condition 1 (Definitions) of the Terms and Conditions of the Notes.

The following description of the Portfolio consists of a summary of certain provisions of the Collateral Management Agreement which does not purport to be complete and is qualified by reference to the detailed provisions of such agreement.

Introduction

Pursuant to the Collateral Management Agreement, the Collateral Manager will be required to act in specific circumstances in relation to the Portfolio on behalf of the Issuer and to carry out the duties and functions described below. In addition, the Collateral Administrator is required to perform certain calculations in relation to the Portfolio on behalf of the Issuer, in each case to the extent and in accordance with the information provided to it by the Collateral Manager.

Acquisition of Collateral Debt Obligations

The Collateral Manager will determine and will use commercially reasonable endeavours to cause to be acquired by the Issuer a portfolio of Senior Secured Loans, Senior Secured Bonds, Unsecured Senior Loans, Second Lien Loans, Mezzanine Obligations and High Yield Bonds during the Initial Investment Period, the Reinvestment Period and thereafter, in each case, subject to the Eligibility Criteria, all in accordance with the Collateral Management Agreement. The Issuer anticipates that, by the Issue Date, it or the Collateral Manager on its behalf will have purchased or committed to purchase Collateral Debt Obligations, the Aggregate Principal Balance of which is equal to at least €260,000,000 which is approximately 65 per cent. of the Target Par Amount. The proceeds of issue of the Notes remaining after payment of: (a) the acquisition costs for the Collateral Debt Obligations acquired by the Issuer pursuant to the Warehouse Arrangements; and (b) certain fees, costs and expenses incurred in connection with the issue of the Notes and anticipated to be payable by the Issuer following completion of the issue of the Notes will be deposited in the First Period Reserve Account, the Expense Reserve Account and the Unused Proceeds Account on the Issue Date. The Collateral Manager acting on behalf of the Issuer, shall use commercially reasonable endeavours to purchase Collateral Debt Obligations with an Aggregate Principal Balance (provided that, for the purposes of determining the Aggregate Principal Balance, any repayments or prepayments of any Collateral Debt Obligations subsequent to the Issue Date, not subsequently reinvested shall be disregarded and the Principal Balance of a Collateral Debt Obligation which is a Defaulted Obligation will be the lower of its S&P Collateral Value and its Moody's Collateral Value) equal to at least the Target Par Amount out of the Balance standing to the credit of the Unused Proceeds Account during the Initial Investment Period.

The Issuer does not expect and is not required to satisfy the Collateral Quality Tests, Portfolio Profile Tests, the Coverage Tests or the Reinvestment Overcollateralisation Test prior to the Effective Date. The Collateral Manager may declare that the Initial Investment Period has ended and the Effective Date has occurred prior to 15 June 2017, subject to the Effective Date Determination Requirements being satisfied.

On or after the Effective Date, the Balance standing to the credit of the Unused Proceeds Account will be transferred to the Principal Account and/or the Interest Account, in each case, at the discretion of the Collateral Manager (acting on behalf of the Issuer), provided that as at such date: (i) the Issuer has acquired or entered into binding commitments to acquire Collateral Debt Obligations, the Aggregate Principal Balance (provided that, for the purposes of determining the Aggregate Principal Balance, any repayments or prepayments of any Collateral Debt Obligations subsequent to the Issue Date, not subsequently reinvested shall be disregarded and the Principal Balance of a Collateral Debt Obligation which is a Defaulted Obligation will be the lower of its S&P Collateral Value and its Moody's Collateral Value) of which equals or exceeds the Reinvestment Target Par Balance; and (ii) no more than 1 per cent. of the Reinvestment Target Par Balance may be transferred to the Interest Account.

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 Debt Obligations having an Aggregate Principal Balance which equals or exceeds the Reinvestment Target Par Balance, copies of which shall be forwarded to the Issuer, the Trustee, the Collateral Manager and the Rating Agencies and made available by the Collateral Administrator via a secure website at https://usbtrustgateway.usbank.com (or such

other website as may be notified by the Collateral Administrator to the Issuer, the Trustee, the Collateral Manager, the Placement Agent, each Hedge Counterparty, each Rating Agency, the Principal Paying Agent and the Noteholders from time to time) (provided that, for the purposes of determining the Aggregate Principal Balance as provided above, any repayments or prepayments of any Collateral Debt Obligations subsequent to the Issue Date, not subsequently reinvested shall be disregarded and the Principal Balance of a Collateral Debt Obligation which is a Defaulted Obligation will be the lower of its S&P Collateral Value and its Moody's Collateral Value).

Within 30 Business Days following the Effective Date the Issuer will provide, or cause the Collateral Manager to provide, to the Trustee confirmation of receipt of an accountants' certificate recalculating and comparing the Aggregate Principal Balance of all Collateral Debt Obligations purchased or committed to be purchased as at the Effective Date and the computations and results of the Portfolio Profile Tests, the Collateral Quality Tests and the Coverage Tests (as applicable and other than the Interest Coverage Tests) by reference to such Collateral Debt Obligations.

The Collateral Manager (acting on behalf of the Issuer) shall promptly, following receipt of the Effective Date Report request that each of the Rating Agencies (to the extent not previously received) confirm its Initial Ratings of the Rated Notes, provided that if the Effective Date Moody's Condition is satisfied then such Rating Agency Confirmation shall be deemed to have been received from Moody's. If the Effective Date Moody's Condition is not satisfied within 30 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) the Collateral Manager (acting on behalf of the Issuer) does not present a Rating Confirmation Plan to Moody's, or the Collateral Manager (acting on behalf of the Issuer) presents a Rating Confirmation Plan to Moody's and Rating Agency Confirmation from Moody's is not received in respect of such Rating Confirmation Plan 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, or (iii) Rating Agency Confirmation from S&P is not received following the Effective Date 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. 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 Debt Obligations and/or any other intended action which will cause confirmation or reinstatement of the Initial Ratings. The Collateral Manager (acting on behalf of the Issuer) is under no obligation whatsoever to present a Rating Confirmation Plan to the Rating Agencies.

Eligibility Criteria

Each Collateral Debt Obligation must, at the time of entering into a binding commitment to acquire such obligation by, or on behalf of, the Issuer, satisfy the following criteria (the "**Eligibility Criteria**") as determined by the Collateral Manager in its reasonable discretion:

(a) it is a Senior Secured Loan, a Senior Secured Bond, an Unsecured Senior Loan, a Mezzanine Obligation, a Second Lien Loan, a Corporate Rescue Loan, or a High Yield Bond;

(b) it is (i) denominated in Euro or (ii)(A) denominated in a Qualifying Currency other than Euro and no later than the settlement date of the acquisition thereof, or (B) denominated in a Qualified Unhedged Currency, acquired in the Primary Market and no later than 180 calendar days following the settlement date of the acquisition thereof, the subject of a Currency Hedge Transaction entered into by the Issuer (or the Collateral Manager on its behalf) with a notional amount in the relevant currency equal to the aggregate principal amount of such obligation and complies with the requirements set out in respect of

such obligation in the Collateral Management Agreement, and (iii) is not convertible into or payable in any other currency;

(c) it is not a Defaulted Obligation or a Credit Impaired Obligation;

(d) it is not a lease (including, for the avoidance of doubt, a financial lease);

(e) it is not a Structured Finance Security, letter of credit or a Synthetic Security;

(f) it provides for a fixed amount of principal payable in cash on scheduled payment dates and/or at maturity and does not by its terms provide for earlier amortisation or prepayment in each case at a price of less than par;

(g) it is not a Zero Coupon Security;

(h) it is not convertible into equity by its terms and it does not constitute "margin stock" (as defined under Regulation U issued by the Board of Governors of the United States Federal Reserve System);

(i) it is an obligation in respect of which, following acquisition thereof by the Issuer by the selected method of transfer, payments will not be subject to withholding Tax imposed by any jurisdiction (other than U.S. withholding Tax on commitment fees, amendment fees, waiver fees, consent fees, letter of credit fees, extension fees, or similar fees) unless either: (i) such withholding tax can, upon completion of the relevant procedural formalities, be reduced or eliminated by application being made under an applicable double Tax treaty or convention or otherwise; or (ii) the Obligor is required to make "gross-up" payments to the Issuer that cover the full amount of any such withholding on an after-Tax basis;

(j) other than in the case of a Corporate Rescue Loan, it has an S&P Rating of not lower than "CCC-" and a Moody's Rating of not lower than "Caa3";

(k) it is an obligation of an Obligor who is Domiciled in a jurisdiction the Moody's local currency country risk ceiling of which is "A3" or above;

(l) it is not a debt obligation whose repayment is subject to substantial non-credit related risk;

(m) it will not result in the imposition of any present or future, actual or contingent, monetary liabilities or obligations of the Issuer other than those: (i) which may arise at its option; (ii) which are fully collateralised; (iii) which are subject to limited recourse provisions similar to those set out in the Trust Deed; (iv) which are owed to the agent bank in relation to the performance of its duties under a Collateral Debt Obligation; (v) which may arise as a result of an undertaking to participate in a financial restructuring of a Collateral Debt Obligation where such undertaking is contingent upon the redemption in full of such Collateral Debt Obligation on or before the time by which the Issuer is obliged to enter into the restructured Collateral Debt Obligation and where the restructured Collateral Debt Obligation satisfies the Restructured Obligation Criteria and for the avoidance of doubt, the Issuer is not liable to pay any amounts in respect of a restructuring; or (vi) which are Delayed Drawdown Collateral Debt Obligations or Revolving Obligations, provided that, in respect of this paragraph (m) only, that the imposition of any present or future, actual or contingent, monetary liabilities or obligations of the Issuer following such restructuring shall not exceed the redemption amounts from such obligation;

(n) it will not require the Issuer or the pool of collateral to be registered as an investment company under the Investment Company Act;

(o) it is not a debt obligation that pays scheduled interest less frequently than annually (other than, for the avoidance of doubt, PIK Securities);

(p) it is not subject to a tender offer, voluntary redemption, exchange offer, conversion or other similar action for a price less than its par amount plus all accrued and unpaid interest;

(q) the Collateral Debt 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, stamp duty reserve tax or similar Tax or duty payable by the Issuer or by any person entitled to recover the same from the Issuer,

unless such stamp duty, stamp duty reserve tax or similar Tax or duty has been included in the purchase price of such Collateral Debt Obligation;

(s) upon acquisition, both (i) the Collateral Debt Obligation is capable of being, and will be, the subject of a first fixed charge, a first priority security interest or other similar security interest having first ranking priority and having a similar commercial effect in favour of the Trustee for the benefit of the Secured Parties and (ii) (subject to (i) above) the Issuer (or the Collateral Manager on behalf of the Issuer) has notified the Trustee in the event that any Collateral Debt Obligation that is a bond is held through the Custodian but not held through Euroclear or does not satisfy the requirements relating to Euroclear collateral specified in the Trust Deed and has taken such action as the Trustee may require to effect such security interest;

(t) is not an obligation of a borrower who or which is resident in or incorporated under the laws of Ireland and who or which is not acting in the conduct of a business or profession;

(u) it is an obligation in respect of which the Obligor (or the guarantor of such obligation) is Domiciled in a Qualifying Country, as determined by the Collateral Manager;

(v) it has not been called for, and is not subject to a pending, redemption;

(w) it is capable of being sold, assigned or participated to the Issuer, together with any associated security, without any breach of applicable selling restrictions or of any contractual provisions;

(x) it is not an obligation whose acquisition by the Issuer will cause the Issuer to be deemed to have participated in a primary loan origination in the United States;

(y) any change in the amount and/or timing of interest and principal payments pursuant to the relevant Underlying Instrument (for the avoidance of doubt, excluding any changes originally envisaged in such Underlying Instrument) requires the consent of a majority of lenders or holders, as applicable;

(z) it is not a Project Finance Loan;

(aa) if it pays U.S.-source interest or is "registration required", it is in registered form for U.S. federal income tax purposes;

(bb) it is not a Deferring Security;

(cc) if it is a Revolving Obligation or Delayed Drawdown Collateral Debt Obligation, it can only be drawn in Euro;

(dd) it is not a Step-Down Coupon Security;

(ee) it is a "qualifying asset" for the purposes of Section 110;

(ff) it is an "eligible asset" as defined in Rule 3a-7 under the Investment Company Act (so long as the Trading Requirements are applicable);

(gg) it does not have an "f", "r", "p", "pi", "q", "(sf)" or "t" subscript assigned by S&P; and

(hh) it is not an obligation of an Obligor that has total current indebtedness (comprising all financial debt owing by the Obligor including the maximum available amount or total commitment under any revolving or delayed draw loans) of less than EUR 150,000,000.

A Step-Up Coupon Security that otherwise satisfies the Eligibility Criteria on the date the Issuer (or the Collateral Manager on its behalf) enters into a binding commitment to purchase such obligation shall constitute a Collateral Debt Obligation.

Other than (i) Issue Date Collateral Debt Obligations which must satisfy the Eligibility Criteria on the Issue Date and (ii) Collateral Debt Obligations which are the subject of a restructuring (whether effected by way of an amendment to the terms of such Collateral Debt Obligation or by way of substitution of new obligations and/or change of Obligor) which must satisfy the Restructured Obligation Criteria on the applicable Restructuring Date, the subsequent failure of any Collateral Debt Obligation to satisfy any of the Eligibility Criteria shall not prevent any obligation which would otherwise be a Collateral Debt Obligation from being a Collateral Debt

Obligation so long as such obligation satisfied the Eligibility Criteria, when the Issuer or the 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 letter of credit or a Participation) that has payments of interest or principal on a reference obligation or the credit performance of a reference obligation.

"**Step-Down Coupon Security**" means a security the interest rate of which decreases over a specified period of time other than due to the decrease of the floating rate index applicable to such security.

"**Step-Up Coupon Security**" means a security the interest rate of which increases over a specified period of time other than due to the increase of the floating rate index applicable to such security.

"**Tax**" means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty, fine or interest payable in connection with any failure to pay or any delay in paying any of the same) and "**Taxes**" and "**Taxation**" shall be construed accordingly.

"**Zero Coupon Security**" means a security (other than a Step-Up Coupon Security) that, at the time of determination, does not provide for periodic payments of interest.

Restructured Obligations

If a Collateral Debt Obligation becomes (in the sole discretion of the Collateral Manager) the subject of a restructuring whether effected by way of an amendment to the terms of such Collateral Debt Obligation (including but not limited to an amendment of its maturity date) or by way of substitution of new obligations and/or change of Obligor, such obligation shall only constitute a Restructured Obligation if such obligation satisfies each of the criteria comprising the Eligibility Criteria other than the criteria set out at paragraphs (c), (i), (j), (q), (r) and (v) (but only if notwithstanding the fact that a Collateral Debt Obligation is subject to a pending redemption, the redemption price of such Collateral Debt Obligation is expected to be 100 per cent. of the Principal Balance of such Collateral Debt Obligation) (bb) and (dd) thereof, as determined by the Collateral Manager in its reasonable discretion, and provided that (i) such obligation has been assigned or otherwise has an S&P Rating; and (ii) in the case of an obligation which, as a result of such restructuring, would have a Collateral Debt Obligation Stated Maturity falling on or after the Maturity Date of the Notes (a "**Long-Dated Restructured Obligation**"), not more than 5.0% of the Aggregate Collateral Balance (for which purpose, the Principal Balance of each Defaulted Obligation shall be its S&P Collateral Value) shall consist of Long-Dated Restructured Obligations (such applicable criteria, the "**Restructured Obligation Criteria**").

For the avoidance of doubt, the refinancing of a Collateral Debt Obligation which is not a restructuring, in circumstances whereby the redemption proceeds are rolled as consideration for a new obligation (including by way of a "cashless roll"), shall be treated as an acquisition by the Issuer of a new Collateral Debt Obligation.

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 Debt Obligations and Exchanged Securities and to reinvest the Sale Proceeds thereof in Substitute Collateral Debt Obligations. The Collateral Manager shall notify the Collateral

Administrator of all necessary details of the Collateral Debt Obligation or Exchanged Security to be sold and any proposed Substitute Collateral Debt Obligation to be purchased and the Collateral Administrator (on behalf of the Issuer) shall calculate and shall provide confirmation of whether the Portfolio Profile Tests, the Trading Requirements (so long as they are applicable and upon request by the Collateral Manager) and the other applicable Reinvestment Criteria and/or sale conditions which are required to be satisfied, maintained or improved in connection with any such sale or reinvestment are satisfied, maintained or improved or, if any such criteria are not satisfied, maintained or improved, shall notify the Issuer and the Collateral Manager of the reasons and the extent to which such criteria are not so satisfied, maintained or improved.

The Collateral Manager will subject to the Standard of Care (as such term is defined in the Collateral Management Agreement) to which it is subject under the Collateral Management Agreement, determine and use reasonable endeavours to cause to be purchased by the Issuer, Collateral Debt Obligations (including all Substitute Collateral Debt Obligations) which satisfy the Eligibility Criteria and, where applicable, the Trading Requirements, the Reinvestment Criteria and the guidelines in the Collateral Management Agreement and will monitor the performance of the Collateral Debt Obligations on an ongoing basis to the extent practicable using sources of information reasonably available to it and provided that the Collateral Manager shall not be responsible for determining whether or not the terms of any individual Collateral Debt Obligation have been observed.

The activities referred to below that the 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 Agreement.

Sale of Collateral Debt Obligations

Sale of Issue Date Collateral Debt Obligations

The Collateral Manager, acting on behalf of the Issuer shall, in accordance with the Trading Requirements (so long as they are applicable), sell any Issue Date Collateral Debt Obligations which do not comply with the Eligibility Criteria on the Issue Date (each a "**Non-Eligible Issue Date Collateral Debt Obligation**"). Any Sale Proceeds received in connection therewith may be reinvested in Substitute Collateral Debt Obligations or credited to the Principal Account pending such reinvestment.

Terms and Conditions applicable to the Sale of Credit Impaired Obligations, Credit Improved Obligations and Defaulted Obligations

Credit Impaired Obligations, Credit Improved Obligations and Defaulted Obligations may be sold in accordance with the Trading Requirements (so long as they are applicable) at any time by the Collateral Manager (acting on behalf of the Issuer) subject to:

(a) the Collateral Manager's knowledge, no Event of Default having occurred which is continuing; and

(b) the Collateral Manager certifying to the Trustee and the Collateral Administrator that it believes, in its reasonable commercial judgment, that such security constitutes a Credit Impaired Obligation, a Credit Improved Obligation or a Defaulted Obligation as the case may be.

Terms and Conditions applicable to the Sale of Exchanged Securities

Any Exchanged Security may be sold at any time by the Collateral Manager in its discretion (acting on behalf of the Issuer) in accordance with the Trading Requirements (so long as they are applicable), subject to, to the Collateral Manager's knowledge, no Event of Default having occurred which is continuing.

In addition to any discretionary sale of Exchanged Securities as provided above, the Collateral Manager shall be required by the Issuer to use its commercially reasonable endeavours to sell (on behalf of the Issuer) any Exchanged Security which constitutes Margin Stock, as soon as practicable upon its receipt or upon its becoming Margin Stock (as applicable) and at all times as permitted by applicable law.

Discretionary Sales

The Issuer or the Collateral Manager (acting on behalf of the Issuer) may, in accordance with the Trading Requirements (so long as they are applicable), dispose of any Collateral Debt Obligation (other than a Non-Eligible Issue Date Collateral Debt Obligation, a Credit Improved Obligation, a Credit Impaired Obligation, a

Defaulted Obligation or an Exchanged Security, each of which may only be sold in the circumstances provided above) at any time provided:

(a) to the knowledge of the Collateral Manager, no Event of Default having occurred which is continuing;

(b) after giving effect to such sale, the Aggregate Principal Balance outstanding of all Collateral Debt Obligations sold as described in this paragraph during the preceding 12 calendar months (or, for the first 12 calendar months after the Issue Date, during the period commencing on the Effective Date) is not greater than 30 per cent. of the Aggregate Collateral Balance as of the first day of such 12 calendar month period (or as of the Effective Date, as the case may be); and

(c) either:

(i) during the Reinvestment Period, the Collateral Manager reasonably believes prior to such sale that it will be able to enter one or more binding commitments to reinvest all or a portion of the Sale Proceeds in one or more additional Collateral Debt Obligations with an Aggregate Principal Balance outstanding at least equal to the Investment Criteria Adjusted Balance of such sold Collateral Debt Obligation within 60 days after the settlement of such sale in accordance with the Reinvestment Criteria; or

(ii) at any time, either: (1) the expected Sale Proceeds from such sale are at least equal to the Investment Criteria Adjusted Balance of such Collateral Debt Obligation; or (2) after giving effect to such sale, the Aggregate Principal Balance outstanding of all Collateral Debt Obligations (excluding the Collateral Debt Obligation being sold but including, without duplication, the expected Sale Proceeds of such sale and for such purpose the Principal Balance of each Defaulted Obligation shall be its Market Value multiplied by its Principal Balance) plus, without duplication, the amounts on deposit in the Principal Account and the Unused Proceeds Account (including Eligible Investments therein save for interest accrued on Eligible Investments) will be greater than (or equal to) the Reinvestment Target Par Balance.

"**Investment Criteria Adjusted Balance**" means with respect to a Collateral Debt Obligation, the Principal Balance of such Collateral Debt Obligation, provided that the Investment Criteria Adjusted Balance of:

(a) a Deferring Security shall be the lesser of:

(i) its S&P Collateral Value; and

(ii) its Moody's Collateral Value,

(b) a Discount Obligation shall be the product of such obligation's:

(i) purchase price (expressed as a percentage of par); and

(ii) Principal Balance,

(c) a Collateral Debt Obligation which has been included in the calculation of the CCC/Caa Excess shall be its Market Value, multiplied by the Principal Balance of such Collateral Debt Obligation,

provided that if a Collateral Debt Obligation satisfies two or more of (a) through (c) above, the Investment Criteria Adjusted Balance of such Collateral Debt Obligation shall be calculated using the category which results in the lowest value.

Sale of Collateral Prior to Maturity Date

In the event of: (i) any redemption of the Rated Notes in whole prior to the Maturity Date; or (ii) receipt of notification from the Trustee of enforcement of the security over the Collateral; the Collateral Manager (acting on behalf of the Issuer) will (at the direction of the Trustee following the enforcement of such security), as far as reasonably practicable, arrange for liquidation of the Collateral in order to procure that the proceeds thereof are in immediately available funds by the Business Day prior to the applicable Redemption Date or date of purchase and sell all or part of the Portfolio, as applicable, in accordance with Condition 7 (*Redemption and Purchase*) and clause 5 (*Realisation of Collateral*) of the Collateral Management Agreement but without regard to the limitations set out in clause 4 (*Sale and Reinvestment of Portfolio Assets*) and schedule 5 (*Reinvestment*

Criteria) of the Collateral Management Agreement (which will include any limitations or restrictions set out in the Conditions of the Notes and the Trust Deed).

Sale of Assets which do not Constitute Collateral Debt Obligations

In the event that an asset did not satisfy the Eligibility Criteria on the date it was required to do so in accordance with the Collateral Management 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 Debt Obligations

"**Reinvestment Criteria**" means, during the Reinvestment Period, the criteria set out under "*During the Reinvestment Period*" below and following the expiry of the Reinvestment Period, the criteria set out below under "*Following the Expiry of the Reinvestment Period*". The Reinvestment Criteria shall not apply prior to the Effective Date or in the case of a Collateral Debt Obligation which has been restructured where such restructuring has become binding on the holders thereof regardless of whether such obligation satisfies the Restructured Obligation Criteria other than in respect of Principal Proceeds required for such restructuring where, in respect of such application, the Reinvestment Criteria and the Restructured Obligation Criteria shall apply (except for amounts received as Principal Proceeds in connection with an Offer for the exchange of a Collateral Debt Obligation for a new or novated obligation or substitute obligation, to the extent such Principal Proceeds are required to be applied as consideration for the new or novated obligation or substitute obligation, where, in respect of such application, the Reinvestment Criteria shall not apply, but, for the avoidance of doubt, the Restructured Obligation Criteria shall continue to apply).

During the Reinvestment Period

During the Reinvestment Period, the Collateral Manager (acting on behalf of the Issuer) may, at its discretion, reinvest any Principal Proceeds in the purchase of Substitute Collateral Debt Obligations satisfying the Eligibility Criteria (and, where applicable, provided the Trading Requirements are met) provided that immediately after entering into a binding commitment to acquire such Collateral Debt Obligation and taking into account existing commitments, the criteria set out below must be satisfied:

(a) to the Collateral Manager's knowledge, no Event of Default has occurred that is continuing at the time of such purchase;

(b) on or after the Effective Date (or in the case of the Interest Coverage Tests, on or 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 sale or prepayment (in whole or in part) of the relevant Collateral Debt Obligation the Principal Proceeds of which are being reinvested, any Coverage Test was not satisfied, the coverage ratio relating to such test will be maintained or improved after giving effect to such reinvestment when compared with the result of such test immediately prior to sale or prepayment (in whole or in part) of the relevant Collateral Debt Obligation;

(c) in the case of a Substitute Collateral Debt Obligation purchased with Sale Proceeds, Scheduled Principal Proceeds and/or Unscheduled Principal Proceeds of a Credit Impaired Obligation or a Defaulted Obligation either:

    (i) the Aggregate Principal Balance of all Substitute Collateral Debt Obligations purchased with such Sale Proceeds shall at least equal such Sale Proceeds;

    (ii) the Aggregate Principal Balance of the Collateral Debt Obligations (calculated for this purpose on the basis that the Principal Balance of each Defaulted Obligation is its Market Value multiplied by its Principal Balance) will be maintained or increased when compared to the Aggregate Principal Balance of the Collateral Debt Obligations (calculated for this purpose on the basis that the Principal Balance of each Defaulted Obligation is its Market Value multiplied by its Principal Balance) immediately prior to such sale;

    (iii) the sum of: (A) the Aggregate Principal Balance (for such purpose the Principal Balance of each Defaulted Obligation shall be its Market Value multiplied by its Principal Balance) of all

Collateral Debt Obligations (excluding all of the Collateral Debt Obligations being sold but including, without duplication, the Collateral Debt Obligations being purchased and the anticipated cash proceeds, if any, of such sale that are not applied to the purchase of such Substitute Collateral Debt Obligation); and (B) amounts standing to the credit of the Principal Account and Unused Proceeds Account (including any Eligible Investments (save for interest accrued on Eligible Investments)) is greater than the Reinvestment Target Par Balance; or

(iv) the Adjusted Collateral Principal Amount is maintained or increased;

(d) in the case of a Substitute Collateral Debt Obligation purchased with Sale Proceeds, Scheduled Principal Proceeds and/or Unscheduled Principal Proceeds of a Credit Improved Obligation either:

(i) the Aggregate Principal Balance of all Collateral Debt Obligations (calculated for this purpose on the basis that the Principal Balance of each Defaulted Obligation is its Market Value multiplied by its Principal Balance) shall be maintained or improved after giving effect to such reinvestment when compared with the Aggregate Principal Balance of all Collateral Debt Obligations (calculated for this purpose on the basis that the Principal Balance of each Defaulted Obligation is its Market Value multiplied by its Principal Balance) immediately prior to the sale of the relevant Credit Improved Obligation;

(ii) the sum of: (A) the Aggregate Principal Balance of all Collateral Debt Obligations (excluding all of the Collateral Debt Obligations being sold but including, without duplication, the Collateral Debt Obligations being purchased and the anticipated cash proceeds, if any, of such sale that are not applied to the purchase of such Substitute Collateral Debt Obligation); and, for which purpose, the Principal Balance of each Defaulted Obligation shall be its Market Value multiplied by its Principal Balance and (B) amounts standing to the credit of the Principal Account and Unused Proceeds Account (including any Eligible Investments (save for interest accrued on Eligible Investments)) is equal to or greater than the Reinvestment Target Par Balance; or

(iii) the Adjusted Collateral Principal Amount is maintained or increased;

(e) either: (A) each of the Portfolio Profile Tests and the Collateral Quality Tests will be satisfied; or (B) if any of the Portfolio Profile Tests or the Collateral Quality Tests are not satisfied such test will be maintained or improved after giving effect to such reinvestment when compared with the results of such tests immediately prior to the sale or prepayment (in whole or in part) of the relevant Collateral Debt Obligation; provided that in the case of a Substitute Collateral Debt Obligation purchased with the Sale Proceeds, Scheduled Principal Proceeds and/or Unscheduled Principal Proceeds of a Credit Impaired Obligation or a Defaulted Obligation, the S&P CDO Monitor Test will not apply;

(f) the date on which the Issuer (or the Collateral Manager acting on behalf of the Issuer) enters into a binding commitment to purchase such Substitute Collateral Debt Obligation occurs during the Reinvestment Period; and

(g) with respect to the reinvestment of Sale Proceeds, Scheduled Principal Proceeds and/or Unscheduled Principal Proceeds (other than Sale Proceeds, Scheduled Principal Proceeds and/or Unscheduled Principal Proceeds from Credit Improved Obligations, Credit Impaired Obligations, Defaulted Obligations and Exchanged Securities) either:

(i) the Aggregate Principal Balance of all Collateral Debt Obligations (calculated for this purpose on the basis that the Principal Balance of each Defaulted Obligation is its Market Value multiplied by its Principal Balance) shall be maintained or improved after giving effect to such reinvestment when compared with the Aggregate Principal Balance (calculated for this purpose on the basis that the Principal Balance of each Defaulted Obligation is its Market Value multiplied by its Principal Balance) immediately prior to the sale that generates such Sale Proceeds;

(ii) after giving effect to such sale, the sum of: (A) the Aggregate Principal Balance of all Collateral Debt Obligations (excluding all of the Collateral Debt Obligations being sold but including, without duplication, the Substitute Collateral Debt Obligations being purchased and the anticipated cash proceeds, if any, of such sale that are not applied to the purchase of such

Substitute Collateral Debt Obligations and, for which purpose, the Principal Balance of each Defaulted Obligation shall be its Market Value multiplied by its Principal Balance); and (B) amounts standing to the credit of the Principal Account and Unused Proceeds Account (including any Eligible Investments (save for interest accrued on Eligible Investments)) is greater than or equal to the Reinvestment Target Par Balance; or

(iii) the Adjusted Collateral Principal Amount is maintained or increased.

Following the Expiry of the Reinvestment Period

Following the expiry of the Reinvestment Period, Unscheduled Principal Proceeds and Sale Proceeds from the sale of Credit Impaired Obligations and Credit Improved Obligations, only, may be reinvested by the Collateral Manager (acting on behalf of the Issuer) in one or more Substitute Collateral Debt Obligations satisfying the Eligibility Criteria (and, where applicable, provided the Trading Requirements are met), in each case provided that:

(a) the Aggregate Principal Balance of Substitute Collateral Debt Obligations equals or exceeds (i) the Aggregate Principal Balance of the related Collateral Debt Obligations that produced such Unscheduled Principal Proceeds or Sale Proceeds or (ii) the amount of Sale Proceeds of such Credit Impaired Obligation, as the case may be;

(b) each Coverage Test is satisfied immediately before and after giving effect to such reinvestment;

(c) the Weighted Average Life Test is satisfied immediately after giving effect to such reinvestment;

(d) either: (i) the Portfolio Profile Tests and the Collateral Quality Tests (except the Weighted Average Life Test, the Moody's Minimum Diversity Test and the S&P CDO Monitor Test) are satisfied after giving effect to such reinvestment; or (ii) if any such test was not satisfied immediately prior to such reinvestment, such test will be satisfied after giving effect to such reinvestment or will be maintained or improved after giving effect to such reinvestment;

(e) the Moody's Maximum Weighted Average Rating Factor Test is satisfied immediately after giving effect to such reinvestment;

(f) to the Collateral Manager's knowledge, no Event of Default has occurred that is continuing at the time of such reinvestment;

(g) the Collateral Debt Obligation Stated Maturity of each Substitute Collateral Debt Obligation is the same as or earlier than the Collateral Debt Obligation Stated Maturity of the Collateral Debt Obligation that produced such Unscheduled Principal Proceeds or Sale Proceeds;

(h) either (i) such Substitute Collateral Debt Obligation(s) have the same or a higher S&P Rating as the Collateral Debt Obligation that produced such Unscheduled Principal Proceeds or Sale Proceeds, as the case may be; or (ii) for so long as any Rated Notes by S&P are outstanding, the S&P CDO Monitor SDR is no greater following such reinvestment;

(i) after giving effect to such reinvestment, not more than 7.5 per cent. of the Aggregate Collateral Balance shall consist of obligations which are CCC Obligations; and

(j) a Restricted Trading Period is not currently in effect.

Following the expiry of the Reinvestment Period, any Unscheduled Principal Proceeds and any Sale Proceeds from the sale of Credit Impaired Obligations and Credit Improved Obligations that have not been reinvested as provided above prior to the end of the Due Period in which such proceeds were received shall be paid into the Principal Account and disbursed in accordance with the Principal Proceeds Priority of Payment on the following Payment Date (subject as provided at the end of this paragraph), save that the Collateral Manager (acting on behalf of the Issuer) may in its discretion procure that Unscheduled Principal Proceeds and Sale Proceeds from the sale of any Credit Impaired Obligations and Credit Improved Obligations are paid into the Principal Account and designated for reinvestment in Substitute Collateral Debt Obligations, in which case such Principal Proceeds shall not be so disbursed in accordance with the Principal Proceeds Priority of Payments for so long as they remain so designated for reinvestment; provided that, in each case where any of the applicable Reinvestment Criteria are not satisfied as of the Payment Date next following receipt of such Sale Proceeds or Unscheduled

Principal Proceeds, all such funds shall be paid into the Principal Account and disbursed in accordance with the Principal Proceeds Priority of Payments set out in Condition 3(c)(ii) (*Application of Principal Proceeds*) and such funds shall be applied only in redemption of the Notes in accordance with the Priorities of Payment.

The Trading Requirements

Notwithstanding anything to the contrary herein, the Issuer (or the Collateral Manager on its behalf) will not acquire (whether by purchase or substitution) or dispose of any Custodial Asset unless the Trading Requirements are satisfied in connection with such acquisition or disposition, provided that at any time, the Issuer (or the Collateral Manager on its behalf) may elect (which election may be made only upon confirmation from the Collateral Manager that it has obtained legal advice from reputable international legal counsel knowledgeable in such matters to the effect that to do so would not result in the Issuer being construed as a "covered fund" in relation to any holder of Outstanding Notes for the purposes of the Volcker Rule) to rely solely on the exemption provided by Section 3(c)(7) of the Investment Company Act by written notice thereof to the Trustee in which case, at all times thereafter, there will be no Trading Requirements, and all references to such requirements in the Trust Deed and other Transaction Documents shall no longer be in effect.

"**Custodial Assets**" means all Collateral Debt Obligations, Collateral Enhancement Obligations, Counterparty Downgrade Collateral, Exchanged Securities and Eligible Investments and in each case any sums received in respect thereof held from time to time by the Custodian (or any duly authorised sub-custodian) pursuant to the Agency Agreement.

Amendments to Collateral Debt Obligation Stated Maturities of Collateral Debt Obligations

The Issuer (or the Collateral Manager on the Issuer's behalf) may vote in favour of a Maturity Amendment during the Reinvestment Period only if, after giving effect to such Maturity Amendment:

(a) the Collateral Debt Obligation Stated Maturity of the Collateral Debt 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.

The Issuer (or the Collateral Manager on the Issuer's behalf) may vote in favour of a Maturity Amendment following the expiry of the Reinvestment Period only if, after giving effect to such Maturity Amendment:

(a) the Collateral Debt Obligation Stated Maturity of the Collateral Debt Obligation that is the subject of such Maturity Amendment is not later than 18 months prior to the Maturity Date of the Rated Notes;

(b) in the reasonable judgment of the Collateral Manager not voting in favour of such Maturity Amendment would be likely to have an adverse effect on the Issuer;

(c) the Weighted Average Life Test is satisfied; and

(d) the Principal Balance of the Collateral Debt Obligation that is the subject of such Maturity Amendment, when added to the Principal Balance of each Collateral Debt Obligation that is the subject of a Maturity Amendment following the expiry of the Reinvestment Period, does not exceed 25 per cent. Of the Target Par Amount.

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 Debt 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 Debt Obligation provided that in any event the Collateral Manager shall dispose of such Collateral Debt Obligation prior to the Maturity Date. Such proceeds shall constitute Sale Proceeds and may be reinvested in accordance with and subject to the Reinvestment Criteria.

"**Maturity Amendment**" means with respect to any Collateral Debt Obligation, any waiver, refinancing, modification, amendment or variance that would extend the Collateral Debt Obligation Stated Maturity of such Collateral Debt Obligation. For the avoidance of doubt, a waiver, refinancing, modification, amendment or variance that would extend the Collateral Debt Obligation Stated Maturity of the credit facility of which a Collateral Debt Obligation is part, but would not extend the Collateral Debt Obligation Stated Maturity of the Collateral Debt Obligation held by the Issuer, does not constitute a Maturity Amendment.

Expiry of the Reinvestment Criteria Certification

Immediately preceding the end of the Reinvestment Period, the Collateral Manager will deliver to the Trustee and the Collateral Administrator a schedule of Collateral Debt Obligations purchased by the Issuer with respect to which purchases the trade date has occurred but the settlement date has not yet occurred and will certify to the Trustee that sufficient Principal Proceeds are available (including for this purpose, cash on deposit in the Principal Account, any scheduled distributions of Principal Proceeds, as well as any Principal Proceeds that will be received by the Issuer from the sale of Collateral Debt Obligations for which the trade date has already occurred but the settlement date has not yet occurred) to effect the settlement of such Collateral Debt Obligations.

Reinvestment Overcollateralisation Test

After the Effective Date, but during the Reinvestment Period only, if, on any Payment Date during such period after giving effect to the payment of all amounts payable in respect of paragraphs (A) through (U) (inclusive) of the Interest Proceeds Priority of Payments, the Reinvestment Overcollateralisation Test has not been satisfied, then on the related Payment Date, Interest Proceeds shall be paid to the Principal Account for the acquisition of additional Collateral Debt Obligations in an amount (such amount, the "**Required Diversion Amount**") equal to the lesser of (1) 50 per cent. of all remaining Interest Proceeds available for payment and (2) the amount which, after giving effect to the payment of all amounts payable in respect of paragraphs (A) through (U) (inclusive) of the Interest Proceeds Priority of Payments, would be sufficient to cause the Reinvestment Overcollateralisation Test to be satisfied.

