BLACK DIAMOND CLO 2019-1 DESIGNATED ACTIVITY COMPANY
(a private company with limited liability incorporated under the laws of Ireland, under company number 626715)

€3,000,000 Class X Senior Secured Floating Rate Notes due 2032
€187,000,000 Class A-1 Senior Secured Floating Rate Notes due 2032
$34,360,000 Class A-2 Senior Secured Floating Rate Notes due 2032
$25,000,000 Class A-3 Senior Secured Fixed Rate Notes due 2032
€27,000,000 Class B-1 Senior Secured Floating Rate Notes due 2032
€25,000,000 Class B-2 Senior Secured Fixed Rate Notes due 2032
€22,000,000 Class C Senior Secured Deferrable Floating Rate Notes due 2032
€25,000,000 Class D Senior Secured Deferrable Floating Rate Notes due 2032
€22,000,000 Class E Senior Secured Deferrable Floating Rate Notes due 2032
€11,000,000 Class F Senior Secured Deferrable Floating Rate Notes due 2032
€24,500,000 Class M-1 Subordinated Notes due 2032
$8,512,000 Class M-2 Subordinated Notes due 2032

The assets securing the Notes (as defined herein) will consist primarily of a portfolio of Senior Obligations, Mezzanine Obligations and High Yield Bonds managed by Black Diamond CLO 2019-1 Adviser, L.L.C. (the "**Collateral Manager**"), an investment management Affiliate of Black Diamond Capital Management L.L.C.

Black Diamond CLO 2019-1 Designated Activity Company (the "**Issuer**") will issue the Class X Notes, the Class A-1 Notes, the Class A-2 Notes, the Class A-3 Notes, the Class B-1 Notes, the Class B-2 Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes, the Class M-1 Subordinated Notes and the Class M-2 Subordinated Notes (each as defined herein) on or about 1 August 2019 (the "**Issue Date**").

The Class X Notes, the Class A-1 Notes, the Class A-2 Notes, the Class A-3 Notes, the Class B-1 Notes, the Class B-2 Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes (such Classes, the "**Rated Notes**" and together with the Class M Subordinated Notes are collectively referred to herein as the "**Notes**"). The Notes will be issued and secured pursuant to a trust deed (the "**Trust Deed**") and secured pursuant to an Irish deed of charge (the "**Irish Deed of Charge**"), in each case dated on or about Issue Date and made between (amongst others) the Issuer and U.S. Bank National Association, in its capacity as trustee (the "**Trustee**").

Interest on the Notes will be payable (i) quarterly in arrear on 15 February, 15 May, 15 August and 15 November 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 February and 15 August (where the Payment Date immediately following the occurrence of the relevant Frequency Switch Event is February or August), or (B) 15 May and 15 November (where the Payment Date immediately following the occurrence of the relevant Frequency Switch Event is May or November), commencing on 15 February 2020 and ending on the Maturity Date (as defined herein) (subject to any earlier redemption of the Notes and in each case subject to adjustment for non-Business Days in accordance with the Conditions and in accordance with the Priorities of Payment).

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

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

This Offering Circular does not constitute a prospectus for the purposes of Article 6 of the European Regulation (EU) 2017/1129 and any delegated, implementing and/or supplementing acts relating thereto whether at European Union or national level (together, the "**European Prospectus Regulation**"). The Issuer is not offering the Notes in any jurisdiction in circumstances that would require a prospectus to be prepared pursuant to the European Prospectus Regulation. Application has been made to The Irish Stock Exchange p.l.c. trading as Euronext Dublin ("**Euronext Dublin**") for the Notes to be admitted to the official list (the "**Official List**") and trading on the Global Exchange Market of Euronext Dublin (the "**Global Exchange Market**") which is the exchange regulated market of Euronext Dublin. The Global Exchange Market is not a regulated market for the purposes of EU Directive 2014/65/EU (as amended) and EU Regulation 600/2014/EU on Markets in Financial Instruments (collectively, the "**MiFID II**"). There can be no assurance that any such listing will be maintained.

This Offering Circular constitutes listing particulars for the purpose of such application and has been approved by Euronext Dublin.

The Notes are limited recourse obligations of the Issuer which are payable solely out of amounts received by or on behalf of the Issuer in respect of the Collateral (as defined herein). The net proceeds of the realisation of the security over the Collateral upon acceleration of the Notes following a Note Event of Default (as defined herein) may be insufficient to pay all amounts due on the Notes after making payments to other creditors of the Issuer ranking in priority 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, and all claims in respect of such shortfall will be extinguished. See Condition 4(c) (*Limited Recourse and Non-Petition*).

The Notes have not been registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") and will be offered only: (a) outside the United States to non-U.S. Persons (in compliance with Regulation S under the Securities Act ("**Regulation S**")); and (b) within the United States to persons and outside the United States to U.S. Persons (as such term is defined in Regulation S ("**U.S. Persons**")), in each case, who are both (1) either (a) qualified institutional buyers (as defined in Rule 144A under the Securities Act ("**Rule 144A**")) in reliance on Rule 144A; or (b) solely in connection with the offering of the Class M Subordinated Notes, institutional accredited investors (as defined in Rule 501(a) (1), (2), (3) or (7) of the Securities Act; and (2) qualified purchasers for the purposes of Section 3(c)(7) of the United States Investment Company Act of 1940, as amended (the "**Investment Company Act**"). The Issuer will not be registered under the Investment Company Act. Interests in the Notes will be subject to certain restrictions on transfer, and each purchaser of the Notes offered hereby in making its purchase will be deemed to have made certain acknowledgements, representations and agreements. See "*Plan of Distribution*" and "*Transfer Restrictions*".

The Notes (other than the Retention Notes) are being offered by the Issuer through each of NATIXIS in its capacities as initial purchaser (the "**Initial Purchaser**") and a co-placement agent of the offering of such Notes (a "**Co-Placement Agent**") and SMBC Nikko Capital Markets Limited in its capacity as a co-placement agent in respect of a portion of the Class A-1 Notes only (a "**Co-Placement Agent**", and together with NATIXIS in its capacity as a Co-Placement Agent, the "**Co-Placement Agents**"), subject to prior sale, when, as and if delivered to and accepted by the Initial Purchaser, and to certain conditions. The Retention Notes to be held by the Retention Holder shall be purchased by the Retention Holder directly from the Issuer on the Issue Date. It is expected that delivery of the Notes will be made on or about the Issue Date.

NATIXIS	**SMBC Nikko**
Sole Arranger, Initial Purchaser and Co-Placement Agent	Co-Placement Agent in respect of the Class A-1 Notes only

The date of this Offering Circular is 1 August 2019

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 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 has notified the Issuer that the Collateral Manager accepts responsibility for the information contained in the sections of this document headed "Risk Factors – Conflicts of Interest – The Issuer will be subject to various conflicts of interest involving the Collateral Manager, the Originator and their Affiliates", "Description of the Collateral Manager", and "Description of the Collateral Management and Administration Agreement – Conflicts of Interest". The Originator has notified the Issuer that the Originator accepts responsibility for the information contained in the sections of this document headed "Description of the Originator and the EU Securitisation Regulation – Originator", "Description of the Originator and the EU Securitisation Regulation – Origination", and "Description of the Originator and the EU Securitisation Regulation – Credit Granting Criteria". Each of the Collateral Manager and the Originator has notified the Issuer that, to the best of the knowledge and belief of the Collateral Manager or the Originator (as applicable) (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 Collateral Administrator has notified the Issuer that the Collateral Administrator accepts responsibility for the information contained in the section of this document headed "Description of the Collateral Administrator". The Collateral Administrator has notified the Issuer that, 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. Except as specified above, none of the Collateral Manager, the Originator, the Collateral Administrator or any of their respective Affiliates accepts any responsibility for the accuracy and completeness of any information contained in this Offering Circular. The delivery of this Offering Circular at any time does not imply that the information herein is correct at any time subsequent to the date of this Offering Circular.

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

*This Offering Circular does not constitute an offer of, or an invitation by or on behalf of, the Issuer, the Initial Purchaser, the Arranger, the Co-Placement Agents, the Collateral Manager, the Originator, the Collateral Administrator, the Trustee and/or any of their respective Affiliates or any other person to subscribe for or purchase any of the Notes. The distribution of this Offering Circular and the offering of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Issuer, the Initial Purchaser, the Arranger and the Co-Placement Agents 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 not retail investors in the European Economic Area ("**EEA**") and (ii) are persons to whom this Offering Circular can be sent lawfully in accordance with all other applicable securities laws (all such persons together being referred to as "**relevant persons**"). For these purposes, a retail investor means a person who is one (or more) of: (A) a retail client as defined in MiFID II; or (B) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (C) not a "qualified investor" as defined in the European Regulation (EU) 2017/1129 and any delegated, implementing and/or supplementing acts relating thereto whether at European Union or national level (together, the*

*"**European Prospectus Regulation**"). This communication must not be distributed to, acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this communication relates is available only to relevant persons and will be engaged in only with relevant persons. For a description of certain further restrictions on offers and sales of Notes and distribution of this Offering Circular, see "Plan of Distribution" and "Transfer Restrictions" below.*

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

In this Offering Circular, unless otherwise specified or the context otherwise requires, all references to "Euro", "euro", "€"and "EUR" are to the lawful currency of the member states of the European Union that have adopted and retain the single currency in accordance with the Treaty on the Functioning of the European Union, as amended from time to time; provided that *if any member state or states ceases to have such single currency as its lawful currency (such member state(s) being the "Exiting State(s)"), the euro shall, for the avoidance of doubt, mean for all purposes the single currency adopted and retained as the lawful currency of the remaining member states and shall not include any successor currency introduced by the Exiting State(s) but for the avoidance of doubt shall not affect any definition of euro used in respect of the Collateral 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 the Regulation (EC) No 1060/2009 (as amended) (the "**CRA Regulation**").

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

In connection with the issue of the Notes, no stabilisation will take place and neither NATIXIS nor SMBC Nikko Capital Markets Limited will be acting as stabilising manager in respect of the Notes.

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

EU RISK RETENTION, TRANSPARENCY AND DUE DILIGENCE REQUIREMENTS

EU Risk Retention Requirement

Black Diamond Commercial Finance, L.L.C., an Affiliate of the Collateral Manager, in its capacity as Originator, will undertake, amongst other matters, to retain a material net economic interest of not less than five per cent. of the nominal value of the securitised exposures as determined in accordance with Article 6 of the Regulation (EU) 2017/2402 (as implemented by the Member States of the European Union, the "**Securitisation Regulation**") (together with any other guidelines and technical standards published in relation thereto by the EBA or contained in any European Commission delegated regulation as may be effective from time to time, in each case together with any amendments to those provisions or any successor or replacement provisions included in any European Union directive or regulation, the "**EU Risk Retention Requirement**"), by subscribing for and holding, on an ongoing basis, and for so long as any Notes are Outstanding (i) Class M-1 Subordinated Notes with a Principal Amount Outstanding as of the Issue Date equal to not less than five per cent. of the Collateral Principal Amount (as defined herein) consisting of Collateral Obligations and Balances in each case denominated in currencies other than USD; and (ii) Class M-2 Subordinated Notes with a Principal Amount Outstanding as of the Issue Date equal to not less than five per cent. of the Collateral Principal Amount (as defined herein) consisting of USD Collateral Obligations and Balances denominated in USD (such Class M-1 Subordinated Notes and Class M-2 Subordinated Notes being the "**Retention Notes**"), as further described in "*Description of the Originator and the EU Securitisation Regulation*".

EU Transparency Requirements

In addition, (a) the Issuer is designated, in accordance with Article 7(2) of the Securitisation Regulation, as the entity responsible to fulfil the information requirements under Article 7 of the Securitisation Regulation (the "**EU Transparency Requirements**"), (b) the Collateral Manager and the Collateral Administrator shall, in accordance with the terms of the Collateral Management and Administration Agreement and on behalf of and at the expense of the Issuer, assist the Issuer with the delivery of the information or reports required to be delivered by it pursuant to Article 7 of the Securitisation Regulation (and prior to the adoption of final disclosure templates in respect of the EU Transparency Requirements, the Issuer intends to fulfil those requirements contained in subparagraphs (a) and (e) of Article 7(l) of the Securitisation Regulation through the Monthly Reports and the Payment Date Reports, see "*Description of the Reports*"), (c) following the adoption of the final disclosure templates in respect of the EU Transparency Requirements, the Issuer (with the consent of the Collateral Manager, such consent not to be unreasonably withheld or delayed) will propose in writing to the Collateral Administrator the form, content, method of distribution and timing of such reports and information and (d) the Collateral Administrator, if it agrees, shall provide certain assistance to the Issuer in relation to the matters listed in (b) and (c) above pursuant to the Collateral Management and Administration Agreement. If the Collateral Administrator fails or does not agree to assist the Issuer in conducting such reporting, the Issuer will appoint (with the consent and assistance of the Collateral Manager) another entity to make such information available to the competent authorities, any Noteholder and any potential investor in the Notes.

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. In a "Questions and Answers" document produced by ESMA on 31 January 2019, ESMA indicated that if a securitisation has not yet been issued, the transaction documents may be provided in draft form. Therefore the Collateral Administrator (acting on behalf of the Issuer), has made draft documentation available in substantially final form via a website (see "*Description of the Reports*") to certain parties that are to be purchasers of the Notes prior to pricing. None of the Issuer, the Collateral Manager, the Retention Holder, the Initial Purchaser, the Arranger, the Co-Placement Agents, the Trustee, any Hedge Counterparty or any other person gives any assurance as to whether competent authorities will determine that such disclosure is sufficient for the purposes of the Securitisation Regulation. The Issuer shall, with reasonable assistance from the Collateral Manager and the Collateral Administrator, notify the Central Bank of the transaction described herein no later than 15 Business Days after the Issue Date, which notification shall include the details prescribed by the European Union (General Framework for Securitisation and Specific Framework for Simple, Transparent and Standard Securitisation) Regulations 2018 of Ireland.

EU Due Diligence Requirements

Each prospective investor in the Notes is required to independently assess and determine whether the information provided herein and in any reports provided to investors in relation to this transaction are sufficient to comply with, where applicable, Article 5 of the Securitisation Regulation (the "**EU Due Diligence**

Requirements") or any other regulatory requirement. None of the Issuer, the Collateral Manager, any Collateral Manager Related Person, the Originator, the Initial Purchaser, the Arranger, the Co-Placement Agents, the Collateral Administrator, the Trustee, any other Agent, any of their respective Affiliates or any other Person makes any representation, warranty or guarantee that any such information is sufficient for such purposes or any other purpose and no such Person shall have any liability to any prospective investor or any other Person with respect to the insufficiency of such information or any failure of the transactions contemplated hereby to satisfy the EU Risk Retention Requirement, the EU Transparency Requirements, the EU Due Diligence Requirements, or any other applicable legal, regulatory or other requirements. It should be noted that the Transaction Documents do not require the Retention Holder to change the quantum or nature of its holding of the Retention Notes due to any future changes in the EU Risk Retention Requirement or in the interpretation thereof. Each prospective investor in the Notes which is subject to the EU Due Diligence Requirements, or any other regulatory requirement should consult with its own legal, accounting and other advisors and/or its 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 – EU Securitisation Regulation*", and "*Description of the Originator and the EU Securitisation Regulation*" below.

THE ARRANGER, THE INITIAL PURCHASER AND THE CO-PLACEMENT AGENTS DO NOT ACCEPT ANY RESPONSIBILITY FOR COMPLIANCE OF THE ISSUER, THE RETENTION HOLDER, THE COLLATERAL MANAGER AND THE COLLATERAL ADMINISTRATOR WITH ANY REQUIREMENTS OF THE SECURITISATION REGULATION, INCLUDING ANY TECHNICAL STANDARDS THERETO.

U.S. CREDIT RISK RETENTION

Black Diamond Commercial Finance, L.L.C, a "majority-owned affiliate" (as defined in the U.S. Risk Retention Rules) of the Collateral Manager and in its capacity as the Retention Holder, intends to purchase the Retention Interest on the Issue Date for the purposes of satisfying the credit risk retention requirements of Section 941 of the Dodd Frank Act (the "**U.S. Risk Retention Rules**"). Although the LSTA Decision held that collateral managers of "open market CLOs" do not have to comply with the U.S. Risk Retention Rules (see "*Risk Factors – Regulatory Initiatives – U.S. Risk Retention Rules*"), a substantial portion of the Collateral Obligations acquired by the Issuer are expected to be acquired from the Retention Holder. As a result, the Collateral Manager intends to hold the Retention Notes, as contemplated by the U.S. Risk Retention Rules, by the Retention Holder retaining an "eligible horizontal residual interest" or other eligible retention interest under the U.S. Risk Retention Rules. See "*Credit Risk Retention*". In the event the Collateral Manager determines that the U.S. Risk Retention Rules are not applicable to it for purposes of this transaction, it and its majority-owned affiliates may cease to hold all or any portion of the Retention Interest for purposes of complying with the U.S. Risk Retention Rules and consequently, there can be no assurance that the Retention Holder will retain the Retention Interest.

None of the Issuer, the Initial Purchaser, the Arranger, the Co-Placement Agents, the Trustee, the Collateral Administrator or any other Agent provides any assurances regarding, or assumes responsibility for, the Collateral Manager's compliance with the U.S. Risk Retention Rules prior to, on or after the Issue Date. Each recipient of this Offering Circular, to the extent it considers the U.S. Risk Retention Rules to be relevant to its decision to invest, should independently assess and determine the sufficiency, for the purposes of complying with the U.S. Risk Retention Rules, of the information set forth in this Offering Circular, and should consult with its own legal, accounting and other advisors or its national regulator to determine whether, and to what extent, such information is sufficient for such purposes and with respect to any other related requirements of which it is uncertain.

VOLCKER RULE

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

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

The Issuer may be deemed to be a "covered fund" under the Volcker Rule and, in such circumstances, in the absence of regulatory relief, the provisions of the Volcker Rule and its related regulatory provisions, will severely limit the ability of U.S. "banking entities" and non-U.S. affiliates of U.S. banking institutions to hold an ownership interest in the Issuer or enter into financial transactions with the Issuer. If the Issuer is deemed to be a "covered fund", this could significantly impair the marketability and liquidity of the Notes.

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

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

There is limited interpretive guidance regarding the Volcker Rule, and implementation of the regulatory framework for the Volcker Rule is still evolving. The Volcker Rule's prohibitions and lack of interpretive guidance could negatively impact the liquidity and value of the Notes. Any entity that is a "banking entity" as defined under the Volcker Rule and is considering an investment in the Notes should consider the potential impact of the Volcker Rule in respect of such investment and on its portfolio generally. Each purchaser must determine for itself whether it is a banking entity subject to regulation under the Volcker Rule. None of the Issuer, the Collateral Manager, the Collateral Manager Related Persons, the Initial Purchaser, the Arranger, the Co-Placement Agents, the Trustee, the Originator or any Agent makes any representation, warranty or guarantee regarding (i) the status of the Issuer under the Volcker Rule or (ii) the ability of any purchaser to acquire or hold the Notes, now or at any time in the future and no such person shall have any liability to any prospective investor with respect to such matters. See "*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" (as defined in Rule 144A) ("**QIBs**") that are also "qualified purchasers" for purposes of Section 3(c)(7) of the Investment Company Act ("**QPs**"). Rule 144A Notes of each Class will each be represented on issue by beneficial interests in one or more permanent global certificates of such Class (each, a "**Rule 144A Global Certificate**" and together, the "**Rule 144A Global Certificates**"), in each case in fully registered form, without interest coupons or principal receipts, which will be deposited on or about the Issue Date with, and registered in the name of, a nominee of a common depositary for Euroclear Bank S.A./N.V., as operator of the Euroclear System ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**"), or, in the case of Rule 144A Definitive Certificates, the registered holder thereof. Class M Subordinated Notes offered pursuant to an exemption from registration requirements under Section 4(a)(2) of the Securities Act ("**Section 4(a)(2)**") (the "**IAI Class M Subordinated Notes**"), will be sold only to "institutional accredited investors" (as defined in Rule 501(a) (1), (2), (3) or (7) of the Securities Act) ("**IAIs**") that are also QPs. The IAI Class M Subordinated Notes will each be represented on issue by Notes in definitive, certificated, fully registered form pursuant to the Trust Deed and which will be deposited with and registered in the name of the holder (or a nominee) thereof. The Notes of each Class sold outside the United States to non-U.S. Persons in reliance on Regulation S ("**Regulation S**") under the Securities Act (the "**Regulation S Notes**") will each 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**"), 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. Notes (other than the Retention Notes) in definitive certificated form will be issued only in limited circumstances. The Class E Notes, the Class F Notes and the Class M Subordinated Notes may, in certain circumstances described herein, be issued in definitive, certificated, fully registered form, pursuant to the Trust Deed and will be offered outside the United States to non-U.S. Persons in reliance on Regulation S and within the United States to persons who are QIB/QPs in reliance on Rule 144A (or IAIs/QPs under Section 4(a)(2) in the case of the IAI Class M Subordinated Notes as described above) and, in each case, will be registered in the name of the holder (or a nominee thereof). The Retention Notes will be issued in definitive, certificated form. In each case, purchasers and transferees of notes will be deemed and in certain circumstances will be required to have made certain representations and agreements. See "*Form of the Notes*", "*Book Entry Clearance Procedures*", "*Plan of Distribution*" and "*Transfer Restrictions*".

The Issuer has not been registered under the Investment Company Act. Each purchaser of an interest in the Notes (other than a non-U.S. Person outside the U.S.) will be deemed to have represented and agreed that it is a QIB (or an IAI in the case of the IAI Class M Subordinated Notes, as applicable) 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 (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 (or IAI in the case of the IAI Class M Subordinated Notes, as applicable) and a QP, in a transaction meeting the requirements of Rule 144A (or in the case of the IAI Class M Subordinated Notes in a transaction exempt from registration under the Securities Act), 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 DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.

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

Notwithstanding anything to the contrary herein, each recipient (and each employee, representative, or other agent of such recipient) may disclose to any and all persons, without limitation of any kind, the U.S. federal, state, and local tax treatment of the Issuer, the Notes, or the transactions referenced herein and all materials of any kind (including opinions or other U.S. tax analyses) relating to such U.S. federal, state, and local tax treatment and that may be relevant to understanding such U.S. federal, state, and local tax treatment.

Notice to Florida Residents

The Notes are offered pursuant to a claim of exemption under section 517.061 of the Florida securities act and have not been registered under said act in the state of Florida. All Florida residents who are not institutional investors described in section 517.061(7) of the Florida securities act have the right to void their purchase of the Notes, without penalty, within three days after the first tender of consideration.

Available Information

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

General Notice

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

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

Commodity Pool Regulation

BASED UPON INTERPRETIVE GUIDANCE PROVIDED FROM A DIVISION OF 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 ONE OR MORE HEDGE AGREEMENTS FOLLOWING RECEIPT OF LEGAL ADVICE (WHICH FOR THE AVOIDANCE OF DOUBT DOES NOT HAVE TO BE IN THE FORM OF A LEGAL OPINION) FROM REPUTABLE COUNSEL TO THE EFFECT THAT NONE OF THE ISSUER, ITS DIRECTORS OR OFFICERS, OR THE COLLATERAL MANAGER OR ANY OF ITS DIRECTORS, OFFICERS OR EMPLOYEES, SHOULD BE REQUIRED TO REGISTER WITH THE U.S. COMMODITY FUTURES TRADING COMMISSION (THE "**CFTC**") AS A "COMMODITY POOL OPERATOR" (AS SUCH TERM IS DEFINED IN THE U.S. COMMODITY EXCHANGE ACT OF 1936, AS AMENDED (THE "**CEA**")). 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 WILL AGREE TO USE COMMERCIALLY REASONABLE EFFORTS TO CAUSE THE ISSUER TO BE OPERATED IN COMPLIANCE WITH THE EXEMPTION SET FORTH IN SECTION 4.13(a)(3) OF THE CFTC'S REGULATIONS AS IN EFFECT ON THE ISSUE DATE. UTILIZING 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 COMMODITY POOL OPERATOR, 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 COMMODITY POOL OPERATORS. NEITHER THE CFTC NOR THE NATIONAL FUTURES ASSOCIATION ("**NFA**") PASS UPON THE MERITS OF PARTICIPATING IN A POOL OR UPON THE ADEQUACY OR ACCURACY OF AN OFFERING MEMORANDUM. CONSEQUENTLY, NEITHER THE CFTC NOR THE NFA HAS REVIEWED OR APPROVED THIS OFFERING CIRCULAR OR ANY RELATED SUBSCRIPTION AGREEMENT.

FORWARD LOOKING STATEMENTS

THIS OFFERING CIRCULAR CONTAINS FORWARD-LOOKING STATEMENTS, WHICH CAN BE IDENTIFIED BY WORDS LIKE "ANTICIPATE," "BELIEVE," "PLAN," "HOPE," "GOAL," "INITIATIVE," "EXPECT," "CONTINUE," "FUTURE," "INTEND," "MAY," "WILL," "COULD" AND "SHOULD" OR THE NEGATIVES THEREOF OR OTHER VARIATIONS THEREON OR COMPARABLE TERMINOLOGY. ANY SUCH STATEMENTS, WHICH INCLUDE PRELIMINARY FAIR VALUE DETERMINATIONS MADE PRIOR TO THE ISSUE DATE, ESTIMATES PRIOR TO THE ISSUE DATE OF THE EXPECTED RANGE OF AMOUNTS AND EXPECTED RANGE OF PERCENTAGES OF THE RETENTION INTEREST TO BE ACQUIRED ON THE ISSUE DATE AND CERTAIN INFORMATION APPEARING UNDER THE HEADINGS "*RISK FACTORS*" AND "*CREDIT RISK RETENTION*" (INCLUDING ALL OF THE INFORMATION APPEARING UNDER THE HEADING "*CREDIT RISK RETENTION—KEY INPUTS AND ASSUMPTIONS*"), ARE INHERENTLY SUBJECT TO A VARIETY OF RISKS AND UNCERTAINTIES THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE PROJECTED, EXPECTED, INTENDED, ASSUMED AND/OR DESCRIBED HEREIN. SUCH RISKS AND UNCERTAINTIES INCLUDE, AMONG OTHER THINGS, CHANGES IN POLITICAL AND ECONOMIC CONDITIONS, MARKET CONDITIONS, CHANGES IN INTEREST RATES, CURRENCY EXCHANGE RATE FLUCTUATIONS, MARKET, FINANCIAL OR LEGAL UNCERTAINTIES, DIFFERENCES IN THE ACTUAL ALLOCATION OF THE COLLATERAL OBLIGATIONS AMONG ASSET CATEGORIES FROM THOSE ASSUMED, THE TIMING AND PRICING OF ACQUISITIONS AND DISPOSITIONS AND THE AVAILABILITY OF THE COLLATERAL OBLIGATIONS, THE TIMING, FREQUENCY AND SEVERITY OF DEFAULTS ON THE COLLATERAL OBLIGATIONS AND RECOVERIES THEREON, MISMATCHES BETWEEN THE TIMING OF ACCRUAL AND RECEIPT OF INTEREST PROCEEDS AND PRINCIPAL PROCEEDS FROM THE COLLATERAL OBLIGATIONS (PARTICULARLY DURING THE REINVESTMENT PERIOD), THE EFFECTIVENESS OF ANY HEDGE AGREEMENT AND THE PERFORMANCE OF ANY HEDGE COUNTERPARTY, THE POTENTIAL IMPACT OF ANY CURRENT, PENDING OR FUTURE APPLICABLE LAWS (INCLUDING THE DODD-FRANK ACT) AND/OR ACCOUNTING STANDARDS (INCLUDING ANY AMENDMENT, REPEAL OR CHANGES TO SUCH APPLICABLE LAWS AND/OR ACCOUNTING STANDARDS, ADDITIONAL GUIDANCE OR CHANGES IN THE INTERPRETATION THEREOF) AND REGULATORY INITIATIVES IMPACTING BANKS, OTHER FINANCIAL INSTITUTIONS, ASSET MANAGERS, SECURITIZERS OF ASSETS AND PRIVATE FUNDS (INCLUDING HEIGHTENED CAPITAL REQUIREMENTS AND LIQUIDITY RESERVES, REGULATION OF SWAPS, SWAP DEALERS AND OTHER MARKET PARTICIPANTS AND RULES RELATED TO SECURITISATIONS), CHANGES IN FISCAL OR MONETARY POLICIES AND FLUCTUATIONS, CHANGES IN MARKET PRACTICES, AND VARIOUS OTHER EVENTS, CONDITIONS AND CIRCUMSTANCES, MANY OF WHICH ARE BEYOND THE CONTROL OF THE ISSUER, THE TRUSTEE, THE INITIAL PURCHASER, THE ARRANGER, THE CO-PLACEMENT AGENTS, THE COLLATERAL MANAGER, THE COLLATERAL ADMINISTRATOR, ANY OTHER AGENT OR ANY OF THEIR RESPECTIVE AFFILIATES OR ANY OTHER PERSON.

WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, THE INCLUSION OF FORWARD-LOOKING STATEMENTS HEREIN SHOULD NOT BE REGARDED AS A REPRESENTATION BY ANY OF THE ISSUER, THE TRUSTEE, THE INITIAL PURCHASER, THE ARRANGER, THE CO-PLACEMENT AGENTS, THE COLLATERAL MANAGER, THE COLLATERAL ADMINISTRATOR, ANY OTHER AGENT OR ANY OF THEIR RESPECTIVE AFFILIATES OR ANY OTHER PERSON OF THE RESULTS THAT WILL ACTUALLY BE ACHIEVED. SUCH FORWARD-LOOKING STATEMENTS ARE BASED UPON CERTAIN INPUTS AND ASSUMPTIONS ABOUT FUTURE EVENTS AND CONDITIONS, AND ARE INTENDED ONLY TO ILLUSTRATE HYPOTHETICAL RESULTS USING THOSE INPUTS AND ASSUMPTIONS (NOT ALL OF WHICH ARE SPECIFIED HEREIN OR CAN BE ASCERTAINED AS OF THE DATE HEREOF). SUCH FORWARD-LOOKING STATEMENTS DO NOT REPRESENT ANY ACTUAL PRICES, VALUES OR THE PERFORMANCE OF THE ISSUER OR ANY CLASS OF NOTES AND NEITHER DO THEY PRESENT ALL POSSIBLE OUTCOMES OR DESCRIBE ALL FACTORS THAT MAY AFFECT THE VALUE OF ANY APPLICABLE INVESTMENT. ACTUAL EVENTS OR CONDITIONS ARE UNLIKELY TO BE CONSISTENT WITH, AND MAY DIFFER SIGNIFICANTLY FROM, THOSE ASSUMED. ACCORDINGLY, ACTUAL RESULTS MAY VARY AND THE VARIATIONS MAY BE SUBSTANTIAL. EXCEPT TO THE EXTENT SET FORTH UNDER "*CREDIT RISK RETENTION—POST-CLOSING UPDATE*," NONE OF THE FOREGOING PERSONS HAS ANY OBLIGATION TO UPDATE OR OTHERWISE REVISE ANY FORWARD-LOOKING STATEMENTS,

INCLUDING ANY REVISION TO REFLECT CHANGES IN ANY CIRCUMSTANCES ARISING AFTER THE DATE HEREOF RELATING TO ANY ASSUMPTIONS OR OTHERWISE.

MIFID II Product Governance

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

PRIIPs Regulation and European Prospectus Regulation

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any "retail investor" in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a "qualified investor" as defined in the European Regulation (EU) 2017/1129 and any delegated, implementing and/or supplementing acts relating thereto whether at European Union or national level (together, the "**European Prospectus Regulation**"). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

Benchmark Regulations

Amounts payable under the Rated Notes may be calculated by reference to LIBOR, which is administered by ICE Benchmark Administration Limited or EURIBOR, which is administered by European Money Markets Institute. As at the date of this Offering Circular, ICE Benchmark Administration Limited appears, but European Money Markets Institute does not appear, on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority ("**ESMA**") pursuant to article 36 of the Benchmarks Regulation. As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmarks Regulation apply, such that European Money Markets Institute is not currently required to obtain authorisation or registration.

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OVERVIEW

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

Issuer.....	Black Diamond CLO 2019-1 Designated Activity Company, a private company with limited liability incorporated as a designated activity company under the Companies Act 2014 (the "**Companies Act 2014**") on 15 May 2018.
Originator	Black Diamond Commercial Finance, L.L.C.
Collateral Manager.....	Black Diamond CLO 2019-1 Adviser, L.L.C., a special purpose investment management Affiliate of Black Diamond Capital Management, L.L.C.
Trustee	U.S. Bank National Association.
Initial Purchaser.....	NATIXIS.
Co-Placement Agents.....	Each of NATIXIS and, in respect of a portion of the Class A-1 Notes only, SMBC Nikko Capital Markets Limited.
Collateral Administrator	U.S. Bank National Association.

Notes[4]

Class of Notes	Principal Amount	Initial Stated Interest Rate	Stated Interest Rate	Moody's Ratings of at least[3]	S&P Ratings of at least[3]	Maturity Date
X	€3,000,000	3 month EURIBOR + 0.49%[1]	6 month EURIBOR + 0.49%[2]	Aaa(sf)	AAAsf	15 May 2032
A-1	€187,000,000	3 month EURIBOR + 1.20%[1]	6 month EURIBOR + 1.20%[2]	Aaa(sf)	AAAsf	15 May 2032
A-2	$34,360,000	3 month USD-LIBOR + 1.55%[1]	6 month USD-LIBOR + 1.55%[2]	Aaa(sf)	AAAsf	15 May 2032
A-3	$25,000,000	3.483%[1]	3.483%[2]	Aaa(sf)	AAAsf	15 May 2032
B-1	€27,000,000	3 month EURIBOR + 1.95%[1]	6 month EURIBOR + 1.95%[2]	Aa2(sf)	AAsf	15 May 2032
B-2	€25,000,000	2.750%[1]	2.750%[2]	Aa2(sf)	AAsf	15 May 2032
C	€22,000,000	3 month EURIBOR + 2.80%[1]	6 month EURIBOR + 2.80%[2]	A2(sf)	Asf	15 May 2032
D	€25,000,000	3 month EURIBOR + 4.10%[1]	6 month EURIBOR + 4.10%[2]	Baa3(sf)	BBBsf	15 May 2032
E	€22,000,000	3 month EURIBOR + 6.19%[1]	6 month EURIBOR + 6.19%[2]	Ba3(sf)	BBsf	15 May 2032
F	€11,000,000	3 month EURIBOR + 8.46%[1]	6 month EURIBOR + 8.46%[2]	B2(sf)	B-sf	15 May 2032
M-1 Subordinated Notes	€24,500,000	N/A	N/A	Not Rated	Not Rated	15 May 2032
M-2 Subordinated Notes	$8,512,000	N/A	N/A	Not Rated	Not Rated	15 May 2032

1 Applicable to each three month Accrual Period commencing prior to the occurrence of a Frequency Switch Event, provided that the rate of interest of the Rated Notes (other than the Class A-3 Notes and the Class B-2 Notes) will be determined for the period from, and including, the Issue Date to, but excluding, the first Payment Date, by reference to a straight line interpolation of six month EURIBOR (or six month USD-LIBOR in the case of the Class A-2 Notes) and nine month EURIBOR (or twelve month USD-LIBOR in the case of the Class A-2 Notes).

2 Applicable at any time in respect of each Accrual Period commencing following the occurrence of a Frequency Switch Event, provided that the rate of interest of the Rated Notes (other than the Class A-3 Notes and the Class B-2 Notes) 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 February 2032, be determined by reference to 3 month EURIBOR (or USD-LIBOR in the case of the Class A-2 Notes).