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 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 Debt Obligation which represents accrued interest be designated as Interest Proceeds and paid into the Interest Account save for: (i) Purchased Accrued Interest; (ii) Ramp Accrued Interest; (iii) any interest received in respect of a Defaulted Obligation for so long as it is a Defaulted Obligation other than Defaulted Obligation Excess Amounts; and (iv) proceeds representing deferred interest accrued in respect of any PIK Security.

Accrued Interest

Amounts included in the purchase price of any Collateral Debt Obligation comprising accrued interest thereon may be paid from the Interest Account, the Principal Account or the Unused Proceeds Account at the discretion of the Collateral Manager (acting on behalf of the Issuer) but subject to the terms of the Collateral Management Agreement and Condition 3(j) (*Payments to and from the Accounts*). Notwithstanding the foregoing, in any Due Period, all payments of interest and proceeds of sale received during such Due Period in relation to any Collateral Debt Obligation, in each case, to the extent that such amounts represent accrued and/or capitalised interest in respect of such Collateral Debt Obligation (including, in respect of a Mezzanine Obligation, any accrued interest which, as at the time of purchase, had been capitalised and added to the principal amount of such Mezzanine Obligation in accordance with its terms), which was purchased at the time of acquisition thereof with Principal Proceeds (other than Ramp Accrued Interest) shall constitute Purchased Accrued Interest and shall be deposited into the Principal Account as Principal Proceeds. Ramp Accrued Interest shall be deposited into the Unused Proceeds Account.

Unsaleable Assets

Notwithstanding the other requirements set forth herein and in the Trust Deed, on any Business Day after the Reinvestment Period, the Collateral Manager, acting in a commercially reasonable manner, may conduct an auction on behalf of the Issuer of Unsaleable Assets (as defined below) in accordance with the procedures described in this paragraph provided that no such auction shall take place unless a redemption of the Notes in full in accordance with the Conditions is contemplated or scheduled to occur within three months of such

auction. Promptly after receipt of written notice from the Collateral Manager of such auction, the Principal Paying Agent will provide notice (in such form as is prepared by the Collateral Manager (including the contact details of the Collateral Manager)) to the Noteholders (in accordance with the Conditions) of an auction, setting forth in reasonable detail a description of each Unsaleable Asset and the following auction procedures: (i) any Noteholder may submit a written bid within 10 Business Days after the date of such notice to purchase one or more Unsaleable Assets no later than the date specified in the auction notice (which will be at least 15 Business Days after the date of such notice); (ii) each bid must include an offer to purchase for a specified amount of cash on a proposed settlement date no later than 20 Business Days after the date of the auction notice and delivery instructions to the Principal Paying Agent to be passed on to the Collateral Administrator including the account to which the Unsaleable Asset is to be delivered if the bid is accepted; (iii) if no Noteholder submits such a bid within the time period specified under 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 (in accordance with Condition 16 (*Notices*) 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 Principal Paying Agent on or before the date specified in such notice, subject to minimum denominations; provided that, to the extent that minimum denominations do not permit a *pro rata* distribution, the Collateral Administrator upon the instruction of the Collateral Manager 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 to the account specified in the delivery instructions; and (iv) if no such Noteholder or beneficial owner provides delivery instructions to the Principal Paying Agent to be passed on to the Collateral Administrator, the Collateral Administrator will promptly notify the 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.

"**Unsaleable Assets**" means (a)(i) a Defaulted Obligation or (ii) an obligation received in connection with an Offer, in a restructuring or plan of reorganisation with respect to the obligor, in each case, in respect of which the Issuer has not received a payment in cash during the preceding 12 months or (b) any Collateral Debt Obligation or Eligible Investment identified in an officer's certificate of the 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 confirms to the Trustee that (x) it has made commercially reasonable endeavours to dispose of such obligation for at least 90 days and (y) in its commercially reasonable judgment such obligation is not expected to be saleable in the foreseeable future.

Block Trades

The requirements described herein with respect to the Portfolio shall be deemed to be satisfied upon any sale and/or purchase of Collateral Debt Obligations on any day in the event that such Collateral Debt Obligations satisfy such requirements in aggregate rather than on an individual basis.

For the purpose of calculating compliance with the Reinvestment Criteria, at the election of the Collateral Manager in its sole discretion, any proposed investment (whether a single Collateral Debt Obligation or a group of Collateral Debt Obligations or Eligible Investment(s) representing Principal Proceeds) 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 period from (and including) the date of determination of such compliance, to (and including) the earlier of (i) the date falling 20 Business Days following the date of determination of such compliance, and (ii) the Business Day immediately preceding the Payment Date immediately following the date of determination of such compliance (such period, the "**Trading Plan Period**"); provided that: (i) no Trading Plan may result in the purchase of Collateral Debt Obligations having an Aggregate Principal Balance that exceeds 5 per cent. of the Aggregate Collateral Balance (excluding Defaulted Obligations) as of the first day of the Trading Plan Period; (ii) no Trading Plan Period may include a Payment Date; (iii) no more than one Trading Plan may be in effect at any time during a Trading Plan Period; and (iv) if the Reinvestment Criteria are satisfied prospectively after giving effect to a Trading Plan, but are not satisfied upon the completion of the related Trading Plan, Rating Agency Confirmation from S&P is obtained

with respect to the effectiveness of additional Trading Plans (it being understood that Rating Agency Confirmation from S&P shall only be required once following any failure of a Trading Plan); provided that no Trading Plan may result in the averaging of the purchase price of a Collateral Debt Obligation or Collateral Debt Obligations purchased at separate times for purposes of determining whether any particular Collateral Debt Obligation is a Discount Obligation. For the avoidance of doubt, when calculating compliance with the Reinvestment Criteria, where a particular criterion in the Reinvestment Criteria only applies to one or some, but not all, of the Collateral Debt Obligations in a Trading Plan, (a) that criterion shall apply to the relevant Collateral Debt Obligation(s) only, (b) only those Collateral Debt Obligations shall be aggregated for the purpose of calculating compliance with that criterion, and (c) the other Collateral Debt Obligations in the Trading Plan shall not be taken into consideration for the purposes of calculating compliance with that criterion.

Eligible Investments

The Issuer or the Collateral Manager (acting on behalf of the Issuer) may from time to time purchase Eligible Investments out of the Balances standing to the credit of the Accounts (other than any Counterparty Downgrade Collateral Account, the Collection Account, the Unfunded Revolver Reserve Account and the Payment Account). For the avoidance of doubt, Eligible Investments may be sold by the Issuer or the Collateral Manager (acting on behalf of the Issuer) at any time in accordance with the Trading Requirements (so long as they are applicable).

Collateral Enhancement Obligations

The Collateral Manager (acting on behalf of the Issuer) may, from time to time, subject to the Trading Requirements (so long as they are applicable) purchase Collateral Enhancement Obligations independently or as part of a unit with the Collateral Debt Obligations being so purchased.

All funds required in respect of the purchase price of any Collateral Enhancement Obligations, and all funds required in respect of the exercise price of any rights or options thereunder, may only be paid out of the balance standing to the credit of the Collateral Enhancement Account at the relevant time. Pursuant to Condition 3(j)(vi) (*Collateral Enhancement Account*), such Balance shall be comprised of all sums deposited therein from time to time which will comprise interest and/or principal payable in respect of the Subordinated Notes which the Collateral Manager acting on behalf of the Issuer, determines shall be paid into the Collateral Enhancement Account pursuant to the Priorities of Payment rather than being paid to the Subordinated Noteholders.

Collateral Enhancement Obligations may be sold at any time and all Collateral Enhancement Obligation Proceeds received by the Issuer shall be deposited into the Collateral Enhancement Account.

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

For the avoidance of doubt, the acquisition of Collateral Enhancement Obligations will not require the satisfaction of the Eligibility Criteria.

Exercise of Warrants and Options

The Collateral Manager acting on behalf of the Issuer, may, at any time, subject to the Trading Requirements (so long as they are applicable) exercise a warrant or option attached to a Collateral Debt Obligation or comprised in a Collateral Enhancement Obligation and shall on behalf of the Issuer instruct the Account Bank to make any necessary payment pursuant to a duly completed form of instruction.

Margin Stock

The Collateral Management Agreement requires that the Collateral Manager, on behalf of the Issuer, shall use reasonable endeavours to sell any Collateral Debt Obligation, Exchanged Security or Collateral Enhancement Obligation which is or at any time becomes Margin Stock as soon as practicable following such event.

"**Margin Stock**" means margin stock as defined under Regulation U issued by the Federal Reserve Board, including any debt security which is by its terms convertible into Margin Stock.

Non-Euro Obligations

The Collateral Manager shall be authorised to purchase, on behalf of the Issuer, Non-Euro Obligations from time to time provided that any such Non-Euro Obligation shall only constitute a Collateral Debt Obligation that satisfies paragraph (b) of the Eligibility Criteria if the Non-Euro Obligation is either (i) denominated in a Qualifying Currency other than Euro and no later than the settlement date of the acquisition thereof, or (ii) denominated in a Qualified Unhedged Currency, acquired in the Primary Market and no later than 180 calendar days following the settlement date of the acquisition thereof, is the subject of a Currency Hedge Transaction entered into by the Issuer (or the Collateral Manager on its behalf) pursuant to which the currency risk arising from receipt of cash flows from such Non-Euro Obligation, including interest and principal payments, is hedged through the swapping of such cash flows for Euro payments to be made by an Currency Hedge Counterparty. The 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. Rating Agency Confirmation shall be required in relation to entry into each Currency Hedge Transaction unless such Currency Hedge Transaction is a Form Approved Hedge. See "*Hedging Arrangements*".

In the event that a Non-Euro Obligation is subject to any readjustment, restructuring, refinancing or rescheduling (howsoever described) (a "**Debt Restructuring**"), then the Collateral Manager shall, in any negotiations in respect thereof, take into account the effect of such Debt Restructuring on the terms of any Currency Hedge Transaction in respect of the Non-Euro Obligation.

Revolving Obligations and Delayed Drawdown Collateral Debt Obligations

The Collateral Manager acting on behalf of the Issuer, may acquire in accordance with the Trading Requirements, so long as they are applicable, Collateral Debt Obligations which are Revolving Obligations or Delayed Drawdown Collateral Debt Obligations from time to time.

Such Revolving Obligations and Delayed Drawdown Collateral Debt Obligations may only be acquired if they are capable of being drawn in a single currency only (being Euros) and are not payable in or convertible into another currency.

Each Revolving Obligation and Delayed Drawdown Collateral Debt Obligation will, pursuant to its terms, require the Issuer to make one or more future advances or other extensions of credit (including extensions of credit made on an unfunded basis pursuant to which the Issuer may be required to reimburse the provider of a guarantee or other ancillary facilities made available to the obligor thereof in the event of any default by the obligor thereof in respect of its reimbursement obligations in connection therewith). Revolving Obligations may be repaid and reborrowed from time to time during their term by the Obligor thereunder. Upon acquisition of any Revolving Obligations and Delayed Drawdown Collateral Debt Obligations, the Issuer shall deposit into the Unfunded Revolver Reserve Account amounts equal to the combined aggregate principal amounts of the Unfunded Amounts under each of the Revolving Obligations and Delayed Drawdown Collateral Debt Obligations. To the extent required, the Issuer, or the 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 Debt Obligation, as applicable and upon receipt of an Issuer Order (as defined in the Collateral Management 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, in accordance with the Trading Requirements (so long as they are applicable), acquire Collateral Debt Obligations from Selling Institutions by way of Participation provided that at the time such Participation is taken:

(a) the percentage of the Aggregate Collateral Balance that represents Participations (including sub-participations) entered into by the Issuer with a single Selling Institution will not exceed the individual and aggregate percentages set forth in the Bivariate Risk Table determined by reference to the credit rating of such third party (or any guarantor thereof); and

(b) the percentage of the Aggregate Collateral Balance that represents Participations (including sub-participations) entered into by the Issuer with Selling Institutions (or any guarantor thereof), each having the same credit rating (taking the lowest rating assigned thereto by any Rating Agency), will not

exceed the aggregate third party credit exposure limit set forth in the Bivariate Risk Table for such credit rating,

and for the purpose of determining the foregoing, account shall be taken of each sub-participation from which the Issuer, directly or indirectly derives its interest in the relevant Collateral Debt Obligation.

Each Participation entered into pursuant to a sub-participation agreement shall be substantially in the form of:

(a) the LSTA Model Participation Agreement for par/near par trades (as published by the Loan Syndications and Trading Association Inc. from time to time);

(b) the LMA Funded Participation (Par) (as published by the Loan Market Association from time to time); or

(c) such other documentation provided such agreement contains limited recourse and non-petition language substantially the same as the Trust Deed.

Assignments

The Collateral Manager acting on behalf of the Issuer, may from time to time, in accordance with the Trading Requirements (so long as they are applicable), acquire Collateral Debt 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 Debt Obligation (including, without limitation, with respect to the form of such Assignment and obtaining the consent of any person specified in the relevant loan documentation).

"**Assignment**" means an interest in a loan acquired directly by way of novation or assignment.

Bivariate Risk Table

The following is the bivariate risk table (the "**Bivariate Risk Table**") and as referred to in "*Portfolio Profile Tests*" below and "*Participations*" above. For the purposes of the limits specified in the Bivariate Risk Table, the individual third party credit exposure limit shall be determined by reference to the Aggregate Principal Balance of all Participations (excluding any Defaulted Obligations) entered into by the Issuer with the same counterparty (such amount in respect of such entity, the "**Third Party Exposure**") and the applicable percentage limits shall be determined by reference to the lower of the Moody's or S&P ratings applicable to such counterparty and the aggregate third party credit exposure limit shall be determined by reference to the aggregate of Third Party Exposure of all such counterparties which share the same rating level or have a lower rating level, as indicated in the Bivariate Risk Table.

Bivariate Risk Table

Issuer Credit Rating of Selling Institution	**Individual Third Party Credit Exposure Limit***	**Aggregate Third Party Credit Exposure Limit***
S&P		
AAA	10%	10%
AA+	10%	10%
AA	10%	10%
AA-	10%	10%
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	10%	10%
Aa1	10%	10%

Issuer Credit Rating of Selling Institution	Individual Third Party Credit Exposure Limit*	Aggregate Third Party Credit Exposure Limit*
Aa2	10%	10%
Aa3	10%	10%
Al	5%	10%
A2 and P-1	5%	5%
A2 (without a Moody's short-term rating of at least P-1) or below	0%	0%

* As a percentage of the Aggregate Collateral Balance (excluding any Defaulted Obligations) the aggregate third party credit exposure limit shall be determined by reference to the aggregate of the third party credit exposure of all such Counterparties which share the same rating level or have a lower rating level, as indicated in the Bivariate Risk Table.

Portfolio Profile Tests and Collateral Quality Tests

Measurement of Tests

The Portfolio Profile Tests and the Collateral Quality Tests will be used as criteria for purchasing Collateral Debt Obligations. The Collateral Administrator will measure the Portfolio Profile Tests and the Collateral Quality Tests on each Measurement Date (save as otherwise provided herein).

Collateral Debt Obligations in respect of which a binding commitment has been made to purchase such Collateral Debt Obligations but such purchase has not been settled shall nonetheless be deemed to have been purchased for the purposes of the Portfolio Profile Tests, the Collateral Quality Tests, the Coverage Tests, the Reinvestment Overcollateralisation Test and all other tests and criteria applicable to the Portfolio. Collateral Debt Obligations in respect of which the Collateral Manager on behalf of the Issuer has entered into a binding commitment to sell but which have not yet settled, shall be deemed to have been sold for the purposes of the Portfolio Profile Tests, the Collateral Quality Tests, the Coverage Tests, the Reinvestment Overcollateralisation Test and all other tests and criteria applicable to the Portfolio at any time as if such sale had been completed. See "*Reinvestment of Collateral Debt Obligations*" above.

Notwithstanding the foregoing, the failure of the Portfolio to meet the requirements of the Portfolio Profile Tests at any time shall not prevent any obligation which would otherwise be a Collateral Debt Obligation from being a Collateral Debt Obligation.

Portfolio Profile Tests

The Portfolio Profile Tests will consist of each of the following:

(a) not less than 90.0 per cent. of the Aggregate Collateral Balance shall consist of obligations which are Senior Secured Loans or Senior Secured Bonds (which term, for the purposes of this paragraph (a), shall comprise the aggregate of the Aggregate Principal Balance of the Senior Secured Loans, Senior Secured Bonds and the Balances standing to the credit of the Principal Account and the Unused Proceeds Account (and Eligible Investments representing Principal Proceeds in the Principal Account and the Unused Proceeds Account), in each case as at the relevant Measurement Date);

(b) not less than 70.0 per cent. of the Aggregate Collateral Balance shall consist of obligations which are Senior Secured Loans (which term, for the purposes of this paragraph (b), shall comprise the aggregate of the Aggregate Principal Balance of Senior Secured Loans and the Balances standing to the credit of the Principal Account and the Unused Proceeds Account (and Eligible Investments representing Principal Proceeds in the Principal Account and the Unused Proceeds Account), in each case at the relevant Measurement Date);

(c) not more than 12.5 per cent. of the Aggregate Collateral Balance shall consist of obligations which are Fixed Rate Collateral Debt Obligations;

(d) not more than 10.0 per cent. of the Aggregate Collateral Balance shall consist of Unsecured Senior Loans, Second Lien Loans, Mezzanine Obligations and High Yield Bonds in aggregate;

(e) with respect to Senior Secured Loans and Senior Secured Bonds, not more than 2.5 per cent. of the Aggregate Collateral Balance shall be the obligation of any single Obligor; provided that up to three Obligors may each represent up to 3 per cent. of the Aggregate Collateral Balance;

(f) with respect to Unsecured Senior Loans, Second Lien Loans, Mezzanine Obligations and High Yield Bonds not more than 1.5 per cent. of the Aggregate Collateral Balance shall be the obligation of any single Obligor; provided that up to three Obligors may each represent up to 2 per cent. of the Aggregate Collateral Balance;

(g) with respect to all Collateral Debt Obligations not more than 2.5 per cent. of the Aggregate Collateral Balance shall be the obligations of any single Obligor; provided that up to three Obligors may each represent up to 3 per cent. of the Aggregate Collateral Balance;

(h) not more than 10.0 per cent. of the Aggregate Collateral Balance shall consist of Participations;

(i) not more than 5.0 per cent. of the Aggregate Collateral Balance shall consist of Current Pay Obligations;

(j) not more than 5.0 per cent. of the Aggregate Collateral Balance shall consist of Annual Obligations;

(k) not more than 10.0 per cent. of the Aggregate Collateral Balance shall consist of obligations which are Unfunded Amounts under Delayed Drawdown Collateral Debt Obligations and Funded/Unfunded Amounts under Revolving Obligations;

(l) not more than 7.5 per cent. of the Aggregate Collateral Balance shall consist of obligations which are Caa Obligations;

(m) not more than 7.5 per cent. of the Aggregate Collateral Balance shall consist of obligations which are CCC Obligations;

(n) not more than 5.0 per cent. of the Aggregate Collateral Balance shall consist of Bridge Loans;

(o) not more than 5.0 per cent. of the Aggregate Collateral Balance shall consist of Corporate Rescue Loans;

(p) not more than 5.0 per cent. of the Aggregate Collateral Balance shall consist of obligations which are PIK Securities;

(q) not more than 30.0 per cent. of the Aggregate Collateral Balance shall consist of Cov-Lite Loans;

(r) not more than 2.5 per cent. of the Aggregate Collateral Balance shall consist of obligations which are Unhedged Collateral Debt Obligations;

(s) not more than 30.0 per cent. of the Aggregate Collateral Balance shall consist of Non-Euro Obligations;

(t) the Aggregate Principal Balance of Collateral Debt Obligations the Obligors of which are classified in any single S&P Industry Classification must be less than or equal to 10.0 per cent. of the Aggregate Collateral Balance; provided that (i) the Aggregate Principal Balance of Collateral Debt Obligations the Obligors of which, in each case, are classified in any four single S&P Industry Classifications may, in each case, be less than or equal to 12.0% of the Aggregate Collateral Balance; and (ii) the Aggregate Principal Balance of Collateral Debt Obligations the Obligors of which are classified in only one single S&P Industry Classification may be less than or equal to 15.0% of the Aggregate Collateral Balance;

(u) not more than 10.0 per cent. of the Aggregate Collateral Balance shall consist of Collateral Debt Obligations whose Moody's Rating is derived from an S&P Rating;

(v) not more than 10.0 per cent. of the Aggregate Collateral Balance shall consist of Obligors who are Domiciled in countries rated below "A-" by S&P;

(w) not more than 10.0 per cent. of the Aggregate Collateral Balance shall consist of Obligors who are Domiciled in countries or jurisdictions with a Moody's local currency country risk ceiling between "A1" and "A3" unless Rating Agency Confirmation from Moody's is obtained;

(x) the limits specified in the Bivariate Risk Table determined by reference to the S&P ratings and Moody's ratings of Selling Institutions shall be satisfied; and

(y) not more than 10.0 per cent. of the Aggregate Collateral Balance shall consist of Collateral Debt Obligations issued by Obligors each of which has total current indebtedness (comprising all financial debt owing by the Obligor including the maximum available amount or total commitment under any revolving or delayed draw loans) under its respective loan agreements and other debt instruments (including the Underlying Instruments) of equal to or greater than EUR 150,000,000 but less than EUR 250,000,000 in aggregate principal amount.

"**Annual Obligations**" means Collateral Debt Obligations which, at the relevant date of measurement, pay interest less frequently than semi-annually.

"**Bridge Loan**" shall mean any Collateral Debt Obligation that: (i) is incurred in connection with a merger, acquisition, consolidation, sale of all or substantially all of the assets of a person, restructuring or similar transaction; (ii) by its terms, is required to be repaid within one year of the incurrence thereof with proceeds from additional borrowings or other refinancings (provided, however, that any additional borrowing or refinancing having a term of more than one year may be included as a Bridge Loan if one or more financial institutions shall have provided the Obligor with a binding written commitment to provide the same); and (iii) prior to its purchase by the Issuer, has a S&P Rating and a Moody's Rating or, if the Bridge Loan is not rated by S&P and Moody's, Rating Agency Confirmation has been obtained.

"**S&P Industry Classification**" means an industry classification set out in the table below or as otherwise modified, amended or replaced by S&P from time to time and notified by the Collateral Manager to the Collateral Administrator:

Asset Code	Asset Description	Geographic Scope
1020000	Energy Equipment and Services	G
1030000	Oil, Gas and Consumable Fuels	G
2020000	Chemicals	G
2030000	Construction Materials	L
2040000	Containers and Packaging	R
2050000	Metals and Mining	G
2060000	Paper and Forest Products	G
3020000	Aerospace and Defense	R
3030000	Building Products	L
3040000	Construction and Engineering	L
3050000	Electrical Equipment	G
3060000	Industrial Conglomerates	G
3070000	Machinery	R
3080000	Trading Companies and Distributors	G
3110000	Commercial Services and Supplies	R
3210000	Air Freight and Logistics	G
3220000	Airlines	G
3230000	Marine	G

Asset Code	Asset Description	Geographic Scope
3240000	Road and Rail	R
3250000	Transportation Infrastructure	G
4011000	Auto Components	G
4020000	Automobiles	G
4110000	Household Durables	L
4120000	Leisure Products	L
4130000	Textiles, Apparel and Luxury Goods	R
4210000	Hotels, Restaurants and Leisure	R
4310000	Media	R
4410000	Distributors	G
4420000	Internet and Catalogue Retail	R
4430000	Multiline Retail	L
4440000	Specialty Retail	L
5020000	Food and Staples Retailing	L
5110000	Beverages	R
5120000	Food Products	R
5130000	Tobacco	R
5210000	Household Products	L
5220000	Personal Products	L
6020000	Healthcare Equipment and Supplies	R
6030000	Healthcare Providers and Services	R
6110000	Biotechnology	R
6120000	Pharmaceuticals	G
7011000	Banks	G
7020000	Thrifts and Mortgage Finance	R
7110000	Diversified Financial Services	G
7120000	Consumer Finance	R
7130000	Capital Markets	G
7210000	Insurance	G
7310000	Real Estate Management and Development	L
7311000	Real Estate Investment Trusts (REITs)	R

Asset Code	Asset Description	Geographic Scope
8020000	Internet Software and Services	G
8030000	IT Services	G
8040000	Software	G
8110000	Communications Equipment	G
8120000	Technology Hardware, Storage and Peripherals	G
8130000	Electronic Equipment, Instruments and Components	G
8210000	Semiconductors and Semiconductor Equipment	G
9020000	Diversified Telecommunication Services	G
9030000	Wireless Telecommunication Services	G
9520000	Electric Utilities	R
9530000	Gas Utilities	R
9540000	Multi-Utilities	R
9550000	Water Utilities	R
9551701	Diversified Consumer Services	L
9551702	Independent Power and Renewable Electricity Producers	R
9551727	Life Sciences Tools and Services	R
9551729	Health Care Technology	R
9612010	Professional Services	R
1000-1099	Reserved	L

The percentage requirements applicable to different types of Collateral Debt Obligations specified in the Portfolio Profile Tests shall be determined by reference to the Aggregate Principal Balance of such type of Collateral Debt Obligations, where for such purposes the Principal Balance of each Defaulted Obligation shall be equal to its S&P Collateral Value. The applicable limits in the Portfolio Profile Tests shall be sized by reference to the Aggregate Collateral Balance (for the purposes of which the Principal Balance of each Defaulted Obligation shall be equal to its S&P Collateral Value in accordance with the definition of Aggregate Collateral Balance). 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 S&P are Outstanding, (as of the Effective Date and until the expiry of the Reinvestment Period only) the S&P CDO Monitor Test;

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

(i) the Moody's Minimum Diversity Test;

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

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

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

(i) the Minimum Weighted Average Spread Test; and

(ii) the Weighted Average Life Test.

each as defined in the Collateral Management Agreement.

Each of the Collateral Quality Tests shall be applied by reference to Collateral Debt Obligations excluding any Defaulted Obligations.

Moody's Test Matrix

Subject to the provisions provided below, on or after the Effective Date, the Collateral Manager will have the option to elect which of the cases set forth in the matrix to be set out in the Collateral Management Agreement (the "**Moody's Test Matrix**") shall be applicable for purposes of the Moody's Maximum Weighted Average Rating Factor Test, the Moody's Minimum Diversity Test and the Minimum Weighted Average Spread Test. For any given case:

1. the applicable column for performing the Moody's Minimum Diversity Test will be the column (or linear interpolation between two adjacent columns, as applicable) in which the elected case is set out;

2. the applicable row and column for performing the Moody's Maximum Weighted Average Rating Factor Test will be the row and column (or linear interpolation between two adjacent rows and/or two adjacent columns (as applicable) in which the elected case is set out; and

3. the applicable row for performing the Minimum Weighted Average Spread Test will be the row (or linear interpolation between two adjacent rows, as applicable) in which the elected test is set out.

On the Effective Date, the 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 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 Matrix 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												
	26	28	30	32	34	36	38	40	42	44	46	48	50
2.50%	1720	1760	1795	1804	1823	1832	1843	1865	1879	1888	1900	1912	1928
2.80%	1985	2030	2050	2100	2111	2154	2164	2171	2186	2197	2208	2214	2234
3.00%	2185	2265	2273	2298	2307	2324	2366	2380	2386	2395	2406	2418	2427
3.20%	2300	2365	2395	2440	2459	2490	2514	2533	2555	2572	2597	2611	2631
3.40%	2375	2440	2500	2515	2550	2595	2619	2635	2655	2675	2695	2709	2724
3.60%	2451	2505	2582	2623	2653	2660	2710	2730	2749	2770	2790	2818	2824
3.80%	2525	2576	2643	2677	2705	2746	2768	2790	2806	2828	2849	2880	2914
3.90%	2576	2628	2684	2711	2732	2753	2791	2821	2862	2880	2903	2931	2957
4.00%	2597	2662	2709	2727	2746	2767	2818	2851	2885	2902	2935	2967	2989
4.05%	2609	2677	2723	2744	2760	2775	2832	2867	2903	2921	2955	2980	3026
4.10%	2617	2693	2739	2756	2777	2804	2856	2893	2926	2959	2992	3016	3049
4.20%	2664	2726	2765	2790	2816	2857	2885	2917	2950	2974	3001	3030	3064
4.40%	2717	2786	2824	2867	2889	2906	2951	2989	3020	3042	3065	3090	3126
4.60%	2774	2846	2901	2920	2942	2956	2998	3026	3073	3105	3125	3162	3185
4.80%	2841	2881	2965	2994	3013	3037	3076	3113	3148	3167	3190	3218	3237
5.00%	2899	2954	2999	3045	3067	3097	3121	3166	3208	3228	3259	3278	3304
5.20%	2959	3007	3067	3115	3141	3160	3186	3232	3273	3311	3352	3377	3400
5.40%	3002	3053	3114	3172	3231	3264	3289	3336	3354	3401	3415	3452	3471

The S&P CDO Monitor Test

The "**S&P CDO Monitor Test**" will be satisfied on any date of determination on or after the Effective Date and during the Reinvestment Period if, after giving effect to the purchase of any additional Collateral Debt Obligation, the S&P CDO Monitor Adjusted BDR is equal to or greater than the S&P CDO Monitor SDR. The S&P CDO Monitor Test shall only be applicable to the junior-most Class of Notes rated "AAA".

"**S&P CDO Monitor Adjusted BDR**" means the threshold value for the S&P CDO Monitor Test, calculated as a percentage by adjusting the S&P CDO Monitor BDR for changes in the Principal Balance of the Collateral Debt Obligations relative to the Target Par Amount as follows:

S&P CDO Monitor BDR * (OP / NP) + (NP – OP) / NP * (1 – S&P Weighted Average Recovery Rate), where OP = Target Par Amount; and NP = the sum of the Aggregate Principal Balances of the Collateral Debt Obligations , Principal Proceeds, and the sum of the products of the lower of the S&P Recovery Rate or the Market Value of each obligation with an S&P Rating below "CCC-" and the Principal Balance of the relevant obligation.

"**S&P CDO Monitor BDR**" means the value calculated using the formula provided by S&P at closing:

S&P CDO Monitor BDR = C0 + (C1 * S&P Weighted Average Spread) + (C2 * S&P Weighted Average Recovery Rate[1]).

[1] For the purposes of the "S&P CDP Monitor BDR" definition, the S&P Weighted Average Recovery Rate shall reference the applicable "AAA" S&P Recovery Rates.

C0, C1 and C2 will not change unless S&P provides updated co-efficients at the request of the Collateral Manager following the Issue Date. As at the Issue Date, C0, C1 and C2 have the following values: C0 = 0.206115243; C1 = 3.074351983 and C2 = 0.896642564.

"**S&P Weighted Average Spread**" means the aggregate of the Weighted Average Spread (where for such purpose, the Weighted Average Spread shall be calculated: (i) excluding the amount of any Aggregate Excess Funded Spread from paragraph (a) of the definition thereof; (ii) including the full Principal Balances of all Deferring Securities and Mezzanine Obligations in paragraph (b) of the definition thereof; and (iii) subtracting, from the amount determined pursuant to paragraph (a) of the definition thereof, an amount equal to the product of (x) the Aggregate Principal Balance of all Floating Rate Collateral Obligations that bear interest at a rate referencing Euribor and that are not currently paying in full that component of the total interest amount payable thereon that is based on Euribor; and (y) EURIBOR), plus the Weighted Average Coupon Adjustment Percentage.

"**S&P CDO Monitor SDR**" means the percentage derived from the following equation: 0.329915 + (1.210322* EPDR) – (0.586627* DRD) + (2.538684/ODM) + (0.216729/IDM) + (0.0575539/RDM) – (0.0136662* WAL), where EPDR is the S&P Expected Portfolio Default Rate; DRD is the S&P Default Rate Dispersion; ODM is the S&P Obligor Diversity Measure; IDM is the S&P Industry Diversity Measure; RDM is the S&P Regional Diversity Measure; and WAL is the Weighted Average Life.

"**S&P Default Rate**" means, with respect to all Collateral Debt Obligations , the default rate determined in accordance with Annex B (*S&P Default Rate Table*) of this Prospectus using such Collateral Debt Obligation's S&P Rating and the number of years to maturity (determined using linear interpolation if the number of years to maturity is not an integer).

"**S&P Default Rate Dispersion**" means, with respect to all Collateral Debt Obligations , (A) the sum of the product of (i) the Principal Balance of each such Collateral Debt Obligation and (ii) the absolute value of (x) the S&P Default Rate minus (y) the S&P Expected Portfolio Default Rate divided by (B) the Aggregate Principal Balance for all such Collateral Debt Obligations.

"**S&P Expected Portfolio Default Rate**" means, with respect to all Collateral Debt Obligations , (i) the sum of the product of (x) the Principal Balance of each such Collateral Debt Obligation and (y) the S&P Default Rate divided by (ii) the Aggregate Principal Balance for all such Collateral Debt Obligations.

"**S&P Industry Diversity Measure**" means a measure calculated by determining the Aggregate Principal Balance of the Collateral Debt Obligations within each S&P Industry Classification in the portfolio, then dividing each of these amounts by the Aggregate Principal Balance of the Collateral Debt Obligations from all the S&P Industry Classifications in the portfolio, squaring the result for each industry, then taking the reciprocal of the sum of these squares.

"**S&P Obligor Diversity Measure**" means a measure calculated by determining the Aggregate Principal Balance of the Collateral Debt Obligations from each obligor and its affiliates, then dividing each such Aggregate Principal Balance by the Aggregate Principal Balance of Collateral Debt Obligations from all the obligors in the portfolio, then squaring the result for each obligor, then taking the reciprocal of the sum of these squares.

"**S&P Regional Diversity Measure**" means a measure calculated by determining the Aggregate Principal Balance of the Collateral Debt Obligations within each S&P region set forth in Annex C (*S&P Regional Diversity Measure Table*) of this Prospectus, then dividing each of these amounts by the Aggregate Principal Balance of the Collateral Debt Obligations from all S&P regions in the portfolio, squaring the result for each region, then taking the reciprocal of the sum of these squares.

"**S&P Recovery Rate**" means, in respect of each Collateral Debt Obligation and each Class of Rated Notes, an S&P Recovery Rate determined in accordance with the Collateral Management Agreement or as advised by S&P. Extracts of the S&P Recovery Rates applicable under the Collateral Management Agreement as at the Issue Date are set out in Annex A (*S&P Recovery Rates*) of this Prospectus.

"**S&P Weighted Average 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 (excluding Purchased Accrued Interest and Ramp Accrued Interest) of each Collateral Debt Obligation by its S&P Recovery Rate, dividing such sum by the Aggregate Principal Balance of all Collateral Debt Obligations and

rounding up to the nearest 0.1 per cent. For purposes of this rate, the Principal Balance of any Defaulted Obligation shall be deemed to be zero.

The Moody's Minimum Diversity Test

The "**Moody's Minimum Diversity Test**" will be satisfied as at any Measurement Date from (and including) the Effective Date, if the Diversity Score equals or exceeds the number set forth in the column entitled "Minimum Diversity Score" in the Moody's Test Matrix based upon the applicable "row/column" combination chosen by the Collateral Manager (or interpolating between two adjacent rows and/or two adjacent columns (as applicable)).

The "**Diversity Score**" is a single number that indicates collateral concentration and correlation in terms of both issuer and industry concentration and correlation. It is similar to a score that Moody's uses to measure concentration and correlation for the purposes of its ratings. A higher Diversity Score reflects a more diverse portfolio in terms of the issuer and industry concentration. The Diversity Score for the Collateral Debt Obligations is calculated by summing each of the Industry Diversity Scores which are calculated as follows and rounding the result up to the nearest whole number (provided that no Defaulted Obligations shall be included in the calculation of the Diversity Score or any component thereof):

(a) an "**Average Principal Balance**" is calculated by summing the Obligor Principal Balances and dividing by the sum of the aggregate number of issuers and/or borrowers represented;

(b) an "**Obligor Principal Balance**" is calculated for each Obligor represented in the Collateral Debt Obligations by summing the Principal Balances of all Collateral Debt Obligations (excluding Defaulted Obligations) issued by such Obligor, provided that if a Collateral Debt Obligation has been sold or is the subject of an optional redemption or Offer, and the Sale Proceeds or Unscheduled Principal Proceeds from such event have not yet been reinvested in Substitute Collateral Debt Obligations or distributed to the Noteholders or the other creditors of the Issuer in accordance with the Priorities of Payment, the Obligor Principal Balance shall be calculated as if such Collateral Debt Obligation had not been sold or was not subject to such an optional redemption or Offer;

(c) an "**Equivalent Unit Score**" is calculated for each Obligor by taking the lesser of (i) one and (ii) the Obligor Principal Balance for such Obligor divided by the Average Principal Balance;

(d) an "**Aggregate Industry Equivalent Unit Score**" is then calculated for each of the 32 Moody's industrial classification groups by summing the Equivalent Unit Scores for each Obligor in the industry (or such other industrial classification groups and Equivalent Unit Scores as are published by Moody's from time to time); and

(e) an "**Industry Diversity Score**" is then established by reference to the Diversity Score Table shown below (or such other Diversity Score Table as is published by Moody's from time to time) (the "**Diversity Score Table**") for the related Aggregate Industry Equivalent Unit Score. If the Aggregate Industry Equivalent Unit Score falls between any two such scores shown in the Diversity Score Table, then the Industry Diversity Score is the lower of the two Diversity Scores in the Diversity Score Table.

For purposes of calculating the Diversity Scores any Obligors Affiliated with one another will be considered to be one Obligor.

Diversity Score Table

Aggregate Industry Equivalent Unit Score	Industry Diversity Score	Aggregate Industry Equivalent Unit Score	Industry Diversity Score	Aggregate Industry Equivalent Unit Score	Industry Diversity Score	Aggregate Industry Equivalent Unit Score	Industry Diversity Score
0.0000	0.0000	5.0500	2.7000	10.1500	4.0200	15.2500	4.5300
0.0500	0.1000	5.1500	2.7333	10.2500	4.0300	15.3500	4.5400
0.1500	0.2000	5.2500	2.7667	10.3500	4.0400	15.4500	4.5500
0.2500	0.3000	5.3500	2.8000	10.4500	4.0500	15.5500	4.5600
0.3500	0.4000	5.4500	2.8333	10.5500	4.0600	15.6500	4.5700
0.4500	0.5000	5.5500	2.8667	10.6500	4.0700	15.7500	4.5800
0.5500	0.6000	5.6500	2.9000	10.7500	4.0800	15.8500	4.5900
0.6500	0.7000	5.7500	2.9333	10.8500	4.0900	15.9500	4.6000

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		

The Moody's Maximum Weighted Average Rating Factor Test

The "**Moody's Maximum Weighted Average Rating Factor Test**" will be satisfied as at any Measurement Date from (and including) the Effective Date, if the Adjusted Weighted Average Moody's Rating Factor as at such Measurement Date is equal to or less than the sum of (i) the number set forth in the Moody's Test Matrix at the intersection of the applicable "row/column" combination chosen by the Collateral Manager (or interpolating between two adjacent rows and/or two adjacent columns (as applicable)), (acting on behalf of the Issuer) as at such Measurement Date plus (ii) the Moody's Weighted Average Recovery Adjustment, provided, however, that the sum of (i) and (ii) may not exceed 3900.