3 The ratings assigned to the Class X Notes, the Class A-1 Notes, the Class A-2 Notes, the Class A-3 Notes, the Class B-1 Notes and the Class B-2 Notes by S&P address the timely payment of interest and the ultimate payment of principal. The ratings assigned to the Class C Notes, Class D Notes, Class E Notes and Class F Notes by S&P address the ultimate payment of principal and interest. The ratings assigned to the Rated Notes by Moody's address the expected loss posed to investors by the legal final maturity date of the Rated Notes. A security rating is not a recommendation to buy, sell or hold the Notes and may be subject to revision, suspension or withdrawal at any time by the applicable Rating Agency. 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.

4 The Initial Purchaser, the Co-Placement Agents and the Issuer may offer the Notes at prices as may be negotiated at the time of sale. Notes of the same Class may be sold to different investors at different prices.

Eligible Purchasers.....	The Notes of each Class will be offered: (a) to non-U.S. Persons in "offshore transactions" in reliance on Regulation S; and (b) to U.S. Persons who are (x) either (i) QIBs in reliance on Rule 144A; or (ii) solely in connection with the offering of the IAI Class M Subordinated Notes, IAIs in reliance on Section 4(a)(2) not being resident in Ireland for the purposes of Irish taxation; and (y) QPs, subject to further restrictions described in "*Plan of Distribution*" below.
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 February and 15 August (where the Payment Date immediately following the occurrence of the relevant Frequency Switch Event is either February or August), or (B) 15 May and 15 November (where the Payment Date immediately following the occurrence of the relevant Frequency Switch Event is either May or November); and (b) 15 February, 15 May, 15 August and 15 November, at all other times, commencing on 15 February 2020 and ending on the Maturity Date (subject to any earlier redemption of the Notes and in each case to adjustment for non-Business Days in accordance with the Conditions).
Stated Interest Rate	Interest in respect of the Notes of each Class will be payable semi-annually in arrear in respect of each six month Accrual Period and quarterly in arrear in respect of each three month Accrual Period, in each case on each Payment Date (with the first Payment Date occurring in on 15 February 2020) in accordance with the Interest Priority of Payments. Distributions of Interest Proceeds shall be payable on the Class M Subordinated Notes on each Payment Date to the extent funds are available in accordance with the Priorities of Payment.
Non Payment and Deferral of Interest.....	Failure on the part of the Issuer to pay the Interest Amounts due and payable on the Class X Notes, the Class A-1 Notes, the Class A-2 Notes, the Class A-3 Notes, the Class B-1 Notes or the Class B-2 Notes pursuant to Condition 6 (*Interest*) and the Priorities of Payment shall not be a Note Event of Default unless and until such failure continues for a period of at least five Business Days save: (a) in the case of administrative error or omission only, where such failure continues for a period of at least ten Business Days; and

	(b) in the case of an administrative error or omission on any Redemption Date in respect of a Rated Note, where such failure continues for at least ten Business Days, and save in each case as the result of any deduction therefrom or the imposition of any withholding tax thereon as set out in Condition 9 (*Taxation*). Failure on the part of the Issuer to pay Interest Amounts due and payable on the Class C Notes, Class D Notes, Class E Notes or Class F Notes pursuant to Condition 6 (*Interest*) and the Priorities of Payment will not constitute a Note Event of Default. To the extent that interest payments on the Class C Notes, Class D Notes, Class E Notes or Class F Notes are not made on the relevant Payment Date, an amount equal to such unpaid interest will be added to the principal amount of the Class C Notes, Class D Notes, Class E Notes and 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 Class of Notes. See Condition 6(c) (*Deferral of Interest*). Non-payment of amounts due and payable on the Class M Subordinated Notes as a result of the insufficiency of available Interest Proceeds will not constitute a Note Event of Default.
Redemption of the Notes	Principal payments on the Notes may be made in the following circumstances: (a) on the Maturity Date (see Condition 7(a) (*Final Redemption*)); (b) on any Payment Date following a Determination Date on which a Coverage Test is not satisfied (to the extent such test is required to be satisfied on such Determination Date) in accordance with the Priorities of Payment (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 Issuer (or the Collateral Manager on its behalf) may elect in its sole discretion (A) to redeem the Rated Notes 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 the Rated Notes are redeemed in full or, if earlier, until such Effective Date Rating Event is no longer continuing, or (B) enter into binding commitments to acquire additional Collateral Obligations using proceeds which would have been used to redeem the Rated Notes in accordance with (A) above or to deposit such proceeds into the Principal Account pending such acquisition in an amount sufficient to cure such Effective Date Rating Event (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, following written certification by the Collateral Manager to the Trustee (on which the Trustee may rely conclusively and without further enquiry or liability) that, using commercially reasonable endeavours, it (A) has been unable, for a period of at least 20 consecutive Business Days, to identify additional Collateral Obligations or Substitute Collateral Obligations that are deemed appropriate by the Collateral Manager in its sole discretion in sufficient amounts to permit the investment of all or a portion of the funds then available for reinvestment or (B) at any time after the Effective Date, has determined, acting in a commercially reasonable manner, that a redemption is required in order to avoid a Rating Event, the Collateral Manager may elect, in its sole discretion, to designate all or a portion of those funds as a Special Redemption Amount (see Condition 7(d) (*Special Redemption*));

(f) on any Payment Date during the Reinvestment Period to cure a failure of the Reinvestment Overcollateralisation Test, in the sole discretion of the Collateral Manager (see Condition 7(k) (*Reinvestment Overcollateralisation Test*));

(g) in whole (with respect to all Classes of Rated Notes) but not in part on any Business Day following the expiry of the Non-Call Period from Sale Proceeds or Refinancing Proceeds (or any combination thereof) at the option of (1) with respect to any Optional Redemption other than pursuant to Condition 7(b)(vi) (*Optional Redemption effected through Liquidation only*), (i) the holders of the Class M Subordinated Notes acting by way of Ordinary Resolution and subject to the written consent of the Collateral Manager or (ii) the Collateral Manager; or (2) with respect to any Optional Redemption pursuant to Condition 7(b)(vi) (*Optional Redemption effected through Liquidation only*), the holders of the Class M Subordinated Notes acting by way of Extraordinary Resolution (but excluding for such purpose, any Class M Subordinated Notes held by or on behalf of the Collateral Manager, the Originator, or any Collateral Manager Related Person) and subject to the written consent of the Collateral Manager (see Condition 7(b)(i) (*Optional Redemption in Whole – Class M Subordinated Noteholders/Collateral Manager*);

(h) in part by the redemption in whole of one or more Classes of Rated Notes (or, in relation to the Class A Notes, the redemption in whole of the Class A-1 Notes and/or the Class A-2 Notes and/or the Class A-3 Notes or, in relation to the Class B Notes, the redemption in whole of the Class B-1 Notes and/or the Class B-2 Notes) from Refinancing Proceeds on any Business Day following the expiry of the Non-Call Period if (i) directed in writing by the Collateral Manager or (ii) the Class M Subordinated Noteholders (acting by way of Ordinary Resolution), in each case at least 45 days prior to the Redemption Date to redeem such Class or Classes (or tranche or tranches, in relation to the Class A Notes or the Class B Notes) of Rated Notes, as long as the Class or Classes (or tranche or tranches, in relation to the Class A Notes or the Class B Notes) of Rated Notes to be redeemed each represents not less than the entire Class (or a tranche, in relation to the Class A Notes or the Class B Notes) of such Rated Notes (*provided that* any Refinancing so directed by the Class M Subordinated Noteholders under paragraph (ii) shall be subject

	to the prior written consent of the Collateral Manager (see Condition 7(b)(ii) (*Optional Redemption in Part – Collateral Manager/Class M Subordinated Noteholders*));
	(i) the Class X Notes shall be subject to mandatory redemption in part on each of the Payment Dates beginning on (and including) the first Payment Date immediately following the Issue Date, in each case in an amount equal to the Class X Principal Amortisation Amount (see Condition 7(m) (*Mandatory Redemption of Class X Notes*));
	(j) the Class M Subordinated Notes may be redeemed in whole on any Business Day at the direction of the holders of the Class M Subordinated Notes (acting by way of Ordinary Resolution), or the Collateral Manager, following the redemption in full of all Classes of Rated Notes (see Condition 7(b)(viii) (*Optional Redemption of Class M Subordinated Notes*));
	(k) on any Business Day following the occurrence of a Collateral Tax Event in whole (with respect to all Classes of Rated Notes) at the option of the Class M Subordinated Noteholders acting by way of Ordinary Resolution (at their applicable Redemption Prices, subject to the right of the 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) (see Condition 7(b)(i) (*Optional Redemption in Whole – Class M Subordinated Noteholders/Collateral Manager*));
	(l) in whole (with respect to all Classes of Rated Notes) on any Business Day at the option of (i) the Controlling Class or (ii) the holders of the Class M Subordinated Notes, in each case acting by way of Ordinary Resolution following the occurrence of a Note Tax Event (at their applicable Redemption Prices, subject to the right of the 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), subject to (x) the Issuer having failed to change the territory in which it is resident for tax purposes and (y) certain minimum time periods (see Condition 7(g) (*Redemption Following Note Tax Event*));
	(m) at any time following an acceleration of the Notes after the occurrence of a Note Event of Default which is continuing and has not been cured or waived (see Condition 10 (*Events of Default*)); and
	(n) 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 Collateral Principal Amount is less than 15 per cent. of the Target Par Amount and such redemption is directed in writing by the Collateral Manager or the Originator (at their applicable Redemption Prices) (see Condition 7(b)(iii) (*Optional Redemption in Whole – Clean-up Call*)).
Non-Call Period	During the period from the Issue Date up to, but excluding, 15 August 2021 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) (the "**Non-Call Period**"), the Notes are not subject to Optional Redemption (save for upon a Collateral Tax Event, a Note Tax Event or a Special Redemption); *provided that* the holders of the Class M Subordinated Notes, acting by Ordinary Resolution and with the prior written consent of the Collateral Manager, may elect to extend the Non-Call Period for any Class of the Notes by up to 2 years upon a Refinancing. See Condition 7(b) (*Optional Redemption*), Condition 7(d) (*Special Redemption*) and Condition 7(g) (*Redemption Following Note Tax Event*).
Redemption Prices	The Redemption Price of each Class of Rated Notes will be (a) 100 per cent. of the Principal Amount Outstanding of the Notes to be redeemed (including, in the case of the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes, any accrued and unpaid Deferred Interest on such Notes) plus (b) accrued and unpaid interest thereon to the day of redemption. The Redemption Price for each Class M Subordinated Note will be such Class M Subordinated Note's *pro rata* share (calculated in accordance with paragraph (DD) of the Interest Priority of Payments, paragraph (V) of the Principal Priority of Payments or paragraph (W) 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 (converted, as applicable, into Euro at the Applicable FX Rate in accordance with the Conditions).
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 Priority of Payments and Principal Proceeds will be applied in accordance with the Principal Priority of Payments. Upon any redemption in whole of the Notes in accordance with Condition 7(b) (*Optional Redemption*) or in accordance with Condition 7(g) (*Redemption Following Note Tax Event*) or following the delivery of an Acceleration Notice (deemed or otherwise) in accordance with Condition 10(b) (*Acceleration*) which has not been rescinded and annulled in accordance with Condition 10(c) (*Curing of Default*), Interest Proceeds and Principal Proceeds will be applied in accordance with the Post-Acceleration Priority of Payments, in each case as described in the Conditions.
Collateral Management Fees	
Senior Management Fee	The Collateral Manager will be entitled to a Senior Management Fee on each Payment Date equal to 0.15 per cent. per annum of the Fee Basis Amount (exclusive of any VAT). See "*Description of the Collateral Management and Administration Agreement - Compensation of the Collateral Manager*".

Subordinated Management Fee	The Collateral Manager will be entitled to a Subordinated Management Fee on each Payment Date equal to 0.35 per cent. per annum of the Fee Basis Amount (exclusive of any VAT). See "*Description of the Collateral Management and Administration Agreement - Compensation of the Collateral Manager*".
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 (exclusive of any VAT) to 20.0 per cent. of any Interest Proceeds and Principal Proceeds that would otherwise be available to distribute to the Class M Subordinated Noteholders in accordance with the Priorities of Payment (converted, as applicable, into Euro at the Applicable FX Rate in accordance with the Conditions). See "*Description of the Collateral Management and Administration Agreement - Compensation of the Collateral Manager*".
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, *inter alia*, a portfolio of Collateral Obligations. The Notes will also be secured by an assignment by way of security of various of the Issuer's other rights, including its rights under certain of the agreements described herein but excluding its rights in respect of amounts standing to the credit of the Issuer Profit Account and the Issuer Corporate Services Agreement (the "**Irish Excluded Assets**"). See Condition 4 (*Security*).
Hedge Arrangements.....	Subject to the Eligibility Criteria, the Issuer or the Collateral Manager on its behalf may purchase Collateral Obligations that are denominated in a Qualifying Currency provided that: (a) a Currency Hedge Transaction is entered into in respect of each such Collateral Obligation with a Hedge Counterparty satisfying the applicable Rating Requirement under which the currency risk is reduced or eliminated (i) within 90 calendar days of the settlement of the purchase by the Issuer if such Collateral Obligation is denominated in a Qualifying Unhedged Obligation Currency; and (ii) otherwise no later than the settlement of the purchase of such Collateral Obligation; and (b) the Aggregate Principal Balance of all Unhedged Collateral Obligations shall not exceed 2.5 per cent. of the Collateral Principal Amount as of the date the Issuer commits to purchase the relevant Collateral Obligation (after giving effect to such purchase) (where for such purpose, the Collateral Principal Amount shall include the Principal Balance of each Defaulted Obligation multiplied by its Market Value). The Issuer, (or the Collateral Manager on its behalf), has entered into the Currency Call Options with the Currency Call Option Counterparty. The Issuer, (or the Collateral Manager on its behalf), may also enter into Interest Rate Hedge Transactions as further described in "*Hedging Arrangements*".

	For the avoidance of doubt, the ability of the Issuer to enter into Currency Hedge Transactions, Interest Rate Hedge Transactions and the Currency Call Options is subject to satisfaction of the Hedging Condition. 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. 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*".
Collateral Manager.....	Pursuant to the Collateral Management and Administration Agreement, the Collateral Manager is required to act as the Issuer's collateral manager with respect to the Portfolio, to act in specific circumstances in relation to the Portfolio on behalf of the Issuer and to carry out the duties and functions described therein. Pursuant to the Collateral Management and Administration Agreement, the Issuer delegates authority to the Collateral Manager to carry out certain functions in relation to the Portfolio and any Hedge Transactions. See "*Description of the Collateral Management and Administration Agreement*" and "*The Portfolio*". Pursuant to the Warehouse Arrangements, the Collateral Manager has selected the obligations acquired by the Issuer thereunder and has independently reviewed and assessed each such obligation. The Issuer has entered into binding commitments to acquire Collateral Obligations on or before the Issue Date such that the Originator Requirement is expected to be satisfied on the Issue Date. See "*Risk Factors – Relating to the Collateral – Acquisition of Collateral Obligations Prior to the Issue Date*" and "*Description of the Originator and the EU Securitisation Regulation*".
Purchase and Sale of Collateral Obligations	
Initial Portfolio.....	The Issuer has purchased a portfolio of Collateral Obligations prior to the Issue Date pursuant to the Warehouse Arrangements.
Initial Investment Period.....	During the period from and including the Issue Date to but excluding the earlier of: (a) the date designated for such purpose by the Collateral Manager, subject to the Effective Date Determination Requirements having been satisfied; and (b) 1 February 2020 (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 intends to use reasonable endeavours to purchase the initial Portfolio of Collateral Obligations, subject to the Eligibility Criteria and certain other restrictions.
Sale of Collateral Obligations.....	Subject to the limits and terms in the Collateral Management and Administration Agreement, the Issuer, may dispose of any Collateral Obligation during and after the Reinvestment Period. See "*The Portfolio – Management of the Portfolio – Discretionary Sales*" and "*The Portfolio – Management of the Portfolio – Terms and Conditions applicable to the Sale of Credit Risk Obligations, Credit Improved Obligations, Defaulted Obligations and Equity*

	Securities" and "*The Portfolio – Terms and Conditions applicable to the Sale of Exchanged Equity Securities*".
Reinvestment in Collateral Obligations.....	Subject to the limits and terms in the Collateral Management and Administration Agreement and Principal Proceeds being available for such purpose, the Collateral Manager shall, on behalf of the Issuer, use reasonable endeavours to purchase Substitute Collateral Obligations meeting the Eligibility Criteria and the Reinvestment Criteria during the Reinvestment Period. Following expiry of the Reinvestment Period, only Sale Proceeds from the sale of Credit Risk Obligations, Credit Improved Obligations and Unscheduled Principal Proceeds may, but are not required to, be reinvested by the Issuer or the Collateral Manager acting on behalf of the Issuer, in Substitute Collateral Obligations meeting the Eligibility Criteria and Reinvestment Criteria and subject to certain other restrictions. See "*The Portfolio - Management of the Portfolio*".
Eligibility Criteria	In order to qualify as a Collateral Obligation, an obligation must satisfy certain specified Eligibility Criteria. Each obligation shall only be required to satisfy the Eligibility Criteria at the time the Issuer (or the Collateral Manager, acting on behalf of the Issuer) enters into a binding commitment to purchase such obligation save for an Issue Date Collateral Obligation which must also satisfy the Eligibility Criteria on the Issue Date. See "*The Portfolio – Eligibility Criteria*".
Restructured Obligations	In order for a Collateral Obligation which is the subject of a restructuring to qualify as a Restructured Obligation, such Collateral Obligation must satisfy the Restructured Obligation Criteria as at the applicable Restructuring Date. See "*The Portfolio – Restructured Obligations*" (provided that, for the avoidance of doubt, Equity Securities and Exchanged Equity Securities may be acquired by the Issuer in connection with any Offer in accordance with the terms of the Collateral Management and Administration Agreement without having to satisfy the Restructured Obligation Criteria).
Collateral Quality Tests	The Collateral Quality Tests will comprise the following: For so long as any of the 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. For so long as any of the Notes rated by Moody's are Outstanding: (a) the Moody's Minimum Diversity Test; (b) the Moody's Maximum Weighted Average Rating Factor Test; (c) the Moody's Minimum Weighted Average Recovery Rate Test; and (d) the Minimum Weighted Average Spread Test. For so long as any of the Rated Notes are Outstanding, 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 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 Obligations which for the avoidance of doubt shall exclude Defaulted Obligations, specified in the Portfolio Profile Tests and summarily displayed in the table below, shall be determined by reference to the Collateral Principal Amount (where the Collateral Principal Amount for such shall include the Principal Balance of each Defaulted Obligation multiplied by its Market Value)).			
			Minimum	**Maximum**
	(a)	Secured Senior Obligations in aggregate (including the Balances standing to the credit of the Principal Accounts and the Unused Proceeds Accounts)	90%	N/A
	(b)	Unsecured Senior Obligations, Second Lien Loans, Mezzanine Obligations and/or High Yield Bonds in aggregate	N/A	10%
	(c)	Collateral Obligations of a single Obligor (in the case of Collateral Obligations which are not Secured Senior Obligations)	N/A	1.0%
	(d)	Collateral Obligations of a single Obligor	N/A	2.0%, provided that up to five Obligors may represent 2.5% each
	(e)	Currency Hedge Obligations	N/A	30%
	(f)	Unhedged Collateral Obligations	N/A	2.5%
	(h)	Cov-Lite (Collateral Obligations other than USD Collateral Obligations)	N/A	30% of the Collateral Principal Amount of Collateral Obligations other than USD Collateral Obligations and other than Balances denominated in USD
	(i)	Cov-Lite (USD Collateral Obligations)	N/A	50% of the Collateral Principal Amount of USD Collateral Obligations and Balances denominated in USD
	(j)	Participations	N/A	5.0%

		Minimum	Maximum
(k)	Current Pay Obligations	N/A	2.5%
(l)	Unfunded Amounts/Funded Amounts under Revolving Obligations/Delayed Drawdown Collateral Obligations	N/A	10.0%
(m)	CCC Obligations	N/A	7.5%
(n)	Caa Obligations	N/A	7.5%
(o)	Bridge Loans	N/A	3.0%
(p)	Corporate Rescue Loans	N/A	5.0%
(q)	PIK Securities	N/A	5.0%
(r)	Fixed Rate Collateral Obligations	N/A	10.0%; *provided that* Fixed Rate Collateral Obligations denominated in USD may represent up to 5.0%
(s)	S&P Rating derived from Moody's Rating	N/A	10.0%
(t)	Moody's Rating derived from S&P Rating	N/A	10.0%
(u)	S&P Industry Classification	N/A	11.0% of the Collateral Principal Amount may consist of Collateral Obligations that are issued by Obligors that belong to a single S&P industry classification, except that (x) two S&P industries may each represent up to 13.0% of the Collateral Principal Amount and (y) one S&P industry may comprise up to 17.0% of the Collateral Principal Amount
(v)	Moody's Industry Classification		11.0% of the Collateral Principal Amount may consist of Collateral Obligations that are issued by Obligors that belong to any

			Minimum	Maximum
				single Moody's industry classification, except that (x) two Moody's industry classifications may each represent up to 13.0% of the Collateral Principal Amount; and (y) one additional Moody's industry classification may represent up to 17.0% of the Collateral Principal Amount
	(w)	Domicile of Obligors 1	N/A	10.0% Domiciled in countries or jurisdictions rated below "A-" by S&P
	(x)	Domicile of Obligors 2	N/A	10.0% Domiciled in countries with a Moody's local currency risk ceiling below "Aa3" by Moody's.
	(z)	Total Indebtedness 1	N/A	5.0% of the Collateral Principal Amount may consist of Collateral Obligations where, at the time of purchase, the total potential indebtedness of each relevant Obligor under all underlying instruments governing such Obligor's indebtedness has an aggregate principal amount (whether drawn or undrawn) of (i) greater than or equal to EUR 150,000,000 and less than EUR 200,000,000 for all Collateral Obligations denominated in Euro, (ii) greater than or equal to USD 150,000,000 and less than USD 200,000,000 for all Collateral Obligations

		Minimum	Maximum
			denominated in USD and (iii) greater than or equal to the equivalent of EUR 150,000,000 in the relevant currency, and less than the equivalent of EUR 200,000,000 in the relevant currency, in each case determined at the Applicable FX Rate for Collateral Obligations denominated in any other currency
(aa)	Project Finance Loans	N/A	2.5%
(bb)	Obligors Affiliated with Collateral Manager	N/A	2.0% of the Collateral Principal Amount may consist of Obligors that are Affiliated with the Collateral Manager or have the Collateral Manager or its Affiliates as sponsors
(cc)	Bivariate Risk Table	N/A	See limits set out in "*The Portfolio - Management of the Portfolio - Bivariate Risk Table*"

Coverage Tests ..... Each of the Par Value Tests and Interest Coverage Tests will be tested on each Measurement Date in the case of (i) the Par Value Tests, on and after the Effective Date; and (ii) the Interest Coverage Tests, on and after the Determination Date immediately preceding the second Payment Date, and will be satisfied in each case if the corresponding Par Value Ratio or Interest Coverage Ratio (as the case may be) is at least equal to the percentage specified in the table below in relation to that Coverage Test.

Class	Required Par Value Ratio
A/B	126.99%
C	119.39%
D	111.49%
E	105.30%
F	103.03%

Class	Required Interest Coverage Ratio
A/B	120.0%
C	110.0%
D	105.0%
E	101.0%

Reinvestment Overcollateralisation Test...	During the Reinvestment Period only, if the Class F Par Value Ratio is less than 104.03 per cent., on the relevant Determination Date, Interest Proceeds shall be applied in an amount (such amount, the "**Required Diversion Amount**") equal to the lesser of (1) 50 per cent. of all remaining Interest Proceeds available for payment pursuant to paragraph (W) of the Interest Priority of Payments and (2) the amount which, after giving effect to the payment of all amounts payable in respect of paragraphs (A) through (V) (inclusive) of the Interest Priority of Payments (for the avoidance of doubt, taking into account the application of both Euro Interest Proceeds and USD Interest Proceeds), would be sufficient to cause the Reinvestment Overcollateralisation Test to be met as of the relevant Determination Date, at the sole discretion of the Collateral Manager (acting on behalf of the Issuer), either (i) to deposit into the relevant Principal Account as Principal Proceeds to purchase additional Collateral Obligations or (ii) to the payment of the Rated Notes in accordance with the Note Payment Sequence. Collateral Obligations in respect of which the Issuer or the Collateral Manager, on behalf of the Issuer, has entered into a binding commitment to acquire, but which have not yet settled, shall be included as Collateral Obligations in the calculation of the Portfolio Profile Tests, the Collateral Quality Tests, the Coverage Tests and the Reinvestment Overcollateralisation Test at any time as if such acquisition had been completed. Collateral Obligations in respect of which the Issuer or the Collateral Manager, on behalf of the Issuer, has entered into a binding commitment to sell, but which have not yet settled, shall not be included as Collateral Obligations in the calculation of the Portfolio Profile Tests, the Collateral Quality Tests, the Coverage Tests and the Reinvestment Overcollateralisation Test at any time as if such sale had been completed.
CM Voting Notes, CM Non-Voting Exchangeable Notes and CM Non-Voting Notes.....	Each Rated Note (other than the Class E Notes and the Class F Notes) may be in the form of a CM Voting Note, a CM Non-Voting Exchangeable Note or a CM Non-Voting Note. CM Voting Notes shall carry a right to vote in respect of, and be counted for the purposes of determining a quorum and the result of voting on, any CM Replacement Resolution and any CM Removal Resolution. CM Non-Voting Exchangeable Notes and CM Non-Voting Notes shall not carry any rights in respect of, or be counted for the purposes of determining a quorum and the result of voting on, any CM Removal Resolution or any CM Replacement Resolution but shall carry a right to vote on and be counted in respect of all other matters in respect of which the Notes of the applicable Class have a right to vote and be counted. CM Voting Notes shall be exchangeable at any time, upon written request by the relevant Noteholder to the Issuer and the Trustee in accordance with the Trust Deed into CM Non-Voting Exchangeable Notes or CM Non-Voting Notes of the applicable Class. CM Non-Voting Exchangeable Notes shall be exchangeable (a) upon written request by the relevant Noteholder to the Issuer and the Trustee in accordance with the Trust Deed, at any time into CM Non-Voting Notes or (b) into CM Voting Notes of the applicable Class only in connection with the transfer, of such Notes to an entity that is not an Affiliate of the transferor upon written

	request of the relevant transferee or transferor, and in no other circumstance. CM Non-Voting Notes shall not be exchangeable at any time into CM Voting Notes or CM Non-Voting Exchangeable Notes.
Class X Notes.....	The Class X Notes shall not carry any rights to vote in respect of, or be counted for the purposes of determining a quorum and the result of voting on, any CM Removal Resolution or any CM Replacement Resolution (but shall carry a right to vote on and be counted in respect of all other matters in respect of which Noteholders have a right to vote and be counted).
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 (or, in respect of the Class A-2 Notes, the Class A-3 Notes and the Class M-2 Subordinated Notes in the form of Regulation S Notes, minimum denominations of $150,000 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 (or, in respect of the Class A-2 Notes, the Class A-3 Notes and the Class M-2 Subordinated Notes in the form of Rule 144A Notes, minimum denominations of $250,000 and integral multiples of $1,000 in excess thereof). The IAI Class M Subordinated Notes will be issued in minimum denominations of €500,000 and integral multiples of €1,000 in excess thereof (or, in respect of the Class M-2 Subordinated Notes in the form of IAI Class M Subordinated Notes, minimum denominations of $500,000 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 the Retention Notes) will be represented on issue by beneficial interests in one or more Regulation S Global Certificates in fully registered form, without interest coupons or principal receipts, which will be deposited on or about the Issue Date with, and registered in the name of, a nominee of a common depositary for Euroclear Bank S.A./N.V. a nominee of, 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 the Retention Notes) will be represented on issue by one or more Rule 144A Global Certificates in fully registered form, without interest coupons or principal receipts deposited with, and registered in the name of, a nominee of a common depositary for Euroclear and Clearstream, Luxembourg. Beneficial interests in a Rule 144A Global Certificate may at any time only be held through, and transfers thereof will only be effected through, records maintained by Euroclear or Clearstream, Luxembourg.

The IAI Class M Subordinated Notes will be represented on issue by one or more Definitive Certificates deposited with and registered in the name of the holder (or a nominee) thereof (the "**IAI Definitive Certificates**").

The Retention Notes will be represented on issue by one or more Definitive Certificates deposited with and registered in the name of the holder (or a nominee) thereof (the "**Retention Notes Definitive Certificates**").

The Rule 144A Global Certificates, the Regulation S Global Certificates, the Retention Notes Definitive Certificates, and the IAI Definitive Certificates will each bear a legend and such Rule 144A Global Certificates, Regulation S Global Certificates and IAI Definitive Certificates, or any interest therein, may not be transferred except in compliance with the transfer restrictions set out in such legend (which shall include, without limitation, the requirement that such definitive certificates may not be held by or transferred to persons resident in Ireland for the purposes of Irish taxation). 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 (or an IAI Definitive Certificate) unless the transferor provides the Transfer Agent with a written certification substantially in the form set out in the Trust Deed regarding compliance with certain of such transfer restrictions (and in the case of an IAI Definitive Certificate, each purchaser thereof shall be deemed to represent that such purchaser is an IAI/QP). 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 (or an IAI Definitive Certificate) is also subject to certification requirements substantially in the form set out in the Trust Deed and each purchaser thereof shall be deemed to represent that such purchaser is a QIB (or IAI, as applicable) and a QP. Any transfer of a Class M Subordinated Note represented by an IAI Definitive Certificate to a person who takes delivery through an interest in a Rule 144A Global Certificate or a Regulation S Global Certificate is also subject to certification requirements substantially in the form set out in the Trust Deed and each purchaser thereof shall be deemed to represent (i) in the case of a transfer to an interest in a Rule 144A Global Certificate that such purchaser is a QIB/QP, or (ii) in the case of a transfer to an interest in a Regulation S Global Certificate, that such purchaser is a non-U.S. Person in an offshore transaction in accordance with Regulation S. 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 (other than the Retention Notes) in definitive, certificated, fully registered form ("**Definitive Certificates**") will not be issued in exchange for beneficial interests in either the Regulation S Global Certificates or the Rule 144A Global Certificates. See "*Form of the Notes – Exchange for Definitive Certificates*".

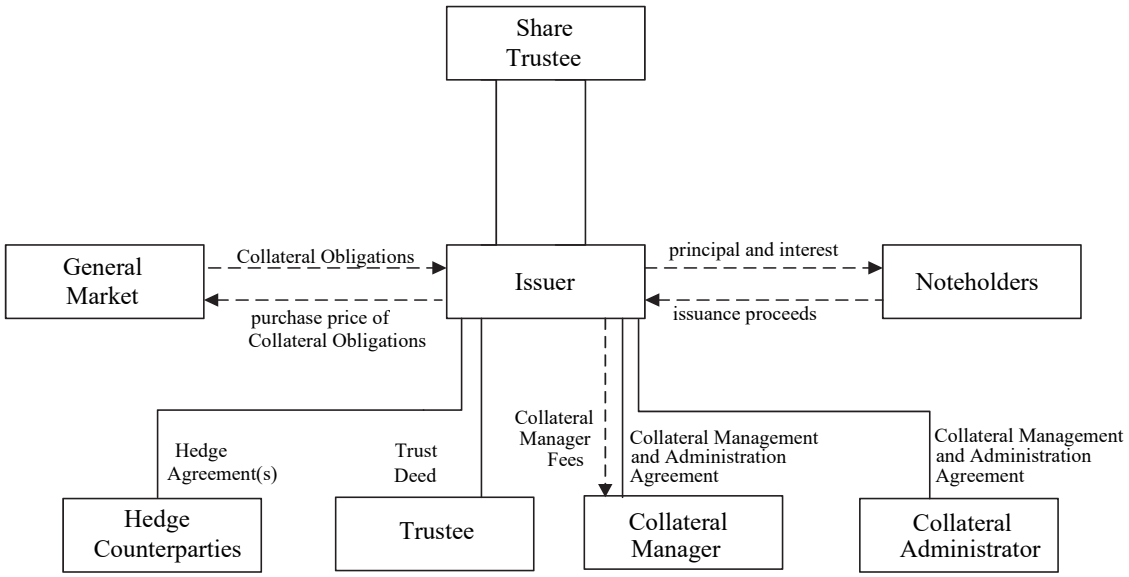
On the Issue Date, an acquirer of a Class E Note, Class F Note or a Class M Subordinated Note in the form of a Rule 144A Global Certificate or a Regulation S Global Certificate will be deemed to represent (among other things) that it is not and is not acting on

	behalf of (and for so long as it holds any such Note or interest therein will not be, and will not be acting on behalf of) a Benefit Plan Investor or a Controlling Person unless such acquirer: (i) receives the written consent of the Issuer; and (ii) provides an ERISA certificate to the Issuer and a Transfer Agent as to its status as a Benefit Plan Investor or Controlling Person (in or substantially in the form of Annex C (*Form of ERISA Certificate*) and as set out in the Trust Deed). Other than on the Issue Date, an acquirer of a Class E Note, Class F Note or a Class M Subordinated Note in the form of a Rule 144A Global Certificate or a Regulation S Global Certificate will be required or deemed to represent (among other things) whether it is a Benefit Plan Investor or a Controlling Person. If a transferee is a Benefit Plan Investor or a Controlling Person, such transferee may not acquire such Class E Note, Class F Note or Class M Subordinated Note unless such transferee: (i) obtains the written consent of the Issuer; (ii) provides an ERISA certificate to the Issuer as to its status as a Benefit Plan Investor or Controlling Person (substantially in the form of Annex C); and (iii) exchanges and holds such Class E Note, Class F Note or Class M Subordinated Note in the form of a Definitive Certificate. Each purchaser and transferee understands and agrees that no transfer of an interest in Class E Notes, Class F Notes, Class M-1 Subordinated Notes or Class M-2 Subordinated Notes will be permitted or recognised if it would cause the 25 per cent. Limitation to be exceeded with respect to the Class E Notes, Class F Notes Class M-1 Subordinated Notes or Class M-2 Subordinated Notes (determined separately by Class). See "*Certain ERISA Considerations*". Transfers of interests in the Notes are subject to certain restrictions and must be made in accordance with the procedures set forth in the Trust Deed. See "*Form of the Notes*", "*Book Entry Clearance Procedures*" and "*Transfer Restrictions*". Each purchaser of Notes in making its purchase will be required to make, or will be deemed to have made, certain acknowledgements, representations and agreements. See "*Transfer Restrictions*". The transfer of Notes in breach of certain of such representations and agreements will result in affected Notes becoming subject to certain forced transfer provisions. See Condition 2(h) (*Forced Transfer of Rule 144A Notes and IAI Class M Subordinated Notes*), Condition 2(i) (*Forced Transfer pursuant to ERISA*) and Condition 2(j) (*Forced Transfer pursuant to FATCA*).
Governing Law.....	The Notes, the Trust Deed, the Collateral Management and Administration Agreement, the Agency and Account Bank Agreement and all other Transaction Documents (save for the Issuer Corporate Services Agreement and the Irish Deed of Charge, which are governed by the laws of Ireland) will be governed by English law.
Listing.....	Application has been made to Euronext Dublin for the Notes to be admitted to the Official List of Euronext Dublin and trading on its Global Exchange Market which is the exchange regulated market of Euronext Dublin. The Global Exchange Market is not a regulated market for the purposes of MiFID II. There can be no assurance that any such listing will be maintained. Euronext Dublin has approved this Offering Circular as listing particulars. 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 is required of the Issuer. See Condition 9 (*Taxation*).
Additional Issuances	Subject to certain conditions being met (including the prior written approval of the Originator), additional Notes of all existing Classes (other than the Class X Notes) or of the Class M Subordinated Notes may be issued and sold. In addition, the Originator may direct the Issuer to issue additional Class M Subordinated Notes where necessary in order to prevent, cure or lessen the amount of an EU Retention Deficiency and/or to ensure compliance with the U.S. Risk Retention Rules. See Condition 17 (*Additional Issuances*). Additional Notes that are not fungible with original Notes for U.S. federal tax purposes will be issued with a separate securities identifier.
EU Risk Retention Requirement	The Retention Notes will be purchased by the Originator from the Initial Purchaser on the Issue Date and the Originator will undertake, pursuant to the Retention Undertaking Letter, to retain the Retention Notes, with the intention of complying with the EU Risk Retention Requirement. See "*Risk Factors – Regulatory Initiatives – EU Securitisation Regulation*" and "*Description of the Originator and the EU Securitisation Regulation*". In addition, (a) the Issuer is designated, in accordance with Article 7(2) of the Securitisation Regulation, as the entity responsible to fulfil the information requirements under Article 7 of the Securitisation Regulation (the "**EU Transparency Requirements**"), (b) the Collateral Manager and the Collateral Administrator shall, in accordance with the terms of the Collateral Management and Administration Agreement and on behalf of and at the expense of the Issuer, assist the Issuer with the delivery of the information or reports required to be delivered by it pursuant to Article 7 of the Securitisation Regulation (and prior to the adoption of final disclosure templates in respect of the EU Transparency Requirements, the Issuer intends to fulfil those requirements contained in subparagraphs (a) and (e) of Article 7(l) of the Securitisation Regulation through the Monthly Reports and the Payment Date Reports, see "*Description of the Reports*"), (c) following the adoption of the final disclosure templates in respect of the EU Transparency Requirements, the Issuer (with the consent of the Collateral Manager, such consent not to be unreasonably withheld or delayed) will propose in writing to the Collateral Administrator the form, content, method of distribution and timing of such reports and information and (d) the Collateral Administrator, if it agrees, shall provide certain assistance to the Issuer in relation to the matters listed in (b) and (c) above pursuant to the Collateral Management and Administration Agreement. See "*Description of the Reports*" below as to how the relevant information and reports can be accessed. If the Collateral Administrator fails or does not agree to assist the Issuer in conducting such reporting, the Issuer will appoint (with the consent and assistance of the Collateral Manager) another entity to make such information available to the competent authorities, any Noteholder and any potential investor in the Notes.