The "**Moody's Weighted Average Rating Factor**" is determined by summing the products obtained by multiplying the Principal Balance of each Collateral Debt Obligation, excluding Defaulted Obligations, by its Moody's Rating Factor, dividing such sum by the Aggregate Principal Balances of all such Collateral Debt Obligations, excluding Defaulted Obligations, and rounding the result down to the nearest whole number.

The "**Moody's Rating Factor**" relating to any Collateral Debt Obligation is the number set forth in the table below opposite the Moody's Default Probability Rating of such Collateral Debt Obligation.

Moody's Default Probability Rating	Moody's Rating Factor	Moody's Default Probability Rating	Moody's Rating Factor
Aaa	1	Ba1	940
Aa1	10	Ba2	1,350
Aa2	20	Ba3	1,766
Aa3	40	B1	2,220
A1	70	B2	2,720
A2	120	B3	3,490
A3	180	Caa1	4,770
Baa1	260	Caa2	6,500
Baa2	360	Caa3	8,070
Baa3	610	Ca or lower	10,000

The "**Moody's Weighted Average Recovery Adjustment**" means, as of any Measurement Date, the greater of:

(a) zero; and

(b) the product of:

(i) (A) the Weighted Average Moody's Recovery Rate as of such Measurement Date multiplied by 100 minus (B) 43.5; and

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

(1) 75 if 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 two adjacent rows, (as applicable)) is greater than 3.20 per cent.;

(2) 65 if 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 two adjacent rows, (as applicable)) is less than or equal to 3.20 per cent.; and

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

(1) 0.16 per cent. if the weighted average spread (expressed as a percentage) applicable to the current Moody's Test Matrix based upon the option chosen by the Collateral Manager (or interpolating between two adjacent rows, (as applicable)) is greater than 4.70 per cent.;

(2) 0.13 per cent. if the weighted average spread (expressed as a percentage) applicable to the current Moody's Test Matrix based upon the option chosen by the Collateral Manager (or interpolating between two adjacent rows, (as applicable)) is greater than 4.10 per cent. but less than or equal to 4.70 per cent.;

(3) 0.10 per cent. if the weighted average spread (expressed as a percentage) applicable to the current Moody's Test Matrix based upon the option chosen by the Collateral Manager (or interpolating between two adjacent rows, (as applicable)) is greater than 3.40 per cent. but less than or equal to 4.10 per cent.;

(4) 0.07 per cent. if the weighted average spread (expressed as a percentage) applicable to the current Moody's Test Matrix based upon the option chosen by the Collateral Manager (or interpolating between two adjacent rows, (as applicable)) is greater than 3.00 per cent. but less than or equal to 3.40 per cent.; and

(5) 0.04 per cent. if the weighted average spread (expressed as a percentage) applicable to the current Moody's Test Matrix based upon the option chosen by the Collateral Manager (or interpolating between two adjacent rows, (as applicable)) is less than or equal to 3.00 per cent,

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

The Moody's Minimum Weighted Average Recovery Rate Test

The "**Moody's Minimum Weighted Average Recovery Rate Test**" will be satisfied, as at any Measurement Date from (and including) the Effective Date, if the Weighted Average Moody's Recovery Rate is greater than or equal to (i) 43.50 per cent. minus (ii) the Moody's Weighted Average Rating Factor Adjustment, provided however that the result of (i) minus (ii) may not be less than 35 per cent.

The "**Weighted Average Moody's Recovery Rate**" means, as of any Measurement Date, the number, expressed as a percentage, obtained by summing the products obtained by multiplying the Principal Balance of each Collateral Debt Obligation (excluding Defaulted Obligations) by its corresponding Moody's Recovery Rate and dividing such sum by the Aggregate Principal Balance (excluding Defaulted Obligations) and rounding the result up to the nearest 0.1 per cent.

The "**Moody's Recovery Rate**" means, in respect of each Collateral Debt Obligation, the Moody's recovery rate determined in accordance with the Collateral Management Agreement or as so advised by Moody's. Extracts of the Moody's Recovery Rate applicable under the Collateral Management Agreement are set out as follows:

The Moody's Recovery Rate is, with respect to any Collateral Debt Obligation, as of any date of determination, the recovery rate determined in accordance with the following, in the following order of priority:

(a) if the Collateral Debt Obligation has been specifically assigned a recovery rate by Moody's (for example, in connection with the assignment by Moody's of an estimated rating), such recovery rate; or

(b) if the preceding clause does not apply to the Collateral Debt Obligation, except with respect to Corporate Rescue Loans, the rate determined pursuant to the table below based on the number of rating subcategories difference between the Collateral Debt Obligation's Moody's Rating and its Moody's Default Probability Rating (for purposes of clarification, if the Moody's Rating is higher than the Moody's Default Probability Rating, the rating subcategories difference will be positive and if it is lower, negative):

Number of Moody's Ratings Subcategories Difference Between the Moody's Rating and the Moody's Default Probability Rating	Moody's Senior Secured Loans	Second Lien Loans and Senior Secured Bonds*	All other Collateral Debt Obligations (other than Corporate Rescue Loans)
+2 or more	60.0%	55.0%	45.0%
+1	50.0%	45.0%	35.0%
0	45.0%	35.0%	30.0%
-1	40.0%	25.0%	25.0%
-2	30.0%	15.0%	15.0%
-3 or less	20.0%	5.0%	5.0%

or,

(c) if the Collateral Debt Obligation is a Corporate Rescue Loan (other than a Corporate Rescue Loan which has been specifically assigned a recovery rate by Moody's), 50 per cent.

* If such Collateral Debt Obligation does not have both a CFR and an Assigned Moody's Rating, the Moody's Recovery Rate in respect of such Collateral Debt Obligation will be in accordance with the final column of this table.

"**Moody's Senior Secured Loan**" means:

(a) a loan that:

(i) is not (and cannot by its terms become) subordinate in right of payment to any other debt obligation of the obligor of the loan; other than borrowed money, trade claims, capitalised leases or other similar obligations, or no other obligation of the Obligor has any higher priority security interest in such assets or stock, provided that a revolving loan of the Obligor that, pursuant to its terms, may require one or more advances to be made to the borrower may have a higher priority security interest in such assets or stock in the event of an enforcement in respect of such loan representing up to the Secured Senior RCF Percentage of the Obligor's senior debt (or more if Rating Agency Confirmation from Moody's has been obtained);

(ii) (x) is secured by a valid first priority perfected security interest or lien in, to or on specified collateral securing the obligor's obligations under the loan and (y) such specified collateral does not consist entirely of equity securities or common stock; provided that any loan that would be considered a Moody's Senior Secured Loan but for clause (y) above shall be considered a Moody's Senior Secured Loan if it is a loan made to a parent entity and as to which the 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.

The "**Moody's Weighted Average Rating Factor Adjustment**" means an amount, expressed as a percentage, as of any Measurement Date equal to the greater of:

(a) zero; and

(b) the number obtained by dividing:

(i) (A) the number set forth in the Moody's Test Matrix at the intersection of the applicable "row/column" combination chosen by the Collateral Manager (acting on behalf of the Issuer) (or interpolating between two adjacent rows and/or two adjacent columns (as applicable)), as at such Measurement Date minus (B) the Adjusted Weighted Average Moody's Rating Factor; by

(ii) (A) 75 if 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 two adjacent rows, (as applicable)) is less than 3.00 per cent.;

(B) 90 if 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 two adjacent rows, (as applicable)) is greater than or equal to 3.00 per cent.;

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 the number of years (rounded up to the nearest one hundredth thereof) during the period from the earlier of (i) such Measurement Date; and (ii) the end of the Reinvestment Period, to 15 January 2025.

"**Weighted Average Life**" is, as of any Measurement Date with respect to all Collateral Debt Obligations (other than Defaulted Obligations) and Eligible Investments representing Principal Proceeds, the number of years (rounded down to the nearest one hundredth thereof) following such date obtained by summing the products obtained by multiplying (a) the Average Life at such time of each such Collateral Debt Obligation and Eligible Investment representing Principal Proceeds by (b) the Principal Balance of such Collateral Debt Obligation and Eligible Investment representing Principal Proceeds and dividing such sum by the Aggregate Principal Balance at such time of all Collateral Debt Obligations and Eligible Investments representing Principal Proceeds, other than Defaulted Obligations.

"**Average Life**" is, on any Measurement Date with respect to any Collateral Debt Obligation or Eligible Investment representing Principal Proceeds, the quotient obtained by dividing (i) the sum of the products of (a) the number of years (rounded to the nearest one hundredth thereof) from such Measurement Date to the respective dates of each successive scheduled distribution of principal of such Collateral Debt Obligation or such Eligible Investment, as the case may be, and (b) the respective amounts of principal of such scheduled distributions by (ii) the sum of all successive scheduled distributions of principal on such Collateral Debt Obligation or such Eligible Investment, as the case may be.

The Minimum Weighted Average Spread Test

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

The "**Minimum Weighted Average Spread**", as of any Measurement Date, means the 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 two adjacent rows and/or two adjacent columns (as applicable)) reduced by the Moody's Weighted Average Recovery Adjustment, provided such reduction may not reduce the Minimum Weighted Average Spread below 2.5 per cent.

The "**Weighted Average Spread**", as of any Measurement Date, is the number obtained by dividing:

(a) the amount equal to (A) the Aggregate Funded Spread plus (B) the Aggregate Unfunded Spread plus (C) the Aggregate Excess Funded Spread; by

(b) an amount equal to the Aggregate Principal Balance of all Floating Rate Collateral Debt Obligations as of such Measurement Date (including, for any Mezzanine Obligation, only the required current cash pay interest required by the Underlying Instruments thereon, and excluding Defaulted Obligations and Deferring Securities),

in each case adjusted for any withholding tax deducted in respect of the relevant obligation which is neither grossed up nor recoverable under any applicable double tax treaty or otherwise. The Weighted Average Spread shall be expressed as a percentage and shall be rounded up to the next 0.01 per cent.

The "**Aggregate Funded Spread**" is, as of any Measurement Date, the sum of:

(a) in the case of each Floating Rate Collateral Debt Obligation (including, for any Mezzanine Obligation, only the required current cash pay interest required by the Underlying Instruments thereon, and excluding Non-Euro Obligations, Defaulted Obligations, Deferring Securities and the unfunded portion of any Delayed Drawdown Collateral Debt Obligation and Revolving Obligation) that bears interest at a spread over EURIBOR, (i) the stated interest rate spread on such Collateral Debt Obligation above EURIBOR multiplied by (ii) the outstanding principal balance of such Collateral Debt Obligation (excluding the unfunded portion of any Delayed Drawdown Collateral Debt Obligation or Revolving Obligation);

(b) in the case of each Floating Rate Collateral Debt Obligation (including, for any Mezzanine Obligation, only the required current cash pay interest required by the Underlying Instruments thereon, and excluding Non-Euro Obligations, Defaulted Obligations and Deferring Securities and the unfunded portion of any Delayed Drawdown Collateral Debt Obligation and Revolving Obligation) that bears interest at a spread over an index other than EURIBOR-based index, (i) the excess of the sum of such spread and such index over EURIBOR with respect to the Rated Notes as of the immediately preceding Interest Determination Date (which spread or excess may be expressed as a negative percentage) multiplied by (ii) the outstanding principal balance of each such Collateral Debt Obligation (excluding the unfunded portion of any Delayed Drawdown Collateral Debt Obligation or Revolving Obligation);

(c) in the case of each Floating Rate Collateral Debt Obligation which is a Non-Euro Obligation (including, for any Mezzanine Obligation, only the required current cash pay interest required by the Underlying Instruments thereon, and excluding Defaulted Obligations, Deferring Securities and the unfunded portion of any Delayed Drawdown Collateral Debt Obligation and Revolving Obligation) and subject to a Currency Hedge Transaction, (i) the stated interest rate spread over EURIBOR payable by the applicable Currency Hedge Counterparty to the Issuer under the related Currency Hedge Transaction multiplied by (ii) the outstanding principal balance of such Non-Euro Obligation, converted into Euro at the Applicable Exchange Rate; and

(d) in the case of each Floating Rate Collateral Debt Obligation which is a Non-Euro Obligation (including, for any Mezzanine Obligation, only the required current cash pay interest required by the Underlying Instruments thereon, and excluding Defaulted Obligations and Deferring Securities and the unfunded portion of any Delayed Drawdown Collateral Debt Obligation and Revolving Obligation) and which is not subject to a Currency Hedge Transaction, the difference between (i) the interest amount payable by the relevant obligor converted to Euro at the applicable Spot Rate, and (ii) the product of (x) EURIBOR with respect to the Rated Notes as of the immediately preceding Interest Determination Date multiplied by (y) the outstanding principal balance of such Non-Euro Obligation, converted into Euro at the applicable Spot Rate.

If a Floating Rate Collateral Debt Obligation is subject to a floor, the spread shall include, if positive: (x) the EURIBOR (or such other floating rate of interest) floor value minus (y) the greater of EURIBOR (or such other floating rate of interest) applicable in respect of such Floating Rate Collateral Debt Obligation on such Measurement Date, and zero (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 to the Hedge Counterparty by 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 under paragraph (c)(ii) and not the applicable Currency Hedge Transaction Exchange Rate) (such adjustment pursuant to this paragraph, the "**EURIBOR Floor Adjustment**").

Further, the margin shall be deemed to be (x) in respect of a Step-Down Coupon Security, the lowest margin that is permissible pursuant to and in accordance with the Underlying Instruments relating thereto; and (y) in respect of a Step-Up Coupon Security, the margin applicable as at the relevant Measurement Date.

The "**Aggregate Unfunded Spread**" is, as of any Measurement Date, the sum of the products obtained by multiplying (i) for each Delayed Drawdown Collateral Debt Obligation and Revolving Obligation (other than Defaulted Obligations 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 Debt Obligation and Revolving Obligation as of such date.

The "**Aggregate Excess Funded Spread**" is, as of any Measurement Date, the amount obtained by multiplying:

(a) the EURIBOR applicable to the Rated Notes during the Accrual Period in which such Measurement Date occurs; by

(b) the amount (not less than zero) equal to (i) the Aggregate Principal Balance of the Collateral Debt Obligations (excluding for the avoidance of doubt, the principal balance of any Defaulted Obligation and Deferring Security) 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 Applicable 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 the reference Non-Euro Obligation, converted into Euro at the applicable Spot Rate.

The "**Weighted Average Coupon Adjustment Percentage**" means a percentage equal as of any Measurement Date to a number obtained by multiplying (a) the result, if any, of the Weighted Average Fixed Coupon minus the Reference Weighted Average Fixed Coupon by (b) the number obtained by dividing the Aggregate Principal Balance of all Fixed Rate Collateral Debt Obligations by the Aggregate Principal Balance of all Floating Rate Collateral Debt Obligations, and which product may, for the avoidance of doubt, be negative.

The "**Reference Weighted Average Fixed Coupon**" means 5.25 per cent.

The "**Weighted Average Fixed Coupon**", as of any Measurement Date, is the number expressed as a percentage obtained by dividing:

(a) the amount equal to the Aggregate Coupon; by

(b) an amount equal to the Aggregate Principal Balance of all Fixed Rate Collateral Debt Obligations as of such Measurement Date,

in each case excluding, for any Mezzanine Obligation, any interest that has been deferred and capitalised thereon (other than any such interest capitalised pursuant to the terms thereof which is paid for on the date of acquisition of such Mezzanine Obligation) and excluding Defaulted Obligations and the unfunded portion of any Delayed Drawdown Collateral Debt Obligations and Revolving Obligations and in each case adjusted for any withholding tax deducted in respect of the relevant obligation which is neither grossed up nor recoverable under any applicable double tax treaty or otherwise and rounding the result up to the nearest 0.01 per cent.

The "**Aggregate Coupon**" is, as of any Measurement Date, the sum of (i) with respect to any Fixed Rate Collateral Debt Obligation which is a Non-Euro Obligation and subject to an Currency Hedge Transaction, and excluding Defaulted Obligations, Deferring Securities and the unfunded portion of any Delayed Drawdown Collateral Debt Obligations and Revolving Obligations, the product of (x) stated coupon on such Non-Euro Obligation expressed as a percentage and (y) the Principal Balance of such Non-Euro Obligation, converted into Euro at the Applicable Exchange Rate, (ii) with respect to any Fixed Rate Collateral Debt Obligation which is a Non-Euro Obligation which is not subject to an Currency Hedge Transaction and excluding Defaulted Obligations and the unfunded portion of any Delayed Drawdown Collateral Debt Obligations and Revolving Obligations, an amount equal to the Euro equivalent of the product of (x) stated coupon on such Collateral Debt Obligation expressed as a percentage and (y) the Principal Balance of such Non-Euro Obligation, converted into

Euro at the applicable Spot Rate; and (iii) with respect to all other Fixed Rate Collateral Debt Obligations and excluding Defaulted Obligations and the unfunded portion of any Delayed Drawdown Collateral Debt Obligations and Revolving Obligations, the sum of the products obtained by multiplying, in the case of each Fixed Rate Collateral Debt Obligation, (x) the stated coupon on such Collateral Debt Obligation expressed as a percentage and (y) the Principal Balance of such Collateral Debt Obligation.

Further, the coupon shall be deemed to be (x) in respect of a Step-Down Coupon Security, the lowest coupon that is permissible pursuant to and in accordance with the Underlying Instruments relating thereto; and (y) in respect of a Step-Up Coupon Security, the margin applicable as at the relevant Measurement Date.

Rating Definitions

Moody's Ratings Definitions

"**Moody's Default Probability Rating**" means, with respect to any Collateral Debt Obligation, as of any date of determination, the rating determined in accordance with the following methodology:

(a) if the Obligor of such Collateral Debt Obligation has a CFR, then such CFR;

(b) if not determined pursuant to clause (a) above, if the Obligor of such Collateral Debt Obligation has one or more senior unsecured obligations with an Assigned Moody's Rating, then the Assigned Moody's Rating on such obligation as selected by the Collateral Manager in its sole discretion;

(c) if not determined pursuant to clauses (a) or (b) above, if the Obligor of such Collateral Debt Obligation has one or more senior secured obligations with an Assigned Moody's Rating, then the Moody's rating that is one subcategory lower than the Assigned Moody's Rating on any such senior secured obligation as selected by the Collateral Manager in its sole discretion;

(d) if not determined pursuant to clauses (a), (b), or (c) above, if a rating estimate has been assigned to such Collateral Debt Obligation by Moody's upon the request of the Issuer, the Collateral Manager or an Affiliate of the Collateral Manager, then the Moody's Default Probability Rating is such rating estimate as long as such rating estimate or a renewal for such rating estimate has been issued or provided by Moody's in each case within the 15 month period preceding the date on which the Moody's Default Probability Rating is being determined; provided, that if such rating estimate has been issued or provided by Moody's for a period (x) longer than 12 months but not beyond 15 months, the Moody's Default Probability Rating will be one subcategory lower than such rating estimate and (y) beyond 15 months, the Moody's Default Probability Rating will be deemed to be "Caa3";

(e) if not determined pursuant to clauses (a), (b), (c) or (d) above, the Moody's Derived Rating; and

(f) if not determined pursuant to clause (a), (b), (c), (d) or (e) above, the Collateral Debt Obligation will be deemed to have a Moody's Default Probability Rating of "Caa3".

For purposes of calculating a Moody's Default Probability Rating, each applicable rating on credit watch by Moody's with positive or negative implication at the time of calculation will be treated, respectively, as having been upgraded or downgraded by one rating subcategory, as the case may be.

"**Assigned Moody's Rating**" means the monitored publicly available rating or the estimated rating or the unpublished monitored loan rating, in each case expressly assigned to a debt obligation (or facility) by Moody's that addresses the full amount of the principal and interest promised.

"**CFR**" means, with respect to an obligor of a Collateral Debt Obligation, if such obligor has a corporate family rating by Moody's, then such corporate family rating; provided, if such obligor does not have a corporate family rating by Moody's but any entity in the obligor's corporate family does have a corporate family rating, then the CFR is such corporate family rating.

"**Moody's Derived Rating**" means, with respect to a Collateral Debt Obligation whose Moody's Rating or Moody's Default Probability Rating is determined as the Moody's Derived Rating, the rating as determined in the manner set forth below:

(a) with respect to any Corporate Rescue Loan and (solely for purposes of determining the Adjusted Weighted Average Moody's Rating Factor) any Current Pay Obligation, the Moody's Rating or

Moody's Default Probability Rating of such Collateral Debt Obligation shall be the rating which is one subcategory below the facility rating (whether public or private) of such Corporate Rescue Loan or Current Pay Obligation, as applicable, rated by Moody's;

(b) if not determined pursuant to clause (a) above, then by using any one of the methods provided below:

(i) pursuant to the table below:

Type of Collateral Debt Obligation	S&P Rating (Public and Monitored)	Collateral Debt Obligation Rated by S&P	Number of Subcategories Relative to Moody's Equivalent of S&P Rating
Not Structured Finance Obligation	≥"BBB-"	Not a Loan or Participation Interest in Loan	-1
Not Structured Finance Obligation	≤"BB+"	Not a Loan or Participation Interest in Loan	-2
Not Structured Finance Obligation		Loan or Participation Interest in Loan	-2

(ii) or, if such Collateral Debt Obligation is a Corporate Rescue Loan, no Moody's Derived Rating may be determined based on a rating by S&P or any other rating agency; provided, that the Aggregate Principal Balance of the Collateral Debt Obligations that may have a Moody's Rating derived from an S&P Rating as set forth in sub-clauses (i) or (ii) of this clause (b) may not exceed 10 per cent. of the Aggregate Collateral Balance; and

(c) if not determined pursuant to clauses (a) or (b) above and such Collateral Debt Obligation is not rated by Moody's or S&P and no other security or obligation of the issuer of such Collateral Debt Obligation is rated by Moody's or S&P, and if Moody's has been requested by the Issuer, the Collateral Manager or the issuer of such Collateral Debt Obligation to assign a rating or rating estimate with respect to such Collateral Debt Obligation but such rating or rating estimate has not been received, pending receipt of such estimate, the Moody's Derived Rating of such Collateral Debt Obligation for purposes of the definitions of Moody's Rating or Moody's Default Probability Rating shall be (i) "B3" if the Collateral Manager confirms 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 Debt Obligations determined pursuant to this clause (c) and clause (a) above does not exceed 5 per cent. of the Aggregate Collateral Balance or (ii) otherwise, "Caa3".

For purposes of calculating a Moody's Derived Rating, each applicable rating on credit watch by Moody's with positive or negative implication at the time of calculation will be treated as having been upgraded or downgraded by one rating subcategory, as the case may be.

"**Moody's Rating**" means:

(a) with respect to a Collateral Debt Obligation that is a Senior Secured Loan or Senior Secured Bond:

(i) if such Collateral Debt Obligation has an Assigned Moody's Rating, such Assigned Moody's Rating;

(ii) if such Collateral Debt Obligation does not have an Assigned Moody's Rating but the Obligor of such Collateral Debt Obligation has a CFR, then the Moody's rating that is one subcategory higher than such CFR;

(iii) if neither clause (i) nor (ii) above apply, if such Collateral Debt Obligation does not have an Assigned Moody's Rating but the obligor of such Collateral Debt Obligation has one or more senior unsecured obligations with an Assigned Moody's Rating, then the Moody's rating that is two subcategories higher than the Assigned Moody's Rating on any such obligation as selected by the 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 Debt Obligation will be deemed to have a Moody's Rating of "Caa3"; and

(b) with respect to a Collateral Debt Obligation other than a Senior Secured Loan or Senior Secured Bond:

(i) if such Collateral Debt Obligation has an Assigned Moody's Rating, such Assigned Moody's Rating;

(ii) if such Collateral Debt Obligation does not have an Assigned Moody's Rating but the obligor of such Collateral Debt Obligation has one or more senior unsecured obligations with an Assigned Moody's Rating, then the Assigned Moody's Rating on any such obligation as selected by the Collateral Manager in its sole discretion;

(iii) if neither clause (i) nor (ii) above apply, if such Collateral Debt Obligation does not have an Assigned Moody's Rating but the obligor of such Collateral Debt Obligation has a CFR, then the Moody's rating that is one subcategory lower than such CFR;

(iv) if none of clauses (i), (ii) or (iii) above apply, if such Collateral Debt Obligation does not have an Assigned Moody's Rating but the obligor of such Collateral Debt Obligation has one or more subordinated debt obligations with an Assigned Moody's Rating, then the Moody's rating that is one subcategory higher than the Assigned Moody's Rating on any such obligation as selected by the 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 Debt Obligation will be deemed to have a Moody's Rating of "Caa3".

For purposes of calculating a Moody's Rating, each applicable rating on credit watch by Moody's with positive or negative implication at the time of calculation will be treated as having been upgraded or downgraded by one rating subcategory, as the case may be.

S&P Ratings

The "**S&P Rating**" means, with respect to any Collateral Debt Obligation, as of any determination date, the rating determined in accordance with the following methodology:

(a) if there is an issuer credit rating of the issuer of such Collateral Debt Obligation by S&P as published by S&P, or the guarantor which unconditionally and irrevocably guarantees such Collateral Debt Obligation pursuant to a form of guarantee approved by S&P for use in connection with this transaction, then the S&P Rating shall be such rating (regardless of whether there is a published rating by S&P on the Collateral Debt Obligations of such issuer held by the Issuer, provided that private ratings (that is, ratings provided at the request of the Obligor) may be used for purposes of this definition if the related Obligor has consented to the disclosure thereof and a copy of such consent has been provided to S&P);

(b) if there is no issuer credit rating of the issuer or guarantor by S&P but,

(i) there is a senior secured rating on any obligation or security of the issuer, then the S&P Rating of such Collateral Debt Obligation shall be one sub-category below such rating;

(ii) if clause (i) above does not apply, but there is a senior unsecured rating on any obligation or security of the issuer, the S&P Rating of such Collateral Debt Obligation shall equal such rating; and

(iii) if neither clause (i) nor clause (ii) above applies, but there is a subordinated rating on any obligation or security of the issuer, then the S&P Rating of such Collateral Debt Obligation shall be one subcategory above such rating;

(c) with respect to any Collateral Debt Obligation that is a Corporate Rescue Loan:

(i) falling within sub-paragraph (a) of the definition of Corporate Rescue Loan, and if (x) S&P has assigned a public rating to such Corporate Rescue Loan, the S&P Rating for such

Corporate Rescue Loan shall be such public rating or (y) if no public rating is assigned by S&P to such Corporate Rescue Loan, the S&P Rating shall be such credit estimate; or

(ii) falling within sub-paragraph (b) of the definition of Corporate Rescue Loan, and if S&P has assigned an S&P Issuer Credit Rating or credit estimate to such Corporate Rescue Loan, the S&P Rating for such Corporate Rescue Loan shall be such S&P Issuer Credit Rating or credit estimate; or

(iii) upon application by the Issuer (or the Collateral Manager on behalf of the Issuer) to S&P for a credit estimate, the applicable Corporate Rescue Loan shall be deemed to have an S&P Rating of "D", subject to the Collateral Manager believing (in its reasonable judgement) that such credit estimate will be at least "D";

(d) with respect to any Collateral Debt Obligation that is a Current Pay Obligation, the S&P Rating applicable to such obligation shall be the issue level rating thereof and if there is no such issue level rating, the S&P Rating applicable to such Current Pay Obligation shall be "CCC-";

(e) if there is not a rating by S&P on the issuer or on an obligation of the issuer, then the S&P Rating may be determined (other than in the case of Corporate Rescue Loans and Current Pay Obligations) pursuant to clauses (i) through (iii) below:

(i) if an obligation of the issuer is not a Corporate Rescue Loan and is publicly rated by Moody's, then the S&P Rating will be determined in accordance with the methodology for establishing the S&P Rating set forth above but by reference to the Moody's equivalent ratings, except that the S&P Rating of such obligation will be (1) one sub-category below the S&P equivalent of the Moody's rating if such Moody's rating is "Baa3" or higher and (2) two sub-categories below the S&P equivalent of the Moody's rating if such Moody's rating is "Ba1" or lower and provided that Collateral Debt Obligations with an Aggregate Principal Balance comprising not more than 10.0 per cent. of the Aggregate Collateral Balance (for which purpose, the Principal Balance of each Defaulted Obligation shall be its S&P Collateral Value) may be assigned an S&P Rating under this paragraph (e)(i); or

(ii) the S&P Rating may be based on a credit estimate provided by S&P, and in connection therewith, the Issuer, the Collateral Manager on behalf of the Issuer or the issuer of such Collateral Debt Obligation shall, prior to or within 30 days after the acquisition of such Collateral Debt Obligation, apply (and concurrently submit all available information in respect of such application) to S&P for a credit estimate which shall be its S&P Rating; provided that, if such information is submitted within such 30-day period, then, for a period of up to 90 days after acquisition of such Collateral Debt Obligation by the Issuer and pending receipt from S&P of such estimate, such Collateral Debt Obligation shall have an S&P Rating as determined by the Collateral Manager in its sole discretion if (A) the Collateral Manager certifies to the Trustee and the Collateral Administrator that it believes that such S&P Rating determined by the Collateral Manager is commercially reasonable and that the S&P Rating, will be at least equal to such rating and (B) the Aggregate Principal Balance of the Collateral Debt Obligations subject to an S&P Rating determined by the Collateral Manager in accordance with (A) does not exceed 5 per cent. of the Aggregate Collateral Balance (for which purpose, the Principal Balance of each Defaulted Obligation will be its S&P Collateral Value); provided further that (x) if such information is not submitted within such 30-day period and (y) following the end of the 90-day period set forth above, pending receipt from S&P of such estimate, the Collateral Debt Obligation shall have an S&P Rating of "CCC-"; unless, in the case of clause (y) above, during such 90-day period, the Collateral Manager has requested the extension of such period and S&P, in its sole discretion, has granted such request; provided further that if the Collateral Debt Obligation has had a public rating by S&P that S&P has withdrawn or suspended within six months prior to the date of such application for a credit estimate in respect of such Collateral Debt Obligation, the S&P Rating in respect thereof shall be "CCC-" pending receipt from S&P of such estimate, and S&P may elect not to provide such estimate until a period of six months have elapsed after the withdrawal or suspension of the public rating; provided further that such credit estimate shall expire 12 months after the acquisition of such Collateral Debt Obligation, following which such Collateral Debt Obligation shall have an S&P Rating of "CCC-" unless, during such 12-month period, the Issuer (or the Collateral Manager acting on behalf of the Issuer) applies for renewal

thereof in accordance with the Collateral Management Agreement in which case such credit estimate shall continue to be the S&P Rating of such Collateral Debt Obligation until S&P has confirmed or revised such credit estimate, upon which such confirmed or revised credit estimate shall be the S&P Rating of such Collateral Debt Obligation; provided further that such confirmed or revised credit estimate shall expire on the next succeeding 12-month anniversary of the date of the acquisition of such Collateral Debt Obligation and (when renewed annually in accordance with the Collateral Management Agreement) on each 12-month anniversary thereafter; or

(iii) with respect to a Collateral Debt Obligation that is not a Defaulted Obligation, the S&P Rating of such Collateral Debt Obligation will at the election of the Issuer (at the direction of the Collateral Manager) be "CCC-"; provided that (i) neither the issuer of such Collateral Debt Obligation nor any of its Affiliates are subject to any bankruptcy or reorganisation proceedings; (ii) the issuer has not defaulted on any payment obligation in respect of any debt security or other obligation of the issuer at any time within the two year period ending on such date of determination and all such debt securities and other obligations of the issuer are current and the Collateral Manager reasonably expects them to remain current; and (iii) the Collateral Debt Obligation is current and the Collateral Manager reasonably expects it to remain current,

provided that, in respect of each of (a) to (d) above, (x) if the applicable rating assigned by S&P to an Obligor or its obligations is on "credit watch positive" by S&P, such rating will be treated as being one sub-category above such assigned rating, (y) if the applicable rating assigned by S&P to an Obligor or its obligations is on "credit watch negative" by S&P, such rating will be treated as being one sub-category below such assigned rating and (z) only monitored ratings assigned on the basis of ongoing surveillance (including any rating assigned by Moody's) will be applicable for the purposes of determining the S&P Rating of a Collateral Debt Obligation, and provided further that, in respect of each of (a) to (d) above, in the case only where the S&P Rating is derived from a rating assigned by Moody's then the rating assigned by Moody's from which such S&P Rating is derived shall (x) if the applicable rating assigned by Moody's to an Obligor or its obligations is on "credit watch positive" by Moody's, be treated as being one sub-category above such assigned rating and (y) if the applicable rating assigned by Moody's to an Obligor or its obligations is on "credit watch negative" by Moody's, such rating will be treated as being one sub-category below such assigned rating; and with respect to any Collateral Debt Obligation whose rating cannot be determined using any of the steps set out in paragraphs (a) to (d) above, the S&P Rating for such Collateral Debt Obligation shall be "CC".

The Coverage Tests

The Coverage Tests will consist of the Class A/B Par Value Test, the Class C Par Value Test, the Class D Par Value Test, the Class E Par Value Test, the Class F Par Value Test, the Class A/B Interest Coverage Test, the Class C Interest Coverage Test and the Class D Interest Coverage Test. The Coverage Tests will be used primarily to determine whether interest may be paid on the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Subordinated Notes, whether Principal Proceeds may be reinvested in Substitute Collateral Debt Obligations, or whether Interest Proceeds which would otherwise be used to pay interest on the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Subordinated Notes must instead be used to pay principal on the Notes in accordance with the Note Payment Sequence, in each case to the extent necessary to cause the Coverage Tests relating to the relevant Class of Notes to be met.

Each of: (i) the Class A/B Par Value Test, the Class C Par Value Test, the Class D Par Value Test and the Class E Par Value Test, shall apply on each Measurement Date on and after the Effective Date; (ii) the Interest Coverage Tests, shall apply on and after the Determination Date immediately preceding the second Payment Date; and (iii) the Class F Par Value Test, shall apply on each Measurement Date after the expiry of the Reinvestment Period, and, in each case, shall be satisfied on a Measurement Date if the corresponding Par Value Ratio or Interest Coverage Ratio (as the case may be) is at least equal to the percentage specified in the table below in relation to that Coverage Test.

Coverage Test and Ratio	Percentage at Which Test is Satisfied
Class A/B Par Value Test	127.99%
Class A/B Interest Coverage Test	120%
Class C Par Value Test	119.48%
Class C Interest Coverage Test	110%
Class D Par Value Test	113.40%
Class D Interest Coverage Test	105%
Class E Par Value Test	106.61%
Class F Par Value Test	103.53%

DESCRIPTION OF THE COLLATERAL MANAGEMENT AGREEMENT

The following description of the Collateral Management Agreement consists of a summary of certain provisions of the Collateral Management Agreement which does not purport to be complete and is qualified by reference to the detailed provisions of such agreement.

Appointment

The Issuer appoints the Collateral Manager to act as collateral manager in respect of the Portfolio and to perform certain collateral management functions in accordance with the provisions of the Collateral Management Agreement.

Services

Unless the Issuer has ceased to rely on Rule 3a-7, the Collateral Manager shall cause the Issuer to be exclusively engaged in (A) purchasing, holding and selling "**eligible assets**" (as defined in Rule 3a-7) and (B) activities related to or incidental to investment in such eligible assets. The Issuer grants to the Collateral Manager full authority (subject to the provisions of the Collateral Management Agreement (including but not limited to the Trading Requirements and other provisions related to Rule 3a-7) and the Trust Deed), and delegates to the Collateral Manager the power (in each case in compliance with any applicable Management Criteria as defined in the Collateral Management Agreement and subject to the provisions of the Collateral Management Agreement) to:

(a) make purchases, sales, acquisitions, disposals and exchanges of Collateral Debt Obligations on the Issuer's behalf and as the Issuer's agent in accordance with the terms of the Collateral Management Agreement and the Trust Deed;

(b) monitor, manage and dispose of the Collateral Debt Obligations;

(c) select, acquire, manage and dispose of Collateral Enhancement Obligations;

(d) acquire, manage and dispose of all assets that form part of the Portfolio other than Collateral Debt Obligations and Collateral Enhancement Obligations;

(e) exercise all rights and remedies of the Issuer in the Issuer's capacity as a holder of, or the person beneficially entitled to, any of the assets in the Portfolio;

(f) in its discretion, invest amounts on the Issuer's behalf and as the Issuer's agent in Eligible Investments;

(g) subject to satisfaction of the Hedging Condition, arrange and negotiate the entry into and/or termination (in whole or in part) of Hedge Agreements on behalf of the Issuer to manage interest rate and currency risk and to give directions (on behalf of the Issuer) to the Collateral Administrator in relation thereto and to assist the Issuer generally in relation to the operation of any Hedge Agreement and to assist the Issuer in locating and appointing a replacement Hedge Counterparty in the event that a Hedge Counterparty is downgraded below the Required Rating (as defined in the relevant Hedge Agreement) or as otherwise required pursuant to the Transaction Documents;

(h) agree and consent, or omit from agreeing and consenting on the Issuer's behalf to any proposed amendment, modification, waiver, Maturity Amendment, consent or indulgence to or in relation to the terms and conditions of a Portfolio obligation (for the avoidance of doubt, the Collateral Manager may vote or refrain from voting on any such obligation in compliance with the Collateral Manager's proxy voting procedures and policies, and in any event in a manner permitted by the Collateral Management Agreement and that is consistent with the Standard of Care);

(i) waive or elect not to exercise remedies in respect of any default with respect to any Defaulted Obligation;

(j) implement or effectuate any redemption (optional or mandatory) or Refinancing contemplated or permitted by the Conditions or the Trust Deed;

(k) advise and assist the Issuer in the valuation of Portfolio assets to the extent required or permitted by the Conditions or the Trust Deed and including, but not limited to, such valuations required to facilitate the preparation of financial statements by the Issuer;

(l) confirm to the Issuer, the Collateral Administrator and the Trustee that the Effective Date has occurred;

(m) make all determinations which the Collateral Manager is required to make under the Collateral Management Agreement;

(n) negotiate the terms of, and to execute and deliver on behalf of the Issuer any and all documents which the Collateral Manager, in its absolute discretion, considers to be necessary in connection with the rights and obligations of the Issuer delegated to the Collateral Manager under the Collateral Management Agreement and as permitted in accordance with the Conditions, the Trust Deed and each other Transaction Document;

(o) within 10 Business Days following the Effective Date request that the independent accountants issue, within 30 Business Days following the Effective Date, a report which recalculates and compares Aggregate Principal Balance of all Collateral Debt Obligations purchased or committed to be purchased as at the Effective Date and the computations and results of the Portfolio Profile Tests, the Collateral Quality Tests and the Coverage Tests (other than the Interest Coverage Tests) by reference to such Collateral Debt Obligations, receipt of which shall be confirmed to the Trustee;

(p) provide such other services in connection with the business of the Issuer (subject to the provisions of the Trust Deed) as the Issuer and the Collateral Manager may from time to time agree, upon payment of such additional fees as may be agreed, provided that such additional fees shall only be paid as Administrative Expenses pursuant to the Priorities of Payment;

(q) with respect to any Defaulted Obligation, instruct the trustee or agent for such Defaulted Obligation to enforce the Issuer's rights under the Underlying Instruments governing such Defaulted Obligation or any applicable law, rule or regulation in any manner permitted under the Collateral Management Agreement or the Trust Deed and that is consistent with the Standard of Care;

(r) advise the Issuer in performing its obligations under EMIR; and

(s) otherwise do all things ancillary or incidental to the foregoing.