U.S. Credit Risk Retention Requirements.....	Black Diamond Commercial Finance, L.L.C, a "majority-owned affiliate" (as defined in the U.S. Risk Retention Rules) of the Collateral Manager and in its capacity as the Retention Holder, intends to purchase the Retention Interest on the Issue Date for the purposes of satisfying the U.S. Risk Retention Rules. Although the LSTA Decision held that collateral managers of "open market CLOs" do not have to comply with the U.S. Risk Retention Rules (see "*Risk Factors – Regulatory Initiatives – U.S. Risk Retention Rules*"), a substantial portion of the Collateral Obligations acquired by the Issuer are expected to be acquired from the Retention Holder. As a result, the Collateral Manager intends to hold the Retention Notes, as contemplated by the U.S. Risk Retention Rules, by the Retention Holder retaining an "eligible horizontal residual interest" or other eligible retention interest under the U.S. Risk Retention Rules. See "*Credit Risk Retention*". In the event the Collateral Manager determines that the U.S. Risk Retention Rules are not applicable to it for purposes of this transaction, it and its majority-owned affiliates may cease to hold all or any portion of the Retention Interest for purposes of complying with the U.S. Risk Retention Rules and consequently, there can be no assurance that the Retention Holder will retain the Retention Interest.
Noteholder Information.....	Each Noteholder agrees to provide the Issuer and the Collateral Manager with all information reasonably available to it that is reasonably requested by the Issuer or the Collateral Manager in connection with regulatory matters, including any information that is necessary or advisable in order for the Collateral Manager (or its parent or Affiliates) to complete its "Form ADV", to file its reports on "Form PF", to comply with any requirement of the Dodd-Frank Act, to establish an exemption from registration as a commodity pool operator under the Commodity Exchange Act, to comply with applicable anti-money laundering laws and to comply with any other laws or regulations applicable to the Collateral Manager from time to time.

Diagrammatic Overview of the Transaction



RISK FACTORS

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

1. GENERAL

1.1 General

It is intended that the Issuer will invest in 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 Offering Circular carefully and should consider, among other things, the risk factors set out in this section before deciding whether to invest in the Notes. Except as is otherwise stated below, such risk factors are generally applicable to all Classes of Notes, although the degree of risk associated with each Class of Notes will vary in accordance with the position of such Class of Notes in the Priorities of Payment. See Condition 3(c) (*Priorities of Payment*). In particular (i) payments in respect of the Class X Notes, the Class A-1 Notes, the Class A-2 Notes and the Class A-3 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 Class M Subordinated Notes; (ii) payments in respect of the Class B-1 Notes and the Class B-2 Notes are generally higher in the Priorities of Payment than those of the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class M Subordinated Notes; (iii) payments in respect of the Class C Notes are generally higher in the Priorities of Payment than those of the Class D Notes, the Class E Notes, the Class F Notes and the Class M Subordinated Notes; (iv) payments in respect of the Class D Notes are generally higher in the Priorities of Payment than those of the Class E Notes, the Class F Notes and the Class M Subordinated Notes; (v) payments in respect of the Class E Notes are generally higher in the Priorities of Payment than those of the Class F Notes and the Class M Subordinated Notes; and (vi) payments in respect of the Class F Notes are generally higher in the Priorities of Payment than those of the Class M Subordinated Notes. None of the Initial Purchaser, the Arranger, the Co-Placement Agents, the Trustee or the Agents undertake to review the financial condition or affairs of the Issuer or the Collateral Manager during the life of the arrangements contemplated by this Offering Circular nor to advise any investor or potential investor in the Notes of any information coming to the attention of the Initial Purchaser, the Arranger, the Co-Placement Agents, the Trustee or the Agents which is not included in this Offering Circular.

1.2 Suitability

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

1.3 Limited Resources of Funds to Pay Expenses of the Issuer

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

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

Legal, tax and regulatory changes could occur over the course of the life of the Notes that may adversely affect the Issuer. The regulatory environment for vehicles of the nature of the Issuer is evolving, and changes in

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

1.5 Events in the CLO and Leveraged Finance Markets

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

Many European economies continue to suffer from high rates of unemployment. This economic climate may have an adverse effect on the ability of consumers and businesses to repay or refinance their existing debt.

As discussed further in "*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 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 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 Obligations are likely to decrease. A decrease in market value of the Collateral Obligations would also adversely affect the Sale Proceeds that could be obtained upon the sale of the Collateral 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 Class M Subordinated Notes.

Many financial institutions, including banks, continue to suffer from capitalisation issues in a regulatory environment which may increase the capital requirement for certain businesses. 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 regulation which affects financial institutions, markets, 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 the collateralised debt obligation, leveraged finance and fixed income markets may affect the Noteholders

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

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 crises, 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 confidence building measure, 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 including as a result of an electoral decision to leave the European Union), 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 full consequences are not.

Article 50 of the Treaty on European Union ("**Article 50**") provides that a Member State which decides to withdraw from the EU is required to notify the European Council of its intention to do so. The UK government gave formal notice of the UK's intention to withdraw from the EU pursuant to Article 50 on 29 March 2017, which triggered the commencement of a negotiation process between the UK and the EU in respect of the arrangements for the UK's withdrawal from the EU. Article 50 provides for a two year period for such negotiations to take place (unless the European Council, in agreement with the UK, unanimously decides to extend this period in respect of which please see below) (the "**Article 50 Period**").

It is possible that the UK will leave the EU without a withdrawal agreement in place, which could result in political and economic uncertainty. Investors should be aware that the Issuer's risk profile may be materially affected by this uncertainty which might also have an adverse impact on the Portfolio and the Issuer's business, financial condition, results of operations and prospects and could therefore also be materially detrimental to the Noteholders. Any such potential adverse economic conditions may also affect the ability of the obligors to make payment under the Collateral Obligations which in turn may adversely affect the ability of the Issuer to pay interest and repay principal to the Noteholders.

Applicability of EU law in the UK

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

Upon any withdrawal from the EU by the UK, and subject to agreement on (and the terms of) any future EU-UK relationship, EU laws (other than those EU laws transposed into English law (see below)) will cease to apply within the UK pursuant to the terms and timing of a future withdrawal agreement. This would be achieved by the UK ceasing to be party to the Treaty on European Union and the Treaty on the Functioning of the European Union, and by the parallel repeal of the European Communities Act 1972. Article 50 provides that the UK will cease to be a member of the EU from the date of entry into force of a withdrawal agreement or, if a withdrawal agreement has not been concluded, two years after the notification under Article 50 was served, unless the European Council, in agreement with the UK, unanimously decides to extend this period (in respect of which please see below).

On 25 November 2018, a negotiated withdrawal agreement was endorsed by leaders at a special meeting of the European Council. The negotiated withdrawal agreement provided for a transition or implementation period, which would start on the date of entry into force of the agreement and end 21 months later, unless extended by a single decision for up to one or two years. The negotiated withdrawal agreement stated that, unless otherwise provided in the agreement, EU law would be applicable to and in the UK during the transition period.

However, the UK government needs the approval of the UK Parliament in order to ratify the negotiated withdrawal agreement, which has not yet been forthcoming.

In response to a second UK request to extend the Article 50 Period, on 11 April 2019 the European Council adopted its decision to extend the Article 50 Period until 31 October 2019. However, the UK may leave the EU before 31 October 2019 if the withdrawal agreement is ratified by both the UK and the EU during the extended Article 50 Period. In these circumstances, the UK's withdrawal from the EU will take place on the first day of the month following such ratification.

At this time it is not possible to state with certainty if and when any withdrawal agreement will be entered into, what might be the final terms and effective date of such a withdrawal agreement or the date on which any transition period will end if such an agreement is entered into.

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

Regulatory Risk

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

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

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 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 "*Counterparty Risk*" below.

Ratings actions

Following the result of the Referendum, S&P, Fitch Ratings Limited and Moody's have each downgraded the UK's sovereign credit rating and each of S&P and Fitch Ratings Limited 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 "*Counterparty Risk*" below.

1.9 Third Party Litigation; Limited Funds Available

Investment activities such as the purchase, selling, holding and participation in voting or the restructuring of Collateral 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 to 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.

Additionally, if an investor in the Notes were to commence litigation relating to the disclosure in this Offering Circular under "*Credit Risk Retention*" below, such litigation would likely be instituted against the Issuer and any liability of the Issuer related thereto would be payable solely from the assets of the Issuer. Further, any award or recourse related thereto would be payable as "Administrative Expenses" solely from the Collateral Obligations and all other assets over which the Issuer has granted security to the Trustee for the benefit of holders of the Notes and the other Secured Parties pursuant to the Trust Deed and the Irish Deed of Charge. If distributions on such assets are insufficient to make payments on the Notes and such awards or recourse, no other assets (in particular, no assets of the Collateral Manager, the Retention Holder, the Initial Purchaser, the Arranger, the Co-Placement Agents, the Trustee, the Collateral Administrator, any other Agent or any affiliates of any of the foregoing) will be available for payment of the deficiency. Administrative Expenses of the Issuer are senior (but subject to a cap in most instances) to other amounts owing by the Issuer. If the Issuer were required to pay any such amounts it could reduce or eliminate the ability of the Issuer to make payments to the holders of the Notes.

2. TAXATION

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

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

Under the 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, the details of the FTT remain to be agreed. A written answer given by Pierre Moscovici in the European Parliament, speaking on behalf of the Commission on 28 April 2017, confirmed that negotiations between Participating Member States on the 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 reaching a compromise agreement during the course of 2017. 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.

2.2 UK Corporation Tax Treatment of the Issuer

In the context of the activities to be carried out under the Transaction Documents, the Issuer will be subject to UK corporation tax if 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 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 should not be subject to UK taxation if the specific domestic UK tax exemption for profits generated in the UK by an investment manager acting on behalf of its non-resident clients (section 1146 of the Corporation Tax Act 2010) (the "**Investment Manager Exemption**") is available for the context of this transaction. It should be noted that the Investment Manager Exemption may not be available if the Collateral Manager (or certain connected entities) holds more than 20 per cent. of the Class M Subordinated Notes. Notwithstanding the foregoing, even if the Investment Manager Exemption is not available in the context of this transaction, the Issuer should not be subject to UK taxation if the exemption in Article 8(1) 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 Article 5(6) of the UK-Ireland tax treaty.

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 subject to and under 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.

2.3 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 EBITDA ranging from 10 to 30 per cent.

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

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

Action 6

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

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

In contrast, the LOB rule has a more objective focus. More particularly, the OECD has included both a detailed and simplified version of the LOB rule in its Final Report relating to Action 6, albeit recommending in the related commentary to the LOB rule that the simplified version of the LOB rule should be included in a double tax treaty in combination with a PPT rule. The more detailed version of the LOB provision would limit the benefits of treaties, in the case of companies and in broad terms, to: (i) certain publicly listed companies and their affiliates; (ii) certain not-for-profit organisations and companies which carry on a pensions business; (iii) companies owned by a majority of persons who would be eligible for treaty benefits provided that the majority of the company's gross income is not paid to a third country in a tax deductible form; (iv) companies engaged in the active conduct of a trade or business (other than of making or managing investments); (v) companies which

were not established in a particular jurisdiction with a principal purpose of obtaining treaty benefits; and (vi) certain collective investment vehicles ("**CIVs**"). The simplified version of the LOB provision would limit these benefits to companies in similar but, generally speaking, less prescriptive circumstances. The ability to claim treaty benefits under (v) above, however, would be included in both versions, albeit that it would require a company to apply to the tax authorities of the other contracting state for the granting of that benefit.

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

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

Action 7

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

As noted above, 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 Offering Circular, 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 and Administration 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.

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 United Kingdom and Ireland signed the Multilateral Instrument with both countries indicating that the double tax treaty entered into between the United Kingdom and Ireland is to be designated as a Covered Tax Agreement ("**CTA**"), being a tax treaty that is to be modified by the Multilateral Instrument. The United Kingdom deposited its instrument of ratification with the OECD on 29 June 2018 and therefore the Multilateral Instrument came into force in respect of the United Kingdom on 1 October 2018. Ireland deposited its instrument of ratification with the OECD on 29 January 2019 and therefore the Multilateral Instrument came into force in respect of Ireland on 1 May 2019.

Upon ratifying the multilateral convention Ireland provided a list of reservations and notifications to be made pursuant to it. Upon ratifying the multilateral convention the United Kingdom deposited a non-provisional list of reservations and notifications to be made pursuant to it. Based on the information contained in these documents and the multilateral convention Action 6 would be implemented into the double tax treaties Ireland has entered into with the United Kingdom and other jurisdictions by the inclusion of a principal purpose test).

In particular it 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.

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

Investors should note that other action points which form part of the OECD BEPS project (such as Action 4, which can deny deductions for financing costs (see "*EU Anti-Tax Avoidance Directives*") may be implemented in a manner which affects the tax position of the Issuer.

2.4 Withholding Tax on the Notes

So long as the Notes remain listed on the Official List of Euronext Dublin or another recognised stock exchange for the purposes of Section 64 of the Taxes Consolidation Act 1997 ("**TCA**") and (a) both (i) the interest on the Notes is paid by a paying agent in Ireland and (ii) either (A) the person who is the beneficial owner of the "quoted Eurobond" for the purposes of section 64 TCA and is beneficially entitled to the interest is not resident in Ireland and has made the appropriate declaration to the relevant person (such as an Irish paying agent) or (B) the Notes are held in a "recognised clearing system" for the purposes of Section 64 of the TCA or (b) interest on the Notes is paid by a paying agent that is not in Ireland, no withholding tax under current law is expected to be imposed in Ireland on payments of principal or interest on the Notes. However, there can be no assurance that the law will not change. 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 or documentation that may be required for the Issuer to comply with FATCA and CRS and to prevent the imposition of tax under FATCA on payments to or for the benefit of the Issuer, or if the holder's ownership of any Notes would otherwise cause the Issuer to be subject to tax under FATCA.

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

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

2.5 Changes in Tax Law; No Gross Up; General

At the time when they are acquired by the Issuer, Eligibility Criteria require that payments to the Issuer (other than commitment fees, origination fees, and other similar fees (including, without limitation, similar fees or payments on obligations or securities that include a participation in or that support a letter of credit)) will not be subject to withholding tax imposed by any jurisdiction unless either: (i) such withholding tax can be sheltered by application being made under the applicable double tax treaty or otherwise; (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; or (iii) if the Obligor is not required to "gross-up" payments to the Issuer that cover the full amount of any such withholding on an after-tax basis, the Minimum Weighted Average Spread Test based on payments received by the Issuer on an after-tax basis, is maintained or improved after such purchase. 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 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 Obligations from a Selling Institution which is able to pay interest payable under such Participation gross. In the event that the Issuer receives any interest payments on any Collateral Obligation net of any applicable withholding tax, the Coverage Tests and Collateral Quality Tests will be determined by reference to such net receipts. Such tax would also reduce the amounts available to make payments on the Notes. There can be no assurance that remaining payments on the Collateral Obligations would be sufficient to make timely payments of interest 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 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 — Class M Subordinated Noteholders/Collateral Manager*).

2.6 EU Anti-Tax Avoidance Directives

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 1**"). The Anti-Tax Avoidance Directive 1 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 1 is an interest deductibility limitation rule similar to the recommendation contained in the BEPS Action 4 proposals. The Anti-Tax Avoidance Directive 1 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 1 were implemented as originally published. There is also a carve out in the Anti-Tax Avoidance Directive 1 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 a 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 1 to provide for minimum standards for counteracting hybrid mismatches involving EU Member States and third countries ("**Anti-Tax Avoidance Directive 2**"). Anti-Tax Avoidance Directive 2 requires EU Member States to either delay deduction of payments, expenses or losses or include payments as taxable income, in case of hybrid mismatches. Anti-Tax Avoidance Directive 2 needs to be implemented in the EU Member States' national laws and regulations by 31 December 2019 and will have to apply as of 1 January 2020, except for the provision on reverse hybrid mismatches for which implementation can be postponed to 31 December 2021, and will apply as of 1 January 2022.

The Anti-Tax Avoidance Directive 1 already included measures to implement the recommendations of a number of BEPS action items, including Action 2 on hybrid mismatch arrangements. The hybrid mismatch provisions of the Anti-Tax Avoidance Directive 1 were limited in scope and only addressed mismatch arrangements arising between EU member states. It was therefore agreed that there should be a subsequent directive to amend the

Anti-Tax Avoidance Directive 1 to address other areas of concern identified, including introducing measures to address hybrid mismatch arrangements with third countries and expand the range of mismatches targeted. The Anti-Tax Avoidance Directive 2 significantly extends the rules on hybrid mismatches. A hybrid mismatch arrangement is a cross-border arrangement that generally uses a hybrid entity or hybrid instrument and results in a mismatch in the tax treatment of a payment across jurisdictions.

The Anti-Tax Avoidance Directive 2 covers hybrid mismatches arising between (i) associated enterprises, (ii) head offices and permanent establishments and (iii) permanent establishments of the same entity. The forms of hybrid mismatch that are most likely to be relevant to an entity such as the Issuer relate to financial instrument mismatches and hybrid entity mismatches.

In very broad terms, if a hybrid mismatch results from differences in the characterisation of a financial instrument, the EU member state where the payment is sourced from shall deny the deduction, unless the non-EU member state has already done so. Financial instrument is very broadly defined to include any instrument that gives rise to a financing or equity return that is taxed under the rules for taxing debt, equity or derivatives under the law of either jurisdiction involved. The rules in relation to financial instrument mismatches could impact financing arrangements such as preferred or convertible equity certificates (PECs or CPECs), but also debt instruments which are "stapled" with an equity instrument or which are treated as debt in one jurisdiction and as equity in another jurisdiction.

The new rules also deal with so-called hybrid entities where an entity or arrangements is regarded as a taxable entity in one jurisdiction and whose income or expenditure is treated as income or expenditure of one or more persons in another jurisdiction. These provisions could impact entities which "check the box" for US tax purposes and are treated as transparent.

To the extent the Issuer is deemed to be associated with any of its Noteholders, these rules may impact the Issuer once fully implemented. Associated for these purposes includes direct and indirect participation in terms of voting rights or capital ownership of 25 per cent. or more or an entitlement to receive 25 per cent. or more (50 per cent. in certain circumstances) of the profits of that entity as well as entities that are part of the same consolidated group for financial accounting purposes or enterprises that have a significant influence in the management of the taxpayer.

2.7 Taxation Implications of Reinvestment Amounts

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

2.8 Diverted Profits Tax

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

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

2.9 Imposition of unanticipated Taxes on Issuer

The Issuer has been advised that under current Irish law, the Collateral Management Fees should be exempt from VAT in Ireland as consideration paid for collective portfolio management services provided to a

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

2.10 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 EU Member States to exchange financial account information in respect of residents in other EU Member States on an annual basis commencing in 2017 in respect of the 2016 calendar year (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 and the CRS (and DAC II) have been implemented into Irish law by Section 891F and the Returns of Certain Information by Reporting Financial Institutions Regulations 2015 of Ireland (the "**Regulations**") giving effect to the CRS from 1 January 2016.

Over 95 jurisdictions have committed to exchanging information under the CRS and a group of 50 countries, including Ireland and all EU Member States (known as the "**Early Adopter Group**") committed to the early adoption of the CRS from 1 January 2016. The Early Adopter Group activated their exchange relationships under the CRS and commenced the exchange of data in September 2017. In November 2017, a further 53 jurisdictions committed to activating their exchange relationships by September 2018.

The Irish Revenue Commissioners have indicated that 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.

2.11 U.S. Tax Risks

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

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

U.S. trade or business

If the Issuer were to breach certain of its covenants and acquire certain assets (for example, a "United States real property interest" or an equity interest in an entity that is treated as a partnership for U.S. federal income tax purposes and that is itself engaged in a trade or business in the United States), including upon a foreclosure, or breach certain of its other covenants, the Issuer could be treated as engaged in a U.S. trade or business for U.S. federal income tax purposes. Moreover, a breach of certain of these covenants may not give rise to a Note Event of Default and may not give rise to a claim against the Issuer or the Collateral Manager. A change in law or its interpretation also could result in the Issuer being treated as engaged in a trade or business in the United States for U.S. federal income tax purposes, or otherwise subject to U.S. federal income tax on a net income basis. If it is determined that the Issuer is treated as engaged in a trade or business in the United States for U.S. federal income tax purposes, and the Issuer has taxable income that is effectively connected with such U.S. trade or business, the Issuer will be subject under the Code to the regular U.S. corporate income tax on its effectively connected taxable income, which may be imposed on a gross basis, and possibly to a 30 per cent. branch profits tax and state and local taxes as well. The imposition of such a tax could materially adversely affect the Issuer's ability to make payments on the Notes.

FATCA

Under FATCA, the Issuer may be subject to a 30 per cent. withholding tax on certain income. 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 implementing regulations that require the Issuer to provide the name, address, and taxpayer identification number of, and certain other information with respect to, certain holders of Notes to the Office of the Revenue Commissioners of Ireland, which would then provide this information to the IRS. The Issuer shall use reasonable best efforts to comply with the intergovernmental agreement and Irish implementing regulations; however, there can be no assurance that the Issuer will be able to do so. Moreover, the intergovernmental agreement or the Irish implementing regulations 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 CRS and to prevent the imposition of tax under FATCA on payments to or for the benefit of the Issuer, or if the Noteholder's ownership of any Notes would otherwise cause the Issuer to be subject to tax under FATCA, the Issuer is authorised to withhold amounts otherwise distributable to the Noteholder, to compel the Noteholder to sell its Notes and, if the Noteholder does not sell its Notes within 10 Business Days after notice from the Issuer, to sell the Noteholder's Notes on behalf of such Noteholder.

Possible treatment of the Class E Notes and Class F Notes as equity in the Issuer for U.S. federal income tax purposes

The Class E Notes and Class F Notes could be treated as representing equity in the Issuer for U.S. federal income tax purposes. If the Class E Notes or Class F Notes are so treated, gain on the sale of a Class E Note or Class F Note could be treated as ordinary income and subject to an additional tax in the nature of interest, and certain interest on the Class D Notes or Class E 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. Alternatively, if the Class E Notes or Class F Notes are treated as equity for U.S. federal income tax purposes, U.S. Holders of those Notes could be subject to the rules pertaining to 10 per cent United States shareholders of CFCs. 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*."

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.

3. REGULATORY INITIATIVES

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

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

None of the Issuer, the Initial Purchaser, the Arranger, the Co-Placement Agents, the Collateral Manager, the Retention Holder, the Originator, the Trustee, any Agent nor any of their respective affiliates makes any representation, guaranty or assurance as to the proper characterisation of the Notes for legal investment, financial institution regulatory, financial reporting or other purposes, as to the ability of particular investors to invest in the Notes under applicable legal investment or other restrictions or as to the consequences of an investment in the Notes for such purposes or under such restrictions. All investors whose investment activities are subject to: investment laws, rules and regulations (including risk retention laws, rules and regulations that apply currently to the investor, or which may do so in the future); regulatory capital requirements; or to review by regulatory authorities, should consult with their own legal, accounting and other advisors in determining whether, and to what extent, the Notes are subject to any such investment or other restrictions and to unfavourable accounting treatment, capital charges or reserve requirements. None of the Issuer, the Initial Purchaser, the Arranger, the Co-Placement Agents, the Collateral Manager, the Retention Holder, the Trustee, any Agent nor any of their respective affiliates makes any representation, warranty, or guarantee that the structure of the Notes is compliant with any applicable legal, regulatory, or other framework (nor regarding the manner in which such a framework applies to any investor's investment in the Notes).

3.1 Basel III

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

3.2 EU Securitisation Regulation

Background

A regulation (Regulation (EU) 2017/2401) to amend the CRR (the "**CRR Amendment Regulation**") and a regulation (Regulation (EU) 2017/2402) aiming to create a general European framework for securitisation and a specific framework for "simple, transparent and standardised" securitisation (the "**Securitisation Regulation**") were published in the Official Journal of the European Union on 28 December 2017 and entered into force on the twentieth day thereafter. The Securitisation Regulation applies to securitisations the securities of which are issued on or after 1 January 2019. The CRR Amendment Regulation applied from 1 January 2019 (subject to certain transitional provisions regarding securitisations the securities of which were issued before 1 January 2019).

There are uncertainties regarding the scope of the obligations in the Securitisation Regulation and the obligations in the technical standards that will be adopted pursuant thereto which will provide details of the requirements under the Securitisation Regulation, as further described below. Most of the relevant technical standards have not been adopted.

Investors should be aware, and in some cases are required to be aware, of the retention, due diligence and transparency requirements in the EU set out in the Securitisation Regulation (and of 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. Each prospective 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 Offering Circular and in any investor report provided in relation to the transaction is sufficient for the purpose of satisfying the requirements.

None of the Issuer, the Collateral Manager, the Originator, the Initial Purchaser, the Arranger, the Co-Placement Agents, the Trustee, any Agent, 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 Requirement, the EU Transparency Requirements, the EU Due Diligence Requirements, the EU Credit Granting Criteria or any other applicable legal regulatory or other requirements. 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 of the Securitisation Regulation, the implementing provisions in respect of the Securitisation Regulation in their relevant jurisdiction or any other applicable legal, regulatory or other requirements other than as set out above.

EU Due-diligence Requirements for Institutional Investors

The EU Due Diligence Requirements require certain types of "institutional investor" as defined in the Securitisation Regulation ("**Institutional Investors**"). Such Institutional Investors include institutions for occupational retirement provision, credit institutions, alternative investment fund managers that manage and/or market alternative investment funds in the EU, investment firms as defined in the CRR, insurance and reinsurance undertakings, and management companies of UCITS funds (or internally managed UCITS).

These requirements restrict such Institutional Investors from investing in securitisations unless such investors have verified (among other things) that: (i) the originator, sponsor or original lender will retain, on an ongoing basis, a material net economic interest of not less than five per cent. in the securitisation as determined in accordance with the Securitisation Regulation and the risk retention is disclosed to the Institutional Investor; (ii) the originator, sponsor or securitisation special purpose entity ("**SSPE**") has, where applicable, made available the information required by Article 7 of the Securitisation Regulation (as to which see "*EU Transparency*

Requirements" below) in accordance with the frequency and modalities provided for in that Article; (iii) where the originator or original lender is established in the EU, and 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 Article 9(1) of the Securitisation Regulation; and (iv) where the originator or original lender is established in a non-EU country, it has granted credits on the basis of sound and well-defined criteria.

Pursuant to Article 14 of the CRR consolidated subsidiaries of credit institutions and investment firms subject to the CRR may also be subject to these requirements.

Failure to comply with one or more of the requirements may result in various penalties including, in the case of those Institutional Investors subject to regulatory capital requirements, the imposition of a punitive capital charge in respect of the Notes acquired by the relevant investor.

EU Risk Retention Requirement

The Securitisation Regulation imposes a direct obligation on the originator, sponsor or original lender of a securitisation to retain on an ongoing basis a material net economic interest in the securitisation of not less than five per cent. The jurisdictional scope of this obligation remains unclear as at the date of this Offering Circular and whether it applies to an originator not established in the EU. See "*Jurisdictional Scope of the EU Securitisation Regulation*" below. If the Retention Holder were required to comply with the Securitisation Regulation's direct retention requirements and failed to do so, it may result in administrative and/or criminal penalties being imposed on the Retention Holder including, in the case of a legal person, pecuniary sanctions of at least EUR 5,000,000 (or its equivalent) or of up to 10 per cent. of total annual net turnover (the "**Pecuniary Sanctions**").

Any such pecuniary sanction levied on the Retention Holder may materially adversely affect the ability of the Retention Holder 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.

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 "*Description of the Originator and the EU Securitisation Regulation*" below. It should be noted that the Transaction Documents do not require the Retention Holder to change the quantum or nature of its holding of the Retention Notes due to any future changes in the EU Risk Retention Requirement or in the interpretation thereof.

Investors should note that the Retention Holder initially intends to retain such material economic interest as "originator" pursuant to the EU Risk Retention Requirement. However, if the European Supervisory Authorities on or after the date of this Offering Circular determine that investment firms or other persons, whether located in the European Union or not, may act as a "sponsor" for the purpose of the EU Risk Retention Requirement, the Retention Holder may wish to qualify as a sponsor for the purpose of the transactions contemplated by this Offering Circular. As detailed in "*Description of the Collateral Management and Administration Agreement*" below, the Collateral Manager may in its sole discretion, having determined that a Retention Guidance Event has occurred (or with the passage of time is reasonably likely to occur), take Retention Guidance Action subject to (i) internal approval of the Retention Guidance Action in accordance with the Collateral Manager's internal policies and procedures and (ii) receipt of legal advice from a reputable legal counsel as selected in the Collateral Manager's sole discretion that such Retention Guidance Action does not cause the transactions contemplated herein to cease to be compliant with the EU Risk Retention Requirement. The Collateral Manager does not have any obligation to consider or take any Retention Guidance Action.

EU Transparency Requirements

The originator, sponsor and SSPE (i.e. the Issuer) of a securitisation are required to designate one of them (the "**reporting entity**") to fulfil the Securitisation Regulation's EU Transparency Requirements. The reporting entity must make certain prescribed information available to holders of a securitisation position, to the relevant competent authorities and, upon request, to potential investors.

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 Collateral Administrator (acting on behalf of the Issuer), has made draft documentation available

in substantially final form via a website (see "*Description of the Reports*") to certain parties that are to be purchasers of the Notes prior to pricing. Such final Transaction Documents will be available on and after the Issue Date. In a "Questions and Answers" document produced by ESMA on 31 January 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 Retention Holder, the Initial Purchaser, the Arranger, the Co-Placement Agents, the Trustee, any Hedge Counterparty or any other person gives any assurance as to whether Competent Authorities will determine that such disclosure is sufficient for the purposes of the Securitisation Regulation.

Article 7 of the Securitisation Regulation also includes ongoing reporting obligations which include quarterly portfolio level disclosure ("**Loan Reports**"), quarterly investor reports ("**Investor Reports**"), any inside information relating to the securitisation that the reporting entity is obliged to make public under the Market Abuse Regulation (Regulation (EU) No 596/2014) ("**Inside Information**") and, where applicable, information on "significant events" ("**Significant Events**").

The Loan Reports and the Investor Reports are to be made available simultaneously on a quarterly basis and at the latest one month after each Payment Date. With respect to any period where no Payment Date occurs quarterly, the Loan Reports and Investor Reports are required to be made available simultaneously not less than three months after the most recent publication of the Loan Reports and Investor Reports, or within three months of the Issue Date. Disclosures relating to any Inside Information and Significant Events are required to be made available "without delay".

On 22 August 2018, the European Securities and Markets Authority ("**ESMA**") published its final report on the technical standards under the EU Transparency Requirements containing detailed draft disclosure templates that are required to be completed with respect to the Loan Reports, Investor Reports and, in relation to public transactions only, Inside Information and Significant Events (the "**Transparency RTS**"). The European Commission stated that it did not endorse these draft Transparency RTS in its letter to ESMA dated 30 November 2018. ESMA submitted revised Transparency RTS to the Commission on 31 January 2019. The Commission will now decide whether to adopt these revised Transparency RTS. The European Parliament and the Council then have a period of 3 months following the Commission's adoption in which they may object to the Transparency RTS. The application date of the technical standards has not yet been specified. There remains significant uncertainty as to the scope and the application date of the reporting requirements contained in the Transparency RTS.

The transitional provisions of the Securitisation Regulation with respect to the EU Transparency Requirements provide that until the application of Transparency RTS, for the purposes of the Loan Reports and the Investor Reports, the reporting entity shall make available the information referred to in Annexes I to VIII of Delegated Regulation (EU) 2015/3 (the "**CRA3 RTS**"). Currently, there is no dedicated CRA3 RTS template for CLO transactions (other than with respect to content of Investor Reports set out in Annex VIII of the CRA3 RTS), nor is it expected that one will be developed in accordance with the CRA3 RTS.

On 30 November 2018, the European Banking Authority (the "**EBA**"), ESMA and the European Insurance and Occupational Pensions Authority (the "**European Supervisory Authorities**" or "**ESAs**") published a joint statement (the "**Joint Statement**") regarding the reporting templates to be used for the Loan Reports and the Investor Reports (the "**Article 7 Quarterly Reporting Requirements**") in the period until the Transparency RTS apply.

The ESAs stated that they expect national competent authorities ("**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 the 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. The ESAs also noted that they expect that difficulties with compliance will be solved with the final application of the disclosure templates in the Transparency RTS. As such, the Joint Statement from the ESAs should be viewed as a temporary measure. The Joint Statement went on to state that 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. As the Joint Statement does not "grandfather" transactions that are issued after 1 January 2019 but before the application of the disclosure templates in the Transparency RTS, such transactions, including the transaction described herein, will need to comply with the disclosure templates in the Transparency RTS once they apply.

In light of the Joint Statement, the transaction described herein will initially seek to comply with subparagraphs (a) and (e) of Article 7(1) and make available the information referred to in Annex VIII of the CRA3 RTS through the Monthly Reports and the Payment Date Reports (see "*Description of the Reports*").

EU Transparency Requirements – Collateral Manager and Issuer arrangements

In relation to the EU Transparency Requirements: (a) the Issuer will be designated as the reporting entity; (b) the Collateral Manager and the Collateral Administrator shall, in accordance with the terms of the Collateral Management and Administration Agreement and on behalf of and at the expense of the Issuer, assist the Issuer with the delivery of the information or reports required to be delivered by it pursuant to Article 7 of the Securitisation Regulation (and prior to the adoption of final disclosure templates in respect of the EU Transparency Requirements, the Issuer intends to fulfil those requirements contained in subparagraphs (a) and (e) of Article 7(l) of the Securitisation Regulation through the Monthly Reports and the Payment Date Reports, see "*Description of the Reports*"); (c) following the adoption of the final disclosure templates in respect of the EU Transparency Requirements, the Issuer (with the consent of the Collateral Manager, such consent not to be unreasonably withheld or delayed) will propose in writing to the Collateral Administrator the form, content, method of distribution and timing of such reports and information; and (d) the Collateral Administrator, if it agrees, shall provide certain assistance to the Issuer in relation to the matters listed in (b) and (c) above pursuant to the Collateral Management and Administration Agreement. If the Collateral Administrator fails or does not agree to assist the Issuer in conducting such reporting, the Issuer will appoint (with the consent and assistance of the Collateral Manager) another entity to make such information available to the competent authorities, any Noteholder and any potential investor in the Notes.