Due Diligence

Prior to the entry by the Issuer or the Collateral Manager (acting on behalf of the Issuer) into a commitment to purchase an asset intended to constitute a Collateral Debt Obligation, the Collateral Manager will carry out due diligence in accordance with the Standard of Care to ensure that the Eligibility Criteria will be satisfied and that, except for Collateral Debt Obligations which are acquired by way of Participation, the Issuer will, upon the settlement of such purchase, become the legal and beneficial holder of such Collateral Debt Obligation in accordance with the terms of the relevant Underlying Instrument and all applicable laws and regulations.

Portfolio Profile Tests, Collateral Quality Tests and other tests

On or after the Effective Date and prior to the purchase of or investment in any Collateral Debt Obligation on behalf of the Issuer, the Collateral Manager shall forward a Test Request (as defined in the Collateral Management Agreement) to the Collateral Administrator requesting confirmation and certification that, as at the date of the proposed acquisition, following any investment of Principal Proceeds in Substitute Collateral Debt Obligations, the Reinvestment Overcollateralisation Test, the Coverage Tests, the Collateral Quality Tests, the Portfolio Profile Tests and the Reinvestment Criteria (in each case as applicable) will be satisfied, or if not, the extent to which they are not. The Collateral Manager may only commit to acquire any Collateral Debt Obligation on any given day if the Collateral Administrator has confirmed that the Reinvestment Criteria (to the extent applicable) are satisfied in respect thereof on such day.

Fees

As compensation for the performance of its obligations under the Collateral Management Agreement, the Collateral Manager (and/or, at its direction, an Affiliate of the Collateral Manager) will be entitled to receive, in

arrear, from the Issuer on each Payment Date, a senior collateral management fee 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 Aggregate Collateral Balance measured as of the first day of the relevant 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, as determined by the Collateral Administrator, which collateral management fee will be payable senior to the Notes, but subordinated to certain fees and expenses of the Issuer in accordance with the Priorities of Payment (such fee, the "**Senior Collateral Management Fee**").

The Collateral Manager (and/or, at its direction, an Affiliate of the Collateral Manager) will be entitled to receive, in arrear, from the Issuer on each Payment Date in respect of the immediately preceding Due Period, a subordinated collateral management fee 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 Aggregate Collateral Balance measured as of the first day of such Due Period (or if such day is not a Business Day, the next day which is a Business Day), as determined by the Collateral Administrator, which collateral management fee will be payable senior to the payments on the Subordinated Notes, but subordinated to the Rated Notes in accordance with the Priorities of Payment (such fee, the "**Subordinated Collateral Management Fee**").

In addition to the Senior Collateral Management Fee and the Subordinated Collateral Management Fee, the Collateral Manager (and/or, at its direction, an Affiliate of the Collateral Manager) will receive an incentive collateral management fee on each Payment Date on which the Incentive Collateral Management Fee IRR Threshold has been met or surpassed. On each such Payment Date, 20.0 per cent. of any Interest Proceeds, Principal Proceeds and Collateral Enhancement Obligation Proceeds (after any payment required to satisfy the Incentive Collateral Management Fee IRR Threshold) that would otherwise be available to distribute to the Subordinated Noteholders in accordance with the Priorities of Payment, will be applied to pay the Incentive Collateral Management Fee as of such Payment Date. The Collateral Manager may, at its sole discretion designate, waive or reinvest all or a part of the Incentive Collateral Management Fee in additional Collateral Debt Obligations.

The Incentive Collateral Management Fee IRR Threshold is, at the Issue Date, 12.0 per cent. The Collateral Manager may, by giving 3 Business Days' prior written notice to each of the Issuer, the Trustee and the Collateral Administrator, elect to increase the Incentive Collateral Management Fee IRR Threshold.

For the avoidance of doubt, the amount of the Collateral Management Fees, calculated as described above, shall be deemed not to include any applicable VAT 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 in addition to such Collateral Management Fee against delivery of a valid VAT invoice.

If amounts distributable on any Payment Date in accordance with the Priorities of Payment are insufficient to pay the Senior Collateral Management Fee in full, then a portion of the Senior Collateral Management Fee equal to the shortfall will be deferred and will be payable on subsequent Payment Dates on which funds are available therefor according to the Priorities of Payment.

If amounts distributable on any Payment Date in accordance with the Priorities of Payment are insufficient to pay the Subordinated Collateral Management Fee in full, then a portion of the Subordinated Collateral Management Fee equal to the shortfall will be deferred and will be payable on subsequent Payment Dates on which funds are available therefor according to the Priorities of Payment.

The Collateral Manager, in respect of any Collateral Management Fees due to be paid to it on a Payment Date, may elect to:

(a) defer any Senior Collateral Management Fees and Subordinated Collateral Management Fees;

(b) irrevocably waive any Senior Collateral Management Fees, Subordinated Collateral Management Fees or Incentive Collateral Management Fees; and/or

(c) direct payment by the Issuer of any of the Collateral Manager's Senior Collateral Management Fees and/or Subordinated Collateral Management Fees and/or the Incentive Collateral Management Fees, or any part thereof, to a party of its choice.

Any amounts so deferred pursuant to paragraph (i) or irrevocably waived pursuant to paragraph (ii) above shall be applied in accordance with the Priorities of Payment. Any amounts so waived pursuant to paragraph (ii)

above will cease to become due and payable and will not become due and payable at any time. Any amounts directed to be paid by the Collateral Manager to another party pursuant to paragraph (iii) above will cease to become due and payable to the Collateral Manager upon proper receipt of those amounts by the nominated party.

Any due and unpaid Collateral Management Fees including Deferred Senior Collateral Management Amounts and Deferred Subordinated Collateral Management Amounts shall accrue interest at a rate per annum equal to three month EURIBOR or, if a Frequency Switch Event has occurred, six month EURIBOR (in each case calculated on the basis of a 360-day year consisting of twelve 30 day months from the date due and payable to the date of actual payment and provided that if any such EURIBOR rate is less than zero, the relevant rate of interest for such purpose shall be deemed to be zero). In addition, in accordance with the Priorities of Payment, the Collateral Manager may, in its sole discretion, elect, subject to and in accordance with Condition 3(c)(i)(D)(1) (*Application of Interest Proceeds*), to designate for reinvestment in Collateral Debt Obligations the Senior Collateral Management Fee and/or subject to and in accordance with Condition (3)(c)(i)(W)(1) (*Application of Interest Proceeds*), to designate for reinvestment in Collateral Debt Obligations the Subordinated Collateral Management Fee.

The Collateral Management Agreement provides that certain expenses incurred by the Collateral Manager in the performance of its obligations under the Collateral Management Agreement will be reimbursed by the Issuer by way of further consideration in connection with the services provided by the Collateral Manager under the Collateral Management Agreement as Administrative Expenses to the extent funds are available therefor in accordance with and subject to the limitations contained in the Collateral Management Agreement and the Priorities of Payment. These expenses include, but are not limited to (i) legal advisers, consultants, rating agencies, accountants, brokers and other professionals retained by the Issuer or the Collateral Manager (on behalf of the Issuer); and (ii) asset pricing and asset rating services, compliance services and software, and accounting, programming and data entry services directly related to the management of the Collateral.

Related Party Transactions

The Collateral Manager and any of its Affiliates may at certain times seek to purchase or sell investments from or to the Issuer as principal for its own account or for the account of an Affiliate, such transactions being referred to as "principal" transactions.

The Collateral Manager and its Affiliates 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 Affiliates or another person acts as a broker for both the Issuer and another person on the other side of the same transaction, which person may be an account or client for which the Collateral Manager or any Affiliate serves as investment adviser).

The Issuer has agreed to permit principal transactions and agency cross transactions entered into in accordance with applicable laws and regulations; provided that (i) such consent can be revoked at any time by the Issuer and (ii) certain transactions e.g. principal transactions require the advance consent of the Issuer. By purchasing a Note, a holder shall be deemed to have consented to the procedures described herein relating to cross transactions and principal transactions. The Collateral Manager or its Affiliates may receive commissions from, and have a potentially conflicting division of loyalties and responsibilities regarding, both parties to any such principal transaction or cross transactions. See "*Risk Factors—Certain Conflicts of Interest*".

Standard of Care of the Collateral Manager

Pursuant to the Collateral Management Agreement, the Collateral Manager will agree with the Issuer that it will perform its obligations, duties and discretions under the Collateral Management Agreement, with reasonable care and in good faith, in a manner consistent with practices and procedures followed by reputable institutional managers of international standing relating to assets of the nature and character of the Collateral (the "**Standard of Care**"). To the extent not inconsistent with the foregoing, the Collateral Manager will be entitled to follow its customary and usual administrative policies and procedures in performing its duties under the Collateral Management Agreement. The Collateral Management Agreement will provide that the Collateral Manager will not be liable for any loss or damages resulting from any failure to satisfy the Standard of Care except to the extent outlined in the section below entitled "*Liability of the Collateral Manager*".

Liability of the Collateral Manager

None of the Collateral Manager or any Collateral Manager Related Person will be liable (whether directly or indirectly, in contract or in tort or otherwise) to the Issuer, the Trustee, the Collateral Administrator, the Placement Agent, any of the Noteholders, any of their respective Affiliates, shareholders, managers, directors, officers, partners, agents or employees or any other Person for liabilities incurred by the Issuer, the Trustee, the Collateral Administrator, the Placement Agent, any of the Noteholders, any of their respective Affiliates, shareholders, managers, directors, officers, partners, agents or employees or any other Person as a result of or arising out of or in connection with the performance, by the Collateral Manager, its Affiliates, their respective managers, directors, officers, partners, agents or employees under or in connection with the Collateral Management Agreement or the terms of any other Transaction Document applicable to the Collateral Manager, or for any liabilities resulting from any failure to satisfy the Standard of Care, except in each case to the extent such liabilities were incurred:

(a) by reason of acts or omissions constituting bad faith, wilful misconduct or gross negligence (with such term given its meaning under New York law) in the performance of the duties and obligations of the Collateral Manager under the express terms of the Collateral Management Agreement or any other Transaction Document;

(b) by reason of the Collateral Manager Information containing any untrue statement of material fact, which makes statements therein, in the light of the circumstances under which they were made, misleading; or

(c) by reason of the Collateral Manager Information omitting to state a material fact, which makes statements therein, in the light of the circumstances under which they were made, misleading,

(each a "**Collateral Manager Breach**" and together the "**Collateral Manager Breaches**").

In no event shall the Collateral Manager be liable for any indirect, punitive, special or consequential loss or damages (including loss of profit).

The Collateral Manager (any Affiliates of the Collateral Manager, and their shareholders, directors, officers, members, attorneys, advisors, agents and employees) will be entitled to indemnification by the Issuer in relation, *inter alia*, to the performance of the Collateral Manager's obligations under the Collateral Management Agreement, subject to the terms of the Collateral Management Agreement, which will be payable in accordance with the Priorities of Payment.

The Collateral Manager shall indemnify the Issuer in respect of Collateral Manager Breaches, subject to and in accordance with the Collateral Management Agreement

Resignation of the Collateral Manager

The Collateral Manager may resign, upon 90 days' (or such shorter notice as is acceptable to the Issuer) prior written notice to the Issuer, the Trustee, the Collateral Administrator, the Hedge Counterparties and each Rating Agency. Such resignation will not be effective until the date as of which a successor Collateral Manager has been appointed in accordance with the Collateral Management Agreement.

Removal for Cause

The Collateral Management Agreement may be terminated and the Collateral Manager removed for Cause pursuant to the Collateral Management Agreement by the Issuer at the direction of (i) the holders of the Controlling Class acting by Extraordinary Resolution or (ii) the holders of the Subordinated Notes acting by Extraordinary Resolution, (in each case, excluding Notes held by or on behalf of the Collateral Manager or any Collateral Manager Related Person) upon at least 30 days' prior written notice to the Collateral Manager, the Trustee, the Hedge Counterparties and each Rating Agency.

For the purpose of determining "Cause" with respect to termination of the Collateral Management Agreement such term shall mean any one of the following events:

(a) the Collateral Manager wilfully takes any action that it knows breaches any material provision (unrelated to the economic performance of the Collateral Debt Obligations) of the Collateral Management Agreement or any other Transaction Document applicable to it;

(b) the Collateral Manager breaches any material provision of the Collateral Management Agreement applicable to it that, either individually or in the aggregate in the opinion of the Trustee has a material adverse effect on the Issuer or the interests of the Noteholders of any Class and the Collateral Manager fails to cure such breach within 30 days of becoming aware of, or 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, the Collateral Manager fails to cure such breach within the period in which a reasonably diligent person could cure such breach (but in no event more than 90 days);

(c) 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, examiner, 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 without such authorisation, consent or application and either continue undismissed for 60 days or any such appointment is ordered by a court or regulatory body having jurisdiction; (iii) authorises or files a voluntary petition in bankruptcy, or applies for or consents (by admission of material allegations of a petition or otherwise) to the application of any bankruptcy, reorganisation, examinership, 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 without such authorisation, application or consent and remain undismissed for 60 days or result in adjudication of bankruptcy or insolvency or the issuance of an order for relief; or (iv) permits or suffers all or any substantial part of its properties or assets to be sequestered or attached by court order and the order (if contested in good faith) remains undismissed for 60 days;

(d) the occurrence of an Event of Default specified in clause (a)(i) (*Non-payment of Interest*) or paragraph (a)(ii) (*Non-payment of Principal*) of Condition 10 (*Events of Default*) (except in those circumstances where such an Event of Default is solely attributable to the actions of a third party which the Collateral Manager does not control), and which breach or default is not cured within any applicable cure period set forth in the Conditions; and

(e) the occurrence of an act by the Collateral Manager (or any senior officer of the Collateral Manager directly involved in its CLO management business) that constitutes fraud or criminal activity in the performance of the Collateral Manager's obligations under the Collateral Management Agreement or its other investment management activities, or the Collateral Manager (or any senior officer of the Collateral Manager directly involved in its CLO management business) being found guilty of having committed a criminal offence materially related to the management of investments similar in nature and character to those which comprise the Collateral.

If the Collateral Manager becomes aware that any of the events specified in paragraphs (a) to (e) (inclusive) above has occurred, the Collateral Manager shall give prompt written notice thereof to the Issuer, the Trustee, the Collateral Administrator, the Rating Agencies, the Hedge Counterparties and the holders of all Outstanding Notes upon the Collateral Manager becoming so aware.

No Voting Rights

Notwithstanding any reference or provision in this Prospectus (including, without limitation, this section "*Description of the Collateral Management Agreement*"):

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 any votes in respect of CM Removal Resolutions 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 Class A Notes, Class B Notes, Class C Notes or Class D Notes held by or on behalf of the Collateral Manager or any Collateral Manager Related Person shall only be held in the form of CM Removal and Replacement Exchangeable Non-Voting Notes and will therefore have no voting rights with respect to, and shall not be counted for the purposes of, determining a quorum and the results of any votes in respect of CM Removal

Resolution or CM Replacement Resolution (but shall carry a right to vote and be so counted on all other matters in respect of which CM Removal and Replacement Voting Notes have a right to vote and be counted).

Any Class E Notes, Class F Notes or Subordinated Notes held by or on behalf of the 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 any votes in respect of CM Removal Resolution or CM Replacement Resolution (but shall carry a right to vote and be so counted on all other matters in respect of which CM Removal and Replacement Voting Notes have a right to vote and be counted).

Delegation and Transfers

The Collateral Manager may, without the consent of any party, employ third parties to render advice, to provide services to arrange for trade execution and otherwise provide assistance to the Issuer and to perform any of its non-material duties under this Agreement. The Issuer and/or the Collateral Manager may retain, at the Issuer's expense, one or more third parties, pursuant to a licensing or other agreement, to, among other things, provide software databases and applications to model, evaluate and monitor the Portfolio, the Notes and any other assets and liabilities or rights and obligations of the Issuer.

The Collateral Manager is permitted to assign its rights and delegate its material duties under the Collateral Management Agreement to any assignee or delegate provided that:

(a) such assignment or delegation is consented to by (i) the Issuer; (ii) the Controlling Class (acting by Ordinary Resolution); and (iii) the Subordinated Noteholders (acting by Ordinary Resolution), in each case, excluding any Notes held by or on behalf of the Collateral Manager or any Collateral Manager Related Person;

(b) prior written notice is given to each Rating Agency then rating the Rated Notes;

(c) such assignee or delegate is legally qualified and has the regulatory capacity to act as such, including offering portfolio management services to Irish residents or benefits from an exception or exclusion from such requirements;

(d) such assignment or delegation will not cause the Issuer to become chargeable to taxation in any jurisdiction other than Ireland;

(e) such assignment or delegation will not cause either of the Issuer or the Collateral Manager to become required to register under the provisions of the Investment Company Act;

(f) such assignment or delegation will not cause additional value added tax to become payable by the Issuer or the assignee or delegate in respect of the Collateral Management Fees; and

(g) such assignment or delegation will not cause the transaction described in this Prospectus to be non-compliant with the Retention Requirements.

The Collateral Manager is permitted to assign its rights and delegate its duties under the Collateral Management Agreement to any Affiliate of the Collateral Manager without the consent of any party, provided that:

(a) such Affiliate has demonstrated an ability to professionally and competently perform duties similar to those imposed upon the Collateral Manager under the Collateral Management Agreement and has a substantially similar (or better) level of expertise;

(b) such Affiliate is legally qualified to and has the regulatory capacity (including Irish regulatory capacity to provide collateral management services to Irish counterparties as a matter of the laws of Ireland) to act as assignee or delegate or benefits from an exemption or exclusion from such requirements;

(c) prior written notice is given to each Rating Agency then rating the Rated Notes;

(d) such assignment or delegation will not cause the Issuer to become subject to net income taxation in any jurisdiction other than Ireland or cause the Issuer to be engaged in a trade or business in the United States for U.S. federal income tax purposes or cause any other material adverse tax consequences to the Issuer;

(e) such assignment or delegation will not cause additional value added tax (or similar) to become payable by the Issuer or the assignee or delegate in respect of the Collateral Management Fees;

(f) such assignment or delegation will not cause the Issuer, the Collateral Manager or the Collateral to become required to register under the provisions of the Investment Company Act; and

(g) such assignment or delegation will not cause the transaction described in this Prospectus to be non-compliant with the Retention Requirements.

Notwithstanding the foregoing, no delegation of responsibilities by the Collateral Manager shall relieve it from any liability under the Collateral Management Agreement.

The Issuer may not assign its rights under the Collateral Management 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, except in the case of an assignment by the Issuer (i) to an entity that is a successor to the Issuer permitted under the Trust Deed or (ii) to the Trustee.

Appointment of Successor

No resignation or termination of the appointment of the Collateral Manager will be effective until a successor Collateral Manager is duly appointed. Any successor Collateral Manager must satisfy the conditions set out in the Collateral Management Agreement and shall, for the avoidance of doubt, be appointed on substantially similar terms as those set out in the Collateral Management Agreement.

Within 90 days of the resignation, termination or removal of the Collateral Manager while any of the Notes are outstanding, the Subordinated Noteholders (acting by Ordinary Resolution) may propose a successor Collateral Manager by delivering notice thereof to the Issuer, the Trustee and the holders of the Notes. The Controlling Class (acting by Ordinary Resolution) may consent to such successor Collateral Manager by delivery of notice of such consent to the Issuer and the Trustee. If the Controlling Class (acting by Ordinary Resolution) consents to such proposed successor Collateral Manager, such proposed successor will be appointed Collateral Manager by the Issuer subject to receipt of Rating Agency Confirmation from S&P and each Rating Agency then rating the Rated Notes being notified of such appointment.

If the Subordinated Noteholders (acting by Ordinary Resolution) make no such proposal within such 90-day period, the Controlling Class (acting by Ordinary Resolution and confirming in such resolution that the proposed successor Collateral Manager is not an Affiliate of a holder of the Controlling Class) may propose a successor Collateral Manager by delivering notice thereof to the Issuer, the Trustee and the holders of the Notes. The Subordinated Noteholders (acting by Ordinary Resolution) may, within 30 days from receipt of such notice, object to such successor Collateral Manager by delivery of notice of such objection to the Issuer and the Trustee.

If no notice of objection is received by the Issuer and the Trustee within such time period, such proposed successor Collateral Manager will be appointed Collateral Manager by the Issuer subject to receipt of Rating Agency Confirmation from S&P and each Rating Agency then rating the Rated Notes being notified of such appointment. Within 30 days of receipt of notice of any such objection, either the Controlling Class (acting by Ordinary Resolution) or the Subordinated Noteholders (acting by Ordinary Resolution) may propose a successor Collateral Manager by written notice to the Trustee, the Issuer and the holders of the Notes. In the case of such proposal by the Controlling Class, the Subordinated Noteholders (acting by Ordinary Resolution), may, within 30 days from receipt of such notice, deliver to the Issuer and the Trustee notice of objection thereto. In the case of such a proposal by the Subordinated Noteholders, the Controlling Class (acting by Ordinary Resolution) may consent to such successor Collateral Manager by delivery of notice of such consent to the Issuer and the Trustee.

If no notice of objection of the Subordinated Noteholders (acting by Ordinary Resolution) is received by the Issuer and the Trustee within the relevant time period (in the case of a proposal by the Controlling Class) or the consent of the Controlling Class (acting by Ordinary Resolution) is received by the Issuer and the Trustee (in the case of a proposal by the Subordinated Noteholders), such proposed successor Collateral Manager will be appointed Collateral Manager by the Issuer subject to receipt of Rating Agency Confirmation from S&P and each Rating Agency then rating the Rated Notes being notified of such appointment. If a notice of objection from the Subordinated Noteholders (acting by Ordinary Resolution) is received within 30 days (in the case of a proposal by the Controlling Class) or the Controlling Class does not consent (acting by Ordinary Resolution) to a proposed successor (in the case of a proposal by the Subordinated Noteholders), then either group of Noteholders may again propose a successor Collateral Manager in accordance with the foregoing.

Notwithstanding the above, if no successor Collateral Manager has been appointed within 180 days following the date of resignation, termination or removal of the Collateral Manager, the Issuer will appoint a successor Collateral Manager proposed by the Controlling Class (acting by Ordinary Resolution) so long as such successor Collateral Manager is not a Person that was previously objected to by the Subordinated Noteholders (acting by Ordinary Resolution) and subject to receipt of Rating Agency Confirmation from S&P and each Rating Agency then rating the Rated Notes being notified of such appointment.

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 Agreement, acquisitions of Collateral Debt Obligations shall be only be made in relation to trades initiated prior to such removal or resignation and the only type of Collateral Debt Obligations that the Collateral Manager may sell on behalf of the Issuer are Credit Impaired Obligations, Credit Improved Obligations, Defaulted Obligations and Margin Stock.

DESCRIPTION OF THE COLLATERAL ADMINISTRATOR

The information appearing in this section has been prepared by the Collateral Administrator and has not been independently verified by the Issuer or any other party. The Issuer confirms that this information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from information from the Collateral Administrator, no facts have been omitted which would render the reproduced information inaccurate or misleading. No party other than the Collateral Administrator assumes any responsibility for the accuracy or completeness of such information.

Elavon Financial Services DAC is a designated activity company registered in Ireland with the Companies Registration Office (registered number 418442), with its registered office at Block E, Cherrywood Business Park, Loughlinstown, Dublin, Ireland acting through its UK Branch (registered number BR009373) from its offices at 125 Old Broad Street, London, EC2N 1AR under the trade name U.S. Bank Global Corporate Trust Services.

Elavon Financial Services DAC is regulated by the Central Bank and is subject to the Central Bank's Conduct of Business Rules.

Termination and Resignation of Appointment of the Collateral Administrator

Pursuant to the terms of the Collateral Management Agreement, the Collateral Administrator may be removed: (a) without cause at any time upon at least 90 days' prior written notice; or (b) with cause upon at least 10 days' prior written notice by the Issuer at its discretion or the Trustee acting upon the written directions of the holders of the Subordinated Notes acting by way of Ordinary Resolution and subject to the Trustee being secured and/or indemnified and/or prefunded to its satisfaction. In addition the Collateral Administrator may also resign its appointment without cause on at least 45 days' prior written notice and with cause upon at least 10 days' prior written notice to the Issuer. 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 Agreement.

HEDGING ARRANGEMENTS

The following section consists of a summary of certain provisions which, pursuant to the Collateral Management Agreement, are required to be contained in each Hedge Agreement and/or Hedge Transaction. Such summary does not purport to be complete and is qualified by reference to the detailed provisions of each Hedge Agreement and Hedge Transaction. The terms of a Hedge Agreement or Hedge Transaction may differ from the description provided herein, subject to receipt of Rating Agency Confirmation in respect thereof or without Rating Agency Confirmation if such Hedge Transaction constitutes a Form Approved Hedge.

Hedge Agreements

The Issuer (or the Collateral Manager on behalf of the Issuer) may purchase Non-Euro Obligations provided that the Collateral Manager, on behalf of the Issuer, for any Non-Euro Obligation, enters into a Currency Hedge Transaction with a Currency Hedge Counterparty no later than (i) if such Non-Euro Obligation is denominated in a Qualified Unhedged Currency and acquired in the Primary Market, within 180 days of the settlement date of acquisition thereof and (ii) otherwise, the settlement date thereof, pursuant to the terms of which the initial principal exchange is made in connection with funding the Issuer's acquisition of the related Non-Euro Obligation and the final and, if applicable, interim principal exchanges are made to convert the principal proceeds received in respect thereof at maturity and prior to maturity, respectively and coupon exchanges are made at the exchange rate specified for such transaction.

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 Master Agreement (Multicurrency – Cross Border) or 2002 Master Agreement, in each case, as published by the International Swaps and Derivatives Association, Inc. ("**ISDA**") or such other form published by ISDA. Each Hedge Transaction will be evidenced by a confirmation entered into pursuant to a Hedge Agreement.

Each Hedge Transaction will be for the purposes of:

(a) in the case of an Interest Rate Hedge Transaction, hedging any interest rate mismatch between the Rated Notes and the Collateral Debt Obligations; and

(b) in the case of a Currency Hedge Transaction, exchanging payments of principal, interest and other amounts in respect of any Non-Euro Obligation for amounts denominated in Euros at the Currency Hedge Transaction Exchange Rate,

in each case subject to receipt of Rating Agency Confirmation in respect thereof (save in the case of a Form Approved Hedge) and provided that the Hedge Counterparty satisfies the applicable Rating Requirement upon the date of entry into such Hedge Transaction (taking into account any relevant guarantor thereof) and any applicable regulatory capacity to enter into derivatives transactions with Irish residents. If, following the receipt of Rating Agency Confirmation in respect of a Hedge Transaction or approval from the Rating Agencies of a Form Approved Hedge, but prior to entry by the Issuer (or the Collateral Manager on its behalf) into such Hedge Transaction or a Hedge Transaction constituting a Form Approved Hedge, as applicable, the relevant Moody's or S&P counterparty criteria change and Moody's and/or S&P notify the Issuer or the Collateral Manager that a previously given Rating Agency Confirmation or approval has been withdrawn, the Collateral Manager (on behalf of the Issuer) will be required to seek a further Rating Agency Confirmation or approval, as applicable, in respect of any subsequent Hedge Transactions documented thereby.

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. Provided that, in accordance with the Portfolio Profile Tests, the Issuer may hold a maximum of 2.5 per cent. of the Aggregate Collateral Balance as Unhedged Collateral Debt Obligations.

In accordance with the Portfolio Profile Tests, the Issuer may hold a maximum of 12.5 per cent. of the Aggregate Collateral Balance as Fixed Rate Collateral Debt Obligations.

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 Hedge

Counterparty, 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 the 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 Hedge Counterparty, 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 entry into such transaction, the Issuer pays to the Currency Hedge Counterparty an initial exchange amount in Euros equal to the purchase price of such Non-Euro Obligation, converted into Euros at the Currency Hedge Transaction Exchange Rate in exchange for payment by the Currency Hedge Counterparty of an initial exchange amount in the relevant currency equal to the purchase price of such Non-Euro Obligation;

(b) on the scheduled date of termination of such transaction, which shall be the date falling two Business Days after the date on which the Non-Euro Obligation is scheduled to mature or such later date as otherwise specified in the relevant confirmation, the Issuer pays to the Currency Hedge Counterparty a final exchange amount equal to the amount payable upon maturity of the Non-Euro Obligation in the relevant currency (the "**Proceeds on Maturity**") in exchange for payment by the Currency Hedge Counterparty of a final exchange amount denominated in Euros, such final exchange amount to be an amount equal to the Proceeds on Maturity converted into Euros at the Currency Hedge Transaction Exchange Rate;

(c) two Business Days following the date of each scheduled payment of interest on the related Non-Euro Obligation or such later date as otherwise specified in the relevant confirmation, the Issuer pays to the Currency Hedge Counterparty an amount in the relevant non-Euro currency based on the then outstanding principal amount of the relevant Non-Euro Obligation (the "**Non-Euro Notional Amount**") and the Currency Hedge Counterparty will pay to the Issuer a EURIBOR-linked amount based on the then outstanding principal amount of the related Non-Euro Obligation converted into Euros at the Currency Hedge Transaction Exchange Rate (the "**Euro Notional Amount**"); and

(d) upon the sale of any Non-Euro Obligation, the Currency Hedge Transaction relating thereto shall be terminated on or around the date of such sale in accordance with its terms, resulting in either (i) the Currency Hedge Counterparty receiving the proceeds of the sale of the Non-Euro Obligation from the Issuer (which shall be funded outside the Priorities of Payment from the Relevant Currency Account) and such Currency Hedge Counterparty returning the Sale Proceeds (in accordance with paragraph (b) of the definition thereof) to the Issuer (which shall be credited to the Principal Account); or (ii) the Issuer retaining the proceeds of sale of the Non-Euro Obligation and either receiving a payment from the Currency Hedge Counterparty or making a payment to the Currency Hedge Counterparty out of such sale proceeds in connection with the termination of the Currency Hedge Transaction as required under the applicable Hedge Agreement (any amount so received by the Issuer to be converted into Euros at the Applicable Exchange Rate and paid into the Principal Account in accordance with the Conditions).

The Collateral Manager, acting on behalf of the Issuer, shall convert all amounts received by it in respect of any Non-Euro Obligation which is not the subject of a related Currency Hedge Transaction into Euros promptly upon receipt thereof at the Applicable Exchange Rate and shall procure that such amounts are paid into the Principal Account or the Interest Account, as applicable. The Collateral Manager (on behalf of the Issuer) is also authorised to enter into spot exchange transactions, as necessary, to fund the Issuer's payment obligations under any Currency Hedge Transaction.

All amounts received by the Issuer in respect of Non-Euro Obligations shall be paid into the appropriate Currency Account and all amounts payable by the Issuer under any Currency Hedge Transaction (other than any initial exchange amounts payable in Euros by the Issuer, any Hedge Replacement Payments (in respect of any Currency Hedge Transaction) and any Currency Hedge Issuer Termination Payments save to the extent otherwise provided in Condition 3(j)(x) (*Currency Accounts*)), will be paid out of the appropriate Currency Account, in each case to the extent amounts are available therein.

Without prejudice to the rights of the relevant Currency Hedge Counterparty under the Currency Hedge Agreement, the Issuer shall only be obliged to pay Scheduled Periodic Currency Hedge Issuer Payments to a Currency Hedge Counterparty if and to the extent it actually receives the corresponding amount in respect of the relevant Non-Euro Obligation.

Upon the insolvency of the Issuer and/or the acceleration of the Notes in accordance with Condition 10(b) (*Acceleration*), the Currency Hedge Counterparty may, but shall not be obliged to, terminate any or all Currency Hedge Transactions in which case any Currency Hedge Issuer Termination Payment would be paid (following acceleration of the Notes) in accordance with Condition 10(b) (*Acceleration*) and the Post-Acceleration Priority of Payments.

Standard Terms of Hedge Agreements

Each Hedge Agreement entered into by or on behalf of the Issuer shall contain the following standard provisions, save to the extent that any change thereto is agreed by the applicable Hedge Counterparty and subject to receipt of Rating Agency Confirmation in respect thereof or such Hedge Agreement being a Form Approved Hedge.

Gross up

Under each Hedge Agreement the Issuer will not be obliged to gross up any payments thereunder, however the applicable Hedge Counterparty may in certain circumstances be obliged to gross up a payment thereunder in the event of any withholding or deduction for or on account of Tax required to be paid on such payments provided that any withholding or deduction for or on account of FATCA may be excluded from such gross-up obligations. Any such event may however result in a "Tax Event" which is a "Termination Event" for the purposes of the relevant Hedge Agreement. In the event of the occurrence of a Tax Event (as defined in such Hedge Agreement), each Hedge Agreement will include provision for the relevant Affected Party (as defined therein) to use reasonable endeavours to (i) (in the case of the Hedge Counterparty) arrange for a transfer of all of its interests and obligations under the Hedge Agreement and all Transactions (as defined in the Hedge Agreement) thereunder to an Affiliate that is incorporated in another jurisdiction so as to avoid the requirement to withhold or deduct for or on account of Tax; or (ii) (in the case of the Issuer) if a substitute principal obligor under the Notes has been substituted for the Issuer in accordance with Condition 9 (*Taxation*), arrange for a transfer of all of its interest and obligations under the Hedge Agreement and all Transactions thereunder to that substitute principal obligor so as to avoid the requirement to withhold or deduct for or on account of Tax subject to satisfaction of the conditions specified therein (including receipt of Rating Agency Confirmation).

Limited Recourse and Non-Petition

The obligations of the Issuer under each Hedge Agreement will be limited to the proceeds of enforcement of the Collateral as applied in accordance with the Priorities of 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*).

Termination Provisions

Each Hedge Agreement may terminate by its terms, whether or not the Notes have been paid in full prior to such termination, upon the earlier to occur of certain events, including but not limited to:

(a) certain events of bankruptcy, insolvency, receivership or reorganisation of the Issuer or the related Hedge Counterparty;

(b) failure on the part of the Issuer or the related Hedge Counterparty to make any payment under the applicable Hedge Agreement after taking into account the applicable grace period;

(c) a change in law making it illegal for either the Issuer or the related Hedge Counterparty to be a party to, or perform its obligations under, the applicable Hedge Agreement;

(d) in certain circumstances, upon a regulatory change or change in the regulatory status of the Issuer, as further described in the relevant Hedge Agreement;

(e) any amendment to any provisions of the Transaction Documents without the written consent of the Hedge Counterparty which has a material adverse effect on its rights or obligations thereunder, subject to the terms of the relevant Hedge Agreement;

(f) failure by a Hedge Counterparty to comply with the requirements of the Rating Agencies in the event that it (or, as relevant, its guarantor) is subject to a rating withdrawal or downgrade by the Rating Agencies to below the applicable Rating Requirement;

(g) upon the early redemption in full or acceleration of the Notes; and

(h) any other event as specified in the relevant Hedge Agreement.

A termination of a Hedge Agreement or a Hedge Transaction does not constitute an Event of Default under the Notes though the repayment in full of the Notes may be an additional termination event under a Hedge Agreement or a Hedge Transaction.

A Hedge Agreement may 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 Debt Obligation would not constitute a Defaulted Obligation.

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, any loss suffered by a party or as otherwise described in the applicable Hedge Agreement.

Rating Downgrade Requirements

Each Hedge Agreement shall contain the terms and provisions required by the Rating Agencies for the type of derivative transaction represented by the Hedge Transactions in the event that the Hedge Counterparty (or, as relevant, its guarantor) is subject to a rating withdrawal or downgrade by the Rating Agencies to below the applicable Rating Requirement. Such provisions may include a requirement that a Hedge Counterparty must post collateral or transfer the Hedge Agreement to another entity meeting the applicable Rating Requirement or procure that a guarantor meeting the applicable Rating Requirement guarantees its obligations under the Hedge Agreement or take other actions subject to Rating Agency Confirmation.

Transfer and Modification

The Collateral Manager, acting on behalf of the Issuer, may not modify any Hedge Transaction or Hedge Agreement without Rating Agency Confirmation in relation to such modification, save to the extent that it would constitute a Form Approved Hedge following such modification. A Hedge Counterparty may transfer its rights and obligations under a Hedge Agreement to any institution which (or whose credit support provider (as defined in the applicable Hedge Agreement)) satisfies the applicable Rating Requirement and provided that such institution 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**") in a form approved by the Rating Agencies for the delegation of certain derivative reporting obligations to one or more Hedge Counterparties or third parties (each, in such capacity, a "**Reporting Delegate**").

DESCRIPTION OF THE REPORTS

Terms used and not otherwise defined herein or in this Prospectus as specifically referenced herein shall have the meaning given to them in Condition 1 (*Definitions*) of the Terms and Conditions of the Notes.