Once the Transparency RTS apply, the Loan Reports and Investor Reports will be prepared in accordance with the requirements of the Transparency RTS. Prior to the application of the disclosure templates in the Transparency RTS, the Issuer intends to fulfil the requirements contained in subparagraphs (a) and (e) of Article 7(l) through the Monthly Reports and the Payment Date Reports, see "*Description of the Reports*"). The Joint Statement is not a legally binding document and there is currently uncertainty in relation to the legal position as regards the form of quarterly reporting until the date of application of the Transparency RTS. Investors should note that it is for the relevant Competent Authorities to determine whether they consider that this form of reporting satisfies the EU Transparency Requirements and none of the Issuer, the Collateral Manager as the sponsor, the Originator, the Initial Purchaser, the Arranger, the Co-Placement Agents, the Trustee or any other person gives any assurance as to whether this form of reporting will satisfy the EU Transparency Requirements.

Whether the Issuer will be able to provide all of the information required to be reported in accordance with the EU Transparency Requirements is unclear.

Although the Issuer has undertaken to act as the reporting entity, it should be noted that the Securitisation Regulation's reporting obligations apply also to the "originator" and the "sponsor". Any failure by the Issuer, as the reporting entity, or by the Collateral Administrator or the Collateral Manager (on behalf of the reporting entity), to fulfil the EU Transparency Requirements applicable to them or covenants relating thereto may cause the transaction to be non-compliant with the Securitisation Regulation.

If a Competent Authority determines that the transaction did not comply or is no longer in compliance with the EU Transparency Requirements, then: (i) 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; and (ii) the originator, the sponsor and/or the Issuer may be subject to the Pecuniary Sanctions as described above. Any such Pecuniary Sanction levied on the Issuer will be paid to the Competent Authority on each Payment Date as an Administrative Expense pursuant to the Priorities of Payment. Should the amount payment of the sanction exceed the Senior Expense Cap in any period, payment in full will be subject to the Issuer making such payment in accordance with the Priority of Payments and after all amounts due on the Rated Notes have been paid. There is no guarantee that the Issuer will have sufficient funds to pay the sanction in full or in a timely manner and there is no guarantee that the Issuer will be able to agree a payment plan with the Competent Authority so that payments can be spread over several Payment Dates. The Competent Authority may take further action against the Issuer in respect of any outstanding amounts including, for example, imposing daily penalty interest or taking further enforcement action. Any such Pecuniary Sanctions levied on the Issuer may materially adversely affect the performance of the Notes and could have a negative impact on the price and liquidity of the Notes in the secondary market.

Jurisdictional Scope of the EU Securitisation Regulation

The Securitisation Regulation is silent as to the jurisdictional scope of the EU Risk Retention Requirement, the EU Transparency Requirements and Article 9 of the Securitisation Regulation (the "**Credit Granting Criteria**") and whether, for example, these obligations apply to U.S. established entities such as the Collateral Manager or the Originator.

As regards the jurisdictional scope of the EU Risk Retention Requirement, the Explanatory Memorandum to the original European Commission proposal for a Securitisation Regulation implied that the direct obligation would not apply where none of the originator, sponsor or original lender is established in the EU. EBA confirmed this interpretation (in its "Feedback on the public consultation" section of its Final Draft Regulatory Technical Standards published on 31 July 2018) where it said: "The EBA agrees however that a "direct" obligation should apply only to originators, sponsors and original lenders established in the EU as suggested by the Commission in the explanatory memorandum." This EBA interpretation is, however, non-binding and not legally enforceable.

The Securitisation Regulation is silent as to the jurisdictional scope of the EU Transparency Requirements and the Credit Granting Criteria, and it is unclear if they apply to any originator, sponsor or SSPE, as the case may be, not established in the EU.

Uncertainties in the Scope of the EU Risk Retention Requirement, the EU Transparency Requirements and the Credit Granting Criteria

Aspects of the detail and effect of the EU Risk Retention Requirement, the EU Transparency Requirements and the Credit Granting Criteria and what is, or will be, required to demonstrate compliance to Competent Authorities remain unclear. The EU authorities have published only limited binding guidance relating to the satisfaction of the EU Risk Retention Requirement, the EU Transparency Requirements and the Credit Granting Criteria. Furthermore, any relevant regulator's views on the requirements and/or criteria may not be based exclusively on technical standards, guidance or other information known at this time.

Any changes in the law or regulation, the interpretation or application of any law or regulation or changes in the regulatory capital treatment of the Notes for some or all investors may negatively impact the regulatory position of individual investors and, in addition, may have a negative impact on the price and liquidity of the Notes in the secondary market.

No assurance can be given that the EU Risk Retention Requirement, the EU Transparency Requirements or the Credit Granting Criteria or the interpretation or application thereof, will not change, and, if any such change is effected, whether such change would affect the regulatory position of current or future investors in the Notes. Any costs incurred by the Issuer and/or the Collateral Manager in connection with satisfying the requirements of the Securitisation Regulation shall be paid by the Issuer as Administrative Expenses.

Relevant investors are required to independently assess and determine the sufficiency of the information described herein for the purposes of complying with any relevant requirements. None of the Issuer, the Collateral Manager, the Originator, the Initial Purchaser, the Arranger, the Co-Placement Agents, the Trustee, the Collateral Administrator, any other Agent, their respective Affiliates or any other Person makes any representation, warranty or guarantee that any information described herein is sufficient in all circumstances for such purposes or any other purpose or that the structure of the Notes, the Originator (including its holding of the Retention Notes) and the transactions described herein are compliant with the EU Risk Retention Requirement, the EU Transparency Requirements or the Credit Granting Criteria or any other applicable legal or regulatory or other requirements and no such person shall have any liability to any prospective investor 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 Rules

The final rules implementing the credit risk retention requirements of Section 941 of the Dodd-Frank Act (the "**U.S. Risk Retention Rules**") generally apply to CLOs, unless an exemption is available. Pursuant to the U.S. Risk Retention Rules, the "sponsor" of a securitisation transaction (or majority-owned affiliate of the sponsor) is required, unless an exemption exists, to retain five per cent. of the credit risk of the assets collateralising the asset-backed securities (the "**Minimum Risk Retention Requirement**"). Under the U.S. Risk Retention Rules, a "sponsor" means a person who organises and initiates a securitisation transaction by selling or transferring

assets, either directly or indirectly, including through an affiliate, to the issuing entity. For the purposes of the Offering, the Collateral Manager is considered the "sponsor" under the U.S. Risk Retention Rules. The sponsor (or its "majority-owned affiliate") is generally prohibited from directly or indirectly eliminating or reducing such credit risk by hedging or otherwise transferring the retained credit risk.

On February 9, 2018, a three-judge panel (the "**Panel**") of the United States Court of Appeals for the District of Columbia Circuit ruled in favour of the Loan Syndicates and Trading Association in its lawsuit against the Securities and Exchange Commission and the Board of Governors of the Federal Reserve System and held that collateral managers of "open market CLOs" (described in the LSTA Decision as CLOs where assets are acquired from "arms-length negotiations and trading on an open market") are not "securitizers" or "sponsors" under Section 941 of the Dodd-Frank Act and, therefore, are not subject to risk retention and do not have to comply with the U.S. Risk Retention Rules (the "**LSTA Decision**"). The Panel's opinion in the LSTA Decision became effective on April 5, 2018, when the district court entered its order following the issuance of the appellate mandate on April 3, 2018 (the "**Mandate**") in respect thereof. However, in this transaction a substantial portion of the Collateral Obligations acquired by the Issuer are expected to be acquired from the Retention Holder. As a result, the Collateral Manager has informed the Issuer that it intends to hold the Retention Notes, as contemplated by the U.S. Risk Retention Rules absent further guidance that the U.S. Risk Retention Rules do not apply to this transaction. In the event the Collateral Manager determines that the U.S. Risk Retention Rules are not applicable to it for purposes of this transaction, it and its majority-owned affiliates may cease to hold all or any portion of the Retention Interest for purposes of complying with the U.S. Risk Retention Rules and consequently, there can be no assurance that the Retention Holder will retain the Retention Interest.

The U.S. Risk Retention Rules provide several permissible forms through which a sponsor can satisfy the Minimum Risk Retention Requirement, including retaining an eligible horizontal interest consisting of not less than 5 per cent. of the fair value of all asset-backed securities ("**ABS**") issued in a securitisation transaction, determined using a fair value measurement framework under U.S. GAAP.

The Retention Holder is expected to purchase the Retention Interest on the Issue Date and to retain the Retention Interest in accordance with the U.S. Risk Retention Rules. See "*Credit Risk Retention*" below.

The failure by the Collateral Manager and/or the Retention Holder to comply with the U.S. Risk Retention Rules may result in regulatory actions and other proceedings being brought against the Collateral Manager and/or the Retention Holder, which could result in the Collateral Manager and/or the Retention Holder being required, among other things, to pay damages, transfer interests and/or acquire additional Notes (which may or may not be available at such time for acquisition) or be subject to cease and desist orders or other regulatory action. In addition, a failure to remedy noncompliance with the U.S. Risk Retention Rules may also trigger a "cause" event under the Collateral Management and Administration Agreement and/or subject to the Collateral Manager and/or Retention Holder to adverse publicity and reputational risk resulting from such non-compliance. In addition, given the lack of clarity under the U.S. Risk Retention Rules with respect to the identity of the party responsible for holding the Retention Interest upon a removal of the Collateral Manager, if the applicable Noteholders desire to remove the Collateral Manager in connection with any such "cause" event, there may be no successor Collateral Manager willing to accept appointment as such, in which case the Collateral Manager will be required to continue to act as Collateral Manager under the Collateral Management and Administration Agreement. As a result of any of the foregoing, the failure of the Collateral Manager and/or Retention Holder to comply with the U.S. Risk Retention Rules may have a material and adverse effect on the market value and/or liquidity of the Notes as well as on the business, condition (financial or otherwise), assets, operations or prospects of the Issuer and/or the Collateral Manager.

The U.S. Risk Retention Rules would apply to any additional Notes issued after the Issue Date or any Refinancing. 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 an "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 Trust Deed and the Notes, to the extent such amendments require investors to make a new investment decision with respect to the Notes, including a re-pricing. There is no assurance that the Notes purchased by the Retention Holder on the Issue Date will be sufficient to satisfy the U.S. Risk Retention Rules in connection with any such additional issuance, Refinancing or re-pricing. The Collateral Manager is entitled to, and it is expected that the Collateral Manager will not, consent to a Refinancing or additional issuance of Notes or other material amendment if such event would cause the Collateral Manager to be in violation of the U.S. Risk Retention Rules or if it or the Retention Holder would be required to increase its interests in the Notes and it has not agreed to do so for any

reason in its discretion. 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, Refinancing or other material amendment and may affect the liquidity of the Notes.

Despite becoming effective in December 2016, the mid-term to long-term impact of the U.S. Risk Retention Rules on the loan securitisation market and the leveraged loan market generally continues to be uncertain. The secondary market liquidity for the Notes may experience a negative impact, due to effects of the rules on market expectations or uncertainty, the relative appeal of alternative investments not impacted by the rules or other factors. In addition, it is possible that the rules may reduce the number of collateral managers active in the market, which may result in fewer new issue CLOs and reduce the liquidity provided by CLOs to the leveraged loan market generally over time. A contraction or reduced liquidity in the loan market could reduce opportunities for the Collateral Manager to sell Collateral Obligations or to invest in Collateral Obligations when it believes it is in the interest of the Issuer to do so, which in turn could negatively impact the return on the Collateral and reduce the market value or liquidity of the Notes. Any reduction in the volume and liquidity provided by CLOs in the leveraged loan market could also reduce opportunities to redeem or refinance the Notes.

The statements contained herein regarding the U.S. Risk Retention Rules are based on publicly available information solely as of the date of this Offering Circular. The ultimate interpretation as to whether any action taken by an entity complies with the U.S. Risk Retention Rules will be a matter of interpretation by the applicable governmental authorities or regulators. No assurance can be given that the U.S. Risk Retention Rules will not change or be superseded by changes in law. Other than the LSTA Decision, there is no established line of authority, precedent or market practice that provides guidance with respect to compliance with the U.S. Risk Retention Rules in connection with any actions of the Issuer after the rule becomes effective. Moreover, any applicable governmental authority or regulator could provide guidance or state views on compliance with the U.S. Risk Retention Rules that materially alter current interpretations or views with respect to the U.S. Risk Retention Rules. Any changes or further guidance may result in the Collateral Manager failing to comply with the U.S. Risk Retention Rules and have a material adverse effect on the Issuer and the Notes. None of the Issuer, the Initial Purchaser, the Arranger, the Co-Placement Agents, the Collateral Manager, the Originator, the Retention Holder, the Trustee, the Collateral Administrator, any other Agent or any of their respective affiliates provides any assurances to investors regarding, or assumes any responsibility for compliance with the U.S. Risk Retention Rules prior to, on or after the Issue Date. No assurance can be given as to whether the U.S. Risk Retention Rules will have any material adverse effect on the business, financial condition or prospects of the Collateral Manager, the Issuer or the Noteholders.

3.4 Restrictions on the Discretion of the Collateral Manager in Order to Comply with the EU Risk Retention Requirement and the U.S. Risk Retention Rules

The aim behind the relevant retention requirements described in "*EU Securitisation Regulation*" above is that affected investors should only invest in securitisations where the originator, sponsor or original lender for the securitisation has explicitly disclosed that it will retain, on an ongoing basis, a net economic interest of not less than five per cent. in the securitisation. The "five per cent." net economic interest is measured as the nominal value of the securitised exposures, calculated based on the Collateral Principal Amount (disapplying any haircuts or discounts contained in the definition thereof). The Originator has agreed to retain such an interest by undertaking to hold (i) Class M-1 Subordinated Notes having a Principal Amount Outstanding as of the Issue Date at least equal to five per cent. of the Collateral Principal Amount consisting of Collateral Obligations and Balances in each case denominated in currencies other than USD; and (ii) Class M-2 Subordinated Notes having a Principal Amount Outstanding as of the Issue Date at least equal to five per cent. of the Collateral Principal Amount consisting of USD Collateral Obligations and Balances denominated in USD.

Certain discretions of the Collateral Manager acting on behalf of the Issuer are restricted where the exercise of the discretion could cause the retention holding described in "*Description of the Originator and the EU Securitisaton Regulation*" to be (or be likely to be) insufficient to comply with the EU Risk Retention Requirement (i.e. where the relevant action would cause the Collateral Principal Amount to increase to the extent where it resulted in an EU Retention Deficiency) and/or non-compliance with the U.S. Risk Retention Rules.

In particular, if, at any time, the deposit of Trading Gains into the applicable Principal Account would, in the sole discretion of the Collateral Manager cause an EU Retention Deficiency, such Trading Gains which would have been deposited into the applicable Principal Account and designated for reinvestment or used to redeem the Notes in accordance with the Principal Priority of Payments will instead be deposited into the applicable

Interest Account subject to certain conditions being met. Such Trading Gains will then be Interest Proceeds and be distributed as such in accordance with the Interest Priority of Payments.

In addition, the Collateral Manager is not permitted to reinvest in Substitute Collateral Obligations to the extent such reinvestment would cause an EU Retention Deficiency. In the event that the Collateral Manager is prevented from reinvesting in Substitute Collateral Obligations to such extent, the Aggregate Principal Balance of Collateral Obligations securing the Notes may be less than would have otherwise been the case if all such amounts had been reinvested in Collateral Obligations.

Furthermore, the Issuer may not issue further Notes (a) without the Originator consenting to such issuance and (b) to the extent any such issuance would result in non-compliance with the EU Risk Retention Requirement or the U.S. Risk Retention Rules, as the case may be. The Originator may however direct the Issuer to issue additional Class M Subordinated Notes where necessary in order to prevent, cure or lessen the amount of an EU Retention Deficiency and/or to ensure compliance with the U.S. Risk Retention Rules, subject to certain conditions being satisfied.

As a result of such restrictions, the Issuer, or the Collateral Manager on its behalf, may be restricted from building or maintaining the par value of the Collateral in certain circumstances under which they would otherwise be able to do so, in order to comply with the provisions of the Conditions intended to achieve ongoing compliance with the applicable retention requirements.

3.5 Recent developments concerning the treatment of CLOs for certain Japanese investors

On March 15, 2019, the Japanese Financial Services Agency (the "**JFSA**") published a rule (the "**JFSA Securitization Regulation**") concerning the regulatory capital treatment of securitization transactions for Japanese banks, bank holding companies, certain Japanese credit unions and cooperatives and certain other Japanese financial institutions and their respective affiliates (such investors, "**Affected Japanese Investors**"). The JFSA Securitization Regulation subjects the Affected Japanese Investors to punitive capital charges and/or other regulatory penalties for securitization exposures they purchase after March 31, 2019 unless the applicable investor (a) has conducted satisfactory due diligence on the assets underlying such securitization, including the establishment and utilization of a due diligence system for evaluating securitized products and (b) has determined that either (i) the underlying assets of the applicable securitization transaction were "not inadequately or inappropriately formed" or (ii) the relevant "originator" (as defined in the JFSA Securitization Regulation), or another party "deeply involved in the organization of the securitized product", retains at least 5 per cent. of the securitized exposures. At this time there are several unresolved questions relating to the JFSA Securitization Regulation (for which no official English translation is yet available) and little guidance on many aspects of the rule including, among others, (1) what is meant by assets "not inadequately or inappropriately formed" and what materials an Affected Japanese Investor may be required to review to make such a determination, (2) the eligibility requirements for a retention holder for purposes of the rule and (3) on what basis to calculate the 5% retention requirement (i.e., how to determine the amount of "securitized exposures").

The JFSA Securitization Regulation is expected to apply to the Affected Japanese Investors investing in the Notes and potentially to any securities issued in connection with a Refinancing or additional issuance of Notes purchased by the Affected Japanese Investors.

The JFSA Securitization Regulation may lead to decreased participation of the Affected Japanese Investors in the market for CLO securities, which may adversely affect (a) the liquidity of the Notes in the secondary market, (b) the leveraged loan and CLO markets generally and (c) the ability of the Issuer to effect a Refinancing and/or additional issuance of Notes.

Notwithstanding the fact that the Retention Holder is purchasing on the Issue Date and retaining the Retention Notes with the intention of satisfying the EU Risk Retention Requirement, no party including, without limitation, the Issuer, the Initial Purchaser, the Arranger, the Co-Placement Agents, the Collateral Manager, the Retention Holder, the Trustee, the Agents or any of their respective affiliates makes any representation, warranty or guaranty that such retention would enable any Affected Japanese Investor to comply with the JFSA Securitization Regulation.

Furthermore, no party including, without limitation, the Issuer, the Initial Purchaser, the Arranger, the Co-Placement Agents, the Collateral Manager, the Retention Holder, the Trustee, the Agents or any of their respective affiliates, makes any representation, warranty or guaranty that the Collateral Obligations were not, or will not be, "inadequately or inappropriately formed", that the information made available with respect to the

Collateral Obligations is sufficient to make such a determination or that this transaction otherwise satisfies the JFSA Securitization Regulation.

It is the responsibility of each Affected Japanese Investor to conduct adequate due diligence to confirm and verify that the requirements of the JFSA Securitization Regulation have been satisfied and none of the Issuer, the Initial Purchaser, the Arranger, the Co-Placement Agents, the Collateral Manager, the Retention Holder, the Trustee, the Agents assumes any responsibility or liability for the failure of any Affected Japanese Investor to conduct the due diligence that is necessary to satisfy the JFSA Securitization Regulation.

3.6 Retention Financing

The Retention Holder has informed the Issuer and the Initial Purchaser that the Retention Holder and/or another BDCM Related Party may obtain financing for the acquisition of all or a portion of the Class M Subordinated Notes (potentially including the Retention Interest) (such Class M Subordinated Notes, the "**Financed Notes**"). Any such financing arrangements will be on full-recourse terms, and it is expected that the Retention Holder or the BDCM Related Party would grant security over the Financed Notes to the lender thereunder in connection with such financing. If the Retention Holder is a borrower in connection with any such financing arrangements, none of the Issuer, the Initial Purchaser, the Arranger, the Co-Placement Agents, the Collateral Manager, the Originator, the Retention Holder, the Trustee, the Agents nor any of their affiliates makes any representation, warranty or guarantee that such financing arrangements will comply with the EU Risk Retention Requirement and/or the U.S. Risk Retention Rules. In particular, should the Retention Holder default in the performance of its obligations under such financing arrangements, the lender thereunder would have the right to enforce the security granted by the Retention Holder, including effecting the appropriation of some or all of the Financed Notes. In exercising its rights pursuant to such financing arrangements, the lender would not be required to take into account the EU Risk Retention Requirement and/or the U.S. Risk Retention Rules and any such enforcement action may therefore cause the transaction described in this Offering Circular to fail to comply with the EU Risk Retention Requirement and/or the U.S. Risk Retention Rules. Notwithstanding anything herein to the contrary, financing for any Notes acquired or held by a BDCM Related Party (including the Retention Holder) may be provided by other financing sources and the terms of any financing of such Notes may differ from the terms described herein.

If such financing arrangements relate to the Retention Interest, investors should be aware that the term of any such financing may also be considerably shorter than the effective term of the Notes, requiring the Retention Holder to repay or refinance the financing while some or all Classes of Notes are Outstanding. If refinancing opportunities were limited at such time and the Retention Holder was unable to repay the financing from other sources, the Retention Holder could be forced to sell some or all of the applicable Financed Notes in order to obtain funds to repay the financing without regard to the EU Risk Retention Requirement and/or the U.S. Risk Retention Rules and such sales may therefore cause the transaction described in this Offering Circular to fail to comply with the EU Risk Retention Requirement and/or the U.S. Risk Retention Rules.

3.7 European Market Infrastructure Regulation (EMIR)

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

Financial counterparties (as defined in EMIR) are subject to a general obligation to clear through a duly authorised or recognised central counterparty (the "**clearing obligation**") all "eligible" OTC derivative contracts entered into with other counterparties subject to the clearing obligation. They must also report the details of all derivative contracts to a trade repository (the "**reporting obligation**"), and undertake certain risk-mitigation techniques in respect of OTC derivative contracts which are not cleared by a central counterparty such as timely confirmation of terms, portfolio reconciliation and compression and the implementation of dispute resolution procedures (the "**risk mitigation obligations**"). Non-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 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 Class M 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 (excluding eligible hedging transactions), 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, would take effect on dates ranging from 21 June 2016 (for major market participants grouped under "Category 1") to 21 December 2018 (for non-financial counterparties that are not AIFs grouped under "Category 4").

Margin requirements

On 4 October 2016, the 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**").The RTS were published in the Official Journal on 15 December 2016 and entered into force on 4 January 2017.

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

If the Issuer becomes subject to the clearing obligation or to the margin requirement, it is unlikely that it would be able to comply with such requirements, which would adversely affect the Issuer's ability to enter into Hedge Transactions or significantly increase the cost thereof, negatively affecting the Issuer's ability to acquire Non-Euro Obligations and/or hedge its interest rate risk. As a result of such increased costs, additional regulatory requirements and limitations on ability of the Issuer to hedge interest rate and currency risk, the amounts payable to Noteholders may be negatively affected as the 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, the Currency Call Options 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 4 May 2017, the European Commission published its proposal for a Regulation amending EMIR as regards the clearing obligation, the suspension of the clearing obligation, the reporting requirements, the risk-mitigation techniques for OTC derivatives contracts not cleared by a central counterparty, the registration and supervision of trade repositories and the requirements for trade repositories("**EMIR REFIT**"). The final version of EMIR REFIT was published in the EU Official Journal on 28 May 2019, with the majority of the amendments to EMIR coming into force from 17 June 2019.

The most significant amendment in EMIR REFIT is the change to the definition of financial counterparty ("**FC**"). EMIR REFIT brings into that definition all alternative investment funds ("**AIFs**"), that are either established in the EEA or whose investment manager is authorised/registered under Directive 2011/61/EU on Alternative Investment Fund Managers ("**AIFMD**"). Notably, the FC definition will effectively capture non-EU AIFs managed by non-EU managers when they are a counterparty to an EU FC. Previously, such funds were usually determined to be third country entities ("**TCEs**") that would be non-financial counterparties ("**NFCs**") if they were established in the EU, meaning that such funds would be out of scope of the clearing obligation and risk mitigation obligations (subject to the fund not exceeding the relevant clearing threshold for NFCs) when dealing with EU FCs. Under the amended definition of a FC in EMIR REFIT, such funds will now be regarded as TCEs that would be FCs if they were established in the EU, meaning that EU FCs will be required to ensure compliance with the clearing obligation and margin requirements for uncleared derivatives in respect of their trading with such funds.

Despite the initial proposal by the European Commission including securitisation special purpose entities ("**SSPEs**", defined by reference to the AIFMD) in the revised financial counterparty definition, the final version published in the Official Journal instead provides a specific exclusion for such entities from categorisation as a financial counterparty.

EMIR REFIT also amends the clearing obligation through the introduction of a new category of "small financial counterparty", subject to similar clearing thresholds as non-financial counterparties. Another amendment provides that where the clearing threshold has been exceeded by a non-financial counterparty in one asset category, that non-financial counterparty will only have to clear derivatives in that category, rather than for all asset categories (as was the case in the original EMIR). Other amendments in EMIR REFIT include a relaxation of the reporting requirements for non-financial counterparties below the clearing threshold, the imposition of a "fair, reasonable and non-discriminatory commercial terms" access standard for clearing members providing clearing services and new powers for ESMA and the Commission to suspend the clearing obligation for certain classes of derivative.

3.8 Alternative Investment Fund Managers Directive

AIFMD became effective on 22 July 2013, and introduces authorisation and regulatory requirements for managers of 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**"). If considered to be an AIF managed by an AIFM, the Issuer would also be classified as an FC under EMIR and may be required to comply with clearing obligations and/or other risk mitigation techniques (including obligations to post margin to any central clearing counterparty or market counterparty with respect to Hedge Transactions (under the EMIR REFIT, all AIFs will be FCs whether or not managed by an authorised AIFM). See also "*European Market Infrastructure Regulation (EMIR)*" above.

There is an exemption from the definition of AIF in AIFMD for SSPEs (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, as regards the position in Ireland, the Central Bank has confirmed that pending such further clarification from ESMA, (i)

"registered financial vehicle corporations" within the meaning of Article 1(2) of Regulation (EC) No 24/2009 of the European Central Bank, such as the Issuer, and (ii) financial vehicles engaged solely in activities where economic participation is by way of debt or corresponding instruments which do not provide ownership rights in the financial vehicle which are provided by the sale of units or shares 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 Issuer were to be 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, any application 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.

3.9 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 has required, and will continue to require, 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. The Dodd-Frank Act affects 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 Issuer and the businesses of the Collateral Manager and its subsidiaries and affiliates, will be affected by the Dodd-Frank Act as implementing regulations are finalised over time and come into effect.

The Securities and Exchange Commission (the "**SEC**") proposed changes to Regulation AB (as defined under the Securities Act) under the Securities Act which would have had the potential to impose new disclosure requirements on securities offerings pursuant to Rule 144A under the Securities Act or pursuant to other SEC regulatory exemptions from registration. Such rules, if adopted, could have restricted the use of this Offering Circular or required the publication of a new prospectus in connection with the issuance and sale of any additional Notes or any Refinancing. On 27 August 2014, the SEC adopted final rules amending Regulation AB that did not implement these proposals. However, 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, they may place additional requirements and expenses on the Issuer in the event of the issuance and sale of any additional notes, which expenses may reduce the amounts available for distribution to the Noteholders.

None of the Issuer, the Collateral Manager, the Originator, the Retention Holder, the Initial Purchaser, the Arranger, the Co-Placement Agents, the Trustee or the Agents 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.

3.10 CFTC Regulations

Pursuant to the Dodd-Frank Act, regulators in the United States have promulgated and continue to promulgate a range of new regulatory requirements that may affect the pricing, terms and compliance costs associated with the entry into of any Hedge Transaction by the Issuer and the availability of such Hedge Transactions. Some or all of the Hedge Transactions that the Issuer may enter into may be affected by (i) the requirement that certain swaps be centrally cleared and 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 (x) significantly increase the cost to the Issuer and/or the Collateral Manager of entering into Hedge Transactions such that the Issuer may be unable to

purchase certain types of Collateral Obligations, (y) have unforeseen legal consequences on the Issuer or the Collateral Manager or (z) have other material adverse effects on the Issuer or the Noteholders.

Furthermore, regulations requiring the posting of variation margin on uncleared swaps entered into by entities such as the Issuer entered into effect in the United States on 1 March 2017. Hedge Transactions may be subject to such requirements, depending on the identity of the Hedge Counterparty. The Trust Deed does not permit the Issuer to post variation margin. Accordingly, the application of United States regulations to a Hedge Transaction or a proposed Hedge Transaction could have a material adverse effect on the Issuer's ability to hedge its interest or currency rate exposure, or on the cost of such hedging.

On 13 February 2017, the staff of the U.S. Commodity Futures Trading Commission ("**CFTC**") granted "no-action" relief as to compliance with the CFTC's variation margin regulations until 1 September 2017, however, swap dealers subject to such regulations will still be required to margin in-scope transactions entered into from 1 March 2017 onwards when full compliance is required. The other U.S. regulators with authority over margin on uncleared swaps have yet to take any similar action, despite calls from a number of industry groups, including the International Swaps and Derivatives Association, Inc. and the Securities Industry and Financial Markets Association, for regulators in the United States, Europe and Japan take similar action as the CFTC did.

3.11 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 applicable 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) subject to satisfaction of the Hedging Condition.

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) for CPOs to pools whose interests are sold to qualifying investors pursuant to an exemption from registration under the Securities Act, and that limit transactions in commodity interests to the trading thresholds set forth in the Rule. Specifically, under CFTC Rule 4.13(a)(3), the Issuer would be required to limit transactions in commodity interests so that either (i) no more than 5 per cent. of the liquidation value of the Issuer's assets is used as margin, premiums and required minimum security deposits to establish such positions, or (ii) the aggregate net notional value of the Issuer's positions in commodity interests does not exceed 100 per cent. of the Issuer's liquidation value. If the Collateral Manager elects to file for a registration exemption under CFTC Rule 4.13(a)(3), then unlike a CFTC-registered CPO, the Collateral Manager would not be required to deliver a CFTC-mandated disclosure document or a certified annual report to investors, or otherwise comply with the requirements applicable to CFTC-registered CPOs and CTAs. 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.

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 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.

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.

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 Offering Circular or any related subscription agreement.

3.12 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 financial instruments, or (ii) acquiring or retaining any "ownership interest" in, or in "sponsoring", a "covered fund," subject to certain exemptions.

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

None of the Issuer, the Initial Purchaser, the Arranger, the Co-Placement Agents, the Collateral Manager, the Originator, the Retention Holder, the Trustee, the Agents nor any of their affiliates makes any representation to any prospective investor or purchaser of the Notes regarding the application of the Volcker Rule to the Issuer, or to such investor's investment in the Notes on the Issue Date or at any time in the future.

It should be noted that a commodity pool as defined in the CEA (see "*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.

The Transaction Documents provide that the Noteholder's rights in respect of the removal of the Collateral Manager and selection of a replacement Collateral Manager shall only be exercisable upon a Collateral Manager Event of Default. Furthermore, the holders of any of the Class A Notes, the Class B Notes, the Class C Notes or the Class D Notes in the form of CM Non-Voting Exchangeable Notes or CM Non-Voting Notes are disenfranchised in respect of any CM Removal Resolution or CM Replacement Resolution. The Class X Notes shall not carry any rights to vote in respect of, or be counted for the purposes of determining a quorum and the result of any voting on, any CM Removal Resolution or any CM Replacement Resolution. 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", the provisions of the Volcker Rule and its related regulatory provisions, will severely limit the ability of "banking entities" to acquire or retain an "ownership interest" in the Issuer and, with respect to banking entities which have certain business relationships with the Issuer, to 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.

Earlier this year, the five federal agencies responsible for implementing the Volcker Rule approved for issuance a notice of proposed rulemaking which would amend certain aspects of the implementing regulations not relevant to this transaction. As part of that notice, though, the agencies also requested public comment on the need for potential changes to virtually all aspects of the implementing regulations, including those aspects of the

regulations relevant to securitizations and their treatment under the Volcker Rule's covered fund provisions. It is unclear at this time what changes ultimately will be made to the Volcker Rule's implementing regulations arising from this public comment process, and whether any such changes will affect the ability of banking entities to acquire and retain any of the Notes or to exercise voting rights with respect to the selection or replacement of the Collateral Manager.

No representation, guaranty or 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 conduct their own analysis to determine whether the Issuer is a "covered fund" for their purposes.

3.13 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. CRA3 has subsequently been supplemented by Delegated Regulation (EU) 2015/3 of 30 September 2014 (the "**CRA3 RTS**").

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.

3.14 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.

3.15 Flip Clauses

The validity and enforceability of certain provisions in contractual 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 recently in the English and U.S. courts on the basis that the operation of a flip clause as a result of such creditor's insolvency breaches the "anti-deprivation" principles of English and U.S. insolvency law. This principle prevents a party from agreeing to a provision that deprives its creditors of an asset upon its insolvency.

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

In the U.S. courts, the U.S. Bankruptcy Court for the Southern District of New York in *Lehman Brothers Special Financing Inc. v. BNY Corporate Trustee Services Limited.* (*In re Lehman Brothers Holdings Inc.*), Adv. Pro. No. 09-1242-JMP (Bankr S.D.N.Y. May 20, 2009) examined a flip clause contained in an indenture related to a swap agreement and held that such a provision, which seeks to modify one creditor's position in a priority

of payments when that creditor files for bankruptcy, is unenforceable under the U.S. Bankruptcy Code. Judge Peck also found that the Code's safe harbour provisions, which protect certain contractual rights under swap agreements, did not apply to the flip clause because the flip clause provisions were contained in the indenture, and not in the swap agreement itself. Judge Peck acknowledged that this has resulted in the U.S. courts coming to a decision "directly at odds with the judgement of the English Courts". While BNY Corporate Trustee Services Ltd filed a motion for and was granted leave to appeal with the U.S. Bankruptcy Court, the case was settled before the appeal was heard.

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

The flip clause examined in the *Belmont* case is similar in substance to the relevant provisions in the Priorities of 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.

3.16 LIBOR and EURIBOR Reform

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

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

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

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

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

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

In a speech on 27 July 2017, Andrew Bailey, the Chief Executive of the FCA, announced the FCA's intention to cease sustaining LIBOR from the end of 2021.

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

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

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

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

Benchmarks such as EURIBOR or LIBOR may be discontinued if they do not comply with the requirements of the Benchmarks Regulation, or if the administrator of the benchmark either fails to apply for authorisation or is refused authorisation by its home regulator.