Monthly Reports

The Collateral Administrator, not later than the eighth Business Day after the twentieth calendar day (or if such day is not a Business Day, the immediately following Business Day) of each month (save in respect of any month for which a Payment Date Report or Effective Date Report has been prepared) commencing in March 2017, 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 at https://usbtrustgateway.usbank.com (or such other website as may be notified by the Collateral Administrator to the Issuer, the Trustee, the Collateral Manager, the Placement Agent, each Hedge Counterparty, each Rating Agency, the Principal Paying Agent and the Noteholders from time to time), and which shall be accessible to the Issuer, the Trustee, the Collateral Manager, the Placement Agent, each Hedge Counterparty, any holder of a beneficial interest in a Note and each Rating Agency by way of a unique password (which, in the case of each Noteholder, may be obtained from the Collateral Administrator subject to receipt by the Collateral Administrator of certification that such holder is a holder of a beneficial interest in any Notes) a monthly report (including portfolio data in CSV or excel format) (the "**Monthly Report**"), which shall contain, without limitation, the information set out below with respect to the Portfolio, determined by the Collateral Administrator as at the twentieth calendar day of each month (or if such day is not a Business Day, the immediately following Business Day) in consultation with the Collateral Manager.

Portfolio

(a) the Aggregate Principal Balance of the Collateral Debt Obligations and Eligible Investments representing Principal Proceeds;

(b) the Aggregate Collateral Balance of the Collateral Debt Obligations;

(c) the Adjusted Collateral Principal Amount of the Collateral Debt Obligations;

(d) subject to any confidentiality obligations binding on the Issuer, in respect of each Collateral Debt Obligation, its Principal Balance, LoanX ID, CUSIP number, ISIN or identification thereof, annual interest rate or spread (and EURIBOR floor if any), facility, Collateral Debt Obligation Stated Maturity, Obligor, the Domicile of the Obligor, S&P Rating, Moody's Rating, Moody's Default Probability Rating and any other public rating (other than any confidential credit estimate), its S&P Industry Classification and Moody's industrial classification group, Moody's Recovery Rate, S&P Recovery Rating and S&P Recovery Rate;

(e) subject to any confidentiality obligations binding on the Issuer, in respect of each Collateral Debt Obligation, whether such Collateral Debt Obligation is a Senior Secured Loan, Senior Secured Bond, Unsecured Senior Loan, Second Lien Loan, Mezzanine Obligation or High Yield Bond, Fixed Rate Collateral Debt Obligation, Corporate Rescue Loan, PIK Security, Current Pay Obligation, Semi-Annual Obligation, Step-Up Coupon Security, Step-Down Coupon Security, Annual Obligation, Revolving Obligation, Delayed Drawdown Collateral Debt Obligation, Bridge Loan, Cov-Lite Loan, S&P Cov-Lite Loan, Deferring Security Discount Obligation or Swapped Non-Discount Obligation;

(f) subject to any confidentiality obligations binding on the Issuer, in respect of each Collateral Enhancement Obligation and Exchanged Security (to the extent applicable), its Principal Balance, face amount, annual interest rate, Collateral Debt Obligation Stated Maturity and Obligor, details of the type of instrument it represents and details of any amounts payable thereunder or other rights accruing pursuant thereto;

(g) subject to any confidentiality obligations binding on the Issuer, the number, identity and, if applicable, Principal Balance of, respectively, any Collateral Debt Obligations, Collateral Enhancement Obligations or Exchanged Securities that were released for sale or other disposition (specifying the reason for such sale or other disposition), the Aggregate Principal Balances of Collateral Debt Obligations released for sale or other disposition at the Collateral Manager's discretion (expressed as a percentage of the Adjusted Collateral Principal Amount and measured at the date of determination of the last Monthly Report) and the sale price thereof and identity of any of the purchasers thereof;

(h) subject to any confidentiality obligations binding on the Issuer, the purchase or sale price of each Collateral Debt Obligation, Eligible Investment and Collateral Enhancement Obligation acquired by the Issuer and in which the Issuer has granted a security interest to the Trustee, and each Collateral Debt Obligation, Eligible Investment and Collateral Enhancement Obligation sold by the Issuer since the date of determination of the last Monthly Report and where the purchaser or seller thereof is the Collateral Manager or any of its Affiliates (if any), the identity of the purchaser or seller thereof and the Principal Balance of such Collateral Debt Obligation, Eligible Investment or Collateral Enhancement Obligation;

(i) subject to any confidentiality obligations binding on the Issuer, the identity of each Collateral Debt Obligation which became a Defaulted Obligation or Deferring Security or in respect of which an Exchanged Security has been received since the date of determination of the last Monthly Report and the identity and Principal Balance of each CCC Obligation, Caa Obligation and Current Pay Obligation;

(j) subject to any confidentiality obligations binding on the Issuer, the identity of each Collateral Debt Obligation which became a Restructured Obligation and its Obligor, as well as, where applicable, the name of the Obligor prior to the restructuring and the Obligor's new name after the Restructuring Date;

(k) the Aggregate Principal Balance of Collateral Debt Obligations which were upgraded or downgraded since the most recent Monthly Report and of which the Collateral Administrator or the Collateral Manager has actual knowledge;

(l) the approximate Market Value of, respectively, the Collateral Debt Obligations and the Collateral Enhancement Obligations;

(m) the Aggregate Principal Balance of Collateral Debt Obligations comprising Participations in respect of which the Selling Institutions are not the lenders of record;

(n) confirmation whether the Collateral Administrator has been provided with notice by the Issuer or the Collateral Manager (on behalf of the Issuer) of whether the Trading Requirements have ceased to apply as a result of the Issuer or the Collateral Manager (on behalf of the Issuer) having elected by notice to the Trustee and the Noteholders to rely solely on the exemption provided by Section 3(c)(7) of the Investment Company Act and no longer rely on the exemption from the Investment Company Act provided by Rule 3a-7;

(o) at the discretion of the Collateral Manager, a commentary provided by the Collateral Manager with respect to the Portfolio; and

(p) the identity of the Account Bank and any Hedge Counterparties.

Accounts

(a) the Balances standing to the credit of each of the Accounts;

(b) the purchase price, principal amount, redemption price, annual interest rate, maturity date and Obligor under each Eligible Investment purchased from funds in the Accounts; and

(c) amounts paid to the Collateral Enhancement Account since the date of determination of the last Monthly Report.

Hedge Transactions

(a) the outstanding notional amount of each Hedge Transaction and the current rate of EURIBOR;

(b) the amount scheduled to be received and paid by the Issuer pursuant to each Hedge Transaction on or before the next Payment Date; and

(c) the then current Moody's rating and, if applicable, S&P rating in respect of each Hedge Counterparty and whether such Hedge Counterparty satisfies the Rating Requirements.

Coverage Tests and Collateral Quality Tests

(a) a statement as to whether each of the Class A/B Par Value Test, the Class C Par Value Test, the Class D Par Value Test, the Class E Par Value Test and the Class F Par Value Test is satisfied and details of the relevant Par Value Ratios;

(b) a statement as to whether each of the Class A/B Interest Coverage Test, the Class C Interest Coverage Test and the Class D Interest Coverage Test is satisfied and details of the relevant Interest Coverage Ratios;

(c) during the Reinvestment Period, a statement as to whether the Reinvestment Overcollateralisation Test is satisfied;

(d) a statement as to whether the S&P CDO Monitor Test is satisfied;

(e) the S&P Weighted Average Recovery Rate;

(f) the Weighted Average Life and a statement as to whether the Weighted Average Life Test is satisfied;

(g) the Weighted Average Spread (calculated on the basis of the Aggregate Funded Spread determined (1) with the EURIBOR Floor Adjustment and (2) without the EURIBOR Floor Adjustment), the Weighted Average Fixed Coupon, the Weighted Average Coupon Adjustment Percentage, the Weighted Average Spread plus the Weighted Average Coupon Adjustment Percentage (if applicable) and a statement as to whether the Minimum Weighted Average Spread Test is satisfied;

(h) the Adjusted Weighted Average Moody's Rating Factor, Moody's Weighted Average Recovery Adjustment and a statement as to whether the Moody's Maximum Weighted Average Rating Factor Test is satisfied;

(i) the Weighted Average Moody's Recovery Rate, Moody's Weighted Average Rating Factor Adjustment and a statement as to whether the Moody's Minimum Weighted Average Recovery Rate Test is satisfied;

(j) the Diversity Score and a statement as to whether the Moody's Minimum Diversity Test is satisfied;

(k) a statement identifying any Collateral Debt Obligation in respect of which the Collateral Manager has made its own determination of "Market Value" (pursuant to the definition thereof) for the purposes of any of the Coverage Tests; and

Portfolio Profile Tests

(a) in respect of each Portfolio Profile Test, a statement as to whether such test is satisfied, together with details of the result of the calculations required to be made in order to make such determination which details shall include the applicable numbers, levels and/or percentages resulting from such calculations;

(b) the identity and Moody's Rating and S&P Rating of each Selling Institution, together with any changes in the identity of such entities since the date of determination of the last Monthly Report and details of the aggregate amount of Participations entered into with each such entity; and

(c) a statement as to whether the limits specified in the Bivariate Risk Table are met by reference to the Moody's ratings and S&P ratings of Selling Institutions and, if such limits are not met, a statement as to the nature of the non-compliance.

Frequency Switch Event

A statement indicating whether a Frequency Switch Event has occurred during the relevant Due Period (and in the case of a Frequency Switch Event occurring under paragraph (b) of the definition thereof, to the extent notice of the occurrence of such Frequency Switch Event has been received by the Collateral Administrator from the Collateral Manager in accordance with the Conditions).

Risk Retention

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

(a) it continues to comply with its undertaking to subscribe for and retain on an ongoing basis and for its own account not less than 5 per cent. of the nominal value of each of the tranches sold or transferred to investors within the meaning of paragraph 1(a) of Article 405 of the CRR, paragraph 1(a) of Article 51 of the AIFMD Level 2 Regulations and paragraph 2(a) of Article 254 of the Solvency II Level 2 Regulation (the "**Retention Notes**"); and

(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 Debt Obligations, except to the extent permitted in accordance with the Retention Requirements.

Payment Date Report

The Collateral Administrator, on behalf, and at the expense, of the Issuer and in consultation with the Collateral Manager, shall render an accounting report (the "**Payment Date Report**"), prepared and determined as of each Determination Date, and made available via a secured website at https://usbtrustgateway.usbank.com (or such other website as may be notified by the Collateral Administrator to the Issuer, the Trustee, the Collateral Manager, the Placement Agent, each Hedge Counterparty, each Rating Agency, the Principal Paying Agent and the Noteholders from time to time) which shall be accessible to the Collateral Manager, the Issuer, the Trustee, the Placement Agent, each Hedge Counterparty, any holder of a beneficial interest in any Note and each Rating Agency by way of a unique password (which, in the case of each Noteholder, may be obtained from the Collateral Administrator subject to receipt by the Collateral Administrator of certification that such holder is a holder of a beneficial interest in any Notes) not later than the Business Day preceding the related Payment Date. Upon receipt of each Payment Date Report, the Collateral Administrator, in the name and at the expense of the Issuer, shall notify the Irish Stock Exchange of the Principal Amount Outstanding of each Class of Notes after giving effect to the principal payments, if any, on the next Payment Date. The Payment Date Report shall contain the following information:

Portfolio

(a) the Aggregate Principal Balance of the Collateral Debt Obligations as of the close of business on such Determination Date, after giving effect to (A) Principal Proceeds received on the Collateral Debt Obligations with respect to the related Due Period and the reinvestment of such Principal Proceeds in Substitute Collateral Debt Obligations during such Due Period and (B) the disposal of any Collateral Debt Obligations during such Due Period;

(b) subject to any confidentiality obligations binding on the Issuer, a list of, respectively, the Collateral Debt Obligations and Collateral Enhancement Obligations indicating the Principal Balance and Obligor of each; and

(c) the information required pursuant to "*Monthly Reports – Portfolio*" above.

Notes

(a) the Principal Amount Outstanding of the Notes of each Class and such aggregate amount as a percentage of the original aggregate Principal Amount Outstanding of the Notes of such Class at the beginning of the Accrual Period, the amount of principal payments to be made on the Notes of each Class on the related Payment Date, and the aggregate amount of the Notes of each Class Outstanding and such aggregate amount as a percentage of the original aggregate amount of the Notes of such Class Outstanding after giving effect to the principal payments, if any, on the next Payment Date;

(b) the interest payable in respect of each Class of Notes (as applicable), including the amount of any Deferred Interest payable on the related Payment Date (in the aggregate and by Class);

(c) the Interest Amount payable in respect of the Class A Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes and Class F Notes, on the next Payment Date; and

(d) EURIBOR for the related Due Period and the Floating Rate of Interest applicable to each Class of Rated Notes during the related Due Period.

Payment Date Payments

(a) the amounts payable pursuant to the Interest Proceeds Priority of Payments, the Principal Proceeds Priority of Payments, the Collateral Enhancement Obligations Proceeds Priority of Payments and the Post-Acceleration Priority of Payments;

(b) the Trustee Fees and Expenses, the amount of any 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 any Defaulted Interest Rate Hedge Termination Payments.

Accounts

(a) the Balance standing to the credit of the Interest Account at the end of the related Due Period;

(b) the Balance standing to the credit of the Principal Account at the end of the related Due Period;

(c) the Balance standing to the credit of the Interest Account immediately after all payments and deposits to be made on the next Payment Date;

(d) the Balance standing to the credit of the Principal Account immediately after all payments and deposits to be made on the next Payment Date;

(e) the amounts payable from the Interest Account through a transfer to the Payment Account pursuant to the Priorities of 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*" above.

Frequency Switch Event

The information required pursuant to "*Monthly Reports – Frequency Switch Event*" above.

Risk Retention

The information required pursuant to "*Monthly Reports – Risk Retention*" above.

Miscellaneous

Each report shall state that it is for the purposes of information only, that certain information included in the report is estimated, approximated or projected and that it is provided without any representations or warranties as to the accuracy or completeness thereof and that none of the Collateral Administrator, the Trustee, the Issuer or the 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 who are in any doubt about their tax position on purchase, ownership, transfer or exercise of any Note should consult their own tax advisers. 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 certain Irish tax consequences of the purchase, ownership and disposition of the Notes. The summary does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a decision to purchase, own or dispose of the Notes. The summary relates only to the position of persons who are the absolute beneficial owners of the Notes and may not apply to certain other classes of persons such as dealers in securities.

The summary is based upon Irish tax laws and the practice of the Irish Revenue Commissioners as in effect on the date of this Prospectus, which are subject to prospective or retroactive change. 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 own advisors as to the Irish or other tax consequences of the purchase, beneficial ownership and disposition of the Notes including, in particular, the effect of any state or local tax laws.

2.1 Income Tax

In general, persons who are resident in Ireland are liable to Irish taxation on their world-wide income whereas persons who are not resident in Ireland are only liable to Irish taxation on their Irish source income. All persons are under a statutory obligation to account for Irish taxation on a self-assessment basis and there is no requirement for the Irish Revenue Commissioners to issue or raise an assessment.

A Note issued by the Issuer may be regarded as property situate in Ireland (and hence Irish source income) on the grounds that a debt is deemed to be situate where the debtor resides. However, the interest earned on such Notes is exempt from income tax if paid to a person who is not a resident of Ireland and who for the purposes of Section 198 of the Taxes Consolidation Act 1997 (as amended) ("**TCA 1997**") is regarded as being a resident of a relevant territory. A relevant territory for this purpose is a member state of the European Communities (other than Ireland) or not being such a member state a territory with which Ireland has entered into a double tax treaty that has the force of law or, on completion of the necessary procedures, will have the force of law and such double tax treaty contains an article dealing with interest or income from debt claims. A list of the countries with which Ireland has entered into a double tax treaty is available on www.revenue.ie.

Relief from Irish income tax may also be available under other exemptions contained in Irish tax legislation or under the specific provisions of a double tax treaty between Ireland and the country of residence of the holder of the Notes.

If the above exemptions do not apply it is understood that there is a long standing unpublished practice whereby no action will be taken to pursue any liability to such Irish tax in respect of persons who are regarded as not being resident in Ireland except where such persons:

(a) are chargeable in the name of a person (including a trustee) or in the name of an agent or branch in Ireland having the management or control of the interest; or

(b) seek to claim relief and / or repayment of tax deducted at source in respect of taxed income from Irish sources; or

(c) are chargeable to Irish corporation tax on the income of an Irish branch or agency or to income tax on the profits of a trade carried on in Ireland to which the interest is attributable.

There can be no assurance that this practice will continue to apply.

2.2 Withholding taxes

In general, withholding tax (currently at the rate of 20%) must be deducted from interest payments made by an Irish company such as the Issuer. However, Section 246 TCA 1997 ("**Section 246**") provides that this general obligation to withhold tax does not apply in respect of, *inter alia*, interest payments made by the Issuer to a person, who by virtue of the law of the relevant territory, is resident for the purposes of tax in a relevant territory (see above for details). This exemption does not apply if the interest is paid to a company in connection with a trade or business which is carried on in Ireland by the company through a branch or agency.

Apart from Section 246, Section 64 TCA 1997 ("**Section 64**") provides for the payment of interest on a "Quoted Eurobond" without deduction of tax in certain circumstances. A Quoted Eurobond is defined in Section 64 as a security which:

(a) is issued by a company;

(b) is quoted on a recognised stock exchange (this term is not defined but is understood to mean an exchange which is recognised in the country in which it is established such as the Irish Stock Exchange); and

(c) carries a right to interest.

There is no obligation to withhold tax on Quoted Eurobonds where:

(a) the person by or through whom the payment is made is not in Ireland; or

(b) the payment is made by or through a person in Ireland; and

(c) the Quoted Eurobond is held in a recognised clearing system (Euroclear, Clearstream Banking SA, Clearstream Banking AG and the Depository Trust Company of New York have, amongst others, been designated as recognised clearing systems); or

(d) the person who is the beneficial owner of the Quoted Eurobond and who is beneficially entitled to the interest is not resident in Ireland and has made an appropriate written declaration to this effect.

In certain circumstances, Irish encashment tax may be required to be withheld at the standard rate (currently at the rate of 20%) from interest on any Note, where such interest is collected by a person in Ireland on behalf of any holder of Notes.

2.3 Capital gains tax

A Noteholder will not be subject to Irish taxes on capital gains provided that such Noteholder is neither resident nor ordinarily resident in Ireland and such Noteholder does not have an enterprise, or an interest in an enterprise, which carries on business in Ireland through a branch or agency or a permanent representative to which or to whom the Notes are attributable.

2.4 Capital acquisitions tax

If the Notes are comprised in a gift or inheritance taken from an Irish domiciled, resident or ordinarily resident disponer or if the donee / successor is resident or ordinarily resident in Ireland, or if any of the Notes are regarded as property situate in Ireland, the donee / successor may be liable to Irish capital acquisitions tax. As a result, a donee / successor may be liable to Irish capital acquisitions tax, even though neither the disponer nor the donee / successor may be domiciled, resident or ordinarily resident in Ireland at the relevant time.

2.5 Stamp duty

For as long as the Issuer is a qualifying company within the meaning of Section 110 TCA 1997, no Irish stamp duty will be payable on either the issue or transfer of the Notes, provided that the money raised by the issue of the Notes is used in the course of the Issuer's business.

2.6 Common Reporting Standard

The common reporting standard framework was first released by the OECD in February 2014 as a result of the G20 members endorsing a global model of automatic exchange of information in order to increase international tax transparency. On 21 July 2014, the Standard for Automatic Exchange of Financial Account Information in Tax Matters was published by the OECD and this includes the Common Reporting Standard (the "**CRS**"). The goal of the CRS is to provide for the annual automatic exchange between governments of financial account information reported to them by local reporting financial institutions (as defined) ("**FIs**") relating to account holders who are tax resident in other participating jurisdictions.

Directive 2014/107/EU on Administrative Cooperation in the Field of Taxation ("**DAC II**") implements the CRS in a European context and creates a mandatory obligation for all Member States to exchange financial account information in respect of residents in other Member States on an annual basis commencing in 2017 in respect of the 2016 calendar year (or from 2018 in the case of Austria).

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

Over 95 jurisdictions have committed to exchanging information under the CRS and a group of 50 countries, including Ireland, have committed to the early adoption of the CRS from 1 January 2016 (known as the "**Early Adopter Group**"), with the first data exchanges expected to take place in September 2017. All Member States are members of the Early Adopter Group.

The Irish Revenue Commissioners will issue regulations to implement the requirements of the CRS and DAC II into Irish law under which Irish FIs (such as the Issuer) will be obliged to make a single return in respect of CRS and DAC II. For the purposes of complying with its obligations under CRS and DAC II, an Irish FI (such as the Issuer) shall be entitled to require Noteholders to provide any information regarding their and, in certain circumstances, their controlling persons' tax status, identity or residence in order to satisfy any reporting requirements which the Issuer may have as a result of CRS and DAC II and Noteholders will be deemed, by their holding to have authorised the automatic disclosure of such information by the Issuer (or any nominated service provider) or any other person to the Irish Revenue Commissioners. The information will be provided to the Irish Revenue Commissioners who will exchange the information with the tax authorities of other participating jurisdictions, as applicable. Failure by an Irish FI to comply with its CRS and DAC II obligations may result in the Issuer being deemed to be non-compliant in respect of its CRS obligations and monetary penalties may be imposed on a non-compliant FI under Irish legislation.

The Issuer (or any nominated service provider) will agree that information (including the identity of any Noteholder) supplied for the purposes of CRS and DAC II compliance is intended for the Issuer's (or any nominated service provider's) use for the purposes of satisfying CRS and DAC II requirements and the Issuer (or any nominated service provider) will agree, to the extent permitted by applicable law, that it will take reasonable steps to treat such information in a confidential manner, except that the Issuer may disclose such information (i) to its officers, directors, agents and advisors, (ii) to the extent reasonably necessary or advisable in connection with tax matters, including achieving CRS and DAC II compliance, (iii) to any person with the consent of the applicable Noteholder, or (iv) as otherwise required by law or court order or on the advice of its advisors. Further information in relation to CRS can be found on the Automatic Exchange of Information webpage on www.revenue.ie.

2.7 Information required from Noteholders

The Issuer will require Noteholders to certify information relating to their status for the purposes of CRS, including their jurisdiction of tax residence, and to provide other forms, documentation and information in relation to their status for the purposes of these tax reporting regimes. The Issuer may be unable to comply with its obligations under CRS if Noteholders do not provide the required certifications and information. Failure to comply with CRS could have a negative impact on the Issuer and the Noteholders.

3. Certain U.S. Federal Income Tax Considerations

3.1 General

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

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

(a) an individual who is a citizen or a resident of the United States, for U.S. federal income tax purposes;

(b) a corporation (or other entity that is treated as a corporation for U.S. federal tax purposes) that is created or organised in or under the laws of the United States, any State thereof, or the District of Columbia;

(c) an estate whose income is subject to U.S. federal income taxation regardless of its source; or

(d) a trust if a court within the United States is able to exercise primary supervision over its administration, and one or more United States persons have the authority to control all of its substantial decisions.

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

(i) a non-resident alien individual for U.S. federal income tax purposes;

(ii) a foreign corporation for U.S. federal income tax purposes;

(iii) an estate whose income is not subject to U.S. federal income tax on a net income basis; or

(iv) a trust if no court within the United States is able to exercise primary jurisdiction over its administration or if no United States persons have the authority to control all of its substantial decisions.

An individual may, subject to certain exceptions, be deemed to be a resident of the United States for U.S. federal income tax purposes by reason of being present in the United States for at least 31 days in the calendar year and for an aggregate of at least 183 days during a three-year period ending in the current calendar year (counting for such purposes all of the days present in the current year, one-third of the days present in the immediately preceding year, and one-sixth of the days present in the second preceding year).

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

this summary does not address the tax treatment of a Contribution or the tax consequences to a Contributor.

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

3.2 U.S. Federal Tax Treatment of the Issuer

The Issuer will be treated as a foreign corporation for U.S. federal income tax purposes. The Issuer intends to operate so as not to be subject to U.S. federal income tax on its net income. In this regard, the Issuer will receive an opinion of Weil, Gotshal & Manges LLP to the effect that, if the Issuer and the Collateral Manager comply with the Trust Deed and the Collateral Management Agreement, including certain tax guidelines referenced therein (the "**U.S. Tax Guidelines**"), and certain other assumptions specified in the opinion are satisfied, although no authority exists that deals with situations substantially similar to those of the Issuer, the contemplated activities of the Issuer will not cause the Issuer to be treated as engaged in a trade or business within the United States for U.S. federal income tax purposes under current law. This opinion will be based on certain assumptions and certain representations and agreements regarding restrictions on the future activities of the Issuer and the Collateral Manager. The Issuer intends to conduct its business in accordance with the assumptions, representations and agreements upon which such agreement is based. In complying with such assumptions, representations and agreements, the Issuer and the Collateral Manager are entitled to rely in the future upon the advice and/or opinions of their selected counsel, and the opinion of Weil, Gotshal & Manges LLP will assume that any such advice and/or opinions are correct and complete. Investors should be aware that the opinion of Weil, Gotshal & Manges LLP simply represents counsel's best judgment and is not binding on IRS or the courts. In this regard, there are no authorities that deal with situations substantially identical to the Issuer's, and the Issuer could be treated as engaged in the conduct of a trade or business within the United States as a result of unanticipated activities, changes in law, contrary conclusions by the IRS or other causes. Failure of the Issuer or the Collateral Manager to comply with the U.S. Tax Guidelines, the Trust Deed or the Collateral Management Agreement may not give rise to a default or an Event of Default under the Trust Deed or the Collateral Management 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 engaged in a U.S. trade or business for U.S. federal income tax purposes. Moreover, a change in law or its interpretation could result in the Issuer being treated as engaged in a trade or business in the United States for U.S. federal income tax purposes, or otherwise subject to U.S. federal income tax on a net income basis. Finally, the Trust Deed could be amended in a manner that permits or causes the Issuer to be engaged in a trade or business in the United States for U.S. federal income tax purposes.

If it is determined that the Issuer is engaged in a trade or business within the United States for U.S. federal income tax purposes, and the Issuer has taxable income that is effectively connected with such U.S. trade or business, the Issuer will be subject under the Code to the regular U.S. federal corporate income tax on its effectively connected taxable income, possibly on a gross basis, and possibly to a 30 per cent. branch profits tax and state and local taxes as well. The imposition of such a tax liability could materially adversely affect the Issuer's ability to make payments on the Notes. The balance of this summary assumes that the Issuer is not subject to U.S. federal income tax on its net income.

3.3 U.S. Federal Tax Treatment of the Notes

Upon the issuance of the Notes, the Issuer will receive an opinion of Cadwalader, Wickersham & Taft LLP to the effect that, based on certain assumptions, the Class A Notes, Class B Notes, Class C Notes, and Class D Notes will be treated, and the Class E Notes should be treated, as indebtedness for U.S. federal income tax purposes. No opinion will be received with respect to the Class F Notes. The Issuer intends to treat each Class of the Rated Notes as indebtedness for U.S. federal, state, and local income and franchise tax purposes. The Issuer's characterisations will be binding on all Noteholders, and the Trust Deed requires the Noteholders to treat the Rated Notes as indebtedness for U.S. federal, state and local income and franchise tax purposes. Nevertheless, the IRS could assert, and a court could ultimately hold, that one or more Classes of Rated Notes are equity in the Issuer. In addition, as discussed below under "*Recently Proposed Regulations*", the IRS recently issued proposed regulations

that, if finalised in their current form, could, under certain circumstances, treat Rated Notes as equity in the Issuer for periods during which those Rated Notes are held by a person that is related to the Issuer. If any Rated Notes were treated as equity in, rather than debt of, the Issuer for U.S. federal income tax purposes, then the Noteholders of those Notes would be subject to the special and potentially adverse U.S. tax rules applicable to U.S. equity owners in PFICs. See "*Possible Treatment of Class E Notes and Class F Notes as Equity for U.S. Federal Tax Purposes*" below. Except as otherwise indicated, the balance of this summary assumes that all of the Rated Notes are treated as indebtedness of the Issuer for U.S. federal, state and local income and franchise tax purposes. Prospective investors in the Rated Notes should consult their tax advisors regarding the U.S. federal, state and local income and franchise tax consequences to the investors in the event their Rated Notes are treated as equity in the Issuer.

The Issuer intends to treat the Subordinated Notes as equity in the Issuer for U.S. federal income tax purposes, and each holder by its purchase of a Subordinated Note agrees to treat the Subordinated Notes consistently with this treatment.

The Trust Deed could be amended in a manner that materially adversely affects the U.S. federal tax consequences of an investment in the Notes as described herein, including by affecting the U.S. federal income tax characterisation of the Notes as indebtedness or equity or changing the characterisation and timing of income inclusions to U.S. Holders in respect of the Notes. The remainder of this discussion and the tax opinion of Cadwalader, Wickersham & Taft LLP assume that the Trust Deed is not so amended.

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

Class A Notes and Class B Notes.

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

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

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

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

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

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

A U.S. Holder will be required to include OID in income as it accrues (regardless of the U.S. Holder's method of accounting) under a constant yield method. Accruals of any such OID will be based on the weighted average life of the applicable Class rather than its stated maturity. It is possible, however, that the IRS could assert and a court could ultimately hold that some other method of accruing OID should apply.

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

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

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

Upon a sale, exchange, or retirement of a Class A Note or Class B Note, a U.S. Holder will generally recognise gain or loss equal to the difference between the U.S. dollar value of the amount realised on the sale, exchange, or retirement (less any accrued and unpaid interest, which will be taxable as described above) and the holder's tax basis in such Note. In the case of a Class A Note or Class B Note, any such gain or loss will be foreign currency exchange gain or loss to the extent that the U.S. dollar value of the principal amount of the Note on the date of the sale, exchange, or retirement (based on the euro-to-U.S. dollar spot exchange rate on such date) differs from the U.S. dollar value of the equivalent principal amount of the Note (based on the euro-to-U.S. dollar spot exchange rate on the date the Note was acquired). Any such foreign currency exchange gain or loss generally will be treated as ordinary income or loss. Any gain or loss in excess of foreign currency exchange gain or loss will be capital gain or loss, and generally will be treated as long-term capital gain or loss if the U.S. Holder held the Note for more than one year at the time of disposition. In certain circumstances, U.S. Holders who are individuals may be entitled to preferential tax rates for net long-term capital gains; however, the ability of U.S. Holders to offset capital losses against ordinary income is limited.

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

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

A U.S. Holder of Class C Notes, Class D Notes, Class E Notes or Class F Notes will be required to include OID in income as it accrues (regardless of the U.S. Holder's method of accounting) under a constant yield method. Accruals of any such OID will be based on the weighted average life of the applicable Class rather than its stated maturity. Accruals of OID on the Class C Notes, Class D Notes Class E Notes and Class F Notes will be calculated by assuming that interest will be paid over the life of the applicable Class based on the value of EURIBOR used in setting the interest rate for the first Payment Date, and then adjusting the accrual for each subsequent Payment Date based on the difference between the value of EURIBOR used in setting interest for that subsequent Payment Date and the assumed rate. It is possible, however, that the IRS could assert, and a court could ultimately hold, that some other method of accruing OID on the Class C Notes, Class D Notes, Class E Notes and Class F Notes should apply.

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

Sale, Exchange or Retirement. In general, a U.S. Holder of a Class C Note, Class D Note, Class E Note or Class F Note will have a basis in such Note equal to the U.S. dollar value of the cost of such Note (based on the euro-to-U.S. dollar spot exchange rate on the date the Note was acquired, or the settlement date for the purchase of the Note if the Note is treated under applicable Treasury regulations as a security traded on an established securities market and the U.S. Holder either uses the cash method of accounting, or uses the accrual method of accounting and so elects (which election must be applied consistently from year to year)), (i) increased by any amount includable in income by such U.S. Holder as OID (as described above), and (ii) reduced by the U.S. dollar value of any payments received on such Note (based on the euro-to-U.S. dollar spot exchange rate on the date any such payments were received). A U.S. Holder will generally recognise foreign currency exchange gain or loss on the receipt of any principal payments on a Class C Note, Class D Note, Class E Note or Class F Note prior to a sale, exchange, or retirement of such Note to the extent that the U.S. dollar value of each such principal payment (based on the euro-to-U.S. dollar spot exchange rate on the date any such payment was received) differs from the U.S. dollar value of the equivalent principal amount of the Note (based on the euro-to-U.S. dollar spot exchange rate on the date the Note was acquired). Any such foreign currency exchange gain or loss generally will be treated as ordinary income or loss.

Upon a sale, exchange, or retirement of a Class C Note, Class D Note, Class E Note or Class F Note, a U.S. Holder will generally recognise gain or loss equal to the difference between the U.S. dollar value of the amount realised on the sale, exchange, or retirement and the holder's tax basis in such Note. Any such gain or loss will be foreign currency exchange gain or loss to the extent that the U.S. dollar value of the principal amount of the Note on the date of the sale, exchange, or retirement (based on the euro-

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

Alternative Characterisation.

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

Receipt of Euro.

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

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

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

If the Class E Notes or the Class F Notes are treated as equity in the Issuer, because the Issuer will be a passive foreign investment company (a "**PFIC**") for U.S. federal income tax purposes, the U.S. dollar value of 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 the U.S. dollar value of certain interest on such Notes could be subject to the additional tax. A U.S. Holder of such Notes might be able to avoid the ordinary income treatment and additional tax by writing "Protective QEF Election" on the top of an IRS Form 8621, filling out the form, checking Box A (Election to Treat the PFIC as a QEF) and filing the form with the IRS with respect to their Class E Notes 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. If the Class E Notes or the Class F Notes are treated as equity in the Issuer, such a U.S. Holder also will be required to file an annual PFIC report. The Issuer will provide, upon request, all information and documentation that a U.S. Holder making a "protective" QEF election with respect to the Issuer is required to obtain for U.S. federal income tax purposes.

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

In addition, if the Class E Notes or the Class F Notes represent equity in the Issuer for U.S. federal income tax purposes, a U.S. Holder of such Notes would be required to file an IRS Form 926 with the

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

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

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 the Class F Notes are treated as equity in the Issuer.

3.5 U.S. Federal Tax Treatment of U.S. Holders of Subordinated Notes

Investment in a Passive Foreign Investment Company. The Issuer will constitute a PFIC for U.S. federal income tax purposes, and U.S. Holders of Subordinated Notes will be subject to the PFIC rules, except for certain U.S. Holders that are subject to the rules applicable to a CFC (as described below under "*Investment in a Controlled Foreign Corporation*"). U.S. Holders should consider making an election to treat the Issuer as a QEF. Generally, a U.S. Holder makes a QEF election on IRS Form 8621, attaching a copy of that form to its U.S. federal income tax return for the first taxable year for which it held its Subordinated Notes. If a U.S. Holder makes a timely QEF election with respect to the Issuer, the electing U.S. Holder will be required in each taxable year to include in gross income (i) as ordinary income, the U.S. dollar value of the U.S. Holder's *pro rata* share of the Issuer's ordinary earnings and (ii) as long-term capital gain, the U.S. dollar value of the U.S. Holder's *pro rata* share of the Issuer's net capital gain, whether or not distributed. A U.S. Holder will not be eligible for the dividends received deduction in respect of such income or gain. In addition, any losses of the Issuer in a taxable year will not be available to the U.S. Holder and may not be carried back or forward in computing the Issuer's ordinary earnings and net capital gain in other taxable years. If applicable, the rules pertaining to a CFC, discussed below generally override those pertaining to a PFIC with respect to which a QEF election is in effect.

In certain cases in which a QEF does not distribute all of its earnings in a taxable year, the electing U.S. Holder may also be permitted to elect to defer payment of some or all of the taxes on the QEF's income, subject to a non-deductible interest charge on the deferred amount. In this respect, prospective purchasers of Subordinated Notes should be aware that it is expected that the Collateral Debt Obligations will include high-yield debt obligations and such instruments may have substantial OID, the cash payment of which may be deferred, perhaps for a substantial period of time. In addition, the Issuer may use proceeds from the sale of Collateral Debt Obligations to retire other classes of Notes. As a result, in any given year, the Issuer may have substantial amounts of earnings for U.S. federal income tax purposes that are not distributed on the Subordinated Notes. Thus, absent an election to defer payment of taxes, U.S. Holders that make a QEF election with respect to the Issuer may owe tax on significant "phantom" income.

The Issuer will provide (at the Issuer's expense), upon request, all information and documentation that a U.S. Holder making a QEF election with respect to the Issuer is required to obtain for U.S. federal income tax purposes.

A U.S. Holder of Subordinated Notes (other than certain U.S. Holders that are subject to the rules pertaining to a CFC, described below) that does not make a timely QEF election will be required to report the U.S. dollar value of any gain on the disposition of its Subordinated Notes as ordinary income, rather than capital gain, and to compute the tax liability on such gain and any Excess Distribution (as defined below) received in respect of the Subordinated Notes as if such items had been earned rateably over each day in the U.S. Holder's holding period (or a certain portion thereof) for the

Subordinated Notes. The U.S. Holder will be subject to tax on such gain or Excess Distributions at the highest ordinary income tax rate for each taxable year in which such gain or Excess Distributions are treated as having been earned, other than the current year (for which the U.S. Holder's regular ordinary income tax rate will apply), regardless of the rate otherwise applicable to the U.S. Holder. Further, such U.S. Holder will also be liable for a non-deductible interest charge as if such income tax liabilities had been due with respect to each such prior year. For purposes of these rules, gifts, exchanges pursuant to corporate reorganisations and use of the Subordinated Notes as security for a loan may be treated as taxable dispositions of such Subordinated Notes. In addition, a stepped-up basis in the Subordinated Notes will not be available upon the death of an individual U.S. Holder who has not made a timely QEF election with respect to the Issuer.

An "**Excess Distribution**" is the amount by which the U.S. dollar value of distributions during a taxable year in respect of a Note exceeds 125 per cent. of the average amount of distributions in respect thereof during the three preceding taxable years (or, if shorter, the U.S. Holder's holding period for the Note).

In many cases, the U.S. federal income tax on any gain on disposition or receipt of Excess Distributions is likely to be substantially greater than the tax if a timely QEF election is made. A U.S. HOLDER OF A SUBORDINATED NOTE SHOULD STRONGLY CONSIDER MAKING A QEF ELECTION WITH RESPECT TO THE ISSUER.

Investment in a Controlled Foreign Corporation. The Issuer will be a CFC if more than 50 per cent. of the equity interests in the Issuer, measured by reference to combined voting power or value, are owned directly, indirectly, or constructively by 10 per cent. United States shareholders. For this purpose, a "**10 per cent. United States shareholder**" is any United States person that possesses directly, indirectly, or constructively 10 per cent. or more of the combined voting power of all classes of equity in the Issuer. It is likely that the Subordinated Notes will be treated as voting securities. In this case, a U.S. Holder of Subordinated Notes possessing directly, indirectly, or constructively 10 per cent. or more of the sum of the aggregate outstanding principal amount of the Subordinated Notes would be treated as a 10 per cent. United States shareholder. If more than 50 per cent. of the Subordinated Notes, (and any Rated Notes that are treated as equity of the Issuer for U.S. federal income tax purposes), determined with respect to aggregate value or aggregate outstanding principal amount, are owned directly, indirectly, or constructively by such 10 per cent. United States shareholders, the Issuer will be treated as a CFC. If, for any given taxable year, the Issuer is treated as a CFC, a 10 per cent. United States shareholder of the Issuer will be required to include as ordinary income an amount equal to the U.S. dollar value of that person's *pro rata* share of the Issuer's "subpart F income" at the end of such taxable year. Among other items, and subject to certain exceptions, "subpart F income" includes dividends, interest, annuities, gains from the sale of shares and securities, certain gains from commodities transactions, certain types of insurance income and income from certain transactions with related parties. It is likely that, if the Issuer were to constitute a CFC, all of its income would be subpart F income.

If the Issuer is treated as a CFC and a U.S. Holder is treated as a 10 per cent. United States shareholder of the Issuer, the Issuer will not be treated as a PFIC with respect to the U.S. Holder for the period during which the Issuer remains a CFC and the U.S. Holder remains a 10 per cent. United States shareholder of the Issuer (the "**qualified portion**" of the U.S. Holder's holding period for the Subordinated Notes). As a result, to the extent the Issuer's subpart F income includes net capital gains, such gains will be treated as ordinary income to the 10 per cent. United States shareholder under the CFC rules, notwithstanding the fact that the character of such gains generally would otherwise be preserved under the QEF rules. If the qualified portion of the U.S. Holder's holding period for the Subordinated Notes subsequently ceases (either because the Issuer ceases to be a CFC or the U.S. Holder ceases to be a 10 per cent. United States shareholder), then solely for purposes of the PFIC rules, the U.S. Holder's holding period for the Subordinated Notes will be treated as beginning on the first day following the end of such qualified portion, unless the U.S. Holder has owned any Subordinated Notes for any period of time prior to such qualified portion and has not made a QEF election with respect to the Issuer. In that case, the Issuer will again be treated as a PFIC which is not a QEF with respect to the U.S. Holder and the beginning of the U.S. Holder's holding period for the Subordinated Notes will continue to be the date upon which the U.S. Holder acquired the Subordinated Notes, unless the U.S. Holder makes an election to recognise gain with respect to the Subordinated Notes and a QEF election with respect to the Issuer. In the event that the Issuer is a CFC, then, at the request of any U.S. Holder that is a 10 per cent. United States shareholder with respect to the Issuer, the

Issuer will provide (at the Issuer's expense) the information necessary for the U.S. Holder to comply with any filing requirements that arise as a result of the Issuer's classification as a CFC.

Indirect Interests in PFICs and CFCs. If the Issuer owns a Collateral Debt Obligation that is treated as equity in a foreign corporation for U.S. federal income tax purposes, U.S. Holders of Subordinated Notes could be treated as owning an indirect equity interest in a PFIC or a CFC and could be subject to certain adverse tax consequences.

In particular, a U.S. Holder of an indirect equity interest in a PFIC is treated as owning the PFIC directly. The U.S. Holder, and not the Issuer, would be required to make a QEF election with respect to each indirect interest in a PFIC. However, certain PFIC information statements are necessary for U.S. Holders that have made QEF elections, and there can be no assurance that the Issuer can obtain such statements from a PFIC, and thus there can be no assurance that a U.S. Holder will be able to make the election with respect to any indirectly held PFIC.

Accordingly, if the U.S. Holder has not made a QEF election with respect to the indirectly held PFIC, the U.S. Holder would be subject to the adverse consequences described above under "*Investment in a Passive Foreign Investment Company*" with respect to any Excess Distributions of such indirectly held PFIC, any gain indirectly realised by such U.S. Holder on the sale by the Issuer of such PFIC, and any gain indirectly realised by such U.S. Holder with respect to the indirectly held PFIC on the sale by the U.S. Holder of its Subordinated Notes (which may arise even if the U.S. Holder realises a loss on such sale). Moreover, if the U.S. Holder has made a QEF election with respect to the indirectly held PFIC, the U.S. Holder will be required to include in income the U.S. dollar value of its *pro rata* share of the indirectly held PFIC's ordinary earnings and net capital gain as if the indirectly held PFIC were held directly (as described above), and the U.S. Holder will not be permitted to use any losses or other expenses of the Issuer to offset such ordinary earnings and/or net capital gains. Accordingly, if any of the Collateral Debt Obligations are treated as equity interests in a PFIC, U.S. Holders could experience significant amounts of "phantom" income with respect to such interests.

If a Collateral Debt Obligation is treated as an indirect equity interest in a CFC and a U.S. Holder owns directly, indirectly, or constructively 10 per cent. or more of the CFC's voting power for U.S. federal income tax purposes, the U.S. Holder generally will be required to include the U.S. dollar value of its *pro rata* share of the CFC's "subpart F income" as ordinary income at the end of each taxable year, as described above under *"Investment in a Controlled Foreign Corporation*", regardless of whether the CFC distributed any amounts to the Issuer during such taxable year or whether the U.S. Holder made a QEF election with respect to the indirectly held CFC. In addition, the U.S. dollar value of gain realised by the U.S. Holder on the sale by the Issuer of the CFC, and the U.S. dollar value of gain realised by the U.S. Holder on the sale by the U.S. Holder of its Subordinated Notes (as described below), generally will be treated as ordinary income to the extent of the U.S. Holder's *pro rata* share of the CFC's current and accumulated earnings and profits, reduced by any amounts previously taxed pursuant to the CFC rules. U.S. Holders should consult their own tax advisors regarding the tax issues associated with such investments in light of their own individual circumstances.

Phantom Income. U.S. Holders may be subject to U.S. federal income tax on the amounts that exceed the distributions they receive on the Subordinated Notes. For example, if the Issuer is a CFC and a U.S. Holder is a 10 per cent. United States shareholder with respect to the Issuer, or a U.S. Holder makes a QEF election with respect to the Issuer, the U.S. Holder will be subject to federal income tax with respect to its share of the Issuer's income and gain (to the extent of the Issuer's "earnings and profits"), which may exceed the Issuer's distributions. It is expected that the Issuer's income and gain (and earnings and profits) will exceed cash distributions with respect to (i) debt instruments that were issued with OID and are held by the Issuer, and (ii) the acquisition at a discount of the Rated Notes by the Issuer (including by reason of a Refinancing or any deemed exchange that occurs for U.S. federal income tax purposes as a result of a modification of the Trust Deed). U.S. Holders should consult their tax advisors regarding the timing of income and gain on the Subordinated Notes.

Distributions. The treatment of actual distributions of cash on the Subordinated Notes will vary depending on whether a U.S. Holder has made a timely QEF election with respect to the Issuer (as described above under "*Investment in a Passive Foreign Investment Company*"). If a timely QEF election has been made, distributions should be allocated first to amounts previously taxed pursuant to the QEF election (or pursuant to the CFC rules, if applicable) and to this extent will not be taxable to such U.S. Holder. Distributions in excess of such previously taxed amounts will be treated first as a

non-taxable return of capital, to the extent of the U.S. Holder's adjusted tax basis in the Subordinated Notes (as described below under "*Sale, Redemption, or Other Disposition*"), and then as a disposition of a portion of the Subordinated Notes. In addition, a U.S. Holder will recognise exchange gain or loss with respect to amounts previously taxed pursuant to the QEF election (or pursuant to the CFC rules, if applicable) equal to the difference, if any, between the U.S. dollar value of the distribution on the date received and the U.S. dollar value of the previously taxed amount. Any exchange gain or loss will generally be treated as ordinary income or loss.

If a U.S. Holder has not made a timely QEF election with respect to the Issuer then, except to the extent that distributions are attributable to amounts previously taxed pursuant to the CFC rules, some or all of any distributions with respect to the Subordinated Notes may constitute Excess Distributions, taxable as described above under "*Investment in a Passive Foreign Investment Company*". In addition, distributions in excess of a U.S. Holder's adjusted tax basis in the Subordinated Notes would be treated as a disposition of a portion of the Subordinated Notes and subject to an additional tax reflecting a deemed interest charge, as described below under *"Sale, Redemption, or Other Disposition*".

Distributions on the Subordinated Notes will not be eligible for the dividends received deduction, and will not qualify as "qualified dividend income".

Sale, Redemption, or Other Disposition. In general, a U.S. Holder of Subordinated Notes will recognise gain or loss upon the sale, redemption, or other disposition of the Subordinated Notes (including a distribution that is treated as a disposition of the Subordinated Notes, as described above under "**Distributions**") equal to the difference between the U.S. dollar value of the amount realised and the U.S. Holder's adjusted tax basis in the Subordinated Notes. The U.S. dollar value of the amount realised generally is based on the euro-to-U.S. dollar spot exchange rate on the date of the disposition. However, if the Subordinated Notes are treated under applicable Treasury regulations as stock or securities traded on an established securities market and the U.S. Holder uses the cash method of accounting, then the U.S. dollar value of the amount realised is based instead on the euro-to-U.S. dollar spot exchange rate on the settlement date for the sale. U.S. Holders that use the accrual method of accounting also may elect to use the settlement date valuation, provided that they apply it consistently from year to year.

A U.S. Holder's tax basis in its Subordinated Notes initially will equal the U.S. dollar value of the amount paid by the U.S. Holder for the Subordinated Notes, determined under rules analogous to the rules for determining the U.S. dollar value of the amount realised. The U.S. Holder's tax basis in the Subordinated Notes will be increased by amounts taxable to the U.S. Holder by reason of any QEF election, or by reason of the CFC rules, as applicable, and decreased by the U.S. dollar value of actual distributions by the Issuer that are deemed to consist of such previously taxed amounts or are treated as a non-taxable return of capital, as described above under "*Distributions*".

If the U.S. Holder has made a timely QEF election with respect to the Issuer, then, except to the extent that the Issuer is treated as a CFC and the U.S. Holder is treated as a 10 per cent. United States shareholder of the Issuer, gain or loss upon the sale, redemption, or other disposition of the Subordinated Notes generally will be treated as foreign currency exchange gain or loss, and taxable as ordinary income or loss, to the extent of the positive or negative change in the U.S. dollar value of any amounts previously taxed pursuant to the QEF election from the date of each deemed distribution pursuant to the election (based on the euro-to-U.S. dollar spot exchange rate on that date) to the date of the disposition. Any gain or loss in excess of foreign currency exchange gain or loss will be capital gain or loss, and generally will be long-term capital gain or loss if the U.S. Holder has held the Subordinated Notes for more than one year at the time of the disposition. In certain circumstances, U.S. Holders who are individuals may be entitled to preferential tax rates for net long-term capital gains; however, the ability of U.S. Holders to offset capital losses against ordinary income is limited.

If a U.S. Holder does not make a timely QEF election with respect to the Issuer as described above and is not subject to the CFC rules, any gain realised on the sale, redemption, or other disposition of a Subordinated Note (or any gain deemed to accrue prior to the time a non-timely QEF election is made) will be taxed as ordinary income and subject to an additional tax reflecting a deemed interest charge under the special tax rules described above under "*Investment in a Passive Foreign Investment Company*".

If the Issuer is treated as a CFC and a U.S. Holder is treated as a 10 per cent. United States shareholder of the Issuer, then, any gain or loss realised by the U.S. Holder upon a sale, redemption, or other disposition of the Subordinated Notes, other than gain or loss subject to the PFIC rules, if applicable, generally will be treated as foreign currency exchange gain or loss, and taxable as ordinary income or loss, to the extent of the positive or negative change in the U.S. dollar value of any amounts previously taxed pursuant to the CFC rules from the date of each deemed distribution pursuant to the CFC rules (based on the euro-to-U.S. dollar spot exchange rate on that date) to the date of the disposition. Any gain in excess of foreign currency exchange gain will be treated as ordinary income to the extent of the U.S. dollar value of the U.S. Holder's *pro rata* share of the Issuer's previously untaxed earnings and profits.

In addition, as described above under "Indirect Interests in PFICs and CFCs," the U.S. dollar value of any gain attributable to interests in PFICs or CFCs owned by the Issuer may be treated as ordinary income to a U.S. Holder upon the sale, redemption, or other disposition of the U.S. Holder's Subordinated Notes.

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

Transfer and Information Reporting Requirements. A U.S. Holder that purchases the Subordinated Notes for cash will be required to file an IRS Form 926 or similar form with the IRS if (i) such person is treated as owning, directly or by attribution, immediately after the transfer, at least 10 per cent. by vote or value of the Issuer or (ii) the amount of cash transferred by such person (or any related person) to the Issuer during the 12-month period ending on the date of such transfer exceeds $100,000.

A U.S. Holder that is treated as owning (actually or constructively) at least 10 per cent. by vote or value of the equity of the Issuer for U.S. federal income tax purposes may be required to file an information return on IRS Form 5471, and provide additional information regarding the Issuer annually on IRS Form 5471 if it is treated as owning (actually or constructively) more than 50 per cent. by vote or value of the equity of the Issuer for U.S. federal income tax purposes.

In addition, U.S. Holders generally will be required to file an annual PFIC report.

U.S. Holders that fail to comply with these reporting requirements may be subject to adverse tax consequences, including a "tolling" of the statute of limitations with respect to their U.S. tax returns. U.S. Holders should consult their tax advisors with respect to these and any other reporting requirements that may apply with respect to their acquisition or ownership of the Subordinated Notes.

(a) Specified Foreign Financial Asset Reporting

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

(b) 3.8 per cent. Medicare Tax on Net Investment Income

U.S. Holders that are individuals or estates and certain trusts are subject to an additional 3.8 per cent. tax on all or a portion of their "net investment income," or "undistributed net investment income" in the case of an estate or trust, which may include any income or gain with respect to the Notes, to the extent of their net investment income or undistributed net investment income (as the case may be) that, when added to their other modified adjusted gross income, exceeds $200,000 for an unmarried individual, $250,000 for a married taxpayer filing a joint return (or a surviving spouse), $125,000 for a married individual filing a separate return, or the dollar amount at which the highest tax bracket begins for an estate or trust (which, in 2016, is $12,400). The 3.8 per cent. Medicare tax is determined in a different

manner than the regular income tax and special rules apply with respect to the PFIC and CFC rules described above. U.S. Holders should consult their advisors with respect to the 3.8 per cent. Medicare tax.

(c) FBAR Reporting

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

(d) Reportable Transactions

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

(e) U.S. Federal Tax Treatment of Non-U.S. Holders of Notes

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

(f) Information Reporting and Backup Withholding

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

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

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

Backup withholding is not an additional tax and may be refunded (or credited against the holder's U.S. federal income tax liability, if any), provided that certain required information is furnished. The information reporting requirements may apply regardless of whether withholding is required. Copies of the information returns also may be made available to the tax authorities in the country in which a Non-U.S. Holder is a resident under the provisions of an applicable income tax treaty or agreement.

(g) FATCA

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

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

(h) Future Legislation and Regulatory Changes Affecting Noteholders

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

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

4. **EU Directive on the Taxation of Savings Income**

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

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

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

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 being made in accordance with the documents governing the plan. The prudence of a particular investment must be determined by the responsible fiduciary of an ERISA Plan by taking into account the ERISA Plan's particular circumstances and all of the facts and circumstances of the investment.

Section 406 of ERISA and Section 4975 of the Code prohibit certain transactions involving the assets of an ERISA Plan, as well as assets of those plans that are not subject to ERISA but which are subject to Section 4975 of the Code, such as individual retirement accounts and Keogh plans, and entities the underlying assets of which include the assets of such plans (together with ERISA Plans, "**Plans**") and certain persons (referred to as "**parties in interest**" under ERISA or "**disqualified persons**" under the Code (collectively, "**Parties in Interest**")) having certain relationships to such Plans, unless a statutory or administrative exception or exemption is applicable to the transaction. A Party in Interest who engages in a prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and the Code and the transaction may have to be rescinded, potentially at significant cost to the Issuer.

Governmental plans, certain church plans and certain non-U.S. plans, while not subject to the fiduciary responsibility or prohibited transaction provisions of ERISA or the provisions of Section 4975 of the Code, may nevertheless be subject to substantially similar rules under Federal, state, local or non-U.S. laws or regulations, 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's or plan's investment in such entity.

If the underlying assets of the Issuer are deemed to be Plan assets, the obligations and other responsibilities of Plan sponsors, Plan fiduciaries and Plan administrators, and of Parties in Interest, under Parts 1 and 4 of Subtitle B of Title I of ERISA and Section 4975 of the Code, as applicable, may be expanded, and there may be an increase in their liability under these and other provisions of ERISA and the Code. In addition, various providers of fiduciary or other services to the entity, and any other parties with authority or control with respect to the Issuer, could be deemed to be Plan fiduciaries or otherwise parties in interest or disqualified persons by virtue of their provision of such services (and there could be an improper delegation of authority to such providers).

The Plan Asset Regulation defines an "**equity interest**" as any interest in an entity other than an instrument that is treated as indebtedness under applicable local law and that has no substantial equity features. Although it is not free from doubt, the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes offered hereby will be treated by the Issuer as indebtedness with no substantial equity features for purposes of ERISA. The treatment of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes as not being equity interests in the Issuer could however, be affected, subsequent to their issuance, by certain changes in the structure or financial condition of the Issuer. However, the characteristics of the Class E Notes, the Class F Notes and the Subordinated Notes for purposes of the Plan Asset Regulation are less certain. The Class E Notes, the Class F Notes and the Subordinated Notes may be considered "equity interests" for purposes of the Plan Asset Regulation. Accordingly, in reliance on representations made by investors in the Class E Notes, the Class F Notes and the Subordinated Notes, the Issuer intends to limit investment by Benefit Plan Investors and Controlling Persons in the Class E Notes, the Class F Notes and the Subordinated Notes in order to satisfy the

25 per cent. Limitation with respect to the Class E Notes, the Class F Notes and the Subordinated Notes (determined separately by each class of equity interest) at all times (excluding for purposes of such calculation Class E Notes, Class F Notes and Subordinated Notes held by a Controlling Person). Each prospective purchaser (including a transferee) of a Class E Note, Class F Note or Subordinated Note will be required to make certain representations regarding its status as a Benefit Plan Investor or Controlling Person and other ERISA matters as described under "Transfer Restrictions" below. No Class E Note, Class F Note or Subordinated Note will be sold or transferred to purchasers that have represented that they are Benefit Plan Investors or Controlling Persons to the extent that such sale may result in ownership by Benefit Plan Investors exceeding the 25 per cent limitation with respect to the Class E Notes, the Class F Notes or the Subordinated Notes (determined in separately by each class of equity interest). Except as otherwise provided by the Plan Asset Regulation, each Class E Note, Class F Note and Subordinated Note held by persons that have represented that they are Controlling Persons will be disregarded and will not be treated as outstanding for purposes of determining compliance with such 25 per cent. limitation.

With respect to each Note, including the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes, even if such Notes would not be treated as equity interests in the Issuer for purposes of ERISA, it is possible that an investment in the 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. Included among these exemptions are Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code (relating to transactions with certain service providers) and Prohibited Transaction Class Exemption ("**PTCE**") 91-38 (relating to investments by bank collective investment funds), PTCE 84-14 (relating to transactions effected by "qualified professional asset managers"), PTCE 95-60 (relating to transactions involving insurance company general accounts), PTCE 90-1 (relating to investments by insurance company pooled separate accounts) and PTCE 96-23 (relating to transactions determined by certain "in-house asset managers"). Prospective investors should consult with their advisors regarding the prohibited transaction rules and these and other exemptions. There can be no assurance that any of these exemptions or any other exemption will be available with respect to any particular transaction involving the Notes. 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.

In addition, each of the Issuer, the Placement Agent, the Collateral Manager, or their respective Affiliates may be the sponsor of, or investment adviser with respect to one, or more Plans. Because such parties may receive certain benefits in connection with the sale of the Notes to such Plans, whether or not the Notes are treated as equity interests in the Issuer, the purchase of such Notes using the assets of a Plan over which any of such parties has investment authority might be deemed to be a violation of the prohibited transaction rules of ERISA and/or Section 4975 of the Code for which no exemption may be available. Accordingly, the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes may not be acquired using the assets of any Plan if any of the Issuer, the Placement Agent, the Collateral Manager or their respective affiliates has investment authority with respect to such assets (except to the extent (if any) that a favourable statutory or administrative exemption or exception applies or the transaction is not otherwise prohibited).

It should be noted that an insurance company's general account may be deemed to include assets of Plans under certain circumstances, e.g., where a Plan purchases certain annuity contract issued by such an insurance company, based on the reasoning of the United States Supreme Court in John Hancock Mutual Life Ins. Co. v. Harris Trust and Savings Bank, 510 U.S. 86 (1993). An insurance company considering the purchase of Notes with assets of its general account should consider such purchase and the insurance company's ability to make the representations described above in light of John Hancock Mutual Life Ins. Co. v. Harris Trust and Savings Bank, Section 401(c) of ERISA and a regulation promulgated by the U.S. Department of Labor under that Section of ERISA, 29 C.F.R. Section 2550.401c-1.

Each purchaser and transferee of a Class A Note, Class B Note, Class C Note or Class D Note or any interest in such Note will be deemed to have represented, warranted and agreed that (i) either (A) it is not and is not acting on behalf of (and for so long as it holds any such Note or interest therein will not be, and will not be acting on behalf of), a Benefit Plan Investor or a governmental, church, non-U.S. or other plan which is subject to any federal, state, local or non-U.S. law or regulation that is similar to the prohibited transaction provisions of Section 406 of ERISA and/or Section 4975 of the Code ("**Other Plan Law**"), and no part of the assets to be used by it to acquire or hold such 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 or disposition of such Note (or interests therein) will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code, or, in the case of a governmental, church, non-U.S. or other plan, a non-

exempt violation of any Other Plan Law, and (ii) it will not sell or transfer such Note (or interests therein) to a transferee acquiring such Note (or interests therein) unless the transferee makes or is deemed to make the foregoing representations, warranties and agreements described in clause (i) hereof.

Each purchaser or transferee of a Class E Note, Class F Note or Subordinated Note in the form of a Regulation S Global Certificate or a Rule 144A Global Certificate will be deemed to represent, warrant and agree that (i) it is not, and is not acting on behalf of (and for so long as it holds such Note or interest therein will not be, and will not be acting on behalf of), a Benefit Plan Investor or Controlling Person (A) unless it receives the written consent of the Issuer, (B) provides an ERISA certificate in or substantially in the form set out in the Trust Deed, to a Transfer Agent and the Issuer and (C) holds such Note in the form of a Definitive Certificate and in such case provides the Issuer and a Transfer Agent with a duly completed declaration in the form set out in Annex D (*Form of Irish Tax Declaration*) to this Prospectus, other than in the case where the purchaser is acquiring Class E Notes, Class F Notes or Subordinated Notes from the Placement Agent on the Issue Date, in which case the purchaser is not required to hold the Note in the form of a Definitive Certificate and may acquire and hold such Class E Notes, Class F Notes or Subordinated Notes in the form of a Rule 144A Global Certificate or a Regulation S Global Certificate; and (ii) (A) if purchaser is, or is acting on behalf of, a Benefit Plan Investor (to the extent permitted under clause (i) above), its acquisition, holding and disposition of such Notes will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code, and (B) if it is a governmental, church, non-U.S. or other plan, (1) it is not, and for so long as it holds such Notes or interest therein will not be, subject to any federal, state, local or non-U.S. law or regulation that could cause the underlying assets of the Issuer to be treated as assets of the investor in any Note (or any interest therein) by virtue of its interest and thereby subject the Issuer or the Collateral Manager (or other persons responsible for the investment and operation of the Issuer's assets) to Other Plan Law ("**Similar Law**") and (2) purchaser's acquisition, holding and disposition of such Notes will not constitute or result in a non-exempt violation of any Other Plan Law and (3) purchaser will agree to the transfer restrictions described herein regarding its interest in such Notes. Any purported transfer of the Class E Notes, the Class F Notes or the Subordinated Notes in violation of the requirements set forth in this paragraph or that may otherwise result in 25 per cent. or more of the total value of any class of such Notes to be held by Benefit Plan Investors for the purposes of ERISA shall be null and void *ab initio* and the Issuer will have the right to cause the sale of such Notes to another acquirer that complies with the requirements of this paragraph in accordance with the terms of the Trust Deed.

Each purchaser or transferee of a Class E Note, Class F Note or Subordinated Note in the form of a Definitive Certificate will be required to (i) represent and warrant in writing to the Issuer (1) whether or not, for so long as it holds such Notes or interest herein, it is, or is acting on behalf of, a Benefit Plan Investor, (2) whether or not, for so long as it hold such Notes or interest therein, it is a Controlling Person and (3) that (a) if it is, or is acting on behalf of, a Benefit Plan Investor, its acquisition, holding and disposition of such Notes will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code and (b) if it is a governmental, church, non-U.S. or other plan, (x) it is not, and for so long as it holds such Notes or interest therein will not be, subject to Similar Law and (y) its acquisition, holding and disposition of such Notes will not constitute or result in a non-exempt violation of any Other Plan Law, (ii) agree to certain transfer restrictions regarding its interest in such Notes, and (iii) provide a completed ERISA certificate (in or substantially in the form set out in the Trust Deed) to the Issuer and a Transfer Agent. Any purported transfer of the Class E Notes, the Class F Notes or the Subordinated Notes in violation of the requirements set forth in this paragraph or that may otherwise result in 25 per cent. or more of the total value of any class of such Notes to be held by "Benefit Plan Investors" for the purposes of ERISA shall be null and void *ab initio* and the Issuer will have the right to cause the sale of such Notes to another acquirer that complies with the requirements of this paragraph in accordance with the terms of the Trust Deed.

No transfer of an interest in Class E Notes, Class F Notes or Subordinated Notes will be permitted or recognised if it would cause the 25 per cent. Limitation described above to be exceeded with respect to the Class E Notes, Class F Notes or Subordinated Notes (determined separately by each class of equity interest).

Any Plan fiduciary considering whether to acquire a Note on behalf of a Plan or an employee benefit plan not subject to ERISA or Section 4975 of the Code should consult with its counsel regarding the potential consequences of such investment, the applicability of the fiduciary responsibility and prohibited transaction provisions of ERISA and the Code and/or similar provisions of Other Plan Law and Similar Law, and the scope of any available exemption relating to such investment.

The sale of Notes to a Plan or a 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

Citigroup Global Markets Limited (in its capacity as placement agent, the "**Placement Agent**") has agreed with the Issuer, subject to the satisfaction of certain conditions, to facilitate the sale of each Class of the Notes (the "**Placed Notes**") pursuant to the Placement Agency Agreement. The Placement Agency Agreement entitles the Placement Agent to terminate it in certain circumstances prior to payment being made to the Issuer.

The Retention Holder shall agree to purchase the Retention Notes from the Placement Agent at the relevant issue prices set out in the Retention Note Purchase Deed.

It is a condition of the issue of the Notes of each Class that the Notes of each other Class be issued in the following principal amounts: Class A Notes: €244,000,000, Class B Notes: €48,000,000, Class C Notes: €23,000,000, Class D Notes: €20,000,000, Class E Notes: €25,000,000, Class F Notes: €12,000,000 and Subordinated Notes: €43,800,000.

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

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

No action has been or will be taken by the Issuer, the Placement Agent, the Collateral Manager or the Retention Holder that would permit a public offering of the Notes or possession or distribution of this Prospectus 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 Prospectus or any other offering material relating to the Notes, may be made in or from any jurisdiction, except in circumstances which will result in compliance with any applicable laws and regulations and will not impose any obligations on the Issuer or the Placement Agent.

United States

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

The Issuer has been advised that the Placement Agent proposes to sell the Placed Notes (a) outside the United States to non-U.S. Persons in "offshore transactions" in reliance on Regulation S and in accordance with applicable law and (b) in the United States (directly or through its U.S. broker dealer Affiliate) in reliance on Rule 144A only to or for the accounts of QIBs, each of such purchasers or accountholders is also a QP.

The Notes sold in reliance on Rule 144A will be issued in minimum denominations of €250,000 and integral multiples of €1,000 in excess thereof. Any offer or sale of Rule 144A Notes in reliance on Rule 144A will be made by broker dealers who are registered as such under the Exchange Act. After the Notes are released for sale, the offering price and other selling terms may from time to time be varied by the Placement Agent.

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

This Prospectus 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 Main Securities Market of the Irish Stock Exchange. The Issuer

and the Placement Agent reserve the right to reject any offer to purchase, in whole or in part, for any reason, or to sell less than the principal amount of Notes which may be offered. This Prospectus does not constitute an offer to any person within the United States or to any U.S. Person. Distribution of this Prospectus to any such person, 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 Placement Agent has also agreed to comply with the following selling restrictions:

(a) *European Economic Area*: In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**") the Placement Agent has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of the Notes to the public in that Relevant Member State at any time:

(i) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(ii) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the relevant dealer or dealers nominated by the Issuer for any such offer; or

(iii) in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of Notes shall require the publication by the Issuer or any other entity of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an "**offer of the notes to the public**" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and for the purposes of this provision, the expression "**Prospectus Directive**" means Directive 2003/71/EC (as amended including by Directive 2010/73/EU) and includes any relevant implementing measure in each Relevant Member State.

(b) *Ireland*: The Placement Agent has represented and warranted that it has not offered, sold, placed or underwritten and will not offer, sell, place or underwrite the issue of any Notes in Ireland otherwise than in conformity with:

(i) the Prospectus Regulations and any Central Bank rules issued and / or in force pursuant to Section 1363 of the Companies Act 2014;

(ii) the Companies Act 2014;

(iii) the European Communities (Markets in Financial Instruments) Regulations 2007 (as amended) and it will conduct itself in accordance with any rules or codes of conduct and any conditions or requirements, or any other enactment, imposed or approved by the Central Bank;

(iv) Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2016 on market abuse, the European Union (Market Abuse) Regulation 2016; and

(v) the Central Bank Acts 1942 to 2015 (as amended) and any codes of conduct rules made under Section 117(1) of the Central Bank Act 1989.

(c) *Japan*: The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the FIEA) and the Placement Agent has represented and agreed that none of the Notes nor any interest therein will be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit

of, a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

(d) *South Korea*: The Notes have not been registered with the Financial Services Commission of Korea for a public offering in Korea. The Placement Agent 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.

(e) *The Netherlands*: The Placement Agent has acknowledged and agreed that the Notes may only be offered, sold or delivered in the Netherlands to qualified investors (as defined in the Dutch FSA as amended from time to time) that do not qualify as "public" (within the meaning of Article 4(1) of the CRR and the rules promulgated thereunder, as amended from time to time, together with any successor or replacement provisions included in any European Union regulation or directive).

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

(i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the 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.

(g) United States of America:

State of Connecticut:

The Notes have not been registered under the Connecticut Securities Law. The Notes are subject to restrictions on transferability and sale.

State of Florida:

The Notes offered hereby by the Placement Agent will be sold to, and acquired by, the holder in a transaction exempt under Section 517.061 of the Florida Securities Act (the "**FSA**"). The Notes have not been registered under said 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 FSA 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.

State of Georgia:

The Notes have been issued or sold by the Placement Agent in reliance on paragraph (13) of Code Section 10-5-9 of the Georgia Securities Act of 1973, and may not be sold or transferred except in a transaction which is exempt under such Act or pursuant to an effective registration under such Act.

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 Prospectus, will be deemed to have represented and agreed (or in the case of a Definitive Certificate, shall represent and agree) that such person acknowledges that this Prospectus 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 Prospectus, or disclosure of any of its contents to any person other than such offeree and those persons, if any, retained to advise it with respect thereto is unauthorised and any disclosure of any of its contents, without the prior written consent of the Issuer, is prohibited.

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

1. The purchaser (a) is a QIB, (b) is aware that the sale of such Rule 144A Notes to it is being made in reliance on Rule 144A, (c) is acquiring such Notes for its own account or for the account of a QIB as to which the purchaser exercises sole investment discretion, and in a principal amount of not less than €250,000 for the purchaser and for each such account and (d) will provide notice of the transfer restrictions described herein to any subsequent transferees.

2. The purchaser understands that such Rule 144A Notes have not been and will not be registered under the Securities Act, and may be reoffered, resold or pledged or otherwise transferred only (a)(i) to a person whom the purchaser reasonably believes is a QIB purchasing for its own account or for the account of a QIB as to which the purchaser exercises sole investment discretion in a transaction meeting the requirements of Rule 144A or (ii) to a non-"U.S. person" in an "offshore transaction" complying with Rule 903 or Rule 904 of Regulation S and (b) in accordance with all applicable securities laws including the securities laws of any state of the United States. The purchaser understands that the Issuer has not been registered under the Investment Company Act. The purchaser understands that before any interest in a Rule 144A Note may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in the Regulation S Notes, the Registrar is required to receive a written certification from the purchaser (in the form provided in the Trust Deed) as to compliance with the transfer restrictions described herein. The purchaser understands and agrees that any purported transfer of the Rule 144A Notes to a purchaser that does not comply with the requirements of this paragraph 2 shall be null and void *ab initio*.

3. The purchaser is not purchasing such Rule 144A Notes with a view toward the resale, distribution or other disposition thereof in violation of the Securities Act. The purchaser understands that an investment in the Rule 144A Notes involves certain risks, including the risk of loss of its entire investment in the Rule 144A Notes under certain circumstances. The purchaser has had access to such financial and other information concerning the Issuer and the Notes as it deemed necessary or appropriate in order to make an informed investment decision with respect to its purchase of the Rule 144A Notes, including an opportunity to ask questions of, and request information from, the Issuer.

4. In connection with the purchase of the Rule 144A Notes: (a) none of the Issuer, the Placement Agent, the Trustee, the Collateral Manager or the Collateral Administrator is acting as a fiduciary or financial or collateral manager for the purchaser; (b) the purchaser is not relying (for purposes of making any investment decision or otherwise) upon any advice, counsel or representations (whether written or oral) of the Issuer, the Placement Agent, the Trustee, the Collateral Manager or the Collateral Administrator other than in this Prospectus for such Notes and any representations expressly set forth in a written agreement with such party; (c) none of the Issuer, the Placement Agent, the Trustee, the Collateral Manager or the Collateral Administrator has given to the purchaser (directly or indirectly through any other person) any assurance, guarantee or representation whatsoever as to the expected or projected success, profitability, return, performance, result, effect, consequence or benefit (including legal, regulatory, tax, financial, accounting or otherwise) as to an investment in the Rule 144A Notes; (d) the purchaser has consulted with its own legal, regulatory, tax, business, investment, financial and

accounting advisors to the extent it has deemed necessary, and it has made its own investment decisions (including decisions regarding the suitability of any transaction pursuant to the Trust Deed) based upon its own judgment and upon any advice from such advisors as it has deemed necessary and not upon any view expressed by the Issuer, the Placement Agent, the Trustee, the Collateral Manager or the Collateral Administrator; (e) the purchaser has evaluated the rates, prices or amounts and other terms and conditions of the purchase and sale of the Rule 144A Notes with a full understanding of all of the risks thereof (economic and otherwise), and it is capable of assuming and willing to assume (financially and otherwise) those risks; (f) the acquisition of the Rule 144A Notes is lawful under the purchaser's jurisdiction of incorporation and jurisdiction in which it operates (if different); and (g) the purchaser is a sophisticated investor.

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

6. (a) With respect to the purchase, holding and disposition of any Class A Note, Class B Note, Class C Note or Class D Note or any interest in such Note (i) either (A) it is not and is not acting on behalf of (and for so long as it holds any such Note or interest therein will not be, and will not be acting on behalf of), a Benefit Plan Investor or a governmental, church, non-U.S. or other plan which is subject to any Other Plan Law, and no part of the assets to be used by it to acquire or hold such 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 or disposition of such Note (or interests therein) will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code, or, in the case of a governmental, church, non-U.S. or other Plan, a non-exempt violation of any Other Plan Law, and (ii) it will not sell or transfer such Note (or interests therein) to an acquiror acquiring such Note (or interests therein) unless the acquiror makes or is deemed to make the foregoing representations, warranties and agreements described in clause (i) hereof. Any purported transfer of the Notes in violation of the requirements set forth in this paragraph shall be null and void *ab initio* and the acquiror understands that the Issuer will have the right to cause the sale of such Notes to another acquiror that complies with the requirements of this paragraph in accordance with the terms of the Trust Deed.

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

(*Form of Irish Tax Declaration*) to this Prospectus, other than in the case where the purchaser is acquiring Class E Notes, Class F Notes or Subordinated Notes on the Issue Date, in which case the purchaser may acquire any such Class E Notes, Class F Notes or Subordinated Notes in the form of a Rule 144A Global Certificate or a Regulation S Global Certificate and (ii) (A) if it is, or is acting on behalf of, a Benefit Plan Investor, its acquisition, holding and disposition of such Notes will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code, and (B) if it is a governmental, church, non-U.S. or other plan, (1) it is not, and for so long as it holds such Notes or interest therein will not be, subject to any Similar Law and (2) its acquisition, holding and disposition of such Notes will not constitute or result in a non-exempt violation of any Other Plan Law.

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

(iii) Any purported transfer of any Class E Notes, Class F Notes or Subordinated Notes in violation of the requirements set forth in sub-sections (i) and (ii) or that may otherwise result in 25 per cent. or more of the total value of any class of such Notes to be held by "Benefit Plan Investors" for the purposes of ERISA shall be null and void *ab initio* and the acquiror understands that the Issuer will have the right to cause the sale of such Class E Notes, Class F Notes or Subordinated Notes to another acquiror that complies with the requirements of this in accordance with the terms of the Trust Deed.

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

7. The purchaser understands that pursuant to the terms of the Trust Deed, the Issuer has agreed that the Rule 144A Global Certificates or Rule 144A Definitive Certificates, as applicable, offered in reliance on Rule 144A will bear the legend set forth below, and will be represented by one or more Rule 144A Global Certificates or Rule 144A Definitive Certificates, as applicable. The Rule 144A Global Certificates may not at any time be held by or on behalf of, within the United States, persons, or outside the United States, U.S. Persons that are not QIB/QPs. Before any interest in a Rule 144A Global Certificate may be offered, resold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in a Regulation S Global Certificate, the transferor will be required to provide the Trustee and the Transfer Agent with a written certification (in the form provided in the Trust Deed) as to compliance with the transfer restrictions.