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

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

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

Investors should be aware that:

(a) any of the international, national or other measures or proposals for reform, or general increased regulatory scrutiny of "benchmarks" could have a material adverse effect on the costs and risks of

administering or otherwise participating in the setting of a "benchmark" and complying with any such regulations or requirements. Such factors may have the effect of discouraging market participants from continuing to administer or participate in certain "benchmarks", trigger changes in the rules or methodologies used in certain "benchmarks" or lead to the disappearance of certain "benchmarks";

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

(c) if the applicable rate of interest on any Collateral 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 Obligation, which may include determination by the relevant calculation agent in its discretion; and

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

(d) if any of the relevant EURIBOR or USD-LIBOR 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, fall-back mechanisms which may govern the determination of interest rates where a benchmark rate is not available (such as those described in paragraph (c) immediately above) are not suitable for long term use. Accordingly, in the event a benchmark rate is permanently discontinued, it may be desirable to amend the applicable interest rate provisions in the affected Floating Rate Collateral Obligation, the Hedge Agreements or the Floating Rate Notes. Investors should note that the Issuer may, in certain circumstances, amend the Transaction Documents to modify or amend the reference rate in respect of the Floating Rate Notes without the consent of Noteholders if the Controlling Class and the Class M Subordinated Noteholders, in each case, acting by way of Ordinary Resolution, have consented (see Condition 14(c) (*Modification and Waiver*)); and

(e) the administrator of a relevant benchmark will not have any involvement in the Collateral 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 Obligations or the Notes.

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

3.17 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 Arranger, the Initial Purchaser, the Co-Placement Agents, 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 Arranger, the Initial Purchaser, the Co-Placement Agents, the Collateral Manager and the Trustee will comply with AML Requirements to which they are or may become subject and to interpret such AML Requirements broadly in favour of disclosure. In addition, it is expected that each of the Issuer, the Arranger, the Initial Purchaser, the Co-Placement Agents, 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. A Noteholder may also be obliged to provide information they may have previously identified or regarded as confidential to satisfy the Issuer AML Requirements.

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

3.19 EU Bank Recovery and Resolution Directive

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

The 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 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.

3.20 Regulation U Requirements

Regulation U, issued by the Board of Governors of the Federal Reserve System (the "**FRB**"), governs certain credit secured, directly or indirectly, by Margin Stock that is extended by certain persons other than securities broker dealers (such persons, "**Regulation U Lenders**"). Under current interpretations of Regulation U by the FRB and its staff, the purchase of a debt security, such as the Notes, in a private placement is treated as an extension of credit. Among other things, Regulation U generally imposes certain limits on the amount of credit that Regulation U Lenders may extend that is used for the purpose of purchasing or carrying Margin Stock ("**Purpose Credit**"). Regulation U Lenders are not subject to the Regulation U credit limits with respect to extensions of credit that are not Purpose Credit.

Regulation U also generally requires Regulation U Lenders (other than persons that are banks within the meaning of Regulation U) to register with the FRB when they extend or maintain specified amounts of credit secured by Margin Stock. However, Qualified Institutional Buyers purchasing debt securities in a transaction in compliance with Rule 144A are generally not required to register with the FRB by virtue of such purchases where the proceeds of the securities are not used to purchase or carry Margin Stock. In addition, non-U.S. Persons that do not have a principal place of business in a Federal Reserve District of the FRB are also generally not required to register with the FRB under Regulation U. Holders of debt securities sold in reliance on Section 4(a)(2) (such as the IAI Class M Subordinated Notes) may be considered to have extended credit for the purposes of Regulation U and therefore may be subject to Regulation U registration and reporting requirements even if the proceeds of their Notes are not Purpose Credit.

With respect to the Notes, the provisions of the Trust Deed and the Collateral Management and Administration Agreement are intended to provide that, for purposes of Regulation U, the proceeds of the Notes are not used in a manner that would cause the Notes to be Purpose Credit, and that such Notes therefore are not subject to the credit limits of Regulation U; however, such result is not guaranteed (see in particular, the paragraph immediately below). However, although the Issuer is not permitted to purchase Margin Stock, any Margin Stock received by the Issuer will be included in the Collateral that are pledged for the benefit of the Noteholders, making the Notes potentially secured by Margin Stock. The registration requirements of Regulation U should not in any event apply to U.S. persons purchasing under Rule 144A (to the extent that the Notes are not Purpose Credit) or non-U.S. Persons purchasing in reliance on Regulation S that do not have a principal place of business in a Federal Reserve District of the FRB. Holders of debt securities purchased in reliance on Section 4(a)(2), (such as the IAI Class M Subordinated Notes) should consider if they are required to register with the FRB in the event that the Notes become secured by Margin Stock. Purchasers of Notes subject to the registration requirements of Regulation U, as well as any purchasers of such Notes that are banks within the meaning of Regulation U, may be subject to certain additional requirements under Regulation U. If a purchaser of Notes does not comply with any applicable Regulation U requirements, such failure may result in a violation of Regulation U and such violation, among other things, could affect the enforceability of such Notes. Purchasers of the Notes should consult with their own legal advisors as to Regulation U and its application to them (see in particular, the paragraph immediately below). Under the Trust Deed, each purchaser of an interest in a Note will be deemed to have represented that either (x) such purchaser's principal place of business is not located within any Federal Reserve District of the FRB or (y) such purchaser has satisfied and will satisfy any applicable registration or other requirements of the FRB including, without limitation, Regulation U, in connection with its acquisition of the Notes, as applicable.

The provisions of the Trust Deed and the Collateral Management and Administration Agreement provide that the Issuer (or the Collateral Manager on behalf of the Issuer), uses commercially reasonable efforts to sell Margin Stock with an aggregate market value in excess of 5.0 per cent. of the Target Par Amount no later than

45 days after such excess occurs; however, such result is not guaranteed. If Noteholders are deemed to be in violation of Regulation U, such violation, among other things could affect the enforceability of the relevant Notes. Investors should consult with their own legal advisors regarding Regulation U and its application to them prior to purchasing Notes, noting, among other things, that Margin Stock may represent up to 5.0 per cent. of the Target Par Amount and potentially more than that amount if the Issuer's (or the Collateral Manager's (acting on behalf of the Issuer)) efforts to sell Margin Stock in excess of 5.0 per cent. of the Target Par Amount are not successful.

In addition, the FRB's Regulation X generally prohibits certain Persons from receiving credit outside the United States to purchase or carry United States securities or within the United States to purchase or carry any securities ("**securities credit**") in excess of the credit limitations of Regulation U, whether or not the party extending the securities credit is subject to Regulation U. If any holder is deemed to have extended securities credit to the Issuer in violation of the credit limits of Regulation U, the Issuer also could be viewed as having violated the FRB's Regulation X, even if such holder is not subject to Regulation U.

Violations of Regulations U and X generally constitute violations of the Exchange Act, under which they are promulgated. No opinion, no-action position or other approvals have been obtained from the FRB or the SEC (the latter of which has responsibility for enforcing Regulations U and X) with respect to the status of the Notes under Regulations U and X. If a holder or the Issuer were deemed to have violated Regulation U or X, as applicable, possible consequences would include, but are not limited to, the following: (i) the SEC could apply to a district court to enjoin the violation or seek other relief or penalties; (ii) other investors in the Issuer could sue the relevant holder or the Issuer for any damages caused by the violation; or (iii) the Notes that involve the violation of the margin requirements may be unenforceable.

4. RELATING TO THE NOTES

4.1 Limited Liquidity and Restrictions on Transfer

None of the Arranger, the Initial Purchaser or the Co-Placement Agents (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 the liquidity of Notes held in the form of CM Non-Voting Notes and CM Non-Voting Exchangeable Notes.

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

4.2 Optional Redemption and Market Volatility

The market value of the Collateral Obligations may fluctuate, with, among other things, changes in prevailing interest rates, foreign exchange rates, general economic conditions, the conditions of financial markets (particularly the markets for senior and mezzanine loans and bonds and high yield bonds), European and international political events, events in the home countries of the Obligors of the Collateral Obligations or the countries in which their assets and operations are based, developments or trends in any particular industry and the financial condition of such Obligors. 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 Class M 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 Class M Subordinated Notes in accordance with the Priorities of Payment and certain other amounts.

4.3 The Notes are subject to Optional Redemption in whole or in part by Class (or by tranche, in relation to the Class A Notes)

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

(a) in the case of a redemption on any Business Day falling on or after the expiry of the Non-Call Period at the option of (1) with respect to any Optional Redemption other than pursuant to Condition 7(b)(vi) (*Optional Redemption effected through Liquidation only*), (i) the holders of the Class M Subordinated Notes acting by way of Ordinary Resolution and subject to the written consent of the Collateral Manager or (ii) the Collateral Manager; or (2) with respect to any Optional Redemption pursuant to Condition 7(b)(vi) (*Optional Redemption effected through Liquidation only*), the holders of the Class M Subordinated Notes acting by way of Extraordinary Resolution (but excluding for such purpose, any Class M Subordinated Notes held by or on behalf of the Collateral Manager, the Originator, or any Collateral Manager Related Person) and subject to the written consent of the Collateral Manager;

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

(c) on any Business Day following the occurrence of a Collateral Tax Event in whole (with respect to all Classes of Rated Notes) at the option of the Class M Subordinated Noteholders acting by way of Ordinary Resolution.

In addition, the Class M Subordinated Noteholders (acting by way of Ordinary Resolution) and with the consent of the Collateral Manager, may elect to extend the Non-Call Period by 2 years in connection with a Refinancing.

In addition, the Rated Notes may be redeemed in part by Class (or, in relation to the Class A Notes, by redemption in whole of the entire tranche of Class A-1 Notes and/or the entire tranche of Class A-2 Notes and/or the entire tranche of Class A-3 Notes or, in relation to the Class B Notes, by redemption in whole of the entire tranche of Class B-1 Notes and/or the entire tranche of Class B-2 Notes) from Refinancing Proceeds at the applicable Redemption Prices, from any Refinancing Proceeds on any Business Day falling on or after expiry of the Non-Call Period at the direction of (i) the Collateral Manager or (ii) the Class M Subordinated Noteholders (acting by way of Ordinary Resolution), at least 45 days prior to the Redemption Date to redeem such Class (or tranche, in relation to the Class A Notes) of Rated Notes; *provided that* any Refinancing so directed by the Class M Subordinated Noteholders shall be subject to the prior written consent of the Collateral Manager. Any such redemption shall be of an entire Class or Classes (or tranche in relation to the Class A Notes) of Notes subject to a number of conditions. See Condition 7(b) (*Optional Redemption*).

The Collateral Manager is under no obligation to consent to any Optional Redemption nor is it required to consider the interests of any Noteholder in deciding whether to exercise its right of Optional Redemption or to consent to the exercise by the Class M Subordinated Noteholders of their right of Optional Redemption.

Following the expiry of the Non-Call Period, the Issuer shall redeem the Rated Notes in whole from Sale Proceeds on any Business Day, if the Collateral Principal Amount is less than 15 per cent. of the Target Par Amount and such redemption is directed in writing by the Collateral Manager or the Originator, in each case in accordance with the Conditions and the Trust Deed.

As described in Condition 7(b)(v) (*Optional Redemption effected in whole or in part through Refinancing*), Refinancing Proceeds may be used in connection with either a redemption in whole of the Rated Notes or a redemption in part of the Rated Notes by Class (or by tranche in relation to the Class A Notes). In the case of a Refinancing upon a redemption of the Rated Notes in whole but not in part, such Refinancing will only be effective if (among other things) the Refinancing Proceeds, all Sale Proceeds from the sale of Collateral

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 (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 (including without limitation Deferred Interest on any Class of Notes entitled thereto) save for the Class M Subordinated Notes and all amounts payable in priority thereto (subject to any election to receive less than 100 per cent. of Redemption Price) on such Redemption Date when applied in accordance with the Post-Acceleration Priority of Payments.

In the case of a Refinancing upon a redemption of the Rated Notes in part by Class (or by tranche in relation to the Class A Notes), such Refinancing will only be effective if certain conditions are satisfied including but not limited to: (i) any redemption of a Class of Notes (or a tranche, as applicable) is a redemption of the entire Class (or tranche, as applicable) which is subject to the redemption and (ii) the sum of (A) the Refinancing Proceeds and (B) the amount of Interest Proceeds standing to the credit of each Interest Account in excess of the aggregate amount of Interest Proceeds which would be applied in accordance with the Interest Priority of Payments on the immediately following Payment Date prior to paying any amount in respect of the Class M Subordinated Notes will be at least sufficient to pay in full (x) 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 (y) all accrued and unpaid Administrative Expenses and Trustee Fees and Expenses in connection with such Refinancing. The Issuer's ability to effect a Refinancing or an issuance of additional notes may be impaired or limited as a result of the U.S. Risk Retention Rules. See "*U.S. Risk Retention Rules*" above.

The Trust Deed provides that the holders of the Class M 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 (upon certification by the Issuer or the Collateral Manager on behalf of the Issuer as to the necessity of making such amendments to reflect the terms of the Refinancing) and no consent for such amendments shall be required from the holders of the Notes other than the holders of the Class M Subordinated Notes acting by way of Ordinary Resolution. No assurance can be given that any such amendments to the Trust Deed or the terms of any Refinancing will not adversely affect the holders of any Class or Classes (or tranche or tranches, as applicable) of Notes not subject to redemption (or, in the case of the Class M Subordinated Notes, the holders of the Class M Subordinated Notes who do not direct such redemption).

The Class M 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 the Class M Subordinated Noteholders (acting by way of Ordinary Resolution) or the Collateral Manager.

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 Class M Subordinated Notes after all required payments are made to the holders of the Rated Notes. In addition, an Optional Redemption could require the Collateral Manager to liquidate positions more rapidly than would otherwise be desirable, which could adversely affect the realised value of the Collateral Obligations sold.

Investors should note that the Originator may acquire a proportion of the Class M Subordinated Notes which may represent a controlling stake in such Class, giving it the ability to control the passing of any Ordinary Resolutions to effect an Optional Redemption pursuant to Condition 7(b) (*Optional Redemption*).

Although the Collateral Manager has informed the Issuer that the Retention Holder will purchase the Retention Interest as described under "*Credit Risk Retention*", there can be no assurance that the Issuer's ability to refinance Notes in whole or in part will not be impaired or limited as a result of the U.S. Risk Retention Rules. See "*U.S. Risk Retention Rules*" above.

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

On any Payment Date during the Reinvestment Period following written certification to the Trustee (on which the Trustee may rely conclusively and without further enquiry or liability) that it (A) has been unable, for a period of at least 20 consecutive Business Days using commercially reasonable endeavours, to identify additional Collateral Obligations or Substitute Collateral Obligations that are deemed appropriate by the Collateral Manager in its sole discretion and which would meet the Eligibility Criteria or, to the extent applicable, the Reinvestment Criteria in sufficient amounts to permit the investment or reinvestment of all or a

portion of the funds then in the applicable Principal Account to be invested in additional or Substitute Collateral Obligations or (B) at any time after the Effective Date, has determined, acting in a commercially reasonable manner, that a redemption is required in order to avoid a Rating Event, the Collateral Manager may elect, at its sole discretion, to designate all or a portion of those funds as a Special Redemption Amount. 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 Class M Subordinated Notes.

4.5 Mandatory Redemption of the Notes

Certain mandatory redemption arrangements may result in an elimination, deferral or reduction in the interest payments or principal repayments made to the Class C Noteholders, the Class D Noteholders, the Class E Noteholders and the Class F Noteholders or the level of the returns to the Class M Subordinated Noteholders, including in relation to mandatory redemption following the breach of any of the Coverage Tests.

4.6 The Reinvestment Period may terminate early

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

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

After the end of the Reinvestment Period, the Collateral Manager may continue to reinvest Unscheduled Principal Proceeds received with respect to the Collateral Obligations and the Sale Proceeds from the sale of Credit Risk Obligations and Credit Improved Obligations, subject to certain conditions set forth in the Collateral Management and Administration Agreement. See "*The Portfolio - Management of the Portfolio – Following Expiry of the Reinvestment Period*". Reinvestment after the end of the Reinvestment Period will likely have the effect of extending the Weighted Average Life of the Portfolio and the average lives of the Notes.

4.8 Certain Actions May Prevent the Failure of Coverage Tests and/or a Note Event of Default

Investors should note that, pursuant to the Transaction Documents:

(a) at any time, subject to certain conditions, the Issuer may issue additional Notes (other than the Class X Notes) and apply the net proceeds to acquire Collateral Obligations or (in the case of a further issuance of Class M Subordinated Notes) apply such net proceeds as Interest Proceeds pursuant to the Interest Priority of Payments or for other Permitted Uses (see Condition 17 (*Additional Issuances*));

(b) the Collateral Manager may, pursuant to the Priorities of Payment, apply funds by either deferring, designating for reinvestment in Collateral Obligations or the purchase of Notes pursuant to Condition 7(l) (*Purchase*) or irrevocably waiving all or a portion of the Collateral Management Fees that would otherwise have been payable to it or designating a Supplemental Reserve Amount;

(c) the Collateral Manager may provide the Issuer with a cash advance by way of a Collateral Manager Advance; and/or

(d) the Class M Subordinated Noteholders may provide the Issuer with a cash advance at any time during the Reinvestment Period by way of a Reinvestment Amount.

Any such action could result in satisfaction of a Coverage Test that would otherwise be failing and therefore potentially decrease the occurrence of principal prepayments of the highest ranking Class of Notes. Likewise, any such action could prevent a Note Event of Default which would otherwise have occurred and therefore potentially result in the Notes continuing to be outstanding in circumstances where the Controlling Class may otherwise have had the right to direct the Trustee to accelerate the Notes. Consequentially, the average life of the Notes may be longer than it would otherwise be (see "*Average Life and Prepayment Considerations*" below).

4.9 Additional Issuances of Notes may Result in the Dilution of Existing Noteholders

The issuance and sale of additional Notes (other than the Class X Notes) in accordance with Condition 17 (*Additional Issuances*) requires that existing Noteholders shall be afforded the opportunity to purchase such additional Notes of the relevant Class in an amount not to exceed the percentage of the relevant Class of Notes each holder held immediately prior to the issuance of such additional Notes. To the extent that an existing Noteholder determines not to purchase such additional Notes, or purchases only a portion of its entitlement thereof, the proportion of the Notes held by such holder may be diluted following such additional issuance. However, such requirement does not apply to any additional issuance of Class M Subordinated Notes if such issuance is required in order to prevent, cure or lessen an EU Retention Deficiency and/or to ensure compliance with the U.S. Risk Retention Rules for any reason. Accordingly, the proportion of Class M Subordinated Notes held by a Class M Subordinated Noteholder may be diluted following an additional issuance of Class M Subordinated Notes. See Condition 17 (*Additional Issuances*).

The Issuer's ability to issue additional notes may be impaired or limited as a result of the EU Risk Retention Requirement and/or the U.S. Risk Retention Rules. See "*EU Securitisation Regulation*" and "*U.S. Risk Retention Rules*" above.

4.10 Limited Recourse Obligations

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

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

Each Noteholder will agree, and each beneficial owner of Notes will be deemed to agree, pursuant to the Trust Deed, that it will be subject to non-petition covenants. If such provision failed to be enforceable under applicable bankruptcy laws, and a winding-up (or similar) petition was presented in respect of the Issuer, then

the presentation of such a petition could (subject to certain Conditions) result in one or more payments on the Notes made during the period prior to such presentation being deemed to be preferential transfers subject to avoidance by the bankruptcy trustee or similar official exercising authority with respect to the Issuer's bankruptcy estate. It could also result in the bankruptcy court, trustee or receiver liquidating the assets of the Issuer without regard to any votes or directions required for such liquidation pursuant to the Trust Deed and could result in any payments under the Notes made during the period prior to such presentation being deemed to be a fraudulent or improper disposition of the Issuer's assets.

4.12 Subordination of the Notes

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

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, subject to and as more fully described in the Priorities of Payment. Payments on the Class M Subordinated Notes will be made by the Issuer to the extent of available funds and no payments thereon will be made until the payment of certain fees and expenses have been made and until interest on the Class X Notes, the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes 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 Class M Subordinated Notes to the applicable Supplemental Reserve Account to be applied in the acquisition of Substitute Collateral Obligations or in the acquisition or exercise of rights under Collateral Enhancement Obligations, and the requirement to transfer amounts to the applicable Principal Account (or to repay principal on the Notes in accordance with the Note Payment Sequence) in the event that the Reinvestment Overcollateralisation Test is not met during the Reinvestment Period.

Non-payment of any Interest Amounts due and payable in respect of the Class X Notes, the Class A Notes or the Class B Notes on any Payment Date will constitute a Note Event of Default (where such non-payment continues for a period of at least five Business Days or ten Business Days in the case of an administrative error or omission after the Collateral Administrator or Principal Paying Agent receives written notice of or has actual knowledge of such error or omission). In such circumstances, the Class A Noteholders (or following redemption in full of the Class A Notes, the Class B Noteholders), acting by Extraordinary Resolution, may request the Trustee to accelerate the Notes pursuant to Condition 10 (*Events of Default*). However, non-payment of any Interest Amount due and payable in respect of the Class C Notes, Class D Notes, Class E Notes, the Class F Notes or Class M Subordinated Notes on any Payment Date will not constitute a Note Event of Default, even if such Class of Notes is the Controlling Class.

In the event of any redemption in full or acceleration of the Class X Notes, the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class M Subordinated Notes will also be subject to automatic redemption and/or acceleration and the Collateral will, in each case, be liquidated. Liquidation of the Collateral at such time or remedies pursued by the Trustee upon enforcement of the security over the Collateral could be adverse to the interests of the Class X Noteholders, the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders, the Class F Noteholders or the Class M 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 Class M 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 and the Class X 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 Class M Subordinated Noteholders. Remedies pursued on behalf of the Class B Noteholders could be adverse to the interests of the Class C Noteholders, the Class D Noteholders, the Class E Noteholders, the Class F Noteholders and the Class M 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 Class M 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 Class M Subordinated Noteholders. Remedies pursued on behalf of the Class E Noteholders could be adverse to the interests of the Class F Noteholders and the Class M Subordinated Noteholders. Remedies pursued on behalf of the Class F Noteholders could be adverse to the interests of the Class M Subordinated Noteholders.

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

4.13 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 Class M Subordinated Notes at any time, due to there being insufficient funds available to pay such interest in accordance with the applicable Priority of Payments, will not be a Note Event of Default. Payments of interest and principal on the Class M 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 Class M Subordinated Notes for an unlimited period of time, to maturity or at all.

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

As described above, failure to pay scheduled interest on the Class C Notes, the Class D Notes, the Class E Notes or the Class F Notes, even where such Class of Notes is the Controlling Class, will not be a Note Event of Default. Holders of such Classes of Notes will consequently have no right to accelerate their Notes or to direct that the Trustee take enforcement action with respect to the Collateral to recover the principal amount of their Notes outstanding in such circumstances.

4.14 Reports Will Not Be Audited

The Monthly Reports, Effective Date Report and Payment Date Reports made available to Noteholders will be compiled by the Collateral Administrator, on behalf of the Issuer, in consultation with and based on certain information provided to it by the Collateral Manager. Information in the reports will not be audited nor will reports include a review or opinion by a public accounting firm.

4.15 Future Ratings of the Rated Notes Not Assured and Limited in Scope

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

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

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

As at the date of this Offering Circular, each of the Rating Agencies is established in the European Union and is registered under the CRA Regulation. As such each Rating Agency is included in the list of credit rating agencies published by ESMA on its website in accordance with the CRA Regulation. ESMA may determine that one or both of the Rating Agencies no longer qualifies for registration under the CRA Regulation 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 ((i) in the case of either Rating Agency, where the Effective Date Determination Requirements have not been satisfied, (ii) in the case of S&P, where the Effective Date S&P Condition has not been satisfied, and (iii) in the case of Moody's, where the Effective Date Moody's Condition has not been satisfied), the Issuer (or the Collateral Manager on its behalf) in its sole discretion shall elect (i) to redeem the Rated Notes in part in an amount and in the manner described under Condition 7(e) (*Redemption upon Effective Date Rating Event*) or (ii) that proceeds that would have been used to redeem the Rated Notes in accordance with (i) above shall be used to acquire additional Collateral Obligations. There can be no assurance that a Rating Agency will provide such rating confirmations upon request, regardless of the terms agreed to among

transaction participants, or not subsequently withdraw or downgrade its ratings on one or more Classes of Rated Notes, which could materially adversely affect the value or liquidity of the Notes.

Requirements imposed on Rating Agencies could result in withdrawal of ratings if certain actions are not taken by the 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 ("Unsolicited Ratings") 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. Issuance of an Unsolicited Rating lower than the ratings assigned by the Rating Agencies on the applicable Rated Notes might adversely affect the liquidity and market value 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 Issuer, the Collateral Manager, the Arranger, the Initial Purchaser, the Co-Placement Agents, the Agents, the Trustee, the Rating Agencies and each of their respective Affiliates are not obliged to take any action following the publication or announcement of any such unsolicited ratings or views.

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

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

The SEC adopted Rule 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 NRSRO 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). In connection with the Effective Date, the Collateral Management and Administration Agreement requires an accountant's agreed upon procedures report to be delivered to the Issuer and the Collateral Manager, and portions of this report may constitute "due diligence services" under Rule 17g-10. Although the Issuer has agreed to post any certification in the required form that it receives in respect of such portion of such report to the Rule 17g-5 website, it is unclear what, if any, other services provided or to be provided by third parties to the Issuer in connection with the transaction described in this Offering Circular, would constitute "due diligence services" under Rule 17g-10. Consequently, no assurance can be given as to whether any certification will be posted by the Issuer or delivered by or 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.

4.17 Average Life and Prepayment Considerations

The Maturity Date of the Notes is the Payment Date falling on 15 May 2032 (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 or USD (as applicable) of the principal of such Note will be paid to the investor. The average lives of the Notes will be determined by the amount and frequency of principal payments, which are dependent upon, among other things, the amount of payments received at or in advance of the scheduled maturity of the Collateral Obligations (whether through sale, maturity, redemption, default or other liquidation or disposition). The actual average lives and actual maturities of the Notes will be affected by the financial condition of the obligors of the underlying Collateral 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 Obligations. Collateral Obligations may be subject to optional prepayment by the Obligor of such loans. Any disposition of a Collateral Obligation may change the composition and characteristics of the 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.

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

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

4.19 Volatility of the Class M Subordinated Notes

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

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

4.20 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 a Note Event of Default on or about that date.

4.21 Security

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

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

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

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

4.22 Resolutions, Amendments and Waivers

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

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

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

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 an Extraordinary Resolution or an Ordinary Resolution. In the case of an Extraordinary Resolution, this is one or more persons holding or representing not less than $66^2/_3$ per cent. of the aggregate Principal Amount Outstanding of each Class of Notes (or the relevant Class or Classes only, if applicable) and, in the case of an Ordinary Resolution, this is one or more persons holding or representing not less than 50 per cent. of the aggregate Principal Amount Outstanding of each Class of Notes (or the relevant Class or Classes only, if applicable). 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. In all of the three cases, the quorum is less at an adjourned meeting. The voting threshold at any Noteholders' meeting in respect of an Ordinary Resolution or an Extraordinary Resolution of all Noteholders is, respectively, more than 50 per cent. or at least $66^2/_3$ per cent. of the aggregate of the Principal Amount Outstanding of the Notes of each Class represented at the meeting. Accordingly, it is likely that, at any meeting of the Noteholders, an Ordinary Resolution may be passed with less than 50 per cent. and an Extraordinary Resolution may be passed with less than $66^2/_3$ per cent. respectively of all the Noteholders of each Class of Notes or relevant Class or Classes of Notes, as applicable. Such quorum provisions still, however, require considerably lower thresholds than would be required for a Written Resolution. In addition, the Principal Amount Outstanding of the Class A-2 Notes, the Class A-3 Notes and the Class M-2 Subordinated Notes shall be converted into Euro at the Applicable FX Rate for the purposes of determining voting rights attributable to the Class A-2 Notes. the Class A-3 Notes and the Class M-2 Subordinated Notes and the applicable quorum at any meeting of Noteholders pursuant to Condition 14 (*Meetings of Noteholders, Modification, Waiver and Substitution*).

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

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

Any Notes (including Class M Subordinated Notes) held by or on behalf of the Collateral Manager, the Originator or any Collateral Manager Related Person, shall have no voting rights with respect to, and shall not be counted for the purposes of determining a quorum and the results of voting on any CM Removal Resolution or any Optional Redemption pursuant to Condition 7(b)(vi) (*Optional Redemption effected through Liquidation only*).

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

CM Removal Resolution and a CM Replacement Resolution and the remaining percentage of the Controlling Class (or other relevant Class or Classes) held in the form of CM Non-Voting Notes and/or CM Non-Voting Exchangeable Notes will be bound by such resolution. Holders of the CM Voting Notes may have interests that differ from other holders of Class A Notes, Class B Notes, Class C Notes and Class D Notes and may seek to profit or seek direct benefits from their voting rights. The entire Class of Class M 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 Class M Subordinated Noteholders as a Class pursuant to the Conditions and the Trust Deed and may have interests that differ from other Noteholders and may seek to profit or seek direct benefits from their effective control over the exercise of such rights.

Certain amendments and modifications may be made without the consent of Noteholders. See Condition 14(c) (*Modification and Waiver*). Such amendment or modification could be adverse to certain Noteholders. Without limitation to the foregoing, potential investors should note that the Issuer may amend the Transaction Documents to modify or amend the Collateral Quality Tests, the Portfolio Profile Tests, the Reinvestment Overcollateralisation Test, the Reinvestment Criteria, the Eligibility Criteria 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.

Investors should note that for the purposes of determining voting rights attributable to the Notes and the applicable quorum at any meeting of the Noteholders pursuant to Condition 14 (*Meetings of Noteholders, Modification, Waiver and Substitution*), (a) the Class A-1 Notes, the Class A-2 Notes and the Class A-3 Notes, (b) the Class B-1 Notes and the Class B-2 Notes, and (c) the Class M-1 Subordinated Notes and the Class M-2 Subordinated Notes, in each case shall together be deemed to constitute a single Class in respect of any voting rights specifically granted to them (including as the Controlling Class). As a consequence, holders of any such Notes act not separately, but together as a single Class for voting purposes, including in relation to amendments where the interests of such Noteholders may not be aligned.

Certain entrenched rights relating to the Conditions including the currency thereof, Payment Dates applicable thereto, the Priorities of Payment, the provisions relating to quorums and the percentages of votes required for the passing of a Resolution cannot be amended or waived by Ordinary Resolution but require an Extraordinary Resolution. It should however be noted that amendments may still be effected and waivers may still be granted in respect of such provisions in circumstances where not all Noteholders agree with the terms thereof and any amendments or waivers once passed in accordance with the provisions of the Conditions and the provisions of the Trust Deed will be binding on all such dissenting Noteholders. Modifications may also be made and waivers granted in respect of certain matters, which the Trustee is obliged to consent to without the consent of the Noteholders as set out in Condition 14(c) (*Modification and Waiver*). In particular, changes to the Transaction Documents to correct a manifest error and changes deemed not materially prejudicial to the interests of the Noteholders of any Class as described in Condition 14(c) (*Modification and Waiver*) may be effected without Trustee (or Noteholder) consent (and shall be evidenced by an officer's certificate of the Issuer or the Collateral Manager or a certificate of an investment bank, accounting firm or other expert or advisor experienced in securities similar to the Notes).

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

4.23 Concentrated Ownership of One or More Classes of Notes

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

4.24 Enforcement Rights Following a Note Event of Default

If a Note Event of Default occurs and is continuing, the Trustee may, at its discretion, and shall (subject to being indemnified and/or secured and/or prefunded to its satisfaction), at the request of the Controlling Class acting by way of Extraordinary Resolution, give notice to the Issuer and the Collateral Manager that all the Notes are immediately due and repayable, provided that following a Note Event of Default described in Condition 10(a)(vi) (*Insolvency Proceedings*), 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 and the Irish Deed of Charge becomes enforceable, the Trustee may, at its discretion, and shall (subject to being indemnified and/or secured and/or prefunded to its satisfaction), if so directed by the Controlling Class acting by Extraordinary Resolution, take Enforcement Action (as defined in the Conditions) in respect of the security over the Collateral provided that no such Enforcement Action may be taken by the Trustee unless: (A) it determines in accordance with Condition 11 (*Enforcement*) that the anticipated proceeds realised from such Enforcement Action (after deducting any expenses properly incurred in connection therewith), would be sufficient to discharge in full all amounts due and payable in respect of all Classes of Notes other than the Class M Subordinated Notes (including, without limitation, Deferred Interest on the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes) and all amounts payable in priority thereto pursuant to the Priorities of Payment; or otherwise (B) each Class of Rated Notes (acting independently and each by way of Extraordinary Resolution) directs the Trustee to take Enforcement Action.

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

4.25 Certain ERISA Considerations

Under the Plan Asset Regulation issued by the U.S. Department of Labor, as modified, if certain employee benefit plans or other retirement arrangements subject to the fiduciary responsibility provisions of Title I of the U.S. Employee Retirement Income Security Act of 1974, as amended, ("**ERISA**") or Section 4975 of the U.S. Internal Revenue Code of 1986, as amended, (the "**Code**") or entities whose underlying assets are treated as assets of such plans or arrangements (collectively, "**Plans**") invest in the Class E Notes, the Class F Notes, the Class M-1 Subordinated Notes or the Class M-2 Subordinated Notes, the assets of the Issuer could be considered to be assets of such Plans and certain of the transactions contemplated by the Issuer could be considered "prohibited transactions" under Section 406 of ERISA or Section 4975 of the Code. See the section entitled "*Certain ERISA Considerations*" below.

4.26 Forced Transfer

Each initial purchaser of an interest in a Rule 144A Note or an IAI Class M Subordinated Note and each transferee of an interest in a Rule 144A Note or an IAI Class M Subordinated Note will be deemed to represent at the time of purchase that, amongst other things, such purchaser is a QIB/QP (in the case of a Rule 144A Note) or an IAI/QP (in the case of an IAI Class M Subordinated Note).

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

Each Noteholder will be deemed or in some cases required to make certain representations in respect of ERISA.

The Trust Deed also provides that if, notwithstanding the restrictions on transfer contained therein, the Issuer determines at any time that any Noteholder is a Non-Permitted ERISA Noteholder, the Issuer shall, promptly after determination that such person is a Non-Permitted ERISA Noteholder by the Issuer, send notice to such Non-Permitted ERISA Noteholder demanding that such Holder transfer its interest to a person that is not a Non-Permitted ERISA Noteholder within 10 days of the date of such notice. If such Holder fails to effect the transfer required within such 10-day period, (a) the Issuer or the Collateral Manager on its behalf and at the expense of the Issuer, shall cause such beneficial interest to be transferred in a sale to a person or entity that certifies to the Issuer, in connection with such transfer, that such person or entity is not a Non-Permitted ERISA Noteholder; and (b) pending such transfer, no further payments will be made in respect of such beneficial interest.

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

4.27 Notes held by the Originator and the Collateral Manager

The Originator will purchase the Retention Notes on the Issue Date and the Collateral Manager and its Affiliates may purchase other Notes on or after the Issue Date. Any Class A Notes, Class B Notes, Class C Notes or Class D Notes held by or on behalf of the Collateral Manager, the Originator or any Collateral Manager Related Person shall only be held in the form of CM Non-Voting Exchangeable Notes or CM Non-Voting Notes. There will be no restriction on the ability of the Collateral Manager and its Affiliates to purchase the Notes (either upon initial issuance or through secondary transfers) and to exercise any voting rights to which such Notes are entitled (except that Notes held by the Collateral Manager, certain of its Affiliates and their respective employees shall be disregarded with respect to voting rights under certain circumstances as described in the Trust Deed and the Collateral Management and Administration Agreement). In addition, there will be no restriction on the ability of the Originator to purchase and divest of Notes, other than the Retention Notes.

5. RELATING TO THE COLLATERAL

5.1 The Portfolio

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

None of the Issuer, the Initial Purchaser, the Arranger or the Co-Placement Agents has made any investigation into the Obligors of the Collateral Obligations. The value of the Portfolio may fluctuate from time to time (as a result of substitution or otherwise) and none of the Issuer, the Trustee, the Initial Purchaser, the Arranger, the Co-Placement Agents, the Custodian, the Collateral Manager, any Collateral Manager Related Person, the Collateral Administrator, any other Agent, any Hedge Counterparty, the Originator or any of their Affiliates are under any obligation to maintain the value of the Collateral Obligations at any particular level. None of the Issuer, the Trustee, the Custodian, the Collateral Manager, any Collateral Manager Related Person, the Originator, the Collateral Administrator, any other Agent, any Hedge Counterparty, the Initial Purchaser, the

Arranger, the Co-Placement Agents, or any of their Affiliates has any liability to the Noteholders as to the amount or value of, or any decrease in the value of, the Collateral Obligations from time to time.

5.2 Nature of Collateral; Defaults

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

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

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

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

5.3 Acquisition of Collateral Obligations Prior to the Issue Date

The Issuer with the advice of the Collateral Manager has acquired, and will continue to enter into binding commitments to acquire, Collateral Obligations prior to the Issue Date pursuant to a financing arrangement (the "**Warehouse Arrangements**"). The Warehouse Arrangements were provided by one senior lender (the "**Warehouse Debt Provider**"), namely NATIXIS and one or more junior lenders (each, a "**Warehouse Equity Provider**") and, together with the Warehousing Debt Providers, the "**Warehouse Providers**"). A substantial number or portion of such Issue Date Collateral Obligations have been acquired from the Originator and some of the Collateral Obligations may have been acquired from other sources. The Warehouse Arrangements must be terminated in all respects on the Issue Date, and all amounts owing to the Warehouse Providers in connection with such arrangements must be repaid by the Issue Date from the proceeds of the issuance of the Notes. The purchase and sale by the Issuer of Collateral Obligations in accordance with the Warehouse Arrangements were subject to the approval of the Warehouse Providers. The approval by a Warehouse Provider to the purchase of an asset as a Collateral Obligation is based on its capacity as a financing party and should not be viewed as a

determination by such Warehouse Provider as whether a particular asset is an appropriate investment by the Issuer or whether it will satisfy any portfolio criteria applicable to the Issuer.

The purchase prices paid by the Issuer for Collateral Obligations acquired by it from the Originator will be the lesser of (a) the purchase price paid by the Originator and (b) the market value thereof, as determined by the Collateral Manager in accordance with its then-current policies on the date the Issuer enters into the commitment to purchase such Collateral Obligation. In connection with such purchases from the Originator, the Originator will be entitled to receive a fee from the Issuer in accordance with the Purchase and Sale Agreement.

The purchase prices of any or all Collateral Obligations acquired by the Issuer (whether from the Originator or another source) prior to the Issue Date may be greater or less than the market value thereof on the Issue Date. Events which may occur between the date on which the Issuer first acquired a Collateral Obligation and the Issue Date, including changes in prevailing interest rates, prepayments of principal, developments or trends in any particular industry, changes in the financial condition of the Obligors of Collateral Obligations, the timing of purchases prior to the Issue Date and a number of other factors beyond the Issuer's control, including the condition of certain financial markets, general economic conditions and international political events, could adversely affect the market value of the Collateral Obligations acquired prior to the Issue Date.

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

The requirement that the Eligibility Criteria be satisfied applies only at the time that any commitment to purchase a Collateral Obligation is entered into and any failure by such obligation to satisfy the Eligibility Criteria at a later stage will not result in any requirement to sell it or take any other action.

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

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

5.4 Considerations Relating to the Initial Investment Period

During the Initial Investment Period, the Collateral Manager, acting on behalf of the Issuer, will seek to acquire additional Collateral Obligations in order to satisfy each of the Coverage Tests (other than in respect of the Interest Coverage Tests which are required to be satisfied as at the Determination Date preceding the second Payment Date), Collateral Quality Tests, Portfolio Profile Tests and Target Par Amount requirement as at the Effective Date. See "*The Portfolio*" above. 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 denominated in a currency other than an Available Currency will depend upon a number of factors outside the control of the Collateral Manager, including its ability to identify a suitable Hedge Counterparty. To the extent it is not possible to purchase such additional Collateral Obligations, the level of income receivable by the Issuer on the Collateral, and therefore its ability to meet its interest payment obligations under the Notes, may be adversely affected. Such inability to invest may also shorten the weighted average lives of the Notes as it may lead to early redemption of the Notes. To the extent such additional Collateral Obligations are not purchased, the

level of income receivable by the Issuer on the Collateral and therefore its ability to meet its interest payment obligations under the Notes, together with the weighted average lives of the Notes, may be adversely affected. Any failure by the Collateral Manager (on behalf of the Issuer) to acquire such additional Collateral Obligations and/or enter into required Currency Hedge Transactions during such period could result in the non-confirmation or downgrade or withdrawal by any Rating Agency of its Initial Rating of any Class of Notes. Such non-confirmation, downgrade or withdrawal may result in the redemption of the Notes, shortening their weighted average life and reducing the leverage ratio of the Class M Subordinated Notes to the other Classes of Notes which could adversely affect the level of returns to the holders of the Class M Subordinated Notes. Any such redemption of the Notes may also adversely affect the risk profile of Classes of Notes in addition to the Class M 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, during the Initial Investment Period, the Collateral Manager may apply some or all amounts standing to the credit of the First Period Reserve Account for the purchase of additional Collateral Obligations. Such application may affect the amounts which would otherwise have been payable to Noteholders and, in particular, may reduce amounts available for distribution to the Class M Subordinated Noteholders.

5.5 Characteristics and Risks relating to the Portfolio

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

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

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

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

Characteristics of Senior Obligations, Mezzanine Obligations and High Yield Bonds

The Portfolio Profile Tests provide that, as of the Effective Date, at least 90 per cent. of the Collateral Principal Amount must consist of Secured Senior Obligations (which shall comprise for this purpose the aggregate of the Aggregate Principal Balance of the Secured Senior Obligations and the Balances standing to the credit of the Principal Accounts and the Unused Proceeds Accounts, in each case as at the relevant Measurement Date). Investors should note that Secured Senior Obligations may consist of Secured Senior Loans and/or Secured Senior Bonds but there is no restriction under the Portfolio Profile Tests on the proportion of Secured Senior Bonds and Secured Senior Loans constituting such Secured Senior Obligations. Senior Obligations, Mezzanine Obligations and High Yield Bonds are of a type generally incurred by the Obligors thereunder in connection with highly leveraged transactions, often (although not exclusively) to finance internal growth, pay dividends or other distributions to the equity holders in the Obligor, or finance acquisitions, mergers, and/or stock purchases. As a result of the additional debt incurred by the Obligor in the course of such a transaction, the Obligor's creditworthiness is typically judged by the rating agencies to be below investment grade. Secured Senior Obligations, and Unsecured Senior Obligations and, in some but not all cases, High Yield Bonds are typically at the most senior level of the capital structure with the security claim in respect of Second Lien Loans being subordinated thereto and Mezzanine Obligations being subordinated to any Senior Obligations or to any other senior debt of the Obligor. High Yield Bonds may represent a senior or subordinated claim, both in respect of security and of ranking of the debt claim represented thereby. Secured Senior Obligations and (to a lesser extent) High Yield 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. Senior Obligations may be in the form of loans or a security, which may present different risks and concerns. Mezzanine Obligations may have the benefit of a second priority charge over such assets. Unsecured Senior Obligations do not have the benefit of such security. Secured Senior Obligations usually have shorter terms than more junior obligations and often require mandatory prepayments from excess cash flows, asset dispositions and offerings of debt and/or equity securities.

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

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

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

Senior Obligations and Mezzanine Obligations also generally provide for restrictive covenants designed to limit the activities of the Obligors thereunder in an effort to protect the rights of lenders or noteholders to receive timely payments of interest on, and repayment of, principal of the loans or securities. Such covenants may include restrictions on dividend payments, specific mandatory minimum financial ratios, limits on total debt and other financial tests. A breach of covenant (after giving effect to any cure period) under a Senior Loan or Mezzanine Obligation which is not waived by the lending syndicate normally is an event of acceleration which allows the syndicate to demand immediate repayment in full of the outstanding loan. However, although any particular Senior Obligation or Mezzanine Obligation may share many similar features with other loans, securities and obligations of its type, the actual terms of any Senior Obligation or Mezzanine Obligation will have been a matter of negotiation and will be unique. Any such particular loan may contain non-standard terms and may provide less protection for creditors than may be expected generally, including in respect of covenants, events of default, security or guarantees. In addition, Collateral Obligations in the form of floating rate notes are similar in nature to Cov-Lite Loans and typically do not provide for financial covenants and thus, may result in difficulties in triggering a default. See "*Investing in Cov-Lite Loans involves certain risks*"

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

In order to induce banks and institutional investors to invest in a Senior Loan or Mezzanine Obligation, and to obtain a favourable rate of interest, an Obligor under such an obligation often provides the investors therein with extensive information about its business, which is not generally available to the public. Because of the provision of confidential information, the unique and customised nature of the loan agreement including such Senior Loan or Mezzanine Obligation, and the private syndication of the loan, Senior Loans and Mezzanine Obligations are not as easily purchased or sold as a publicly traded security, and historically the trading volume in the loan market has been small relative to, for example, the high yield bond market. Historically, investors in or lenders under European Senior Loans, Mezzanine Obligations and High Yield Bonds have been predominantly commercial banks and investment banks. The range of investors for such obligations has broadened significantly to include money managers, insurance companies, arbitrageurs, bankruptcy investors and mutual funds seeking increased potential total returns and investment managers of trusts or special purpose companies issuing collateralised bond and loan obligations. As secondary market trading volumes increase, new loans are frequently adopting more standardised documentation to facilitate loan trading which should improve market liquidity. There can be no assurance, however, that future levels of supply and demand in loan trading will provide the degree of liquidity which currently exists in the market. This means that such assets will be subject to greater disposal risk in the event that such assets are sold following enforcement of the security over the Collateral or otherwise. The European market for Mezzanine Obligations is also generally less liquid than that for Senior Loans, resulting in increased disposal risk for such obligations.

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

Increased Risks for Mezzanine Obligations

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

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

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

Prepayment Risk

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

Credit Risk

Risks applicable to Senior Obligations and Mezzanine Obligations (and Collateral Obligations generally) also include the possibility that earnings of the Obligor may be insufficient to meet its debt service obligations thereunder and the declining creditworthiness and potential for insolvency of the Obligor of such loans and obligations during periods of rising interest rates and economic downturn. An economic downturn could severely disrupt the market for leveraged loans and senior, mezzanine and high-yield obligations and adversely affect the value thereof and the ability of the Obligor thereunder to repay principal and interest.

Defaults and Recoveries

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

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

A non-investment grade loan or debt obligation or an interest in a non-investment grade loan is generally considered speculative in nature and may become a Defaulted Obligation for a variety of reasons. Upon any Collateral Obligation becoming a Defaulted Obligation, such Defaulted Obligation may become subject to either substantial workout negotiations or restructuring, which may entail, among other things, a substantial change in the interest rate, a substantial write-down of principal, a conversion of some or all of the principal debt into equity or an extension of its maturity, and a substantial change in the terms, conditions and covenants with respect to such Defaulted Obligation. Junior creditors may find that a restructuring leads to the total eradication of their debt whilst the Obligor 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 Obligors with little

connection to the UK. The liquidity for Defaulted Obligations may be limited, and to the extent that Defaulted Obligations are sold, it is highly unlikely that the proceeds from such sale will be equal to the amount of unpaid principal and interest thereon. Furthermore, there can be no assurance that the ultimate recovery on any Defaulted Obligation will be at least equal either to the minimum recovery rate assumed by the Rating Agencies in rating the Notes or any recovery rate used in the analysis of the Notes by investors in determining whether to purchase the Notes.

In some European jurisdictions, obligors or lenders may seek a "scheme of arrangement". In such instance, a lender may be forced by a court to accept restructuring terms. Recoveries on Senior Obligations, Mezzanine Obligations and High Yield Bonds will also be affected by the different bankruptcy regimes applicable in different European jurisdictions and the enforceability of claims against the Obligors thereunder. See "*Insolvency Considerations relating to Collateral Obligations*" below.

Investing in Cov-Lite Loans involves certain risks

The Portfolio may consist of Cov-Lite Loans, subject to the Portfolio Profile Tests which provide that not more than 30 per cent. of the Collateral Principal Amount (consisting of Collateral Obligations other than USD Collateral Obligations and Balances other than Balances denominated in USD), may be comprised of Cov-Lite Loans and not more than 50 per cent. of the Collateral Principal Amount (consisting of USD Collateral Obligations and Balances denominated in USD), may be comprised of Cov-Lite Loans. The Issuer or the Collateral Manager acting on its behalf may purchase Collateral Obligations which are Cov-Lite Loans. Cov-Lite Loans typically do not have maintenance covenants but they usually have incurrence covenants in the same manner as a High Yield Bond. Ownership of Cov-Lite Loans may expose the Issuer to greater risks, including with respect to liquidity, price volatility and ability to restructure loans, than is the case with loans that have maintenance covenants. In addition, the lack of maintenance covenants may make it more difficult for lenders to trigger a default in respect of such Collateral Obligations. This makes it more likely that any default will only arise under a Cov-Lite Loan at a stage where the relevant Obligor is in a greater degree of financial distress. Such a delay may make any successful restructuring more difficult to achieve and/or result in a greater reduction in the value of the Cov-Lite Loan as a consequence of any restructuring effected in such circumstances.

Characteristics of Unsecured Senior Obligations

The Portfolio Profile Tests provide that not more than 10 per cent. of the Collateral Principal Amount may comprise of Unsecured Senior Obligations (together with Second Lien Loans, Mezzanine Obligations and/or High Yield Bonds in aggregate). Such Collateral Obligations generally have greater credit, insolvency and liquidity risk than is typically associated with secured obligations. Unsecured Senior Obligations will generally have lower rates of recovery than secured obligations following a default. Also, if the insolvency of an Obligor of any Unsecured Senior Obligations occurs, the holders of such obligation will be considered general, unsecured creditors of the Obligor and will have fewer rights than secured creditors of the Obligor.

Characteristics of High Yield Bonds

The Portfolio Profile Tests provide that not more than 10 per cent. of the Collateral Principal Amount may comprise of High Yield Bonds (together with, Unsecured Senior Obligations, Second Lien Loans and/or Mezzanine Obligations in aggregate). 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 "*Insolvency Considerations relating to Collateral Obligations*" below. It must be noted, however, that the overall probability of default (based on credit rating) remains similar for both U.S. and European credits; it is the severity of the effect of any default that differs between the two markets as a result of the aforementioned factors.

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

Investing in Second Lien Loans involves certain risks

The Portfolio Profile Tests provide that not more than 10 per cent. of the Collateral Principal Amount may comprise of Second Lien Loans (together with Unsecured Senior Obligations, Mezzanine Obligations and High Yield Bonds in aggregate). The Collateral Obligations may include Second Lien Loans, each of which will be secured by collateral, but which is subordinated (with respect to liquidation preferences with respect to pledged collateral) to other secured obligations of the Obligors secured by all or a portion of the collateral securing such secured loan. Second Lien Loans are typically subject to intercreditor arrangements, the provisions of which may prohibit or restrict the ability of the holder of a Second Lien Loan to (i) exercise remedies against the collateral with respect to their second liens; (ii) challenge any exercise of remedies against the collateral by the first lien lenders with respect to their first liens; (iii) challenge the enforceability or priority of the first liens on the collateral; and (iv) exercise certain other secured creditor rights, both before and during a bankruptcy of the Obligor. In addition, during a bankruptcy of the Obligor, the holder of a Second Lien Loan may be required to give advance consent to (a) any use of cash collateral approved by the first lien creditors; (b) sales of collateral approved by the first lien lenders and the bankruptcy court, so long as the second liens continue to attach to the sale proceeds; and (c) "debtor-in-possession" financings.

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

Liens on the collateral (if any) securing a Collateral Obligation may arise at law that have priority over the Issuer's interest. An example of a lien arising under law is a tax or other government lien on property of an Obligor. A tax lien may have priority over the Issuer's lien on such collateral. To the extent a lien having priority over the Issuer's lien exists with respect to the collateral related to any Collateral Obligation, the Issuer's interest in the asset will be subordinate to such lien. If the creditor holding such lien exercises its

remedies, it is possible that, after such creditor is repaid, sufficient cash proceeds from the underlying collateral will not be available to pay the outstanding principal amount of such Collateral Obligation.

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

5.6 Limited Control of Administration and Amendment of Collateral Obligations

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

The Collateral Manager may, in accordance with its portfolio management practices and subject to the Trust Deed and the Collateral Management and Administration Agreement, agree on behalf of the Issuer to extend or defer the maturity, or adjust the outstanding balance of any underlying asset, or otherwise amend, modify or waive the terms of any related loan agreement, including the payment terms thereunder. Any amendment, waiver or modification of an underlying asset could postpone the expected maturity of the Notes and/or reduce the likelihood of timely and complete payment of interest on or principal of the Notes.

5.7 Participations, Novations and Assignments

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

The purchaser of an Assignment typically succeeds to all the rights of the assigning Selling Institution and becomes entitled to the benefit of the loans and the other rights of the lender under the Underlying Instrument. The Issuer, as an assignee, will generally have the right to receive directly from the Obligor all payments of principal and interest to which it is entitled, provided that notice of such Assignment has been given to the Obligor. As a purchaser of an Assignment, the Issuer typically will have the same voting rights as other lenders under the applicable Underlying Instrument 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 Obligor with the terms of the Underlying Instrument, to set off claims against the Obligor 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 Obligor. The Issuer will, however, assume the credit risk of the Obligor. 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 Underlying Instrument 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 Underlying Instrument, 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.

The Portfolio Profile Tests provide that not more than 5 per cent. of the Collateral Principal Amount may comprise of Participations. 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 Obligor 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 Obligor. In purchasing Participations, the Issuer generally will have no right to enforce compliance by the Obligor with the terms of the applicable Underlying

Instrument 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 Obligor 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 Obligor and the Issuer may suffer a loss to the extent that the Obligor sets off claims against the Selling Institution. The Issuer may purchase a Participation from a Selling Institution that does not itself retain any economic interest in the loan, and therefore, may have limited interest in monitoring the terms of the Underlying Instrument and the continuing creditworthiness of the Obligor. 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 Obligor. A Selling Institution voting in connection with a potential waiver of a restrictive covenant may have interests which are different from those of the Issuer and such Selling Institution may not be required to consider the interest of the Issuer in connection with the exercise of its votes.

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

5.8 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 Obligations issued or sold in connection with any loan facility will maintain the terms and conditions to which the Issuer or a predecessor in interest to the Issuer originally agreed.

5.9 Corporate Rescue Loans

The Portfolio Profile Tests provide that not more than 5 per cent, of the Collateral Principal Amount may comprise of Corporate Rescue Loans. Corporate Rescue Loans are made to companies that have experienced, or are experiencing, significant financial or business difficulties such that they have become subject to a restructuring, workout, bankruptcy or insolvency process (whether pursuant to a court process, voluntary arrangement among creditors, some combination thereof or otherwise) and thus involve additional risks. The level of analytical sophistication, both financial and legal, necessary for successful investment in companies experiencing significant business and financial difficulties is unusually high. There is no assurance that the Issuer (or the Collateral Manager on its behalf) will correctly evaluate the value of the assets securing a Corporate Rescue Loan or the prospects for a successful reorganisation or similar action and accordingly the Issuer could suffer significant losses on its investment in such Corporate Rescue Loan. In any reorganisation or liquidation case relating to a company in which the Issuer invests, the Issuer may lose its entire investment, may be required to accept cash or securities with a value less than the Issuer's original investment and/or may be required to accept payment over an extended period of time.

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

Although a Corporate Rescue Loan may be unsecured, where the Obligor 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 (if any).

5.10 Bridge Loans

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

5.11 Project Finance Loans

The Obligors under Project Finance Loans will be corporations, partnerships, limited liability companies or other entities that have been formed for, and are generally restricted to, the limited business purpose of owning and/or operating the related financed project. Accordingly, payment of amounts due under a Project Finance Loan is generally dependent upon successful development, construction and operation of the underlying project. Project Finance Loans generally will be obligations solely of the relevant Obligors.

The Obligors under Project Finance Loans may be newly formed entities with no prior operating history. Moreover, such projects typically comprise complex facilities, the operation of which involve many risks, including, without limitation, shortages of equipment, material and labour, delays in delivery of equipment and materials, the risk of the breakdown or failure of equipment or processes, problems in the application of the relevant technological processes required, fuel and water quality problems, the failure of the projects to perform at expected levels of output or efficiency, labour disputes, delays in obtaining or inability to obtain permits, political events, local or political opposition, blockades or embargoes, litigation, adverse weather conditions, unanticipated increases in costs, changes in law, natural disasters, accidents, unforeseen engineering, design, environmental or geological problems, and events such as fires, hurricanes, earthquakes, floods and explosions.

Insurance coverage varies by country and region and may not be available, or available on commercially reasonable terms, to cover all of the operating risks associated with an underlying project, and the proceeds of insurance applicable to covered risks may not be adequate to cover lost revenues or increased expenses.

Furthermore, in the event of total or partial loss to a project, certain items of equipment may not be replaceable promptly due to their large size and project-specific character.

In many cases, there may be an absence of a third-party market for the production or services generated by a project, and an Obligor's primary source of revenue may be limited to payments by certain identified customers. Similarly, there may be a limited source of providers of goods and services necessary for development and operation of a project. Any material failure by such customers or suppliers to fulfil their obligations could have a material adverse effect on the Obligor's ability to meet its obligations under its Project Finance Loan.

The prices paid or received by an Obligor for certain commodity products, including crude oil and electricity, will be significantly influenced by the market price of such products. Markets and prices of commodity products are subject to considerable fluctuation and can be very volatile depending on many factors beyond the control of such Obligor, including the aggregate supply/demand balance that fluctuates with changes in the global economy, the price and availability of substitutes, and international political and economic events.

5.12 Collateral Enhancement Obligations

All funds required in respect of the purchase price of any Collateral Enhancement Obligations, and all funds required in respect of the exercise price of any rights or options thereunder may only be paid out of the Balance standing to the credit of the applicable Supplemental Reserve Account at the relevant time or out of a Collateral Manager Advance. Such Balance shall be comprised of all sums deposited therein from time to time which will comprise interest payable in respect of the Class M Subordinated Notes which the Collateral Manager, acting on behalf of the Issuer, determines shall be paid into the applicable Supplemental Reserve Account pursuant to the Priorities of Payment rather than being paid to the Class M Subordinated Noteholders. The aggregate amounts which may be credited to the applicable Supplemental Reserve Account in accordance with the Priorities of Payment are subject to the following caps: (i) in aggregate on any particular Payment Date, such amount may not exceed €3,000,000 in respect of the Euro Supplemental Reserve Account, and $3,000,000 in respect of the USD Supplemental Reserve Account, and (ii) the cumulative maximum aggregate total in respect of all Payment Dates may not exceed €9,000,000 in respect of the Euro Supplemental Reserve Account, and $9,000,000 in respect of the USD Supplemental Reserve Account. During the Reinvestment Period, Reinvesting Noteholders

may also direct that a Reinvestment Amount in respect of their Class M Subordinated Notes be deposited into the applicable Supplemental Reserve Account in accordance with the Priorities of Payment.

To the extent that there are insufficient sums standing to the credit of the applicable Supplemental Reserve Account from time to time to purchase or exercise rights under Collateral Enhancement Obligations which the Collateral Manager determines on behalf of the Issuer should be purchased or exercised, the Collateral Manager may, at its discretion, pay amounts required in order to fund such purchase or exercise (each such amount, a "**Collateral Manager Advance**") to such account pursuant to the terms of the Collateral Management and Administration Agreement. All such Collateral Manager Advances shall be repaid (together with interest thereon) out of Interest Proceeds and Principal Proceeds on each Payment Date pursuant to the Priorities of Payment (and in certain circumstances, on Business Days other than Payment Dates out of Principal Proceeds representing Collateral Enhancement Obligation Proceeds previously credited to the applicable Principal Account in accordance with Condition 3(m)(i)(6) (*Principal Accounts*)).

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

5.13 Counterparty Risk

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

In the event that a Hedge Counterparty is subject to a rating withdrawal or downgrade by the Rating Agencies to below the applicable Rating Requirement, the terms the applicable Hedge Agreement will generally provide for a termination event unless such Hedge Counterparty either transfers its obligations under the applicable Hedge Agreement to a replacement counterparty with the requisite ratings, obtains a guarantee of its obligations by a guarantor with the requisite ratings, collateralises its obligations in a manner satisfactory to the Rating Agencies or employs some other strategy as results in the rating of the Rated Notes being maintained at their then current level within the remedy period specified in the ratings criteria of the Rating Agencies. There can be no assurance that the applicable Hedge Counterparty will be able to transfer its obligations to a suitable replacement counterparty or exercise any of the other aforementioned remedies within the specified remedy period. Failure to do so may result in interest rate or currency mismatches, which could adversely affect the ability to make payments on the Notes as the Issuer may not receive payments it would otherwise be entitled to from such Hedge Counterparty to cover its interest rate risk exposure or currency risk exposure in respect of Non-Euro Obligations denominated in a currency other than an Available Currency for so long as the Issuer has not entered into a replacement Hedge Transaction (see "*Interest Rate Risk*" and "*Non-Euro Obligations denominated in a currency other than an Available Currency and Currency Hedge Transactions*" below. For further information, see "*Hedging Arrangements*" below.

Similarly, the Issuer will be exposed to the credit risk of the Account Bank and the Custodian to the extent of, respectively, all cash of the Issuer held in the Accounts and all Collateral of the Issuer held by the Custodian. In the event that the Account Bank or the Custodian is subject to a rating withdrawal or downgrade by the Rating Agencies to below the applicable Rating Requirement, the Issuer shall use its reasonable endeavours to procure

the appointment of a replacement Account Bank or Custodian, as the case may be, with the applicable Rating Requirement on substantially the same terms as the Agency and Account Bank Agreement within 30 calendar days of such withdrawal or downgrade.

5.14 Concentration Risk

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

5.15 Interest Rate Risk

It is possible that Collateral Obligations (in particular High Yield Bonds) may bear interest at fixed rates and there is no requirement that the amount or portion of Collateral Obligations securing the Notes must bear interest on a particular basis, save for the Portfolio Profile Test which requires that not more than 10 per cent. of the Collateral Principal Amount may comprise Fixed Rate Collateral Obligations (*provided that* not more than 5 per cent. of the Collateral Principal Amount may comprise Fixed Rate Collateral Obligations that are denominated in USD).

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

Collateral Obligations may pay interest on a semi-annual basis. In addition, some Collateral Obligations permit the Obligor to reset the applicable interest period from quarterly to semi-annual (and vice versa). Interest Amounts are due and payable in respect of the Notes on a semi-annual basis following the occurrence of a Frequency Switch Event (as described below) and on a quarterly basis at all other times. If a significant number of Collateral Obligations pay interest on a semi-annual basis there may be insufficient interest received to make quarterly interest payments on the Notes. In order to mitigate the effects of any such timing mis-match, the Issuer will hold back a portion of the interest received on Collateral Obligations which pay interest less than quarterly in order to make quarterly payments of interest on the Notes ("**Interest Smoothing**") (at all times other than following the occurrence of a Frequency Switch Event when interest on the Notes will switch to semi-annual pay). In addition, to mitigate reset risk, a Frequency Switch Event shall occur if (amongst other things) sufficient Collateral Obligations reset from quarterly to semi-annual pay, as more particularly described

in the definition of "Frequency Switch Event". There can be no assurance that Interest Smoothing and the occurrence of a Frequency Switch Event shall be sufficient to mitigate such timing and reset risks.

There may be a timing or interest rate basis mismatch between the Notes and the Floating Rate Collateral Obligations as the interest rate on such Floating Rate Collateral Obligations may adjust more frequently or less frequently, on different dates and based on different indices as compared to the interest rates on the Notes. As a result of such risks, an increase in the level of EURIBOR or USD-LIBOR could adversely impact the ability of the Issuer to make payments on the Notes. There can be no assurance that the Collateral Obligations and the Eligible Investments will in all circumstances generate sufficient Interest Proceeds to make timely payments of interest on the Notes.

Investors should be aware that pursuant to the Agency and Account Bank Agreement (as defined in the Conditions), the Issuer is required to pay to the Account Bank all costs and expenses (including irrecoverable VAT) properly incurred by the Account Bank in relation to the accounts of the Issuer held with the Account Bank arising directly from the imposition of negative deposit interest rates by the European Central Bank or any other applicable rate setting authority. Such costs and expenses will be payable as an Administrative Expense, subject to and in accordance with the Priorities of Payment, and may negatively affect the amounts payable to Noteholders.

5.16 Currency risk

Collateral Obligations

The Notes are obligations of the Issuer denominated in Euro or USD. The Eligibility Criteria permit Collateral Obligations to be (I) denominated in an Available Currency or (II) denominated in a Qualifying Currency other than an Available Currency and either (x) if such Collateral Obligation is denominated in a Qualifying Unhedged Obligation Currency within 90 calendar days of the settlement of the purchase by the Issuer of such Collateral Obligation, and otherwise (y) no later than the settlement of the purchase by the Issuer of such Collateral Obligation the Issuer (or the Collateral Manager on its behalf) enters into a Currency Hedge Transaction with a notional amount in the relevant currency equal to the aggregate principal amount of such Collateral Obligation and otherwise complies with the requirements set out in respect of Currency Hedge Obligations in the Collateral Management and Administration Agreement and (III) is not convertible into or payable in any other currency.

The percentage composition of the Portfolio and the Notes that are denominated in Euro and USD, as the case may be, may change over time.

To the extent that there is an insufficient amount of Interest Proceeds or Principal Proceeds denominated in USD or Euro to meet the aggregate payment obligations falling due pursuant to the same paragraph of the Priorities of Payment (or with respect to the purchase of Class X Notes, Class A-1 Notes, Class A-2 Notes and Class A-3 Notes by the Issuer pursuant to Condition 7 (*Redemption and Purchase*)), the amounts payable pursuant to such paragraph (or Condition) shall be adjusted so that the shortfall is borne in equal proportion by all such liabilities regardless of their currency of denomination (determined by converting the amount of any USD liabilities into Euro at the Applicable FX Rate and effected by converting proceeds denominated in USD or Euro, as applicable, into the other currency(ies) at the Applicable FX Rate to the extent required to ensure that such shortfall is borne equally on the basis specified above and applying such amounts towards the liabilities denominated in the same currency.

In the event of any defaults, any reinvestment or redemption in the Portfolio of Collateral Obligations and any fluctuations in Euro and/or USD exchange rates, there may be a mismatch of foreign currencies. To mitigate this risk, the Issuer has entered into two Currency Call Options.

The Collateral Manager shall (at no additional cost to the Issuer) exercise, on behalf of the Issuer, a Currency Call Option on the relevant Exercise Date. In the event of a Currency Call Option being exercised or sold by the Collateral Manager on behalf of the Issuer, USD proceeds received pursuant to such Currency Call Option shall be deposited promptly by the Issuer into the USD Principal Account for application in accordance with the Principal Priority of Payments on the next succeeding Payment Date. The Issuer (or the Collateral Manager on its behalf) may not sell the Currency Call Options until after the Rated Notes have been redeemed in full; *provided that* the Issuer (or the Collateral Manager on its behalf) may sell the Currency Call Options in order to effect a redemption of all Classes of Rated Notes pursuant to Condition 7(b) (*Optional Redemption*).

Where the Spot Rate is required to be used by the Collateral Administrator to convert amounts received by the Issuer in one currency for the purposes of making payments in another currency in accordance with the Priority of Payments and the Conditions, such rate will be the market rate of exchange actually applied by the Collateral Administrator when executing currency exchanges for such purpose and such rate may differ from the rate prevailing at an earlier date, including the rate prevailing on the applicable Determination Date.

Non-Euro Obligations denominated in a currency other than an Available Currency and Currency Hedge Transactions

The Portfolio Profile Tests provide that not more than 30 per cent. of the Collateral Principal Amount may comprise Currency Hedge Obligations. The Portfolio Profile Tests also provide that not more than 2.5 per cent. of the Collateral Principal Amount may comprise Unhedged Collateral Obligations.

Subject to the satisfaction of the Hedging Condition and the Portfolio Profile Tests, the Collateral Manager, on behalf of the Issuer, may purchase Non-Euro Obligations denominated in a currency other than an Available Currency, provided that such Non-Euro Obligations denominated in a currency other than an Available Currency otherwise satisfy the Eligibility Criteria. Although the Issuer may, subject to the satisfaction of the Hedging Condition, enter into Currency Hedge Transactions to hedge any currency exposure relating to such Non-Euro Obligations denominated in a currency other than an Available Currency, it is not required that all Non-Euro Obligations denominated in a currency other than an Available Currency must be Currency Hedge Obligations, and some may be Unhedged Collateral Obligations. Accordingly fluctuations in exchange rates may lead to the proceeds of the Collateral Obligations being insufficient to pay all amounts due to the respective Classes of Notes. 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.

Notwithstanding that Non-Euro Obligations denominated in a currency other than an Available Currency may have an associated Currency Hedge Transaction which will include currency protection provisions, losses may be incurred due to fluctuations in the Euro (or USD, as applicable) exchange rates and in the event of a default by the relevant Currency Hedge Counterparty under any such Currency Hedge Transaction. In addition, fluctuations in Euro (or USD, as applicable) exchange rates may result in a decrease in value of the Portfolio for the purposes of sale thereof upon enforcement of the security over it. Furthermore, the terms of the Hedge Agreements may provide for the ability of the Hedge Counterparty to terminate such Hedge Agreement upon the occurrence of certain events, including related to certain regulatory matters. Any such termination in the case of a Currency Hedge Transaction would result in the Issuer being exposed to currency risk in respect of the related Non-Euro Obligations denominated in a currency other than an Available Currency for so long as the Issuer has not entered into a replacement Currency Hedge Transaction, and may result in the Issuer being required to pay a termination amount to the relevant Hedge Counterparty. See further "*Hedging Arrangements*" below.

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

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

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

5.17 Reinvestment Risk/Uninvested Cash Balances

To the extent the Issuer (or the Collateral Manager on its behalf) maintains cash balances invested in short-term investments instead of higher yielding loans or bonds, portfolio income will be reduced which will result in

reduced amounts available for payment on the Notes. In general, the larger the amount and the longer the time period during which cash balances remain uninvested the greater the adverse impact on portfolio income which will reduce amounts available for payment on the Notes, especially the Class M Subordinated Notes. The extent to which cash balances remain uninvested will be subject to a variety of factors, including future market conditions and is difficult to predict.

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

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

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

5.18 Ratings on Collateral 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 Obligations. Generally, deteriorations in the business environment or increases in the business risks facing any particular Obligor may result in downgrade of its obligations, which may result in such obligation becoming a Credit Risk Obligation, a Caa Obligation or CCC Obligation (and therefore potentially subject to haircuts in the

determination of the Par Value Tests and restriction in the Portfolio Profile Tests) or a Defaulted Obligation. The Collateral Management and Administration Agreement contains detailed provisions for determining the S&P Rating and the Moody's Rating in respect of a Collateral Obligation. In most instances, the S&P Rating and the Moody's Rating will not be based on or derived from a public rating of the Obligor or the actual Collateral Obligation but on a confidential credit estimate determined separately by S&P and/or Moody's. Such confidential credit estimates are private and therefore not capable of being disclosed to Noteholders. In addition, some ratings will be derived by the Collateral Manager based on, among other things, Obligor group or Affiliate ratings, comparable ratings provided by a different Rating Agency and, in certain circumstances, temporary ratings applied by the Collateral Manager. The Portfolio Profile Tests contain limitations on the proportions of the Collateral Principal Amount that may be made up of Collateral Obligations where the Moody's Rating is derived from an S&P rating. Furthermore, such derived ratings will not reflect detailed credit analysis of the particular Collateral Obligation and may reflect a more or less conservative view of the actual credit risk of such Collateral Obligation than any such fundamental credit analysis might, if conducted, warrant; and model-derived variations in such ratings may occur (and have consequential effects on the Collateral Quality Tests, the Portfolio Profile Tests, the Coverage Tests and the Reinvestment Overcollateralisation Test) without necessarily reflecting comparable variation in the actual credit quality of the Collateral Obligation in question. See "*Ratings of the Notes*" and "*The Portfolio*".