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), AND THE ISSUER HAS NOT BEEN REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "**INVESTMENT COMPANY ACT**"). THE HOLDER HEREOF, BY PURCHASING THE NOTES IN RESPECT OF WHICH THIS NOTE HAS

BEEN ISSUED, AGREES FOR THE BENEFIT OF THE ISSUER THAT THE NOTES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (A)(1) TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT, OR (2) TO A NON-U.S. PERSON IN AN "OFFSHORE TRANSACTION" COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT AND, IN THE CASE OF CLAUSE (1), IN A PRINCIPAL AMOUNT OF NOT LESS THAN €250,000 FOR THE PURCHASER AND FOR EACH ACCOUNT FOR WHICH IT IS ACTING, AND IN EACH CASE, TO A PURCHASER THAT (V) IS A QUALIFIED PURCHASER FOR THE PURPOSES OF SECTION 3(c)(7) OF THE INVESTMENT COMPANY ACT, (W) WAS NOT FORMED FOR THE PURPOSE OF INVESTING IN THE ISSUER (EXCEPT WHEN EACH BENEFICIAL OWNER OF THE PURCHASER IS A QUALIFIED PURCHASER), (X) HAS RECEIVED THE NECESSARY CONSENT FROM ITS BENEFICIAL OWNERS WHEN THE PURCHASER IS A PRIVATE INVESTMENT COMPANY FORMED BEFORE APRIL 30, 1996, (Y) IS NOT A BROKER-DEALER THAT OWNS AND INVESTS ON A DISCRETIONARY BASIS LESS THAN U.S.$25,000,000 IN SECURITIES OF UNAFFILIATED ISSUERS AND (Z) IS NOT A PENSION, PROFIT SHARING OR OTHER RETIREMENT TRUST FUND OR PLAN IN WHICH THE PARTNERS, BENEFICIARIES OR PARTICIPANTS, AS APPLICABLE, MAY DESIGNATE THE PARTICULAR INVESTMENTS TO BE MADE, AND IN A TRANSACTION THAT MAY BE EFFECTED WITHOUT LOSS OF ANY APPLICABLE INVESTMENT COMPANY ACT EXEMPTION OR IN THE CASE OF CLAUSE (2), €100,000 AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES. ANY TRANSFER IN VIOLATION OF THE FOREGOING WILL BE OF NO FORCE AND EFFECT, WILL BE VOID *AB INITIO* AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO THE TRANSFEREE, NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE ISSUER, THE TRUSTEE OR ANY INTERMEDIARY. IN ADDITION TO THE FOREGOING, IN THE EVENT OF A VIOLATION OF (V) THROUGH (Z), THE ISSUER MAINTAINS THE RIGHT TO DIRECT THE RESALE OF ANY NOTES PREVIOUSLY TRANSFERRED TO NON-PERMITTED HOLDERS (AS DEFINED IN THE TRUST DEED) IN ACCORDANCE WITH AND SUBJECT TO THE TERMS OF THE TRUST DEED. EACH TRANSFEROR OF THIS NOTE WILL PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET FORTH HEREIN AND IN THE TRUST DEED TO ITS TRANSFEREE.

TRANSFERS OF THIS NOTE OR OF PORTIONS OF THIS NOTE SHOULD BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE TRUST DEED REFERRED TO HEREIN.

PRINCIPAL OF THIS NOTE IS PAYABLE AS SET FORTH HEREIN. ACCORDINGLY, THE OUTSTANDING PRINCIPAL OF THIS NOTE AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ON THE FACE HEREOF. ANY PERSON ACQUIRING THIS NOTE MAY ASCERTAIN ITS CURRENT PRINCIPAL AMOUNT BY INQUIRY OF THE TRUSTEE.

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS A NOTES, CLASS B NOTES, CLASS C NOTES, CLASS D NOTES ONLY*] [EACH PERSON ACQUIRING OR HOLDING THIS NOTE OR ANY INTEREST HEREIN SHALL BE REQUIRED OR DEEMED TO HAVE REPRESENTED, WARRANTED AND AGREED THAT (I) EITHER (A) IT IS NOT AND IS NOT ACTING ON BEHALF OF (AND FOR SO LONG AS IT HOLDS 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'S OR PLAN'S INVESTMENT IN SUCH ENTITY ("**BENEFIT PLAN INVESTOR**"), OR A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN WHICH IS SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT IS SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE ("**OTHER PLAN LAW**"), AND NO PART OF THE ASSETS TO BE USED BY IT TO ACQUIRE OR HOLD SUCH 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 OR DISPOSITION OF SUCH NOTE (OR INTERESTS THEREIN) WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE, OR, IN THE CASE OF A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, A NON-EXEMPT VIOLATION OF ANY OTHER PLAN LAW, AND (II) IT WILL NOT SELL OR TRANSFER SUCH NOTE (OR INTERESTS THEREIN) TO AN ACQUIROR ACQUIRING SUCH NOTE (OR INTERESTS THEREIN) UNLESS THE ACQUIROR MAKES OR IS DEEMED TO MAKE THE FOREGOING REPRESENTATIONS, WARRANTIES AND AGREEMENTS DESCRIBED IN CLAUSE (I) HEREOF. ANY PURPORTED TRANSFER OF THE NOTES IN VIOLATION OF THE REQUIREMENTS SET FORTH IN THIS PARAGRAPH SHALL BE NULL AND VOID *AB INITIO* AND THE ACQUIROR UNDERSTANDS THAT THE ISSUER WILL HAVE THE RIGHT TO CAUSE THE SALE OF SUCH NOTES TO ANOTHER ACQUIROR THAT COMPLIES WITH THE REQUIREMENTS OF THIS PARAGRAPH IN ACCORDANCE WITH THE TERMS OF THE TRUST DEED.]

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS E NOTES, THE CLASS F NOTES AND THE SUBORDINATED NOTES IN THE FORM OF RULE 144A GLOBAL NOTES ONLY*] [EACH PURCHASER OR TRANSFEREE OF THIS CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE OR AN INTEREST HEREIN WILL BE REQUIRED OR DEEMED TO REPRESENT, WARRANT AND AGREE THAT (1) IT IS NOT, AND IS NOT ACTING ON BEHALF OF (AND FOR SO LONG AS IT HOLDS THIS NOTE OR INTEREST HEREIN WILL NOT BE, AND WILL NOT BE ACTING ON BEHALF OF), A BENEFIT PLAN INVESTOR OR CONTROLLING PERSON (A) UNLESS SUCH PURCHASER OR TRANSFEREE RECEIVES THE WRITTEN CONSENT OF THE ISSUER, (B) PROVIDES AN ERISA CERTIFICATE IN OR SUBSTANTIALLY IN THE FORM SET OUT IN SCHEDULE 7 (*FORM OF ERISA CERTIFICATE*) TO THE TRUST DEED, TO A TRANSFER AGENT AND THE ISSUER AS TO (AMONGST OTHER THINGS) ITS STATUS AS A BENEFIT PLAN INVESTOR OR CONTROLLING PERSON AND (C) HOLDS SUCH NOTE IN THE FORM OF A DEFINITIVE CERTIFICATE AND IN SUCH CASE PROVIDES THE ISSUER AND A TRANSFER AGENT WITH A DULY COMPLETED DECLARATION IN THE FORM SET OUT IN ANNEX D (*FORM OF IRISH TAX DECLARATION*) TO THIS PROSPECTUS, OTHER THAN IN THE CASE WHERE THE PURCHASER IS ACQUIRING A CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE ON THE ISSUE DATE, IN WHICH CASE THE PURCHASER MAY ACQUIRE SUCH CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE (OR INTEREST THEREIN) IN THE FORM OF A RULE 144A GLOBAL CERTIFICATE OR A REGULATION S GLOBAL CERTIFICATE, AND (2) (A) IF IT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, ITS ACQUISITION, HOLDING AND DISPOSITION OF SUCH NOTE WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**") OR SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**"), AND (B) IF IT IS A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, (I) IT IS NOT, AND FOR SO LONG AS IT HOLDS THIS NOTE OR AN INTEREST HEREIN IT WILL NOT BE, SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT COULD CAUSE THE UNDERLYING ASSETS OF THE ISSUER TO BE TREATED AS ASSETS OF THE INVESTOR IN ANY NOTE (OR INTEREST THEREIN) BY VIRTUE OF ITS INTEREST AND THEREBY SUBJECT THE ISSUER OR THE COLLATERAL MANAGER (OR OTHER PERSONS RESPONSIBLE FOR THE INVESTMENT AND OPERATION OF THE ISSUER'S ASSETS) TO LAWS OR REGULATIONS THAT ARE SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**"), AND (II) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT VIOLATION OF ANY APPLICABLE STATE, LOCAL, OTHER FEDERAL OR NON-U.S. LAWS OR REGULATIONS THAT ARE SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE ("**OTHER PLAN LAW**"). "**BENEFIT PLAN INVESTOR**" MEANS A BENEFIT PLAN INVESTOR, AS DEFINED IN SECTION 3(42) OF ERISA, AND INCLUDES (A) AN EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF TITLE I OF ERISA) THAT IS SUBJECT TO THE FIDUCIARY RESPONSIBILITY PROVISIONS OF TITLE I OF ERISA, (B) A PLAN THAT IS SUBJECT TO SECTION 4975 OF

THE CODE OR (C) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE "**PLAN ASSETS**" BY REASON OF ANY SUCH EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN THE ENTITY. "**CONTROLLING PERSON**" MEANS A PERSON (OTHER THAN A BENEFIT PLAN INVESTOR) WHO HAS DISCRETIONARY AUTHORITY OR CONTROL WITH RESPECT TO THE ASSETS OF THE ISSUER OR ANY PERSON WHO PROVIDES INVESTMENT ADVICE FOR A FEE (DIRECT OR INDIRECT) WITH RESPECT TO SUCH ASSETS, OR ANY AFFILIATE OF ANY SUCH PERSON. AN "**AFFILIATE**" OF A PERSON INCLUDES ANY PERSON, DIRECTLY OR INDIRECTLY THROUGH ONE OR MORE INTERMEDIARIES, CONTROLLING, CONTROLLED BY OR UNDER COMMON CONTROL WITH THE PERSON. "CONTROL" WITH RESPECT TO A PERSON OTHER THAN AN INDIVIDUAL MEANS THE POWER TO EXERCISE A CONTROLLING INFLUENCE OVER THE MANAGEMENT OR POLICIES OF SUCH PERSON. ANY PURPORTED TRANSFER OF A CLASS E NOTE, A CLASS F NOTE OR A SUBORDINATED NOTE IN VIOLATION OF THE REQUIREMENTS SET FORTH IN THIS PARAGRAPH OR THAT MAY OTHERWISE RESULT IN 25 PER CENT. OR MORE OF THE TOTAL VALUE OF ANY CLASS OF SUCH NOTES TO BE HELD BY BENEFIT PLAN INVESTORS FOR THE PURPOSES OF ERISA SHALL BE NULL AND VOID *AB INITIO* AND THE ACQUIROR UNDERSTANDS THAT THE ISSUER WILL HAVE THE RIGHT TO CAUSE THE SALE OF SUCH CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE (OR INTEREST THEREIN) TO ANOTHER ACQUIROR THAT COMPLIES WITH THE REQUIREMENTS OF THIS PARAGRAPH IN ACCORDANCE WITH THE TERMS OF THE TRUST DEED.

NO TRANSFER OF A CLASS E NOTE, A CLASS F NOTE OR A SUBORDINATED NOTE OR ANY INTEREST THEREIN WILL BE PERMITTED, AND THE TRUSTEE WILL NOT RECOGNIZE ANY SUCH TRANSFER, IF IT WOULD CAUSE 25 PER CENT. OR MORE OF THE TOTAL VALUE OF CLASS E NOTES, CLASS F NOTES OR SUBORDINATED NOTES (EACH DETERMINED SEPARATELY BY EACH CLASS OF EQUITY INTEREST) TO BE HELD BY BENEFIT PLAN INVESTORS, DISREGARDING CLASS E NOTES, CLASS F NOTES AND SUBORDINATED NOTES (OR INTERESTS THEREIN) HELD BY CONTROLLING PERSONS, AS DETERMINED FOR THE PURPOSES OF ERISA AND THE U.S. DEPARTMENT OF LABOR REGULATIONS THEREUNDER ("**25 PER CENT. LIMITATION**").

THE ISSUER HAS THE RIGHT, UNDER THE TRUST DEED, TO COMPEL ANY BENEFICIAL OWNER OF A CLASS E NOTE, A CLASS F NOTE OR A SUBORDINATED NOTE WHO HAS MADE OR HAS BEEN DEEMED TO MAKE A PROHIBITED TRANSACTION, BENEFIT PLAN INVESTOR, CONTROLLING PERSON, SIMILAR LAW OR OTHER PLAN LAW REPRESENTATION THAT IS SUBSEQUENTLY SHOWN TO BE FALSE OR MISLEADING OR WHOSE OWNERSHIP OTHERWISE CAUSES A VIOLATION OF THE 25 PER CENT. LIMITATION TO SELL ITS INTEREST IN 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 PURCHASER OR TRANSFEREE OF THIS CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE OR AN INTEREST HEREIN WILL BE REQUIRED TO REPRESENT, WARRANT AND AGREE IN WRITING TO THE ISSUER (A) WHETHER OR NOT, FOR SO LONG AS IT HOLDS THIS CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE OR AN INTEREST HEREIN, IT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, (B) WHETHER OR NOT, FOR SO LONG AS IT HOLDS THIS CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE OR AN INTEREST HEREIN, IT IS A CONTROLLING PERSON AND (C) THAT (1) IF IT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**") OR SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**") AND (2) IF IT IS A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, (a) IT IS NOT, AND FOR SO LONG AS IT HOLDS THIS CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE OR AN INTEREST HEREIN IT WILL NOT BE, SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT COULD CAUSE THE UNDERLYING ASSETS OF THE ISSUER TO BE TREATED AS ASSETS OF THE INVESTOR IN ANY NOTE (OR INTEREST

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

NO TRANSFER OF A CLASS E NOTE, CLASS F NOTE OR A SUBORDINATED NOTE OR ANY INTEREST THEREIN WILL BE PERMITTED, AND THE TRUSTEE WILL NOT RECOGNIZE ANY SUCH TRANSFER, IF IT WOULD CAUSE 25 PER CENT. OR MORE OF THE TOTAL VALUE OF CLASS E NOTES, CLASS F NOTES OR SUBORDINATED NOTES (DETERMINED SEPARATELY BY EACH CLASS OF EQUITY INTEREST) TO BE HELD BY BENEFIT PLAN INVESTORS, DISREGARDING CLASS E NOTES, CLASS F NOTES AND SUBORDINATED NOTES (OR INTERESTS THEREIN) HELD BY CONTROLLING PERSONS, AS DETERMINED FOR THE PURPOSES OF ERISA AND THE U.S. DEPARTMENT OF LABOR REGULATIONS THEREUNDER ("**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, SIMILAR LAW OR OTHER PLAN LAW REPRESENTATION THAT IS SUBSEQUENTLY SHOWN TO BE FALSE OR MISLEADING OR WHOSE OWNERSHIP OTHERWISE CAUSES A VIOLATION OF THE 25 PER CENT. LIMITATION TO SELL ITS INTEREST IN 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 C NOTES, CLASS D NOTES, CLASS E NOTES AND CLASS F NOTES*] [THIS NOTE HAS BEEN ISSUED WITH ORIGINAL ISSUE

DISCOUNT ("**OID**") FOR UNITED STATES FEDERAL INCOME TAX PURPOSES. THE ISSUE PRICE, AMOUNT OF OID, ISSUE DATE AND YIELD TO MATURITY OF THIS NOTE MAY BE OBTAINED BY CONTACTING THE ISSUER AT 3RD FLOOR KILMORE HOUSE, PARK LANE, SPENCER DOCK, DUBLIN 1, IRELAND. THE ISSUER SHALL APPOINT EXTERNAL ACCOUNTANTS TO ASSIST IN THE COMPILATION OF THE RELEVANT INFORMATION AND THE REQUESTING NOTEHOLDER SHALL BE RESPONSIBLE FOR THE FEES INCURRED.]

[*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 ANY VOTES IN RESPECT OF A CM REMOVAL RESOLUTION OR A CM REPLACEMENT RESOLUTION.]

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

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

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

10. Without limiting the foregoing, by purchasing a Note, each purchaser will acknowledge and agree, among other things, that it understands that the Issuer is not registered as an investment company under the Investment Company Act, and that the Issuer intends to rely on an exemption from registration by virtue of Section 3(c)(7) of the Investment Company Act and Rule 3a-7 of the Investment Company Act; provided that the Issuer (or the Collateral Manager on its behalf) may elect (which election may be made only upon confirmation from the Collateral Manager that it has obtained legal advice from reputable international legal counsel knowledgeable in such matters to the effect that to do so would not result in the Issuer being construed as a "covered fund" in relation to any holder of Outstanding Notes for the purposes of the Volcker Rule) to rely solely on the exemption from the Investment Company Act provided by Section 3(c)(7) by written notice thereof to the Trustee. Section 3(c)(7) excepts from the provisions of the Investment Company Act those issuers that privately place their securities solely to, and whose securities are held solely by, persons who at the time of purchase are "qualified purchasers" or entities owned exclusively by "qualified purchasers" as further described herein.

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

12. The purchaser or transferee will, in a timely manner, furnish the Issuer or its agents with any tax forms or certifications (including, without limitation, IRS Form W-9, an applicable IRS Form W-8, or any successors to such IRS forms) that the Issuer or its agents may reasonably request (A) to permit the Issuer or its agents to make payments to the purchaser or transferee without, or at a reduced rate of, deduction or withholding, (B) to enable the Issuer or its agents to qualify for a reduced rate of

withholding or deduction in any jurisdiction from or through which the Issuer or its agents receive payments, and (C) to enable the Issuer or its agents to satisfy reporting and other obligations under the Code and Treasury Regulations or under any other applicable law, and will update or replace any tax forms or certifications as appropriate or in accordance with their terms or subsequent amendments thereto. Each purchaser or transferee acknowledges that the failure to provide, update or replace any such tax forms or certifications may result in the imposition of withholding or back up withholding upon payments to such purchaser or transferee, or to the Issuer. Amounts withheld from payments to the purchaser or transferee by the Issuer or its agents that are, in their sole judgment, required to be withheld pursuant to applicable tax laws will be treated as having been paid to the purchaser or transferee by the Issuer.

13. The purchaser or transferee will provide the Issuer or its agents with any correct, complete and accurate information and documentation that may be required for the Issuer to comply with FATCA and/or the CRS and to prevent the imposition of U.S. federal withholding tax under FATCA on payments to or for the benefit of the Issuer. In the event the purchaser or transferee fails to provide such information or documentation, or to the extent that its ownership of Notes would otherwise cause the Issuer to be subject to any tax under FATCA, (A) the Issuer or its agents is authorized to withhold amounts otherwise distributable to the purchaser or transferee as compensation for any amounts withheld from payments to or for the benefit of the Issuer as a result of such failure or such ownership, and (B) to the extent necessary to avoid an adverse effect on the Issuer as a result of such failure or such ownership, the Issuer will have the right to compel the purchaser or transferee to sell its Notes and, if such purchaser or transferee does not sell its Notes within 10 Business Days after notice from the Issuer or its agents, the Issuer will have the right to sell such Notes at a public or private sale called and conducted in any manner permitted by law, and to remit the net proceeds of such sale (taking into account any taxes incurred by the Issuer in connection with such sale) to such person as payment in full for such Notes. The Issuer may also assign each such Note a separate ISIN in the Issuer's sole discretion. Each purchaser or transferee agrees that the Issuer, the Trustee or their agents or representatives may (1) provide any information and documentation concerning its investment in its Notes to the Office of the Revenue Commissioners of Ireland, the U.S. Internal Revenue Service and any other relevant tax authority and (2) take such other steps as they deem necessary or helpful to ensure that the Issuer complies with FATCA and/or the CRS.

14. If it is a purchaser or transferee of Class E Notes, Class F Notes or Subordinated Notes and is not a United States Person (as defined in Section 7701(a)(30) of the Code), it represents that either:

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

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

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

15. If it is a purchaser or transferee of Subordinated Notes and owns more than 50% of the Subordinated Notes by value or is otherwise treated as a member of the Issuer's "expanded affiliated group" (as defined in Treasury regulations section 1.1471-5T(i) (or any successor provision)), it will (A) confirm that any member of such expanded affiliated group (assuming that the Issuer is a "participating FFI" within the meaning of Treasury regulations section 1.1471-1T(b)(91) (or any successor provision)) that is treated as a "foreign financial institution" within the meaning of Section 1471(d)(4) of the Code and any Treasury regulations promulgated thereunder is either a "participating FFI", a "registered deemed-compliant FFI" or an "exempt beneficial owner" within the meaning of Treasury regulations section 1.1471-4T(e) (or any successor provision), and (B) promptly notify the Issuer in the event that any member of such expanded affiliated group that is treated as a "foreign financial institution" within the meaning of Section 1471(d)(4) of the Code and any Treasury regulations promulgated thereunder is not either a "participating FFI", a "registered deemed-compliant FFI" or an "exempt beneficial owner" within the meaning of Treasury regulations section 1.1471-4T(e) (or any successor provision), in each case except to the extent that the Issuer or its agents have provided the purchaser or transferee with an express waiver of this requirement.

16. No purchaser or transferee of Subordinated Notes will treat any income with respect to its Subordinated Notes as derived in connection with the Issuer's active conduct of a banking, financing, insurance, or other similar business for purposes of Section 954(h)(2) of the Code.

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

18. By acquiring the Notes, the Placement Agent and its Affiliates along with each holder of the Notes will be deemed to have acknowledged the existence of such potential and actual conflicts of interest and, to the fullest extent permitted by applicable law, to have waived any claims with respect to the existence of such conflicts of interest.

19. The purchaser understands and acknowledges that the Issuer may receive a list of participants holding positions in its securities from one or more book-entry depositaries.

Regulation S Notes

Each purchaser or transferee of Regulation S Notes will be deemed to have made the representations (or in the case of a Definitive Certificate, shall make the representations) set forth in clauses (3), (4), (6), (8) and (10) through (19) (inclusive) above (except that references to Rule 144A Notes shall be deemed to be references to Regulation S Notes) and to have further represented and agreed as follows:

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

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

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

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

HOLDER HEREOF, BY PURCHASING THE NOTES IN RESPECT OF WHICH THIS NOTE HAS BEEN ISSUED, AGREES FOR THE BENEFIT OF THE ISSUER THAT THE NOTES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (A)(1) TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT, OR (2) TO A NON-U.S. PERSON IN AN "OFFSHORE TRANSACTION" COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT AND, IN THE CASE OF CLAUSE (1), IN A PRINCIPAL AMOUNT OF NOT LESS THAN €250,000 FOR THE PURCHASER AND FOR EACH ACCOUNT FOR WHICH IT IS ACTING, AND IN EACH CASE, TO A PURCHASER THAT (V) IS A QUALIFIED PURCHASER FOR THE PURPOSES OF SECTION 3(c)(7) OF THE INVESTMENT COMPANY ACT, (W) WAS NOT FORMED FOR THE PURPOSE OF INVESTING IN THE ISSUER (EXCEPT WHEN EACH BENEFICIAL OWNER OF THE PURCHASER IS A QUALIFIED PURCHASER), (X) HAS RECEIVED THE NECESSARY CONSENT FROM ITS BENEFICIAL OWNERS WHEN THE PURCHASER IS A PRIVATE INVESTMENT COMPANY FORMED BEFORE APRIL 30, 1996, (Y) IS NOT A BROKER-DEALER THAT OWNS AND INVESTS ON A DISCRETIONARY BASIS LESS THAN U.S.$25,000,000 IN SECURITIES OF UNAFFILIATED ISSUERS AND (Z) IS NOT A PENSION, PROFIT SHARING OR OTHER RETIREMENT TRUST FUND OR PLAN IN WHICH THE PARTNERS, BENEFICIARIES OR PARTICIPANTS, AS APPLICABLE, MAY DESIGNATE THE PARTICULAR INVESTMENTS TO BE MADE, AND IN A TRANSACTION THAT MAY BE EFFECTED WITHOUT LOSS OF ANY APPLICABLE INVESTMENT COMPANY ACT EXEMPTION OR IN THE CASE OF CLAUSE (2), €100,000 AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES. ANY TRANSFER IN VIOLATION OF THE FOREGOING WILL BE OF NO FORCE AND EFFECT, WILL BE VOID *AB INITIO* AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO THE TRANSFEREE, NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE ISSUER, THE TRUSTEE OR ANY INTERMEDIARY. IN ADDITION TO THE FOREGOING, IN THE EVENT OF A VIOLATION OF (V) THROUGH (Z), THE ISSUER MAINTAINS THE RIGHT TO DIRECT THE RESALE OF ANY NOTES PREVIOUSLY TRANSFERRED TO NON-PERMITTED HOLDERS (AS DEFINED IN THE TRUST DEED) IN ACCORDANCE WITH AND SUBJECT TO THE TERMS OF THE TRUST DEED. EACH TRANSFEROR OF THIS NOTE WILL PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET FORTH HEREIN AND IN THE TRUST DEED TO ITS TRANSFEREE.

TRANSFERS OF THIS NOTE OR OF PORTIONS OF THIS NOTE SHOULD BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE TRUST DEED REFERRED TO HEREIN.

PRINCIPAL OF THIS NOTE IS PAYABLE AS SET FORTH HEREIN. ACCORDINGLY, THE OUTSTANDING PRINCIPAL OF THIS NOTE AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ON THE FACE HEREOF. ANY PERSON ACQUIRING THIS NOTE MAY ASCERTAIN ITS CURRENT PRINCIPAL AMOUNT BY INQUIRY OF THE TRUSTEE.

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS A NOTES, CLASS B NOTES, CLASS C NOTES AND CLASS D NOTES ONLY*] [EACH PERSON ACQUIRING OR HOLDING THIS NOTE OR ANY INTEREST HEREIN SHALL BE REQUIRED OR DEEMED TO HAVE REPRESENTED, WARRANTED AND AGREED THAT (I) EITHER (A) IT IS NOT AND IS NOT ACTING ON BEHALF OF (AND FOR SO LONG AS IT HOLDS 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'S OR PLAN'S INVESTMENT IN SUCH ENTITY ("**BENEFIT PLAN INVESTOR**"), OR A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN WHICH IS SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT IS SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE ("**OTHER PLAN LAW**"),

AND NO PART OF THE ASSETS TO BE USED BY IT TO ACQUIRE OR HOLD SUCH 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 OR DISPOSITION OF SUCH NOTE (OR INTERESTS THEREIN) WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE, OR, IN THE CASE OF A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, A NON-EXEMPT VIOLATION OF ANY OTHER PLAN LAW, AND (II) IT WILL NOT SELL OR TRANSFER SUCH NOTE (OR INTERESTS THEREIN) TO AN ACQUIROR ACQUIRING SUCH NOTE (OR INTERESTS THEREIN) UNLESS THE ACQUIROR MAKES OR IS DEEMED TO MAKE THE FOREGOING REPRESENTATIONS, WARRANTIES AND AGREEMENTS DESCRIBED IN CLAUSE (I) HEREOF. ANY PURPORTED TRANSFER OF THE NOTES IN VIOLATION OF THE REQUIREMENTS SET FORTH IN THIS PARAGRAPH SHALL BE NULL AND VOID *AB INITIO* AND THE ACQUIROR UNDERSTANDS THAT THE ISSUER WILL HAVE THE RIGHT TO CAUSE THE SALE OF SUCH NOTES TO ANOTHER ACQUIROR THAT COMPLIES WITH THE REQUIREMENTS OF THIS PARAGRAPH IN ACCORDANCE WITH THE TERMS OF THE TRUST DEED.]

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS E NOTES, THE CLASS F NOTES AND THE SUBORDINATED NOTES IN THE FORM OF REGULATION S GLOBAL NOTES ONLY*] [EACH PURCHASER OR TRANSFEREE OF THIS CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE OR AN INTEREST HEREIN WILL BE REQUIRED OR DEEMED TO REPRESENT, WARRANT AND AGREE THAT (1) IT IS NOT, AND IS NOT ACTING ON BEHALF OF (AND FOR SO LONG AS IT HOLDS THIS NOTE OR INTEREST HEREIN WILL NOT BE, AND WILL NOT BE ACTING ON BEHALF OF), A BENEFIT PLAN INVESTOR OR CONTROLLING PERSON (A) UNLESS SUCH PURCHASER OR TRANSFEREE RECEIVES THE WRITTEN CONSENT OF THE ISSUER, (B) PROVIDES AN ERISA CERTIFICATE IN OR SUBSTANTIALLY IN THE FORM SET OUT IN SCHEDULE 7 (*FORM OF ERISA CERTIFICATE*) TO THE TRUST DEED, TO A TRANSFER AGENT AND THE ISSUER AS TO (AMONGST OTHER THINGS) ITS STATUS AS A BENEFIT PLAN INVESTOR OR CONTROLLING PERSON AND (C) HOLDS SUCH NOTE IN THE FORM OF A DEFINITIVE CERTIFICATE AND IN SUCH CASE PROVIDES THE ISSUER AND A TRANSFER AGENT WITH A DULY COMPLETED DECLARATION IN THE FORM SET OUT IN ANNEX D (*FORM OF IRISH TAX DECLARATION*) TO THIS PROSPECTUS, OTHER THAN IN THE CASE WHERE THE PURCHASER IS ACQUIRING A CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE ON THE ISSUE DATE, IN WHICH CASE THE PURCHASER MAY ACQUIRE SUCH CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE (OR INTEREST THEREIN) IN THE FORM OF A RULE 144A GLOBAL CERTIFICATE OR A REGULATION S GLOBAL CERTIFICATE, AND (2) (A) IF IT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, ITS ACQUISITION, HOLDING AND DISPOSITION OF SUCH NOTE WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**") OR SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**"), AND (B) IF IT IS A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, (I) IT IS NOT, AND FOR SO LONG AS IT HOLDS THIS NOTE OR AN INTEREST HEREIN IT WILL NOT BE, SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT COULD CAUSE THE UNDERLYING ASSETS OF THE ISSUER TO BE TREATED AS ASSETS OF THE INVESTOR IN ANY NOTE (OR INTEREST THEREIN) BY VIRTUE OF ITS INTEREST AND THEREBY SUBJECT THE ISSUER OR THE COLLATERAL MANAGER (OR OTHER PERSONS RESPONSIBLE FOR THE INVESTMENT AND OPERATION OF THE ISSUER'S ASSETS) TO LAWS OR REGULATIONS THAT ARE SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**"), AND (II) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT VIOLATION OF ANY APPLICABLE STATE, LOCAL, OTHER FEDERAL OR NON-U.S. LAWS OR REGULATIONS THAT ARE SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE ("**OTHER PLAN LAW**"). "**BENEFIT PLAN INVESTOR**" MEANS A BENEFIT PLAN INVESTOR, AS DEFINED IN SECTION 3(42) OF ERISA, AND INCLUDES (A) AN EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF TITLE I OF ERISA) THAT IS SUBJECT TO THE FIDUCIARY RESPONSIBILITY

PROVISIONS OF TITLE I OF ERISA, (B) A PLAN THAT IS SUBJECT TO SECTION 4975 OF THE CODE OR (C) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE "**PLAN ASSETS**" BY REASON OF ANY SUCH EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN THE ENTITY. "CONTROLLING PERSON" MEANS A PERSON (OTHER THAN A BENEFIT PLAN INVESTOR) WHO HAS DISCRETIONARY AUTHORITY OR CONTROL WITH RESPECT TO THE ASSETS OF THE ISSUER OR ANY PERSON WHO PROVIDES INVESTMENT ADVICE FOR A FEE (DIRECT OR INDIRECT) WITH RESPECT TO SUCH ASSETS, OR ANY AFFILIATE OF ANY SUCH PERSON. AN "**AFFILIATE**" OF A PERSON INCLUDES ANY PERSON, DIRECTLY OR INDIRECTLY THROUGH ONE OR MORE INTERMEDIARIES, CONTROLLING, CONTROLLED BY OR UNDER COMMON CONTROL WITH THE PERSON. "CONTROL" WITH RESPECT TO A PERSON OTHER THAN AN INDIVIDUAL MEANS THE POWER TO EXERCISE A CONTROLLING INFLUENCE OVER THE MANAGEMENT OR POLICIES OF SUCH PERSON. ANY PURPORTED TRANSFER OF A CLASS E NOTE, A CLASS F NOTE OR A SUBORDINATED NOTE IN VIOLATION OF THE REQUIREMENTS SET FORTH IN THIS PARAGRAPH OR THAT MAY OTHERWISE RESULT IN 25 PER CENT. OR MORE OF THE TOTAL VALUE OF ANY CLASS OF SUCH NOTES TO BE HELD BY BENEFIT PLAN INVESTORS FOR THE PURPOSES OF ERISA SHALL BE NULL AND VOID *AB INITIO* AND THE ACQUIROR UNDERSTANDS THAT THE ISSUER WILL HAVE THE RIGHT TO CAUSE THE SALE OF SUCH CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE (OR INTEREST THEREIN) TO ANOTHER ACQUIROR THAT COMPLIES WITH THE REQUIREMENTS OF THIS PARAGRAPH IN ACCORDANCE WITH THE TERMS OF THE TRUST DEED.

NO TRANSFER OF A CLASS E NOTE, A CLASS F NOTE OR A SUBORDINATED NOTE OR ANY INTEREST THEREIN WILL BE PERMITTED, AND THE TRUSTEE WILL NOT RECOGNIZE ANY SUCH TRANSFER, IF IT WOULD CAUSE 25 PER CENT. OR MORE OF THE TOTAL VALUE OF CLASS E NOTES, CLASS F NOTES OR SUBORDINATED NOTES (EACH DETERMINED SEPARATELY BY EACH CLASS OF EQUITY INTEREST) TO BE HELD BY BENEFIT PLAN INVESTORS, DISREGARDING CLASS E NOTES, CLASS F NOTES AND SUBORDINATED NOTES (OR INTERESTS THEREIN) HELD BY CONTROLLING PERSONS, AS DETERMINED FOR THE PURPOSES OF ERISA AND THE U.S. DEPARTMENT OF LABOR REGULATIONS THEREUNDER ("**25 PER CENT. LIMITATION**").

THE ISSUER HAS THE RIGHT, UNDER THE TRUST DEED, TO COMPEL ANY BENEFICIAL OWNER OF A CLASS E NOTE, A CLASS F NOTE OR A SUBORDINATED NOTE WHO HAS MADE OR HAS BEEN DEEMED TO MAKE A PROHIBITED TRANSACTION, BENEFIT PLAN INVESTOR, CONTROLLING PERSON, SIMILAR LAW OR OTHER PLAN LAW REPRESENTATION THAT IS SUBSEQUENTLY SHOWN TO BE FALSE OR MISLEADING OR WHOSE OWNERSHIP OTHERWISE CAUSES A VIOLATION OF THE 25 PER CENT. LIMITATION TO SELL ITS INTEREST IN 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 PURCHASER OR TRANSFEREE OF THIS CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE OR AN INTEREST HEREIN WILL BE REQUIRED TO REPRESENT, WARRANT AND AGREE IN WRITING TO THE ISSUER (A) WHETHER OR NOT, FOR SO LONG AS IT HOLDS THIS CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE OR AN INTEREST HEREIN, IT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, (B) WHETHER OR NOT, FOR SO LONG AS IT HOLDS THIS CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE OR AN INTEREST HEREIN, IT IS A CONTROLLING PERSON AND (C) THAT (1) IF IT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**") OR SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**") AND (2) IF IT IS A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, (a) IT IS NOT, AND FOR SO LONG AS IT HOLDS THIS CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE OR AN INTEREST HEREIN IT WILL NOT BE, SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT COULD CAUSE THE UNDERLYING ASSETS OF

THE ISSUER TO BE TREATED AS ASSETS OF THE INVESTOR IN ANY NOTE (OR INTEREST THEREIN) BY VIRTUE OF ITS INTEREST AND THEREBY SUBJECT THE ISSUER OR THE COLLATERAL MANAGER (OR OTHER PERSONS RESPONSIBLE FOR THE INVESTMENT AND OPERATION OF THE ISSUER'S ASSETS) TO LAWS OR REGULATIONS THAT ARE SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**"), AND (b) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT VIOLATION OF ANY APPLICABLE STATE, LOCAL, OTHER FEDERAL OR NON-U.S. LAWS OR REGULATIONS THAT ARE SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE ("**OTHER PLAN LAW**"). EACH PURCHASER OR SUBSEQUENT TRANSFEREE, AS APPLICABLE, OF CLASS E NOTES, CLASS F NOTES OR SUBORDINATED NOTES IN THE FORM OF DEFINITIVE CERTIFICATES WILL BE REQUIRED TO COMPLETE AN ERISA CERTIFICATE (AMONGST OTHER THINGS) IDENTIFYING ITS STATUS AS A BENEFIT PLAN INVESTOR OR A CONTROLLING PERSON. "**BENEFIT PLAN INVESTOR**" MEANS A BENEFIT PLAN INVESTOR, AS DEFINED IN SECTION 3(42) OF ERISA, AND INCLUDES (A) AN EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF TITLE I OF ERISA) THAT IS SUBJECT TO THE FIDUCIARY RESPONSIBILITY PROVISIONS OF TITLE I OF ERISA, (B) A PLAN THAT IS SUBJECT TO SECTION 4975 OF THE CODE OR (C) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE "**PLAN ASSETS**" BY REASON OF ANY SUCH EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN THE ENTITY. "**CONTROLLING PERSON**" MEANS A PERSON (OTHER THAN A BENEFIT PLAN INVESTOR) WHO HAS DISCRETIONARY AUTHORITY OR CONTROL WITH RESPECT TO THE ASSETS OF THE ISSUER OR ANY PERSON WHO PROVIDES INVESTMENT ADVICE FOR A FEE (DIRECT OR INDIRECT) WITH RESPECT TO SUCH ASSETS, OR ANY AFFILIATE OF ANY SUCH PERSON. AN "**AFFILIATE**" OF A PERSON INCLUDES ANY PERSON, DIRECTLY OR INDIRECTLY THROUGH ONE OR MORE INTERMEDIARIES, CONTROLLING, CONTROLLED BY OR UNDER COMMON CONTROL WITH THE PERSON. "**CONTROL**" WITH RESPECT TO A PERSON OTHER THAN AN INDIVIDUAL MEANS THE POWER TO EXERCISE A CONTROLLING INFLUENCE OVER THE MANAGEMENT OR POLICIES OF SUCH PERSON. ANY PURPORTED TRANSFER OF THE CLASS E NOTES, CLASS F NOTES OR SUBORDINATED NOTES IN VIOLATION OF THE REQUIREMENTS SET FORTH IN THIS PARAGRAPH OR THAT MAY OTHERWISE RESULT IN 25 PER CENT. OR MORE OF THE TOTAL VALUE OF ANY CLASS OF SUCH NOTES TO BE HELD BY BENEFIT PLAN INVESTORS FOR THE PURPOSES OF ERISA SHALL BE NULL AND VOID *AB INITIO* AND THE ACQUIROR UNDERSTANDS THAT THE ISSUER WILL HAVE THE RIGHT TO CAUSE THE SALE OF SUCH CLASS E NOTES, CLASS F NOTES OR SUBORDINATED NOTES TO ANOTHER ACQUIROR THAT COMPLIES WITH THE REQUIREMENTS OF THIS PARAGRAPH IN ACCORDANCE WITH THE TERMS OF THE TRUST DEED.