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

5.19 Insolvency Considerations relating to Collateral Obligations

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

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

5.20 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 Obligors 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 Obligor or has assumed a degree of control over the Obligors resulting in the creation of a fiduciary duty owed to the Obligors 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 the Obligor to the detriment of other creditors of such Obligor, (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 the Obligor to the detriment of other creditors of such Obligor, a court may elect to subordinate the claim of the offending lender or bondholder to the claims of the disadvantaged creditor or creditors, a remedy called "**equitable subordination**". Because of the nature of the Collateral Obligations, the Issuer may be subject to claims from creditors of an Obligor that Collateral

Obligations issued by such Obligor that are held by the Issuer should be equitably subordinated. However, the Issuer does not intend to engage in, and the Collateral Manager does not intend to advise the Issuer with respect to, any conduct that would form the basis for a successful cause of action based upon the equitable subordination doctrine.

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

5.21 Collateral Manager

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

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

Pursuant to the Collateral Management and Administration Agreement, the Collateral Manager will not be responsible for any action of the Issuer or the Trustee in declining to follow any advice, recommendation or direction of the Collateral Manager. The Collateral Manager will perform its duties and functions under the Collateral Management and Administration Agreement in good faith; *provided*, *however*, that none of the Collateral Manager, its Affiliates or any of their respective principals, managing principal, members, directors, officers, agents, stockholders, personnel or employees will be liable to the Issuer, the Trustee or any Noteholder (or any other Person) for any loss incurred as a result of the actions taken (or omitted) or recommended by the Collateral Manager to the Issuer except for losses to the Issuer resulting from (i) acts or omissions constituting bad faith, fraud, wilful misconduct, gross negligence or reckless disregard in the performance of the Collateral Manager's duties under the Collateral Management and Administration Agreement or (ii) the Collateral Manager Information which, as of its date, as of the date of any amendment or supplement (to the extent approved in writing by the Collateral Manager for such purpose at such time), and as of the Issue Date contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading (the preceding clauses (i) and (ii) collectively referred to as "**Collateral Manager Breaches**"), in the case of preceding clauses (i) and (ii), as determined by a final non-appealable judgment of a court of competent jurisdiction. In no event will the Collateral Manager or any Affiliates or any of their respective principals, managing principal, members, directors, officers, agent, stockholders, personnel or employees be liable to the Issuer, the Trustee or the Noteholders or any other Persons for any consequential (including loss of profit), indirect, special or punitive damages. Investors should note that the concept of "gross negligence" may be interpreted by an English court as implying a significantly lower required standard of care on the part of the Collateral Manager than ordinary

negligence under English law. As a result, the Collateral Manager may have no liability for its actions or inactions under the Collateral Management and Administration Agreement where it would otherwise have been liable for failing to reach the required standard of care if a mere ordinary negligence standard were applied under the Collateral Management and Administration Agreement. The Collateral Manager has no obligation under the Collateral Management and Administration Agreement to indemnify the Issuer (or any other Person) in respect of any losses suffered by the Issuer, including in connection with a Collateral Manager Breach.

The Issuer is a recently formed entity and has no prior operating history or performance record other than in respect of (i) the Warehouse Arrangements and (ii) the entry into binding commitments to purchase certain Collateral Obligations from the Originator on or after the Issue Date. 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 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 the event of a Collateral Manager Event of Default as described herein under "*Description of the Collateral Management and Administration Agreement*" .

The Collateral Manager may delegate all or any of its responsibilities under the Collateral Management and Administration Agreement without Noteholder consent as described under "*Description of the Collateral Management and Administration Agreement*".

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

5.22 No Initial Purchaser, Arranger or the Co-Placement Agents Role Post-Closing

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

5.23 Acquisition and Disposition of Collateral Obligations

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

(a) the acquisition costs for the Collateral Obligations acquired by the Issuer on or prior to the Issue Date which includes amounts due in respect of the Warehouse Arrangements and to the Originator in connection with the Issuer's purchase of certain Collateral Obligations; and

(b) certain fees, costs and expenses incurred in connection with the issue of the Notes and anticipated to be payable by the Issuer following completion of the issue of the Notes,

will be transferred from the applicable Collection Account and deposited in the applicable Expense Reserve Account, the First Period Reserve Account and the applicable Unused Proceeds Account on the Issue Date.

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

Under the Collateral Management and Administration Agreement and as described herein, the Collateral Manager may only, on behalf of the Issuer, dispose of a limited percentage of Collateral Obligations in any period of 12 calendar months as well as any Collateral Obligation that meets the definition of a Defaulted Obligation, an Exchanged Equity Security and, subject to the satisfaction of certain conditions, a Credit Risk Obligation or Credit Improved Obligation. Notwithstanding such restrictions and subject to the satisfaction of the conditions set forth in the Collateral Management and Administration Agreement, sales and purchases by the Collateral Manager of Collateral Obligations could result in losses by the Issuer, which will be borne in the first instance by the holders of the Class M 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 Obligation, but will not be permitted to do so under the terms of the Collateral Management and Administration Agreement.

The Issuer may not acquire (whether during the Initial Investment Period, the Reinvestment Period or thereafter) or dispose of any Collateral Obligation (during the Reinvestment Period) unless either (i) the Originator Requirement is satisfied immediately after giving effect to such acquisition or disposal, or (ii) in connection with an acquisition following which the Originator Requirement would not be met, such Collateral Obligation is acquired from the Originator pursuant to the Purchase and Sale Agreement, in each case unless and to the extent that the Originator Requirement is determined (in accordance with the definition thereof) no longer to apply.

See "*Acquisition of Collateral Obligations Prior to the Issue Date* " above in respect of the price to be paid by the Issuer for such Collateral Obligations and "*Conflicts of Interest – The Issuer will be subject to various conflicts of Interest involving the Collateral Manager, the Originator and their Affiliates*" below in respect of certain potential conflicts of interest related to the Collateral Manager's relationship with the Originator.

Furthermore, the requirement to satisfy the Originator Requirement (unless and to the extent that the Originator Requirement is determined (in accordance with the definition thereof) no longer to apply) may have an effect on the ability of the Issuer (and the Collateral Manager on its behalf) to identify and acquire appropriate Collateral Obligations either during the Initial Investment Period (see further "*Considerations Relating to the Initial Investment Period*" above) or for reinvestment (see further "*Reinvestment Risk/Uninvested Cash Balance*" above).

5.24 Valuation Information; Limited Information

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

5.25 Recharacterisation of Trading Gains

The Collateral Manager may, in its discretion, direct that certain Trading Gains which would have been deposited into the Principal Account and designated for reinvestment or used to redeem the Notes in accordance with the Principal Priority of Payments are instead deposited into the Interest Account, subject to certain conditions, including the Collateral Principal Amount (for which purposes the Principal Balance of each Defaulted Obligation shall be the lesser of its Moody's Collateral Value and its S&P Collateral Value) being greater than or equal to the Reinvestment Target Par Balance. Such Trading Gains will then be distributed as Interest Proceeds in accordance with the Priorities of Payment. As a result, such Trading Gains would not be available to be reinvested in Collateral Obligations and therefore the Aggregate Principal Balance of Collateral Obligations securing the Notes may be less than what would have otherwise been the case if such amounts had been reinvested in Collateral Obligations. See Condition 3(m)(ii)(Q) (*Interest Accounts*).

6. IRISH LAW

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

Centre of main interest

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

Examinership

Examinership is a court moratorium/protection procedure which is available under the Companies Act 2014 to facilitate the survival of companies which have their COMI in Ireland that are in financial difficulties.

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

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

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

If however, for any reason, an examiner were appointed while any amounts due by the Issuer under the Notes were unpaid, the primary risks to the Noteholders 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 Rated 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 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.

7. CONFLICTS OF INTEREST

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

The Issuer will be subject to various conflicts of interest involving the Collateral Manager, the Originator and their Affiliates

Various potential and actual conflicts of interest may arise from the overall advisory, investment and other activities of the Collateral Manager, Black Diamond Capital Management, L.L.C. ("**BDCM**") and their Affiliates (collectively, the "**BDCM Group**") and their respective clients. The following briefly summarises some of these conflicts, but is not intended to be an exhaustive list of all such conflicts.

On the Issue Date, the Originator intends to purchase certain of the Class M Subordinated Notes and may finance such acquisition or holdings as described under "*Retention Financing*" above. Prices paid by the Originator for such Class M Subordinated Notes may be less than prices paid by other Noteholders. The members of the BDCM Group (including, for the avoidance of doubt, the Collateral Manager) and their respective client accounts, funds and other managed vehicles (collectively, the "**BDCM Related Parties**") may also hold, trade, buy or sell Notes of any Class (including any Class M Subordinated Notes) from time to time. As described in this Offering Circular, the Trust Deed and the Collateral Management and Administration Agreement provide for certain actions to occur at the direction of the specified percentage of Class M Subordinated Notes, including an Optional Redemption or a Refinancing which may have the effect of increasing the distributions on any Class M Subordinated Notes held by the Collateral Manager or its Affiliates or increasing the amount of the Incentive Collateral Management Fee. In addition, in the event of a resignation,

termination or removal of the Collateral Manager, the Class M Subordinated Noteholders acting by Extraordinary Resolution will have the right to approve a successor Collateral Manager, subject to the right of the Controlling Class acting by Extraordinary Resolution to veto such successor. If the Originator or other BDCM Related Parties holds a significant portion of the Class M Subordinated Notes (which they are expected to do on the Issue Date), it may be difficult to take such actions without the consent of the Originator or such BDCM Related Parties. Subject to any rights of a lender pursuant to the financing arrangements described under "*Retention Financing*" above, the Originator and other BDCM Related Parties may determine to consent or not consent to any action (including any redemption, refinancing or amendments to the Transaction Documents) for any reason, including that it believes it may create exposure under the U.S. Risk Retention Rules for such BDCM Related Party, the Collateral Manager or its other affiliates or otherwise adversely affect the BDCM Related Parties. The interests of the BDCM Related Parties as holders of Class M Subordinated Notes may create conflicts vis à vis the Collateral Manager's role as collateral manager with respect to the Collateral. Additionally, the interests of the holders of the Class M Subordinated Notes may be different from or adverse to the interests of the holders of the other Notes. In addition, the Collateral Manager will discuss the composition of the Collateral Obligations and other matters relating to the transactions contemplated hereby with any partners or employees of the Collateral Manager, the Originator or any other BDCM Related Parties, in each case acquiring Notes, and may have such discussions with other beneficial owners of Notes or stakeholders in the Issuer. There can be no assurance that such discussions will not influence the actions or inactions of the Collateral Manager in its management role.

While the Collateral Manager intends to use reasonable efforts to resolve these conflicts of interest equitably in accordance with applicable legal requirements, including the United States federal securities laws, there can be no assurance that the Collateral Manager will resolve these conflicts to the satisfaction of each affected party. Except as may be required by applicable law, in exercising their rights as holders of any Notes, including the Class M Subordinated Notes, or in advising their clients, accounts and funds in respect of such holdings, including the Class M Subordinated Notes, none of the BDCM Related Parties will be required to act in a manner that takes into account the interests of any other holder of Notes.

The Collateral Manager has a limited operating history. It is a recently formed special purpose investment management Affiliate of BDCM and was established for the sole purposes of acting as collateral manager for the Issuer. BDCM is a registered investment adviser under the United States Investment Advisers Act of 1940, as amended (the "**Investment Advisers Act**"). It is expected that the Collateral Manager's only material assets will be the fees payable to it by the Issuer in connection with the Collateral Management and Administration Agreement. Additionally, the personnel managing the Collateral Obligations, Eligible Investments, Equity Securities and other investments on behalf of the Issuer are not employed directly by the Collateral Manager, but are employed by one or more of its Affiliates and such Affiliates have agreed to make such personnel available to the Collateral Manager.

The Collateral Manager has the ability under the Trust Deed to cause the Issuer to redeem the outstanding Rated Notes on any Business Day after the end of the Non-Call Period (or, in the case of the Class M Subordinated Notes, on or after the redemption or the repayment in full of the Rated Notes) without the vote of any of the Noteholders. It is possible that the Notes may be redeemed by the Collateral Manager's actions at a time when some or all of the Noteholders do not consider such redemption to be desirable or in their interests. The Trust Deed also provides that certain events (including, refinancings, additional issuances of Notes and certain amendments to the Transaction Documents) may only occur with the consent of the Collateral Manager or, in some cases, the Originator. The Collateral Manager or the Originator may grant or withhold its consent to any such event for any reason, including that it believes it may create exposure under the U.S. Risk Retention Rules for itself, the Collateral Manager or its other affiliates, or may result in breach of the Originator's undertaking with respect to EU Risk Retention Requirement, or may otherwise adversely affect the BDCM Related Parties. These rights may create additional conflicts of interest on the part of the Collateral Manager. In addition, in connection with any redemption, the Collateral Manager may sell any of the Collateral to any existing or future BDCM Related Party, subject to the requirements of the Investment Advisers Act.

Among the clients (or future clients) of the BDCM Group may be certain Noteholders. In addition, existing and future BDCM Related Parties and principals of the BDCM Group may invest in loans and securities that would be appropriate investments for the Issuer, and they have no duty in making, holding, managing or disposing of such investments to act in a way that is favourable to the Issuer or the Noteholders. Such investments may be different from those made on behalf of the Issuer.

The BDCM Related Parties have ongoing relationships with, render services to, invest in or engage in transactions with other issuers of collateralised bond obligations, collateralised loan obligations, collateralised

debt obligations (and other similar transactions), and other funds including hedge funds, distressed debt funds, private equity funds (and other funds of a similar type) (collectively, "**Other Funds**"), and their respective managers, that invest in assets of a similar nature to those of the Issuer, and companies whose obligations or securities are pledged to secure the Notes, and may own loans, securities or other investments issued by issuers of and other obligors on items of Collateral Obligations, Eligible Investments, Equity Securities or other assets owned by the Issuer. Collectively, the BDCM Related Parties may hold large positions in such loans, securities or investments, and as a result, the Collateral Manager and its Affiliates may have the ability to significantly influence, block or control certain actions or votes taken by the holders of such loans, securities or investments.

Members of the BDCM Group serve and expect in the future to, among other things, serve as collateral manager or advisor or sub-adviser for other investment vehicles, including without limitation, Other Funds. Although the Collateral Manager will cause personnel of the BDCM Group available to it to devote as much time to the Issuer as it deems necessary to perform its duties in accordance with the Collateral Management and Administration Agreement, such personnel may have other obligations and other duties in respect of the Other Funds and may have conflicts in allocating their time and services among managing the Issuer and the other existing or future Other Funds. Certain of the principals and senior management of the BDCM Group have invested their own funds in (and such investment amounts can be significant), and are involved in the management of investments in, Other Funds, and such Other Funds have varying fee structures, which may create conflicts of interest for the Collateral Manager in managing the Issuer. In addition, the BDCM Related Parties may invest in loans, securities and other investments that are senior to, or have interests different from or adverse to, the loans, securities and other investments that are pledged to secure the Notes. The Collateral Manager and/or its Affiliates may at certain times be simultaneously seeking to purchase or dispose of investments for its respective account and/or for the account of other BDCM Related Parties.

The Collateral Manager or certain personnel may acquire material non-public and/or confidential information that may restrict by law, internal policies or otherwise, the Collateral Manager from purchasing loans, securities or other investments, or selling loans, securities or other investments for the BDCM Related Parties or the Issuer or otherwise using or receiving such information for the benefit of the Issuer or the BDCM Related Parties. In order to maintain flexibility to invest in publicly traded securities such as bonds and non-publicly traded loans of the same issuer without violating securities laws that restrict trading while in possession of material non-public information, the Collateral Manager and the BDCM Group may establish information walls restricting its access to material non-public information that might otherwise be available to it through the Issuer's investments in loans. The Collateral Manager and the BDCM Group may also determine to restrict the trading of securities with respect to which any member of the BDCM Group is in possession of material non-public information, in which event the Collateral Manager may be restricted from making trades of certain securities on behalf of the Issuer. Additionally, as a result of the BDCM Group's management and advisory services to Other Funds, personnel of the BDCM Group may possess information relating to issuers of Collateral Obligations, Eligible Investments, Equity Securities or other assets owned by the Issuer which is not known to, or due to law, internal policies or otherwise, is not shared with the individuals at the Collateral Manager responsible for monitoring the Portfolio and performing the other obligations under the Collateral Management and Administration Agreement.

Neither the Collateral Manager nor any other member of the BDCM Group is under any obligation to offer investment opportunities of which they become aware to the Issuer or to the account of the Issuer (or share with the Issuer or inform the Issuer of) any such transaction or any benefit received by them from any such transaction. Furthermore, any member of the BDCM Group may make investments on behalf of any BDCM Related Party without notifying or otherwise offering the investment opportunity or making any investment on behalf of the Issuer. Affirmative obligations may exist or may arise in the future, whereby the Collateral Manager and its Affiliates are obligated to offer certain investments to Other Funds before or without the Collateral Manager offering those investments to the Issuer. The Collateral Manager will endeavour to identify and resolve conflicts with respect to investment opportunities in a manner which it deems equitable under the facts and circumstances and in accordance with applicable legal requirements including the United States federal securities laws.

Conflicts of interest may arise because during the warehousing period the Collateral Manager has, and it is anticipated that after the Issue Date the Collateral Manager will, subject to the Collateral Management and Administration Agreement and consistent with and subject to applicable law (including applicable provisions of the Investment Advisers Act): (i) direct the Issuer to purchase Collateral Obligations from the Originator pursuant to the Purchase and Sale Agreement, and may otherwise direct the Issuer to conduct principal trades with members of the BDCM Group and (ii) effect client cross transactions where the Collateral Manager causes a transaction to be effected between the Issuer and an Other Fund, either directly or through market intermediaries. More specifically, subject to the provisions of the Collateral Management and Administration

Agreement and applicable law, the Collateral Manager or its Affiliates may purchase Collateral Obligations, Eligible Investments, Equity Securities and other investments from or sell Collateral Obligations, Eligible Investments, Equity Securities and other investments to other BDCM Related Parties. By purchasing Notes, investors will be deemed to have consented to any and all such conflicts of interest disclosed in this Offering Circular, including, without limitation, the procedures with respect to client cross transactions described above.

Fees payable to the Issuer in connection with its investments, including, but not limited to, amendment fees, commitment fees, waiver fees and collateral release fees, will be retained by the Issuer. The Collateral Manager or an Affiliate of the Collateral Manager (and not the Issuer) will generally retain all ancillary fees, including all advisory fees, organisation or success fees, break-up fees, directors' fees, monitoring fees, introduction fees, consulting fees, up front structuring fees and other similar fees (whether paid in cash, securities or other property) received by the Collateral Manager, its Affiliates or their respective members, officers or employees from issuers of Collateral Obligations and other investments (or from third parties in relation to Collateral Obligations and other investments or issuers of Collateral Obligations and other investments) in respect of services performed (or investments made) by the Collateral Manager, its Affiliates or their respective members, officers or employees, and without limiting other rights of the Collateral Manager and its affiliates, the Collateral Manager and its affiliates retain the right to make arrangements with other investment funds managed by the Collateral Manager or its affiliates to credit to those funds or their investors some or all of such ancillary fees paid by third parties that are received by the Collateral Manager, its affiliates or their respective members, managers, directors, managing principal, officers or employees. Additionally, it is expected that on an ongoing basis, more than 50% of the aggregate outstanding principal amount of the Collateral Obligations will be identified by the Collateral Manager for purchase by the Issuer from the Originator, which is an Affiliate of the Collateral Manager, at a price equal to the lesser of (a) the purchase price paid by the Originator for the applicable obligation and (b) the market value, as determined by the Collateral Manager in accordance with its then-current policies on the date the Issuer enters into the commitment to purchase such Collateral Obligation. In connection with such purchases from the Originator, the Originator will be entitled to receive a fee from the Issuer in accordance with the Purchase and Sale Agreement and such purchases of assets from the Originator create additional conflicts of interest.

The Collateral Management and Administration Agreement places significant restrictions on the Collateral Manager's ability to buy and sell Collateral Obligations, Eligible Investments, Equity Securities and other investments. Accordingly, during certain periods or in certain circumstances, the Collateral Manager may be unable as a result of such restrictions to buy or sell loans, securities or other investments or to take other actions which it might consider to be in the best interests of the Issuer and the Noteholders.

In addition to purchases from the Originator under the Purchase and Sale Agreement, Affiliates of the Collateral Manager may originate certain loans, securities and other investments (which might be eligible for purchase by the Issuer from the Originator pursuant to the Purchase and Sale Agreement or otherwise available for purchase by the Issuer) and such Affiliates may receive origination or similar fees in connection therewith. Such Affiliates have no obligation to offer such loans, securities and/or other investments to the Originator (nor does the Originator have any obligation to purchase such loans, securities and/or other investments from such Affiliate or to offer any such assets to the Issuer) or to the Issuer. The Issuer is prohibited by the Collateral Management and Administration Agreement and/or related documents from acting as agent, negotiator or structurer with respect to any Collateral Obligations, Eligible Investments, Equity Securities and other investments and, accordingly, will not receive or accept any origination or equivalent fees with respect to any Collateral Obligations, Eligible Investments, Equity Securities and other investments (including any Collateral originated by an Affiliate of the Collateral Manager). Additionally, in connection with certain investment restrictions and procedures agreed to by the Collateral Manager with respect to purchases and sales after the Issue Date which were designed, among other things, to maintain independence among the Collateral Manager and the Issuer, the Collateral Manager may request that the Issuer appoint an advisory committee (an "**Advisory Committee**") comprised of one or more individuals (who may be nominated by the Collateral Manager but must be approved by the board of directors of the Issuer) and who are expected to be independent of the Collateral Manager (but may, subject to certain restrictions contained in the related documents, be investors in the Notes) and have experience as sophisticated investors. The Collateral Manager will take all reasonable efforts to ensure that the Advisory Committee, by its composition or operation, does not result in any adverse tax consequences for the Issuer (including, without limitation, changing the tax residence of the Issuer). An Advisory Committee will be responsible for approving the purchase by or sale to the Issuer of Collateral Obligations, Eligible Investments, Equity Securities and other investments originated (i.e., not purchased by the Originator in the secondary market for sale to the Issuer) by an Affiliate of the Collateral Manager or where such Affiliates perform certain other activities with respect to such Collateral Obligations, Eligible Investments, Equity Securities and other investments from and after the Issue Date. Further, the Issuer's directors may

determine to delegate to its Advisory Committee responsibility for approving on behalf of the Issuer (or advising the directors in respect of approving on behalf of the Issuer) purchases of Collateral Obligations by the Issuer from the Originator and other principal trades (whereby the Collateral Manager or its Affiliates serve as principal in buying Collateral Obligations, Eligible Investments, Equity Securities and other investments from or selling Collateral Obligations, Eligible Investments, Equity Securities and other investments to the Issuer and including trades involving the purchase by or sale to the Issuer of Collateral Obligations, Eligible Investments, Equity Securities and other investments originated by an Affiliate of the Collateral Manager for which approval of such Advisory Committee or the board of directors of the Issuer is also otherwise required as described above) and certain other purchases and sales of Collateral Obligations, Eligible Investments, Equity Securities and other investments between the Issuer and the Collateral Manager or its Affiliates (including trades involving the purchase by or sale to the Issuer of Collateral Obligations, Eligible Investments, Equity Securities and other investments originated by an Affiliate of the Collateral Manager for which approval of the Advisory Committee may also otherwise be required as described above) for which the Issuer's prior consent is required pursuant to certain provisions of the Investment Advisers Act. In the event that such approval is so delegated, such transactions would be required to be approved by the Advisory Committee, which approval would be binding on the Issuer and its investors, including holders of the Notes, and if so approved, the Issuer may elect to enter into such transactions. Members of an Advisory Committee serve from the date of their appointment until their retirement, resignation or removal. The members of an Advisory Committee are entitled to indemnification, and the Issuer may set the compensation of the members of its respective Advisory Committee as it deems fit.

Purchases of Collateral Obligations from the Originator will be required to be made in accordance with the terms of the Purchase and Sale Agreement and the applicable provisions of the Investment Advisers Act.

In addition to a Senior Management Fee, the Collateral Manager is entitled to receive a Subordinated Management Fee and an Incentive Collateral Management Fee, which are dependent to a large extent on the yield earned on the Collateral Obligations, Eligible Investments, Equity Securities and other investments of the Issuer. This 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 Obligations, Eligible Investments, Equity Securities and other investments of the Issuer. This could result in an increase in the volatility of the Collateral Obligations, Eligible Investments, Equity Securities and other investments and could contribute to a decline in the aggregate value of the Collateral Obligations, Eligible Investments, Equity Securities and other investments. However, the Collateral Manager's management of the Collateral Obligations, Eligible Investments, Equity Securities and other investments is restricted by the requirement that it comply with the investment restrictions set forth in the Collateral Management and Administration Agreement. The Collateral Manager intends to enter into an arrangement on the Issue Date, and may enter into other arrangements after the Issue Date, with one or more investors in the Notes to pay to, or otherwise share with, such investors or other Persons a portion of the Collateral Management Fees payable on each Payment Date, or otherwise. Such arrangements could provide further incentive for the Collateral Manager to make more speculative investments in the Collateral Obligations on behalf of the Issuer than would otherwise be the case.

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

Certain Conflicts of Interest Involving or Relating to the Initial Purchaser, the Arranger, the Co-Placement Agents and their respective Affiliates

NATIXIS in its capacity as the Initial Purchaser, the Arranger, a Co-Placement Agent and their respective Affiliates (the "**Natixis Parties**") will play various roles in relation to the offering, including acting as the structurer of the transaction and in other roles described below.

The Natixis Parties have been involved (together with the Collateral Manager) in the formulation of the Portfolio Profile Tests, Coverage Tests, Collateral Quality Tests, Reinvestment Overcollateralisation Test, Priorities of Payment and other criteria in and provisions of the Trust Deed and the Collateral Management and Administration Agreement. These may be influenced by discussions that the Natixis Parties may have or have had with investors and there is no assurance that investors would agree with the views of one another or that the resulting modifications will not adversely affect the performance of the Notes or any particular Class of Notes. NATIXIS was the Warehouse Debt Provider under the Warehouse Arrangements. See "*Acquisition of Collateral Obligations Prior to the Issue Date*" above. Although NATIXIS was involved in the Warehouse Arrangements, its involvement was solely in its capacity as the Warehouse Debt Provider and should not be viewed as a determination by the Initial Purchaser, the Arranger, the Co-Placement Agents, any other Natixis

Party or the Warehouse Debt Provider as to whether a particular warehoused asset is an appropriate investment by the Issuer or whether such asset satisfied the Eligibility Criteria.

The Initial Purchaser or an Affiliate of the Initial Purchaser will purchase the Notes (other than the Retention Notes) from the Issuer on the Issue Date and resell them in individually negotiated transactions at varying prices, which may result in a higher or lower fee being paid to the Initial Purchaser in respect of those Notes. NATIXIS in its capacity as the Initial Purchaser and a Co-Placement Agent 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 Natixis Parties expect to earn fees and other revenues from these transactions. In addition, SMBC Nikko Capital Markets Limited, in its capacity as a Co-Placement Agent, expect to earn a fee in connection with its role as a Co-Placement Agent.

The Natixis Parties may retain a certain proportion of the Notes in their portfolios with an intention to hold to maturity or to trade. SMBC Nikko Capital Markets Limited and/or any of its Affiliates (the "**SMBC Parties**") may purchase a certain proportion of the Notes and retain such Notes in their portfolios with an intention to hold to maturity or to trade. The holding or any sale of the Notes by these parties may adversely affect the liquidity of the Notes and may also affect the prices of the Notes in the primary or secondary market. The Natixis Parties and the SMBC Parties are each part of a global investment banking and securities and investment management firm that provides a wide range of financial services to a substantial and diversified client base that includes corporations, financial institutions, governments and high-net-worth individuals. As such, they actively make markets in and trade financial instruments for their own account and for the accounts of customers in the ordinary course of their business. The Natixis Parties and the SMBC Parties may provide any such services (including financing) to the Originator and/or any of its Affiliates. In providing such services, and in particular with respect to financing, the Natixis Parties and/or the SMBC Parties may have certain rights and remedies against the Originator and/or its Affiliates (including security over assets which may include Retention Notes). In exercising any rights or remedies, the applicable Natixis Party and/or SMBC Party will act in its own commercial interest which may conflict with the interests of Noteholders. In such circumstances, the Originator may not be able to comply with its undertakings related to the EU Risk Retention Requirement (see further "*Risk Factors – Regulatory Initiatives – EU Securitisation Regulation*" above). The Natixis Parties and the SMBC Parties may have positions in and will likely have placed, underwritten or syndicated certain of the Collateral Obligations (or other obligations of the obligors of Collateral Obligations) when they were originally issued and may have provided or may be providing investment banking services and other services to obligors of certain Collateral Obligations. In addition, the Natixis Parties, the SMBC Parties and their respective clients may invest in debt obligations and securities that are senior to, or have interests different from or adverse to, Collateral Obligations. Each of the Natixis Parties and the SMBC 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 including, without limitation, in deciding whether to enforce its security granted in connection with any financing. Moreover, the Issuer may invest in loans of obligors affiliated with the Natixis Parties and/or the SMBC Parties or in which one or more of the Natixis Parties and/or the SMBC Parties hold an equity, participation or other interest. The purchase, holding or sale of such Collateral Obligations by the Issuer may increase the profitability of the Natixis Party's and/or SMBC Party's own investments in such obligors.

From time to time the Issuer will purchase from or sell Collateral Obligations through or to the Natixis Parties (including a portion of the Collateral Obligations to be purchased on or prior to the Issue Date) and one or more Natixis Parties may act as the selling institution with respect to participation interests and/or as a counterparty under a Hedge Agreement. The Natixis Parties and the SMBC Parties may act as placement agent and/or initial purchaser or investment manager in other transactions involving issues of collateralised loan 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 Natixis Parties and the SMBC Parties do not disclose specific trading positions or their hedging strategies, including whether they are in long or short positions in any Notes or obligations referred to in this Offering Circular except where required in accordance with the applicable law. Nonetheless, in the ordinary course of business, the Natixis Parties and the SMBC Parties and employees or customers of the Natixis Parties and the SMBC Parties may actively trade in and/or otherwise hold long or short positions in the Notes, Collateral Obligations and Eligible Investments or enter into transactions similar to referencing the Notes, Collateral Obligations and Eligible Investments or the obligors thereof for their own accounts and for the accounts of their customers. If a Natixis Party or a SMBC Party becomes an owner of any of the Notes, through market-making activity or otherwise, any actions that it takes in its capacity as owner, including voting, providing consents or otherwise will not necessarily be aligned with the interests of other owners of the same Class or other Classes of the Notes. To the extent a Natixis Party or a SMBC 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 Natixis Party or a SMBC 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.

8. INVESTMENT COMPANY ACT

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

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

Each initial purchaser of an interest in a Rule 144A Note and each transferee of an interest in a Rule 144A Note will be deemed to represent at the time of purchase that, amongst other things, the purchaser is a QIB/QP. Each initial purchaser of an interest in an IAI Class M Subordinated Note and each transferee of an interest in an IAI Class M Subordinated Note will be deemed to represent at the time of purchase that, amongst other things, the purchaser is an IAI/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 (or an IAI Class M Subordinated Note, as applicable) is a Non-Permitted Noteholder, the Issuer shall require the sale of the relevant Notes subject to and in accordance with the Conditions. See "*Forced Transfer*" above.

TERMS AND CONDITIONS

The following are the terms and conditions of each of the Class X Notes, the Class A-1 Notes, the Class A-2 Notes, the Class A-3 Notes, the Class B-1 Notes, the Class B-2 Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class M Subordinated Notes, substantially in the form in which they will be endorsed on such Notes if issued in definitive certificated form and which will be incorporated by reference into the Global Certificates of each Class representing the Notes in global certificated form.

The issue of €3,000,000 Class X Senior Secured Floating Rate Notes due 2032 (the "**Class X Notes**"), €187,000,000 Class A-1 Senior Secured Floating Rate Notes due 2032 (the "**Class A-1 Notes**"), $34,360,000 Class A-2 Senior Secured Floating Rate Notes due 2032 (the "**Class A-2 Notes**"), $25,000,000 Class A-3 Senior Secured Fixed Rate Notes due 2032 (the "**Class A-3 Notes**" and, together with the Class A-1 Notes and the Class A-2 Notes, the "**Class A Notes**"), €27,000,000 Class B-1 Senior Secured Floating Rate Notes due 2032 (the "**Class B-1 Notes**"), €25,000,000 Class B-2 Senior Secured Fixed Rate Notes due 2032 (the "**Class B-2 Notes**" and, together with the Class B-1 Notes, the "**Class B Notes**"), €22,000,000 Class C Senior Secured Deferrable Floating Rate Notes due 2032 (the "**Class C Notes**"), €25,000,000 Class D Senior Secured Deferrable Floating Rate Notes due 2032 (the "**Class D Notes**"), €22,000,000 Class E Senior Secured Deferrable Floating Rate Notes due 2032 (the "**Class E Notes**"), €11,000,000 Class F Senior Secured Deferrable Floating Rate Notes due 2032 (the "**Class F Notes**" and, together with the Class X Notes, the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes, the "**Rated Notes**"), €24,500,000 Class M-1 Subordinated Notes due 2032 (the "**Class M-1 Subordinated Notes**") and $8,512,000 Class M-2 Subordinated Notes due 2032 (the "**Class M-2 Subordinated Notes**", together with the Class M-1 Subordinated Notes, the "**Class M Subordinated Notes**", and together with the Rated Notes, the "**Notes**") of Black Diamond CLO 2019-1 Designated Activity Company (the "**Issuer**") was authorised by resolution of the board of Directors of the Issuer dated on or about 29 July 2019. The Notes are constituted by a trust deed (the "**Trust Deed**") dated on or about 1 August 2019 between (amongst others) the Issuer and U.S. Bank National Association (the "**Trustee**", which expression shall include all persons for the time being the trustee or trustees under the Trust Deed as trustee) for the Noteholders and security trustee for the Secured Parties and are secured by the Trust Deed and an Irish deed of charge (the "**Irish Deed of Charge**") dated on or about 1 August 2019 between the Issuer and the Trustee.

These terms and conditions of the Notes (the "**Conditions**") include summaries of, and are subject to, the detailed provisions of the Trust Deed (which includes the forms of the certificates representing the Notes). The following agreements have been entered into in relation to the Notes: (a) an agency and account bank agreement dated on or about 1 August 2019 (the "**Agency and Account Bank Agreement**") between, amongst others, the Issuer, the Trustee, U.S. Bank National Association as calculation agent, registrar and transfer agent (respectively, the "**Calculation Agent**", the "**Registrar**" and the "**Transfer Agent**", which terms shall include any successor or substitute calculation agent, registrar or transfer agent appointed pursuant to the terms of the Agency and Account Bank Agreement) and Elavon Financial Services DAC as account bank, custodian and principal paying agent (respectively, the "**Account Bank**", the "**Custodian**" and the "**Principal Paying Agent**" and which terms shall include any successor or substitute account bank, custodian or principal paying agent, respectively, appointed pursuant to the terms of the Agency and Account Bank Agreement); (b) a collateral management and administration agreement dated on or about 1 August 2019 (the "**Collateral Management and Administration Agreement**") between the Issuer, the Trustee and Black Diamond CLO 2019-1 Adviser, L.L.C., as collateral manager in respect of the Portfolio (the "**Collateral Manager**", which term shall include any successor collateral manager appointed pursuant to the terms of the Collateral Management and Administration Agreement), the Custodian and U.S. Bank National Association as collateral administrator and information agent (respectively, the "**Collateral Administrator**" and the "**Information Agent**" which term shall include any successor collateral administrator or information agent appointed pursuant to the terms of the Collateral Management and Administration Agreement); and (c) a corporate services agreement dated 5 June 2018 between the Issuer and the Issuer Corporate Services Provider (the "**Issuer Corporate Services Agreement**", which term shall include any subsequent issuer corporate services agreement entered into between the Issuer and any such successor or replacement corporate services provider appointed pursuant to the Issuer Corporate Services Agreement). Copies of the Trust Deed, the Agency and Account Bank Agreement, the Collateral Management and Administration Agreement, the Irish Deed of Charge and the Issuer Corporate Services Agreement are available for inspection during usual business hours at the registered office of the Issuer (presently at 32 Molesworth Street, Dublin 2, Ireland) and at the specified office of the Principal Paying Agent for the time being. The holders of each Class of Notes are entitled to the benefit of, are bound by and are deemed to have notice of all the provisions of the Trust Deed, and are deemed to have notice of and be bound by all the provisions of each other Transaction Document.