NO TRANSFER OF A CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE OR ANY INTEREST THEREIN WILL BE PERMITTED, AND THE TRUSTEE WILL NOT RECOGNIZE ANY SUCH TRANSFER, IF IT WOULD CAUSE 25 PER CENT. OR MORE OF THE TOTAL VALUE OF CLASS E NOTES, CLASS F NOTES OR SUBORDINATED NOTES (DETERMINED SEPARATELY BY EACH CLASS OF EQUITY INTEREST) TO BE HELD BY BENEFIT PLAN INVESTORS, DISREGARDING CLASS E NOTES, CLASS F NOTES AND SUBORDINATED NOTES (OR INTERESTS THEREIN) HELD BY CONTROLLING PERSONS, AS DETERMINED FOR THE PURPOSES OF ERISA AND THE U.S. DEPARTMENT OF LABOR REGULATIONS THEREUNDER ("**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, SIMILAR LAW OR OTHER PLAN LAW REPRESENTATION THAT IS SUBSEQUENTLY SHOWN TO BE FALSE OR MISLEADING OR WHOSE OWNERSHIP OTHERWISE CAUSES A VIOLATION OF THE 25 PER CENT. LIMITATION TO SELL ITS INTEREST IN 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 C NOTES, CLASS D NOTES, CLASS E NOTES AND CLASS F NOTES*] [THIS NOTE HAS BEEN ISSUED WITH ORIGINAL ISSUE DISCOUNT ("**OID**") FOR UNITED STATES FEDERAL INCOME TAX PURPOSES. THE ISSUE PRICE, AMOUNT OF OID, ISSUE DATE AND YIELD TO MATURITY OF THIS NOTE MAY BE OBTAINED BY CONTACTING THE ISSUER AT 3RD FLOOR KILMORE HOUSE, PARK LANE, SPENCER DOCK, DUBLIN 1, IRELAND. THE ISSUER SHALL APPOINT EXTERNAL ACCOUNTANTS TO ASSIST IN THE COMPILATION OF THE RELEVANT INFORMATION AND THE REQUESTING NOTEHOLDER SHALL BE RESPONSIBLE FOR THE FEES INCURRED.]

[*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 ANY VOTES IN RESPECT OF A CM REMOVAL RESOLUTION OR A CM REPLACEMENT RESOLUTION.]

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

4. The purchaser acknowledges that the Issuer, the Placement Agent, the Retention Holder, the Trustee, the Collateral Manager or the Collateral Administrator and their Affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

5. The purchaser understands that the Regulation S Notes may not, at any time, be held by, or on behalf of, U.S. Persons or U.S. Residents.

A transferor who transfers an interest in a Regulation S Note to a transferee who will hold the interest in the same form is not required to make any additional representation or certification.

GENERAL INFORMATION

Clearing Systems

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

	Regulation S Notes		Rule 144A Notes	
	ISIN	**Common Code**	**ISIN**	**Common Code**
Class A CM Removal and Replacement Voting Notes	XS1512781243	151278124	XS1512783371	151278337
Class A CM Removal and Replacement Exchangeable Non-Voting Notes	XS1512781599	151278159	XS1512783454	151278345
Class A CM Removal and Replacement Non-Voting Notes	XS1512781672	151278167	XS1512783298	151278329
Class B CM Removal and Replacement Voting Notes	XS1512781839	151278183	XS1512783538	151278353
Class B CM Removal and Replacement Exchangeable Non-Voting Notes	XS1512782134	151278213	XS1512783702	151278370
Class B CM Removal and Replacement Non-Voting Notes	XS1512781912	151278191	XS1512783884	151278388
Class C CM Removal and Replacement Voting Notes	XS1512782480	151278248	XS1512784007	151278400
Class C CM Removal and Replacement Exchangeable Non-Voting Notes	XS1512782563	151278256	XS1512783967	151278396
Class C CM Removal and Replacement Non-Voting Notes	XS1512781755	151278175	XS1512784262	151278426
Class D CM Removal and Replacement Voting Notes	XS1512782050	151278205	XS1512784189	151278418
Class D CM Removal and Replacement Exchangeable Non-Voting Notes	XS1512782647	151278264	XS1512784692	151278469
Class D CM Removal and Replacement Non-Voting Notes	XS1512782308	151278230	XS1512784346	151278434
Class E Notes	XS1512782720	151278272	XS1512784429	151278442
Class F Notes	XS1512782217	151278221	XS1512784858	151278485
Subordinated Notes	XS1512782993	151278299	XS1512784932	151278493

Listing

Application will be made to the Central Bank, as competent authority under the Prospectus Directive for this Prospectus to be approved. The Central Bank will only approve this Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. Application will be made to the Irish Stock Exchange for the Notes to be admitted to the Official List and to trading on its Main Securities Market. The Main Securities Market is a regulated market for the purposes of MiFID. Such approval relates only to the Notes which are to be admitted to trading on a regulated market for the purposes of MiFID and/or which are to be offered to the public in any member state of the European Economic Area. It is anticipated that listing and admission to trading will take place on or about the Issue Date. There can be no assurance that any such listing and admission to trading will be granted. Upon approval by the Central Bank, this document will be filed with the Companies Registration Office in Ireland in accordance with Regulation 38(1)(b) of the Prospectus Regulations and the final copy of the "prospectus" prepared pursuant to the Prospectus Directive will be available from the website of the Central Bank.

It is expected that the total expenses related to admission to trading will be approximately €10,241.20.

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 9 December 2016.

No Significant or Material Change

There has been no significant change in the financial or trading position or prospects of the Issuer since its incorporation on 19 May 2016 and there has been no material adverse change in the financial position or prospects of the Issuer since its incorporation on 19 May 2016.

No Litigation

The Issuer is not involved, and has not been involved, in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) which may have or have had since the date of its incorporation a significant effect on the Issuer's financial position or profitability.

Accounts

Since the date of its incorporation, other than entering into certain documentation which has now been terminated, without any net assets or liabilities for the Issuer relating to a transaction which did not proceed, the Issuer has not commenced operations other than in respect of entering into the warehouse agreements in respect of the acquisition of certain assets to be comprised in the Portfolio on or prior to the Issue Date and has not produced accounts.

So long as any Note remains outstanding, copies of the most recent annual audited financial statements of the Issuer can be obtained at the specified offices of the Transfer Agents during normal business hours. The first financial statements of the Issuer will be in respect of the period from incorporation to 31 December 2016. The annual accounts of the Issuer will be audited. The Issuer will not prepare interim financial statements.

The Trust Deed requires the Issuer to provide written confirmation to the Trustee on an annual basis and otherwise promptly on request that no Event of Default or Potential Event of Default (as defined in the Trust Deed) or other matter which is required to be brought to the Trustee's attention has occurred.

Documents Available

Copies of the following documents may be inspected in electronic format (and, in the case of each of (f) and (g) below, will be available for collection free of charge) at the specified offices of the Principal Paying Agent and Transfer Agents and at the registered office of 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 Agreement;

(d) the Collateral Management Agreement;

(e) each Monthly Report;

(f) each Payment Date Report; and

(g) the Risk Retention Letter.

Enforceability of Judgments

The Issuer is a designated activity company incorporated under the laws of Ireland. None of the Directors or 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:

(a) 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

(b) 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;

(d) the judgment is contrary to Irish public policy or involves certain United States laws which will not be enforced in Ireland;

(e) jurisdiction cannot be obtained by the Irish courts over the judgment debtors in the enforcement proceedings by personal service in Ireland or outside Ireland under Order 11 of the Superior Courts Rules;

(f) there is no practical benefit to the party in whose favour the foreign judgment is made in seeking to have that judgment enforced in Ireland;

(g) the judgment is inconsistent with a judgment of the courts of Ireland in relation to the same matter; or

(h) enforcement proceedings are not instituted in Ireland within six years of the date of the judgment.

Listing Agent

Matheson is acting solely in its capacity as listing agent for the Issuer in connection with the Notes and is not itself seeking admission of the Notes to the Official List of the Irish Stock Exchange or to trading on the Main Securities Market of the Irish Stock Exchange for the purposes of the Prospectus Directive.

INDEX OF DEFINED TERMS

ANNEX A
S&P RECOVERY RATES

(a) (i) If a Collateral Debt Obligation has an S&P Recovery Rating, or is *pari passu* with another obligation of the same Obligor that has an S&P Recovery Rating and is secured by the same collateral as such other obligation, the S&P Recovery Rate for such Collateral Debt Obligation shall be determined as follows:

S&P Recovery Rating of Collateral Debt Obligation		Initial Rated Note Rating					
	Range from published reports*	"AAA"	"AA"	"A"	"BBB"	"BB"	"B/CCC"
1+	100	75%	85%	88%	90%	92%	95%
1	90-100	65%	75%	80%	85%	90%	95%
2	80-90	60%	70%	75%	81%	86%	90%
2	70-80	50%	60%	66%	73%	79%	80%
3	60-70	40%	50%	56%	63%	67%	70%
3	50-60	30%	40%	46%	53%	59%	60%
4	40-50	27%	35%	42%	46%	48%	50%
4	30-40	20%	26%	33%	39%	40%	40%
5	20-30	15%	20%	24%	26%	28%	30%
5	10-20	5%	10%	15%	20%	20%	20%
6	0-10	2%	4%	6%	8%	10%	10%

* If a recovery rate is not available for a given obligation with an S&P Recovery Rating of "2" to "5" (inclusive), the lower recovery range for the applicable S&P Recovery Rating shall apply

S&P Recovery Rate

(ii) If (x) a Collateral Debt Obligation does not have an S&P Recovery Rating and such Collateral Debt Obligation is an Unsecured Senior Loan and (y) the Obligor or issuer of such Collateral Debt Obligation has issued another debt instrument that is outstanding and senior to such Collateral Debt Obligation that is a Senior Secured Loan or Senior Secured Bond (a "**Senior Secured Debt Instrument**") that has an S&P Recovery Rating, the S&P Recovery Rate for such Collateral Debt Obligation shall be determined as follows:

For Collateral Debt Obligations Domiciled in Group A

S&P Recovery Rating of the Senior Secured Debt Instrument	Initial Liability Rating					
	"AAA"	"AA"	"A"	"BBB"	"BB"	B" and below
1+	18%	20%	23%	26%	29%	31%
1	18%	20%	23%	26%	29%	31%
2	18%	20%	23%	26%	29%	31%
3	12%	15%	18%	21%	22%	23%
4	5%	8%	11%	13%	14%	15%
5	2%	4%	6%	8%	9%	10%
6	0%	0%	0%	0%	0%	0%

S&P Recovery Rate

For Collateral Debt Obligations Domiciled in Group B

S&P Recovery Rating of the Senior Secured Debt Instrument	Initial Rated Note Rating					
	"AAA"	"AA"	"A"	"BBB"	"BB"	"B" and below
1+	16%	18%	21%	21%	27%	29%
1	16%	18%	21%	21%	27%	29%
2	16%	18%	21%	21%	27%	29%
3	10%	13%	15%	15%	19%	20%
4	5%	5%	5%	5%	5%	5%
5	2%	2%	2%	2%	2%	2%
6	0%	0%	0%	0%	0%	0%

S&P Recovery Rate

For Collateral Debt Obligations Domiciled in Group C

S&P Recovery Rating of the Senior Secured Debt Instrument	Initial Rated Note Rating					
	"AAA"	"AA"	"A"	"BBB"	"BB"	"B" and below
1+	13%	16%	18%	21%	23%	25%
1	13%	16%	18%	21%	23%	25%
2	13%	16%	18%	21%	23%	25%
3	8%	11%	13%	15%	16%	17%
4	5%	5%	5%	5%	5%	5%
5	2%	2%	2%	2%	2%	2%
6	0%	0%	0%	0%	0%	0%

S&P Recovery Rate

(iii) If (x) a Collateral Debt Obligation does not have an S&P Recovery Rating and such Collateral Debt Obligation is not a Senior Secured Debt Instrument or an Unsecured Senior Loan and (y) the Obligor or issuer of such Collateral Debt Obligation has issued another debt instrument that is outstanding and senior to such Collateral Debt Obligation that is a Senior Secured Debt Instrument that has an S&P Recovery Rating, the S&P Recovery Rate for such Collateral Debt Obligation shall be determined as follows:

For Collateral Debt Obligations Domiciled in Groups A, B and C

S&P Recovery Rating of the Senior Secured Debt Instrument	Initial Rated Note Rating					
	"AAA"	"AA"	"A"	"BBB"	"BB"	"B" and below
1+	8%	8%	8%	8%	8%	8%
1	8%	8%	8%	8%	8%	8%
2	8%	8%	8%	8%	8%	8%
3	5%	5%	5%	5%	5%	5%
4	2%	2%	2%	2%	2%	2%
5	0%	0%	0%	0%	0%	0%
6	0%	0%	0%	0%	0%	0%

S&P Recovery Rate

(b) If an S&P Recovery Rate cannot be determined using clause (a) above, the S&P Recovery Rate shall be determined as follows:

Recovery rates for Obligors Domiciled in Group A, B, C or D:

Priority Category	Initial Rated Note Rating					
	"AAA"	**"AA"**	**"A"**	**"BBB"**	**"BB"**	**"B" and "CCC"**
Senior Secured Loans (excluding Cov-Lite Loans)						
Group A	50%	55%	59%	63%	75%	79%
Group B	45%	49%	53%	58%	70%	74%
Group C	39%	42%	46%	49%	60%	63%
Group D	17%	19%	27%	29%	31%	34%
Senior Secured Loans that are Cov-Lite Loans and Senior Secured Bonds						
Group A	41%	46%	49%	53%	63%	67%
Group B	37%	41%	44%	49%	59%	62%
Group C	32%	35%	39%	41%	50%	53%
Group D	17%	19%	27%	29%	31%	34%
Unsecured Senior Loans, Mezzanine Obligations and Second Lien Loans						
Group A	18%	20%	23%	26%	29%	31%
Group B	16%	18%	21%	24%	27%	29%
Group C	13%	16%	18%	21%	23%	25%
Group D	10%	12%	14%	16%	18%	20%
High Yield Bonds						
Group A	8%	8%	8%	8%	8%	8%
Group B	10%	10%	10%	10%	10%	10%
Group C	9%	9%	9%	9%	9%	9%
Group D	5%	5%	5%	5%	5%	5%

S&P Recovery Rate

Group A: Australia, Denmark, Finland, Hong Kong, Ireland, The Netherlands, New Zealand, Norway, Singapore, Sweden, UK.

Group B: Austria, Belgium, Canada, Germany, Israel, Japan, Luxembourg, Portugal, South Africa, Switzerland, U.S.

Group C: Brazil, France, Greece, Italy, Mexico, South Korea, Spain, Taiwan, Turkey, United Arab Emirates.

Group D: Kazakhstan, Russia, Ukraine, others.

For the purposes of the above,

"**S&P Recovery Rating**" means, in respect to a Collateral Debt Obligation for which an S&P Recovery Rate is being determined, the "Recovery Rating" assigned by S&P to such Collateral Debt Obligation based upon the tables set forth in this Annex A (*S&P Recovery Rates*).

ANNEX B
S&P DEFAULT RATE TABLE

	Rating									
Tenor	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-
0	0	0	0	0	0	0	0	0	0	0
1	0.003249	0.008324	0.017659	0.049443	0.100435	0.198336	0.305284	0.403669	0.461619	0.524294
2	0.015699	0.036996	0.073622	0.139938	0.257400	0.452472	0.667329	0.892889	1.091719	1.445989
3	0.041484	0.091325	0.172278	0.276841	0.474538	0.770505	1.100045	1.484175	1.895696	2.702054
4	0.084784	0.176281	0.317753	0.464897	0.755269	1.158808	1.613532	2.186032	2.867799	4.229668
5	0.149746	0.296441	0.513749	0.708173	1.102407	1.621846	2.213969	3.000396	3.994693	5.969443
6	0.240402	0.455938	0.763415	1.009969	1.517930	2.162163	2.903924	3.924151	5.258484	7.867654
7	0.360599	0.658408	1.069266	1.372767	2.002861	2.780489	3.682872	4.950544	6.639097	9.877442
8	0.513925	0.906953	1.433135	1.798206	2.557255	3.475934	4.547804	6.070420	8.116014	11.959164
9	0.703660	1.204112	1.856168	2.287090	3.180245	4.246223	5.493831	7.273226	9.669463	14.080160
10	0.932722	1.551859	2.338835	2.839430	3.870134	5.087962	6.514747	8.547804	11.281152	16.214169
11	1.203636	1.951593	2.880967	3.454496	4.624506	5.996889	7.603506	9.882975	12.934676	18.340556
12	1.518511	2.404163	3.481806	4.130896	5.440351	6.968119	8.752625	11.267955	14.615674	20.443492
13	1.879017	2.909885	4.140061	4.866660	6.314188	7.996356	9.954495	12.692626	16.311827	22.511146
14	2.286393	3.468577	4.853976	5.659322	7.242183	9.076083	11.201627	14.147698	18.012750	24.534955
15	2.741441	4.079595	5.621395	6.506018	8.220258	10.201710	12.486816	15.624793	19.709826	26.508977
16	3.244545	4.741882	6.439830	7.403564	9.244188	11.367700	13.803266	17.116461	21.396011	28.429339
17	3.795687	5.454010	7.306523	8.348542	10.309683	12.568668	15.144662	18.616162	23.065636	30.293780
18	4.394473	6.214227	8.218512	9.337373	11.412464	13.799448	16.505206	20.118217	24.714212	32.101269
19	5.040161	7.020506	9.172684	10.366381	12.548315	15.055145	17.879633	21.617740	26.338248	33.851709
20	5.731690	7.870595	10.165829	11.431855	13.713133	16.331168	19.263208	23.110574	27.935091	35.545692
21	6.467720	8.762054	11.194685	12.530097	14.902967	17.623250	20.651699	24.593206	29.502784	37.184306
22	7.246658	9.692304	12.255978	13.657463	16.114039	18.927451	22.041357	26.062700	31.039941	38.768990
23	8.066698	10.658664	13.346459	14.810401	17.342769	20.240163	23.428880	27.516624	32.545643	40.301420
24	8.925853	11.658386	14.462930	15.985473	18.585784	21.558096	24.811375	28.952986	34.019346	41.783417
25	9.821992	12.688687	15.602275	17.179384	19.839925	22.878270	26.186325	30.370173	35.460813	43.216885
26	10.752863	13.746781	16.761474	18.388990	21.102252	24.197998	27.551553	31.766900	36.870044	44.603759
27	11.716131	14.829898	17.937621	19.611314	22.370042	25.514868	28.905184	33.142161	38.247233	45.945970
28	12.709401	15.935312	19.127936	20.843553	23.640779	26.826725	30.245615	34.495190	39.592717	47.245417
29	13.730244	17.060358	20.329775	22.083077	24.912158	28.131652	31.571487	35.825422	40.906950	48.503948
30	14.776220	18.202443	21.540635	23.327436	26.182066	29.427952	32.881653	37.132462	42.190470	49.723352

	Rating								
Tenor	BB+	BB	BB-	B+	B	B-	CCC+	CCC	CCC-
0	0	0	0	0	0	0	0	0	0
1	1.051627	2.109451	2.600238	3.221175	7.848052	10.882127	15.688600	20.494984	25.301275
2	2.499656	4.644348	5.872070	7.597534	14.781994	20.010198	28.039819	34.622676	40.104827
3	4.296729	7.475880	9.536299	12.379110	20.934989	27.616832	37.429809	44.486183	49.823181
4	6.375706	10.488373	13.369967	17.163869	26.396576	33.956728	44.585491	51.602827	56.644894
5	8.664544	13.586821	17.214556	21.748448	31.246336	39.272130	50.135335	56.922985	61.661407
6	11.095356	16.697807	20.966483	26.041061	35.559617	43.770645	54.540771	61.035699	65.491579
7	13.609032	19.767400	24.563596	30.011114	39.406428	47.620000	58.122986	64.312999	68.512300
8	16.156890	22.757944	27.972842	33.660308	42.849805	50.951513	61.102369	66.995611	70.963159
9	18.700581	25.644678	31.180555	37.006268	45.945037	53.866495	63.630626	69.243071	73.001159

	Rating								
Tenor	BB+	BB	BB-	B+	B	B-	CCC+	CCC	CCC-
10	21.211084	28.412675	34.185384	40.073439	48.739741	56.442784	65.813448	71.163565	74.731801
11	23.667314	31.054264	36.993388	42.888153	51.274446	58.740339	67.725700	72.832114	76.227640
12	26.054666	33.566968	39.614764	45.476090	53.583431	60.805678	69.421440	74.301912	77.539705
13	28.363660	35.951906	42.061729	47.861084	55.695612	62.675243	70.940493	75.611515	78.704697
14	30.588762	38.212600	44.347194	50.064659	57.635391	64.377918	72.312813	76.789485	79.749592
15	32.727407	40.354091	46.483968	52.105958	59.423407	65.936872	73.561381	77.857439	80.694661
16	34.779204	42.382307	48.484306	54.001869	61.077177	67.370926	74.704179	78.832075	81.555449
17	36.745314	44.303617	50.359673	55.767228	62.611640	68.695550	75.755528	79.726540	82.344119
18	38.627975	46.124519	52.120647	57.415059	64.039598	69.923606	76.727026	80.551376	83.070367
19	40.430133	47.851440	53.776900	58.956797	65.372082	71.065901	77.628212	81.315171	83.742047
20	42.155172	49.490597	55.337225	60.402500	66.618643	72.131608	78.467035	82.025027	84.365628
21	43.806716	51.047918	56.809591	61.761037	67.787598	73.128577	79.250199	82.686894	84.946502
22	45.388482	52.528995	58.201208	63.040250	68.886224	74.063579	79.983418	83.305814	85.489225
23	46.904180	53.939064	59.518589	64.247092	69.920916	74.942503	80.671609	83.886103	85.997683
24	48.357444	55.282998	60.767623	65.387746	70.897320	75.770492	81.319036	84.431487	86.475223
25	49.751780	56.565320	61.953636	66.467726	71.820441	76.552075	81.929422	84.945209	86.924750
26	51.090543	57.790210	63.081447	67.491964	72.694731	77.291249	82.506039	85.430110	87.348805
27	52.376916	58.961526	64.155419	68.464885	73.524165	77.991566	83.051779	85.888693	87.749621
28	53.613901	60.082826	65.179512	69.390464	74.312302	78.656191	83.569207	86.323175	88.129173
29	54.804319	61.157385	66.157321	70.272285	75.062339	79.287952	84.060611	86.735528	88.489217
30	55.950815	62.188218	67.092112	71.113583	75.777155	79.889391	84.528038	87.127511	88.831318

ANNEX C
S&P REGIONAL DIVERSITY MEASURE TABLE

Region Code	Region Name	Country Code	Country Name
17	Africa: Eastern	253	Djibouti
17	Africa: Eastern	291	Eritrea
17	Africa: Eastern	251	Ethiopia
17	Africa: Eastern	254	Kenya
17	Africa: Eastern	252	Somalia
17	Africa: Eastern	249	Sudan
12	Africa: Southern	247	Ascension
12	Africa: Southern	267	Botswana
12	Africa: Southern	266	Lesotho
12	Africa: Southern	230	Mauritius
12	Africa: Southern	264	Namibia
12	Africa: Southern	248	Seychelles
12	Africa: Southern	27	South Africa
12	Africa: Southern	290	St. Helena
12	Africa: Southern	268	Swaziland
13	Africa: Sub-Saharan	244	Angola
13	Africa: Sub-Saharan	226	Burkina Faso
13	Africa: Sub-Saharan	257	Burundi
13	Africa: Sub-Saharan	225	Cote d'lvoire
13	Africa: Sub-Saharan	240	Equatorial Guinea
13	Africa: Sub-Saharan	241	Gabonese Republic
13	Africa: Sub-Saharan	220	Gambia
13	Africa: Sub-Saharan	233	Ghana
13	Africa: Sub-Saharan	224	Guinea
13	Africa: Sub-Saharan	245	Guinea-Bissau
13	Africa: Sub-Saharan	231	Liberia
13	Africa: Sub-Saharan	261	Madagascar
13	Africa: Sub-Saharan	265	Malawi
13	Africa: Sub-Saharan	223	Mali
13	Africa: Sub-Saharan	222	Mauritania
13	Africa: Sub-Saharan	258	Mozambique
13	Africa: Sub-Saharan	227	Niger
13	Africa: Sub-Saharan	234	Nigeria
13	Africa: Sub-Saharan	250	Rwanda
13	Africa: Sub-Saharan	239	Sao Tome & Principe
13	Africa: Sub-Saharan	221	Senegal
13	Africa: Sub-Saharan	232	Sierra Leone
13	Africa: Sub-Saharan	255	Tanzania/Zanzibar
13	Africa: Sub-Saharan	228	Togo
13	Africa: Sub-Saharan	256	Uganda
13	Africa: Sub-Saharan	260	Zambia
13	Africa: Sub-Saharan	263	Zimbabwe
13	Africa: Sub-Saharan	229	Benin

Region Code	Region Name	Country Code	Country Name
13	Africa: Sub-Saharan	237	Cameroon
13	Africa: Sub-Saharan	238	Cape Verde Islands
13	Africa: Sub-Saharan	236	Central African Republic
13	Africa: Sub-Saharan	235	Chad
13	Africa: Sub-Saharan	269	Comoros
13	Africa: Sub-Saharan	242	Congo-Brazzaville
13	Africa: Sub-Saharan	243	Congo-Kinshasa
3	Americas: Andean	591	Bolivia
3	Americas: Andean	57	Colombia
3	Americas: Andean	593	Ecuador
3	Americas: Andean	51	Peru
3	Americas: Andean	58	Venezuela
4	Americas: Mercosur and Southern Cone	54	Argentina
4	Americas: Mercosur and Southern Cone	55	Brazil
4	Americas: Mercosur and Southern Cone	56	Chile
4	Americas: Mercosur and Southern Cone	595	Paraguay
4	Americas: Mercosur and Southern Cone	598	Uruguay
1	Americas: Mexico	52	Mexico
2	Americas: Other Central and Caribbean	1264	Anguilla
2	Americas: Other Central and Caribbean	1268	Antigua
2	Americas: Other Central and Caribbean	1242	Bahamas
2	Americas: Other Central and Caribbean	246	Barbados
2	Americas: Other Central and Caribbean	501	Belize
2	Americas: Other Central and Caribbean	441	Bermuda
2	Americas: Other Central and Caribbean	284	British Virgin Islands
2	Americas: Other Central and Caribbean	345	Cayman Islands
2	Americas: Other Central and Caribbean	506	Costa Rica
2	Americas: Other Central and Caribbean	809	Dominican Republic
2	Americas: Other Central and Caribbean	503	El Salvador
2	Americas: Other Central and Caribbean	473	Grenada
2	Americas: Other Central and Caribbean	590	Guadeloupe
2	Americas: Other Central and Caribbean	502	Guatemala
2	Americas: Other Central and Caribbean	504	Honduras
2	Americas: Other Central and Caribbean	876	Jamaica
2	Americas: Other Central and Caribbean	596	Martinique
2	Americas: Other Central and Caribbean	505	Nicaragua
2	Americas: Other Central and Caribbean	507	Panama
2	Americas: Other Central and Caribbean	869	St. Kitts/Nevis
2	Americas: Other Central and Caribbean	758	St. Lucia
2	Americas: Other Central and Caribbean	784	St. Vincent & Grenadines
2	Americas: Other Central and Caribbean	597	Suriname
2	Americas: Other Central and Caribbean	868	Trinidad& Tobago
2	Americas: Other Central and Caribbean	649	Turks & Caicos
2	Americas: Other Central and Caribbean	297	Aruba
2	Americas: Other Central and Caribbean	53	Cuba
2	Americas: Other Central and Caribbean	599	Curacao

Region Code	Region Name	Country Code	Country Name
2	Americas: Other Central and Caribbean	767	Dominica
2	Americas: Other Central and Caribbean	594	French Guiana
2	Americas: Other Central and Caribbean	592	Guyana
2	Americas: Other Central and Caribbean	509	Haiti
2	Americas: Other Central and Caribbean	664	Montserrat
101	Americas: U.S. and Canada	2	Canada
101	Americas: U.S. and Canada	1	USA
7	Asia: China, Hong Kong, Taiwan	86	China
7	Asia: China, Hong Kong, Taiwan	852	Hong Kong
7	Asia: China, Hong Kong, Taiwan	886	Taiwan
5	Asia: India, Pakistan and Afghanistan	93	Afghanistan
5	Asia: India, Pakistan and Afghanistan	91	India
5	Asia: India, Pakistan and Afghanistan	92	Pakistan
6	Asia: Other South	880	Bangladesh
6	Asia: Other South	975	Bhutan
6	Asia: Other South	960	Maldives
6	Asia: Other South	977	Nepal
6	Asia: Other South	94	Sri Lanka
8	Asia: Southeast, Korea and Japan	673	Brunei
8	Asia: Southeast, Korea and Japan	855	Cambodia
8	Asia: Southeast, Korea and Japan	62	Indonesia
8	Asia: Southeast, Korea and Japan	81	Japan
8	Asia: Southeast, Korea and Japan	856	Laos
8	Asia: Southeast, Korea and Japan	60	Malaysia
8	Asia: Southeast, Korea and Japan	95	Myanmar
8	Asia: Southeast, Korea and Japan	850	North Korea
8	Asia: Southeast, Korea and Japan	63	Philippines
8	Asia: Southeast, Korea and Japan	65	Singapore
8	Asia: Southeast, Korea and Japan	82	South Korea
8	Asia: Southeast, Korea and Japan	66	Thailand
8	Asia: Southeast, Korea and Japan	84	Vietnam
8	Asia: Southeast, Korea and Japan	670	East Timor
105	Asia-Pacific: Australia and New Zealand	61	Australia
105	Asia-Pacific: Australia and New Zealand	682	Cook Islands
105	Asia-Pacific: Australia and New Zealand	64	New Zealand
9	Asia-Pacific: Islands	679	Fiji
9	Asia-Pacific: Islands	689	French Polynesia
9	Asia-Pacific: Islands	686	Kiribati
9	Asia-Pacific: Islands	691	Micronesia
9	Asia-Pacific: Islands	674	Nauru
9	Asia-Pacific: Islands	687	New Caledonia
9	Asia-Pacific: Islands	680	Palau
9	Asia-Pacific: Islands	675	Papua New Guinea
9	Asia-Pacific: Islands	685	Samoa
9	Asia-Pacific: Islands	677	Solomon Islands
9	Asia-Pacific: Islands	676	Tonga

Region Code	Region Name	Country Code	Country Name
9	Asia-Pacific: Islands	688	Tuvalu
9	Asia-Pacific: Islands	678	Vanuatu
15	Europe: Central	420	Czech Republic
15	Europe: Central	372	Estonia
15	Europe: Central	36	Hungary
15	Europe: Central	371	Latvia
15	Europe: Central	370	Lithuania
15	Europe: Central	48	Poland
15	Europe: Central	421	Slovak Republic
16	Europe: Eastern	355	Albania
16	Europe: Eastern	387	Bosnia and Herzegovina
16	Europe: Eastern	359	Bulgaria
16	Europe: Eastern	385	Croatia
16	Europe: Eastern	383	Kosovo
16	Europe: Eastern	389	Macedonia
16	Europe: Eastern	382	Montenegro
16	Europe: Eastern	40	Romania
16	Europe. Eastern	381	Serbia
16	Europe: Eastern	90	Turkey
14	Europe: Russia & CIS	374	Armenia
14	Europe: Russia & CIS	994	Azerbaijan
14	Europe: Russia & CIS	375	Belarus
14	Europe: Russia & CIS	995	Georgia
14	Europe: Russia & CIS	8	Kazakhstan
14	Europe: Russia & CIS	996	Kyrgyzstan
14	Europe: Russia & CIS	373	Moldova
14	Europe: Russia & CIS	976	Mongolia
14	Europe: Russia & CIS	7	Russia
14	Europe: Russia & CIS	992	Tajikistan
14	Europe: Russia & CIS	993	Turkmenistan
14	Europe: Russia & CIS	380	Ukraine
14	Europe: Russia & CIS	998	Uzbekistan
102	Europe: Western	376	Andorra
102	Europe: Western	43	Austria
102	Europe: Western	32	Belgium
102	Europe: Western	357	Cyprus
102	Europe: Western	45	Denmark
102	Europe: Western	358	Finland
102	Europe: Western	33	France
102	Europe: Western	49	Germany
102	Europe: Western	30	Greece
102	Europe: Western	354	Iceland
102	Europe: Western	353	Ireland
102	Europe: Western	101	Isle of Man
102	Europe: Western	39	Italy
102	Europe: Western	102	Liechtenstein

Region Code	Region Name	Country Code	Country Name
102	Europe: Western	352	Luxembourg
102	Europe: Western	356	Malta
102	Europe: Western	377	Monaco
102	Europe: Western	31	Netherlands
102	Europe: Western	47	Norway
102	Europe: Western	351	Portugal
102	Europe: Western	386	Slovenia
102	Europe: Western	34	Spain
102	Europe: Western	46	Sweden
102	Europe: Western	41	Switzerland
102	Europe: Western	44	United Kingdom
10	Middle East: Gulf States	973	Bahrain
10	Middle East: Gulf States	98	Iran
10	Middle East: Gulf States	964	Iraq
10	Middle East: Gulf States	965	Kuwait
10	Middle East: Gulf States	968	Oman
10	Middle East: Gulf States	974	Qatar
10	Middle East: Gulf States	966	Saudi Arabia
10	Middle East: Gulf States	971	United Arab Emirates
10	Middle East: Gulf States	967	Yemen
11	Middle East: MENA	213	Algeria
11	Middle East: MENA	20	Egypt
11	Middle East: MENA	972	Israel
11	Middle East MENA	962	Jordan
11	Middle East: MENA	961	Lebanon
11	Middle East: MENA	212	Morocco
11	Middle East: MENA	970	Palestinian Settlements
11	Middle East: MENA	963	Syrian Arab Republic
11	Middle East: MENA	216	Tunisia
11	Middle East: MENA	1212	Western Sahara
11	Middle East: MENA	218	Libya

ANNEX D
FORM OF IRISH TAX DECLARATION

Interest on Quoted Eurobonds

Declaration of residence outside Ireland for the purposes of Section 64(7) Taxes Consolidation Act 1997[1]

Before completing this declaration, please consult the notes overleaf in relation to residence.

Declaration on own behalf

I/we/the company* declare that I am/we are/the company* is beneficially entitled to the interest in respect of which this declaration is made and that

- I am/we are/the company is* not resident in Ireland, and
- Should I/we/the company* become resident in Ireland I will/we will* so inform you, in writing, accordingly.

*Delete as appropriate

Declaration on behalf of beneficial owner[2]

I/we/the company* being the person to whom the interest is payable declare:

- That the person(s) named below is/are beneficially entitled to the interest to which this declaration refers;
- That the person(s) who is/are beneficially entitled to the interest is/are not resident in Ireland; and,
- I/we/the company* will inform you in writing if I/we/the company* become aware that the beneficial owner(s) of the interest becomes resident in Ireland.

*Delete as appropriate

Name and address of beneficial owner:_____

_____

Country of residence: _____

Name and address of the person to whom the interest is payable on behalf of the beneficial owner, (where applicable): _____

_____

[3]Signature of declarer:_____[4]Capacity_____

IMPORTANT NOTES

This is a Revenue authorised declaration. It is subject to inspection by Revenue. It is an offence to make a false declaration.

1 This declaration must be made to the "relevant person". (See overleaf for definition)
2 This section applies where the interest is paid to a nominee, agent or trustee on behalf of the beneficial owner.
3 This declaration must be signed by either the beneficial owner or the person to whom the interest is payable on behalf of the beneficial owner. In the case of a company the declaration must be signed by the company secretary or other such authorised officer. Where the declaration is signed under power of attorney, a copy of the power of attorney must be furnished in support of the signature.
4 State whether you are signing as beneficial owner or as the person to whom the interest is payable on behalf of the beneficial owner.

A relevant person is:

(a) the person by or through whom the interest is paid, or
(b) a banker or any other person in the State who receives or obtains payment of Eurobond interest for another person by means of presenting coupons, or
(c) a bank in the state which sells or otherwise realises coupons and pays over the proceeds to another person or carries them into an account for another person, or
(d) a dealer in coupons who purchases coupons.

Residence - Individual

An individual will be regarded as being resident in Ireland for a tax year if s/he:

1) spends 183 days or more in the State in that tax year;

2) has a combined presence of 280 days in the State, taking into account the number of days spent in the State in that tax year together with the number of days spent in the State in the preceding year.

Presence in a tax year by an individual of not more than 30 days in the State will not be reckoned for the purpose of applying the two-year test. Presence in the State for a day means the personal presence of an individual at the end of the day (midnight). From 1 January 2009, presence in the State for a day means the personal presence of an individual at any time during the day.

Residence – Company

A company which has its central management and control in Ireland (the "**State**") is resident in the State irrespective of where it is incorporated. A company which does not have its central management and control in Ireland but which is incorporated in the State is resident in the State except where: -

- the company or a related company carries on a trade in the State, and either the company is ultimately controlled by persons resident in EU Member States or countries with which the Republic of Ireland has a double taxation treaty, or the company or a related company are quoted companies on a recognised Stock Exchange in the EU or in a tax treaty country, or
- the company is regarded as not resident in the State under a double taxation treaty between the Republic of Ireland and another country.

It should be noted that the determination of a company's residence for tax purposes can be complex in certain cases and declarants are referred to the specific legislative provisions which are contained in section 23A Taxes Consolidation Act, 1997.

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Dublin 1, Ireland

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