1. Definitions

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

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

"**Accrual Period**" means, in respect of each Class of Notes, the period from and including the Issue Date (or in the case of a Class that is subject to Refinancing, the Business Day upon which the Refinancing occurs) to, but excluding, the first Payment Date (or, in the case of a Class that is subject to Refinancing, the first Payment Date following the Refinancing) and each successive period from and including each Payment Date to, but excluding, the following Payment Date; *provided that* for the purposes of calculating interest payable in accordance with Condition 6(e)(iv) (*Calculation of the Interest Amount for the Fixed Rate Notes*) the Payment Date (for the purposes of determining the Accrual Period) shall not be adjusted if the relevant Payment Date falls other than on a Business Day.

"**Acquisition FX Rate**" means, with respect to any Collateral Obligation, the relevant Spot Rate in effect on the date on which the Issuer enters into a binding commitment to acquire such Collateral Obligation.

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

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

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

(c) without duplication, the Balances standing to the credit of the Principal Accounts and the Unused Proceeds Accounts (only in respect of such amounts that are not designated as Interest Proceeds to be credited to the Interest Accounts), and including the principal amount of any Eligible Investments purchased with such Balances but excluding, for the avoidance of doubt, any interest accrued on Eligible Investments; plus

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

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

(f) the Excess CCC/Caa Adjustment Amount;

provided that:

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

(ii) any non-Euro amounts will be converted into Euro at the Applicable FX Rate.

"**Administrative Expenses**" means amounts due and payable by the Issuer in the following order of priority (in each case, except as expressly provided otherwise, together with any VAT thereon (and, to the extent that such amounts relate to costs and expenses, such VAT to be limited to irrecoverable VAT), whether payable to the relevant tax authority or to the relevant party):

(a) *firstly*, in the following order of priority:

(i) on a *pro rata* basis and *pari passu*, to (i) the Agents pursuant to the Agency and Account Bank Agreement (including, without limitation, any legal fees, reimbursements and by way of indemnity (in each case to the extent provided for therein) as well as payments to the Account Bank and/or Custodian of amounts payable in respect of Negative Interest); (ii) the Collateral Administrator and the Information Agent pursuant to the Collateral Management and Administration Agreement (including, without limitation, costs, expenses, legal fees, reimbursements and by way of indemnity in each case to the extent provided for therein); and then

(ii) to Euronext Dublin, or such other stock exchange or exchanges upon which any of the Notes are listed from time to time; and then

(iii) to the Issuer Corporate Services Provider pursuant to the Issuer Corporate Services Agreement; and then

(iv) to each Reporting Delegate pursuant to any Reporting Delegation Agreement;

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

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

(ii) to the independent certified public accountants, auditors, agents and counsel of the Issuer (other than amounts payable to the Agents pursuant to paragraph (a) above) and to the Directors of the Issuer in respect of directors' fees (if any);

(iii) to the Collateral Manager pursuant to the Collateral Management and Administration Agreement (including, but not limited to, the indemnities, costs, fees and expenses provided for therein), but excluding any Collateral Management Fees or any VAT payable thereon and excluding any amounts in respect of Collateral Manager Advances;

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

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

(vi) on a *pro rata* basis to the Initial Purchaser and the Co-Placement Agents pursuant to the Subscription and Placement Agency Agreement in respect of any indemnity payable to it thereunder;

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

(viii) on a *pro rata* basis to any Selling Institution pursuant to any Participation Agreement after the date of entry into any Participation (excluding, for avoidance of doubt, any payments on account of any Unfunded Amounts);

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

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

(xi) to the payment of any auditing and other fees, costs and expenses incurred in connection with the acquisition of Collateral Obligations from the Originator, including the expenses of the Advisory Committee and including the fees, costs and expenses in respect of facilities or service providers engaged by the Originator or the Collateral Manager (on behalf of the Issuer) for such purposes;

(c) *thirdly*, 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 Dodd-Frank Act or the Securitisation Regulation, in each case, only as applicable to the Issuer or otherwise incurred by such Person at the expense of the Issuer pursuant to the Transaction Documents;

(ii) on a *pro rata* basis to any Person (including the Collateral Manager) in connection with satisfying the EU Risk Retention Requirement and the EU Transparency Requirement as applicable to the Issuer or otherwise incurred by such party at the expense of the Issuer pursuant to the Transaction Documents, including any costs or fees related to additional due diligence or reporting requirements or in respect of taking any Retention Guidance Action;

(iii) on a *pro rata* basis, any pecuniary sanctions levied on the Issuer arising under Article 32 of the Securitisation Regulation in relation to a failure by the Issuer to meet the requirements of Article 7 of the Securitisation Regulation;

(iv) costs of complying with FATCA;

(v) reasonable fees, costs and expenses 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);

(vi) any Refinancing Costs;

(vii) to any other Person in respect of any fees or expenses relating to any Issuer Subsidiary; and

(viii) except to the extent already provided for above, on a *pro rata* basis payment of any indemnities (to the extent not already covered above), payable to any Person as contemplated in these Conditions or the Transaction Documents and any other fees, costs and expenses payable to any Person by the Issuer under the Transaction Documents and designated as "**Administrative Expenses**" of the Issuer,

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 (but in all cases subject to amounts payable under paragraph (a) above having been paid in priority) if the Collateral Manager or Issuer has been advised by a Rating Agency that non-payment of its fees will immediately result in the withdrawal of any ratings on any Class of Rated Notes; and

(B) the Collateral Manager may, in its reasonable judgement, determine that a payment other than in the order required by paragraph (b) above (but in all cases subject to amounts payable under paragraph (a) above having been paid in priority) is required to ensure the delivery of certain accounting services and reports.

"**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, employee or general partner of:

(i) such Person;

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

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

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

The terms "Affiliate" and "Affiliated" (I) in relation to the Issuer and the Collateral Manager shall not include (A) funds managed or advised by Affiliates of the Collateral Manager or (B) portfolio companies in which such funds hold an interest, and (II) in relation to any member of the BDCM Group (including the Collateral Manager), shall be deemed to include Black Diamond Capital Management Limited. Additionally, entities controlled by the same financial sponsor shall not be deemed to be Affiliates or Affiliated. No entity shall be deemed to be an Affiliate of or Affiliated with the Issuer solely because the Issuer Corporate Services Provider or any of its Affiliates acts as a corporate services provider to such other entity.

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

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

"**AIFMD**" means European Union Commission Delegated Regulation (EN) No 231/2013 (the "**AIFM Regulation**") as amended from time to time 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.

"**Applicable FX Rate**" means:

(a) with respect to USD Collateral Obligations or any Balance denominated in USD, in relation to:

(i) any determination of the Collateral Quality Tests or the Portfolio Profile Tests (including, but not limited to, determining the Principal Balance and the Collateral Principal Amount for such purposes);

(ii) any calculation that includes a comparison against the Reinvestment Target Par Balance or the Target Par Amount;

(iii) any calculation of the Gains Amount in accordance with Condition 3(m)(iii)(4) (*Unused Proceeds Accounts*) (including, but not limited to, determining the Principal Balance and the Collateral Principal Amount for such purposes); or

(iv) any calculation with respect to the Excess Reinvestment Target Par Balance;

(b) with respect to any determination of the Principal Amount Outstanding of any of the Class A-2 Notes, the Class A-3 Notes or the Class M-2 Subordinated Notes for the purposes of exercising any voting or

consent rights or determining the applicable quorum at any meeting of Noteholders pursuant to Condition 14 (*Meetings of Noteholders, Modification, Waiver and Substitution*); and

(c) with respect to any determination of the USD Target Par Amount,

in each case, the Initial Exchange Rate;

(d) with respect to any calculations or determinations relating to a Currency Hedge Obligation to be made under the Transaction Documents or these Conditions (including, but not limited to, determining the Principal Balance and the Collateral Principal Amount), unless otherwise specified therein or herein, the applicable Currency Hedge Transaction Exchange Rate; and

(e) with respect to any other calculations or determinations (including, but not limited to, determining the Principal Balance and the Collateral Principal Amount for such purposes) to be made under the Transaction Documents or these Conditions, unless otherwise specified therein or herein, the Spot Rate.

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

"**Arranger**" means the London branch of NATIXIS in its capacity as arranger.

"**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 (other than the Class A-2 Notes, the Class A-3 Notes and the Class M-2 Subordinated Notes), €1,000, and for the Class A-2 Notes, the Class A-3 Notes and the Class M-2 Subordinated 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.

"**Available Currency**" means Euro and USD.

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

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

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

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

provided that (i) to the extent that the Hedging Condition has been satisfied and a Currency Hedge Agreement is in place, amounts standing to the credit of the Currency Account shall be converted into Euro at the relevant Currency Hedge Transaction Exchange Rate and, (ii) to the extent that no Currency Hedge Agreement is in place, in all other cases, any balance which is denominated in a currency other than Euro shall be converted into Euro at the Applicable FX Rate.

"**BDCM**" means Black Diamond Capital Management, L.L.C.

"**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 and Administration Agreement.

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

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

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

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

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

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

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

(a) the excess of the Aggregate Principal Balance of all CCC Obligations over an amount equal to 7.5 per cent. of the Collateral Principal Amount as of the relevant Measurement Date; and

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

provided that in determining which of the CCC Obligations or Caa Obligations, as applicable, shall be included in the CCC/Caa Excess, the CCC Obligations and/or Caa Obligations, with the lowest Market Values (expressed as a percentage of the Principal Balance of such Collateral Obligations as of the relevant date of determination) shall be deemed to constitute the CCC/Caa Excess.

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

(a) the Class X Notes;

(b) the Class A Notes;

(c) the Class B Notes;

(d) the Class C Notes;

(e) the Class D Notes;

(f) the Class E Notes;

(g) the Class F Notes; and

(h) the Class M Subordinated Notes,

and "**Class of Noteholders**" and "**Class**" shall be construed accordingly. Notwithstanding that (a) the Class A CM Voting Notes, Class A CM Non-Voting Exchangeable Notes and the Class A CM Non-Voting Notes are in the same Class, (b) the Class B CM Voting Notes, Class B CM Non-Voting Exchangeable Notes and the Class B CM Non-Voting Notes are in the same Class, (c) the Class C CM Voting Notes, Class C CM Non-Voting Exchangeable Notes and the Class C CM Non-Voting Notes are in the same Class, and (d) the Class D CM Voting Notes, Class D CM Non-Voting Exchangeable Notes and the Class D CM Non-Voting Notes are in the same Class, in each case they shall not be treated as a single Class in respect of any vote or determination of quorum under the Trust Deed in connection with any CM Removal Resolution or CM Replacement Resolution

and, instead, the CM Voting Notes of the applicable Class shall be treated as constituting all of the Notes of the relevant Class solely for such purpose.

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

"**Class A/B Interest Coverage Ratio**" means, as of any Measurement Date occurring on and after the Determination Date immediately preceding the second Payment Date, the ratio (expressed as a percentage) obtained by dividing the Interest Coverage Amount by the sum of (a) the scheduled interest payments due on the Class X Notes, the Class A-1 Notes, the Class A-2 Notes, the Class A-3 Notes, the Class B-1 Notes and the Class B-2 Notes on the Payment Date immediately following such Measurement Date converted, as the case may be, into Euro at the Applicable FX Rate, (b) any Class X Principal Amortisation Amount due on the Payment Date relating to such Measurement Date and (c) any Unpaid Class X Principal Amortisation Amount due on the Payment Date relating to such Measurement Date. For the purposes of calculating the Class A/B Interest Coverage Ratio, the expected interest income on Collateral Obligations, Eligible Investments and the Accounts (to the extent applicable) and the expected interest payable on the Class X Notes, the Class A-1 Notes, the Class A-2 Notes, the Class A-3 Notes, the Class B-1 Notes and the Class B-2 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 be satisfied as of any Measurement Date occurring on and after the Determination Date immediately preceding the second Payment Date if, on such Measurement Date, the Class A/B Interest Coverage Ratio is at least equal to 120.0 per cent.

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

"**Class A/B Par Value Test**" means the test which will be satisfied as of any Measurement Date on and after the Effective Date, if, on such Measurement Date, the Class A/B Par Value Ratio is at least equal to 126.99 per cent.

"**Class A CM Non-Voting Exchangeable Notes**" means the Class A-1 Notes, the Class A-2 Notes and the Class A-3 Notes in the form of CM Non-Voting Exchangeable Notes.

"**Class A CM Non-Voting Notes**" means the Class A-1 Notes, the Class A-2 Notes and the Class A-3 Notes in the form of CM Non-Voting Notes.

"**Class A CM Voting Notes**" means the Class A-1 Notes, the Class A-2 Notes and the Class A-3 Notes in the form of CM Voting Notes.

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

"**Class B CM Non-Voting Exchangeable Notes**" means the Class B-1 Notes and the Class B-2 Notes in the form of CM Non-Voting Exchangeable Notes.

"**Class B CM Non-Voting Notes**" means the Class B-1 Notes and the Class B-2 Notes in the form of CM Non-Voting Notes.

"**Class B CM Voting Notes**" means the Class B-1 Notes and the Class B-2 Notes in the form of CM Voting Notes.

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

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

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

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

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

"**Class C Interest Coverage Ratio**" means, as of any Measurement Date occurring on and after the Determination Date immediately preceding the second Payment Date, the ratio (expressed as a percentage)

obtained by dividing the Interest Coverage Amount by the sum of (a) the scheduled interest payments due on the Class X Notes, the Class A Notes, the Class B Notes and the Class C Notes on the Payment Date immediately following such Measurement Date (excluding Deferred Interest but including any interest on Deferred Interest) converted, as the case may be, into Euro at the Applicable FX Rate, (b) any Class X Principal Amortisation Amount due on the Payment Date relating to such Measurement Date and (c) any Unpaid Class X Principal Amortisation Amount due on the Payment Date relating to such Measurement Date. For the purposes of calculating the Class C Interest Coverage Ratio, the expected interest income on Collateral Obligations, Eligible Investments and the Accounts (to the extent applicable) and the expected interest payable on the Class X Notes, 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 be satisfied as of any Measurement Date occurring on and after the Determination Date immediately preceding the second Payment Date, if on such Measurement Date, the Class C Interest Coverage Ratio is at least equal to 110.0 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, converted, as the case may be, into Euro at the Applicable FX Rate.

"**Class C Par Value Test**" means the test which will be satisfied as of any Measurement Date on and after the Effective Date, if, on such Measurement Date, the Class C Par Value Ratio is at least equal to 119.39 per cent.

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

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

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

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

"**Class D Interest Coverage Ratio**" means, as of any Measurement Date occurring on and after the Determination Date immediately preceding the second Payment Date, the ratio (expressed as a percentage) obtained by dividing the Interest Coverage Amount by the sum of (a) 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 Payment Date immediately following such Measurement Date (excluding Deferred Interest but including any interest on Deferred Interest) converted, as the case may be, into Euro at the Applicable FX Rate, (b) any Class X Principal Amortisation Amount due on the Payment Date relating to such Measurement Date and (c) any Unpaid Class X Principal Amortisation Amount due on the Payment Date relating to such Measurement Date. For the purposes of calculating the Class D Interest Coverage Ratio, the expected interest income on Collateral Obligations, Eligible Investments and the Accounts (to the extent applicable) and the expected interest payable on Class X Notes, 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 be satisfied, as of any Measurement Date occurring on and after the Determination Date immediately preceding the second Payment Date, if on such Measurement Date, the Class D Interest Coverage Ratio is at least equal to 105.0 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, converted, as the case may be, into Euro at the Applicable FX Rate.

"**Class D Par Value Test**" means the test which will be satisfied, as of any Measurement Date on and after the Effective Date, if, on such Measurement Date, the Class D Par Value Ratio is at least equal to 111.49 per cent.

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

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

"**Class E Interest Coverage Test**" means the test which will be satisfied, as of any Measurement Date occurring on and after the Determination Date immediately preceding the second Payment Date, if, on such Measurement Date, the Class E Interest Coverage Ratio is at least 101.0 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, converted, as the case may be, into Euro at the Applicable FX Rate.

"**Class E Par Value Test**" means the test which will be satisfied, as of any Measurement Date on and after the Effective Date, if, on such Measurement Date, the Class E Par Value Ratio is at least equal to 105.30 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, converted, as the case may be, into Euro at the Applicable FX Rate.

"**Class F Par Value Test**" means the test which will be satisfied, as of any Measurement Date on and after the Effective Date, if, on such Measurement Date, the Class F Par Value Ratio is at least equal to 103.03 per cent.

"**Class M Subordinated Noteholders**" means the Class M-1 Subordinated Noteholders and the Class M-2 Subordinated Noteholders.

"**Class M Subordinated Notes Initial Offer Price Percentage**" means 95 per cent. of the original principal amount thereof.

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

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

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

"**Class X Principal Amortisation Amount**" means, for each Payment Date beginning on (and including) the first Payment Date immediately following the Issue Date, the lesser of (a) the Principal Amount Outstanding of the Class X Notes (for the avoidance of doubt, taking into account all prior principal payments on the Class X Notes) and (b)(i) in respect of each such Payment Date prior to the occurrence of a Frequency Switch Event, €375,000 and (ii) in respect of each such Payment Date following the occurrence of a Frequency Switch Event, €750,000.

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

"**Clearing Systems**" means Euroclear and Clearstream, Luxembourg.

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

"**CM Non-Voting Exchangeable Notes**" means, with respect to Notes of a particular Class, Notes of such Class that:

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

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

"**CM Non-Voting Notes**" means, with respect to Notes of a particular Class, Notes of such Class that:

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

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

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

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

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

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

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

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

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

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

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

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

"**Collateral Manager Event of Default**" means each of the events defined as such in Condition 10(f) (*Collateral Manager Events of Default*).

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

"**Collateral Manager Tax Event**" means that the:

(a) Issuer has become subject either (i) to any material United Kingdom income or corporation tax liability or (ii) to any material U.S. federal income tax, in either case on a net income or profits basis by virtue of the Collateral Manager causing the Issuer to be carrying on a trade in the United Kingdom through the Issuer having a United Kingdom permanent establishment or to be engaged in a trade or business in the United States; and

(b) the Collateral Manager has not (i) changed the location from which it provides its collateral management services under the terms of the Collateral Management and Administration Agreement so as to remedy or (ii) otherwise remedied or eliminated the occurrence of such event described in paragraph (a) above (including by the appointment of a replacement Collateral Manager in its place) within 90 days of the date that the Collateral Manager is notified by the Issuer of the occurrence of such event,

provided that no Collateral Manager Tax Event shall occur if the circumstances in paragraph (a) do not have a material adverse effect on the Noteholders (as evidenced by a certificate of an investment bank, accounting firm, reputable international tax counsel or other expert or advisor experienced in securities similar to the Notes).

"**Collateral Obligation**" means any debt obligation or debt security purchased (including by way of a Participation) by or on behalf of the Issuer from time to time (or, if the context so requires, to be purchased by or on behalf of the Issuer) and which the Collateral Manager has determined in accordance with the Collateral Management and Administration Agreement satisfies the Eligibility Criteria at the time that any commitment to acquire is entered into by or on behalf of the Issuer. References to Collateral Obligations shall include Non-Euro Obligations but shall not include Collateral Enhancement Obligations, Eligible Investments, Equity Securities or Exchanged Equity Securities. Obligations which are to constitute Collateral Obligations in respect of which the Issuer has entered into a binding commitment to acquire but which have not yet settled shall be included as Collateral 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 acquisition had been completed. Each Collateral Obligation in respect of which the Issuer has entered into a binding commitment to sell, but in respect of which such sale has not yet settled, shall be excluded from being Collateral 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 acquire such obligation shall not cause such obligation to cease to constitute a Collateral Obligation unless it is an Issue Date Collateral Obligation which does not satisfy the Eligibility Criteria on the Issue Date. A Collateral Obligation which has been restructured (whether effected by way of an amendment to the terms of such Collateral Obligation (including but not limited to an extension of its maturity) or by way of substitution of new obligations and/or change of Obligor) shall only constitute a Restructured Obligation if it satisfies the Restructured Obligation Criteria on the appropriate Restructuring Date.

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

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

(a) the Aggregate Principal Balance of all Collateral Obligations, provided**,** however**,** for the purpose of calculating the Aggregate Principal Balance for the purposes of (i) the Portfolio Profile Tests, the Principal Balance of each Defaulted Obligation shall be multiplied by its Market Value, (ii) the Collateral Quality Tests (other than the S&P CDO Monitor Test), the Principal Balance of each Defaulted Obligation shall be excluded, and (iii) the CCC/Caa Excess, the Principal Balance of each Defaulted Obligation shall be multiplied by its Market Value;

(b) for the purpose solely of calculating the Portfolio Profile Tests, the Collateral Quality Tests, the Coverage Tests and the Reinvestment Overcollateralisation Test, obligations which are to constitute Collateral Obligations in respect of which the Issuer has entered into a binding commitment to acquire, but which have not yet settled, shall be included as Collateral Obligations as if such acquisition had been completed and obligations in respect of which the Issuer has entered into a binding commitment to sell, but in respect of which such sale has not yet settled, shall be excluded from being Collateral Obligations as if such sale had been completed;

(c) without duplication, the Balances standing to the credit of the Principal Accounts and the Unused Proceeds Accounts (only in respect of such amounts that are not designated as Interest Proceeds to be credited to the Interest Accounts), and including the principal amount of any Eligible Investments purchased with such Balance but excluding, for the avoidance of doubt, any interest accrued on Eligible Investments;

(d) for the purpose of determining whether a Frequency Switch Event has occurred pursuant to paragraph (a) of the definition thereof, the Principal Balance of each Collateral Obligation that is not paying cash interest (including any PIK Security) shall be excluded for all purposes of such calculation (including both the numerator and the denominator of any fraction used in such calculation); and

(e) solely for the purposes of calculating the Collateral Principal Amount for the purposes of determining compliance with the EU Risk Retention Requirement, including whether an EU Retention Deficiency has occurred, the Principal Balance of any Equity Security or Exchanged Equity Security or any other obligation which does not constitute a Collateral Obligation shall be (converted, as the case may be, into Euro at the Spot Rate on the applicable Measurement Date):

  (i) in the case of a debt obligation or security, the principal amount outstanding of such obligation;

  (ii) in the case of an equity security received upon a "debt for equity swap" in relation to a restructuring, the principal amount outstanding of the debt which was swapped for the equity security; and

  (iii) in the case of any other equity security, the nominal value thereof as determined by the Collateral Manager.

For the avoidance of doubt, for the purposes of calculating the Collateral Principal Amount for the purposes of determining compliance with the EU Risk Retention Requirement or in determining whether an EU Retention Deficiency has occurred, the Principal Balance of any Collateral Obligation shall be its Principal Balance (converted into Euro at the Spot Rate on the applicable Measurement Date) in each case without any adjustments for purchase price or the application of haircuts or other adjustments.

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

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

  (i) the Moody's Minimum Diversity Test;

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

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

(iv) the Minimum Weighted Average Spread Test;

(b) 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; and

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

each as defined in the Collateral Management and Administration Agreement.

"**Collateral Tax Event**" means at any time, (i) as a result of the introduction of a new, or any change in, any home jurisdiction or foreign tax statute, treaty, regulation, rule, ruling, practice, procedure or judicial decision or interpretation (whether proposed, temporary or final), interest, discount or premium payments due from the Obligors of any Collateral Obligations (or from Selling Institutions in the case of Participations) in relation to any Due Period to the Issuer becoming properly subject to the imposition of home jurisdiction or foreign 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 Obligation or such requirement to withhold is eliminated pursuant to a double taxation treaty, or otherwise so that the Issuer receives the same amount on an after tax basis that it would have received had no withholding Tax been imposed) so that the aggregate amount of such direct or withholding Tax on all Collateral Obligations in relation to such Due Period is equal to or in excess of 6 per cent. of the aggregate interest, discount or premium payments due (for the avoidance of doubt, excluding any additional interest arising as a result of the operation of any gross up provision) after converting, as the case may be, into Euro at the Applicable FX Rate)) on all Collateral Obligations in relation to such Due Period or (ii) taxes with respect to FATCA become due or are expected to become due in the future in an amount in excess of USD500,000.

"**Collection Accounts**" means the Euro Collection Account and the USD Collection Account.

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

"**Controlling Class**" means:

(a) the Class A Notes; or

(b) either:

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

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

the Class B Notes; or

(c) either:

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

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

the Class C Notes; or

(d) either:

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

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

the Class D Notes; or

(e) either:

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

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

the Class E Notes; or

(f) 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 Class M Subordinated Notes,

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

"**Co-Placement Agent**" means each of NATIXIS and, in respect of a portion of the Class A-1 Notes only, SMBC Nikko Capital Markets Limited in its capacity as a co-placement agent (and together, the "**Co-Placement Agents**").

"**Corporate Rescue Loan**" means any interest in a loan or financing facility that is acquired directly by way of assignment which is paying interest and principal (if 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 (x) such Corporate Rescue Loan is secured by liens on the Debtor's otherwise unencumbered assets pursuant to § 364(c)(2) of the United States Bankruptcy Code; or (y) such Corporate Rescue Loan is secured by liens of equal or senior

priority on property of the Debtor's estate that is otherwise subject to a lien pursuant to § 364(d) of the United States Bankruptcy Code; or (z) such Corporate Rescue Loan is secured by junior liens on the Debtor's unencumbered assets and such Corporate Rescue Loan is fully secured based upon a current valuation or appraisal report; or (zz) if the Corporate Rescue Loan or any portion thereof is unsecured, the repayment of such Corporate Rescue Loan retains priority over all other administrative expenses pursuant to § 364(c)(1) of the United States Bankruptcy Code; or

(b) is a credit facility or other advance made available to a company or group in a restructuring, workout, bankruptcy or insolvency process (whether pursuant to court process, voluntary arrangement among creditors, some combination thereof or otherwise) which (i) constitutes the most senior secured obligations of the entity which is the borrower thereof and either (ii) ranks *pari passu* in all respects with the other senior secured debt of the borrower, provided that such facility is entitled to recover proceeds of enforcement of security shared with the other senior secured indebtedness (*e.g.* bond) of the borrower and its subsidiaries in priority to all such other senior secured indebtedness, or (iii) achieves priority over other senior secured obligations of the borrower otherwise than through the grant of security, such as pursuant to the operation of applicable insolvency legislation (including as an expense of the restructuring or insolvency process) or other applicable law.

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

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

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

"**Cov-Lite Loan**" means a Secured Senior Loan, 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 other than the determination of the S&P Recovery Rate for such loan, 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 while (or only while) it is funded will be deemed not to be a Cov-Lite Loan.

"**CRA3**" means the Regulation of the European Parliament and of the Council amending Regulation EC 1060/2009 on credit rating agencies (as the same may be amended from time to time including any implementing and/or delegated regulations, technical standards and guidelines relating thereto).

"**Credit Improved Obligation**" means any Collateral Obligation which, in the Collateral Manager's reasonable commercial judgment (which judgment will not be called into question as a result of subsequent events), has improved in credit quality after it was acquired by the Issuer; provided that, during a Restricted Trading Period, a Collateral Obligation will qualify as a Credit Improved Obligation only if: (i) it satisfies at least one of the Credit Improved Obligation Criteria; (ii) the Controlling Class acting by Ordinary Resolution votes to treat such Collateral Obligation as a Credit Improved Obligation; or (iii) it has been (and remains) upgraded by any Rating Agency at least one rating sub category or has been placed and remains on a watch list for possible upgrade or on positive outlook by the Rating Agency since it was acquired by the Issuer.

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

(a) if such Collateral Obligation is a loan obligation or floating rate note, the price of such loan obligation or floating rate note has changed during the period from the date on which the Issuer or the Collateral

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

(b) if such Collateral Obligation is a Fixed Rate Collateral Obligation which is a bond or security, there has been a percentage decrease in the difference between its yield and the yield on German Government Bund securities (in the case of Collateral Obligations denominated in Euro), U.S. Treasury Bonds (in the case of Collateral Obligations denominated in USD), UK Gilts (in the case of Collateral Obligations denominated in GBP), and comparable other federal government securities (in the case of Collateral Obligations denominated in any other currency), as applicable, in each case of comparable maturity of more than 7.5 per cent. since the date on which such Collateral Obligation was acquired by the Issuer;

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

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

(e) if the projected cash flow interest coverage ratio for the following year (earnings before interest and taxes divided by cash interest expense as disclosed by the Obligor or arranging bank for the relevant credit facility, or calculated by a third party in published research reports or as otherwise reasonably determined by the Collateral Manager) of the Obligor of such Collateral Obligation is expected to be more than 1.15 times the current year's projected cash flow interest coverage ratio;

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

(g) the Market Value of such Collateral Obligation is at least 100.50 per cent. of its purchase price.

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

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

(b) if such Collateral Obligation is a Fixed Rate Collateral Obligation which is a bond or security, there has been a percentage increase in the difference between its yield and the yield on German government Bund securities (in the case of Collateral Obligations denominated in Euro), U.S. Treasury Bonds (in the case of Collateral Obligations denominated in USD), UK Gilts (in the case of Collateral Obligations denominated in GBP), and comparable other federal government securities (in the case of Collateral Obligations denominated in any other currency), as applicable, in each case of comparable

maturity of more than 7.5 per cent. since the date on which such Collateral Obligation was acquired by the Issuer;

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

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

(e) if the projected cash flow interest coverage ratio for the following year (earnings before interest and taxes divided by cash interest expense as disclosed by the Obligor or arranging bank for the relevant credit facility, or calculated by a third party in published research reports or as otherwise reasonably determined by the Collateral Manager) of the Obligor of such Collateral Obligation is less than 1.0 or is expected to be less than 0.85 times the current year's projected cash flow interest coverage ratio; or

(f) the Market Value of such Collateral Obligation has decreased by at least 1.00 per cent. of the price paid by the Issuer for such Collateral Obligation.

"**Credit Risk Obligation**" means any Collateral Obligation that, in the Collateral Manager's reasonable commercial judgment (which judgment will not be called into question as a result of subsequent events), has a risk of declining in credit quality or price or where the relevant underlying Obligor has failed to meet its other financial obligations; provided that, during a Restricted Trading Period, a Collateral Obligation will qualify as a Credit Risk Obligation for purposes of sales of Collateral Obligations only if (i) the Credit Risk Criteria are satisfied with respect to such Collateral Obligation, (ii) the Controlling Class by Ordinary Resolution votes to treat such Collateral Obligation as a Credit Risk Obligation or (iii) such Collateral Obligation has been (and remains) 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.

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

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

"**Currency Call Option**" means any currency call option entered into by the Issuer pursuant to the Currency Call Option Agreement, pursuant to which the Issuer, or the Collateral Manager on its behalf, shall have the right (but not the obligation) to purchase USD at the relevant USD Strike Price on the Exercise Date.

"**Currency Call Option Agreement**" means the 1992 ISDA Master Agreement (Multicurrency-Cross Border) and the schedule relating thereto which is entered into between the Issuer and the Currency Call Option Counterparty in order to hedge exchange rate risk, including any guarantee thereof and any credit support annex entered into pursuant to the terms thereof and together with the confirmation entered into thereunder, as amended or supplemented from time to time, and including any Replacement Currency Call Option Agreement entered into in replacement thereof.

"**Currency Call Option Counterparty**" means the financial institution with which the Issuer has entered into Currency Call Options or any permitted assignee or successor thereto under the terms of such Currency Call

Options and in each case which satisfies the applicable Rating Requirement (taking into account any guarantor thereof).

"**Currency Call Option Exchange Rate**" means, in relation to any Currency Call Option, the rate of exchange set out in the relevant Currency Call Option.

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

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

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

"**Currency Hedge Counterparty Termination Payment**" means an amount payable by a Currency Hedge Counterparty to the Issuer upon termination or modification of the applicable Currency Hedge Agreement or Currency Hedge Transaction and excluding for all purposes other than determining the amount payable by the Currency Hedge Counterparty thereunder upon such termination or modification any due and unpaid scheduled amounts thereunder.

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

"**Currency Hedge Issuer Termination Payment**" means any amount payable by the Issuer to a Currency Hedge Counterparty upon termination or modification of the applicable Currency Hedge Agreement or Currency Hedge Transaction, and excluding for all purposes other than determining the amount payable by the Issuer to the Currency Hedge Counterparty thereunder upon such termination or modification, any due and unpaid scheduled amounts payable thereunder.

"**Currency Hedge Obligation**" means any Collateral Obligation which is denominated in a Qualifying Currency other than an Available Currency and which (a) is, or will no later than the settlement date thereof, become the subject of a Currency Hedge Transaction or (b) (i) is denominated in a Qualifying Unhedged Obligation Currency, (ii) was previously an Unhedged Collateral Obligation and (iii) is subject to a Currency Hedge Transaction (entered into not later than 90 calendar days of the settlement of the acquisition by the Issuer of such Collateral Obligation).

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

"**Currency Hedge Termination Receipt**" means the amount payable by a Currency Hedge Counterparty to the Issuer upon termination or modification of a Currency Hedge Transaction excluding, for purposes other than payment to the applicable Account to which the Issuer shall credit such amounts, the portion thereof

representing any due and unpaid scheduled amounts payable thereunder and any Currency Hedge Counterparty Principal Exchange Amounts.

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

"**Currency Hedge Transaction Exchange Rate**" means, in relation to any Currency Hedge Obligation, the rate of exchange set out in the relevant Currency Hedge Transaction.

"**Current Pay Obligation**" means any Collateral Obligation (other than a Corporate Rescue Loan or a Collateral Obligation that has a Moody's Rating of "Caa3" or below) that would otherwise be treated as a Defaulted Obligation but as to which no payments are due and payable that are unpaid and with respect to which the Collateral Manager believes, in its reasonable business judgment, that:

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

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

(c) the Collateral Obligation has a Market Value of at least 80.0 per cent. of its outstanding Principal Balance; and

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

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

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

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

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

"**Defaulted Deferring Mezzanine Obligation**" means a Mezzanine Obligation which is both a Deferring Obligation and a Defaulted Obligation (ignoring the exclusion of Defaulted Obligations in the definition of Deferring Obligation).

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

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

(a) the greater of (i) zero and (ii) the aggregate of all recoveries (including by way of sale proceeds) in respect of each Mezzanine Obligation for so long as it is a Defaulted Deferring Mezzanine Obligation, minus the sum of the principal amount of such Mezzanine Obligation outstanding immediately prior to receipt of such amounts plus any Purchased Accrued Interest relating thereto; and

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

"**Defaulted Obligation**" means a Collateral Obligation as determined by the Collateral Manager using reasonable commercial judgment (which judgment will not be called into question as a result of subsequent events):

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

(b) in respect of which (i) any bankruptcy, insolvency or receivership proceeding has been initiated in connection with the Obligor of such Collateral Obligation, whether initiated under the Obligor's local law or otherwise and, to the knowledge of the Collateral Manager, such proceedings have not been stayed or dismissed or (ii) the Obligor of such Collateral Obligation or others have instituted proceedings to have such Obligor adjudicated as bankrupt or insolvent or placed into receivership and such proceedings have not been stayed or dismissed or such Issuer has filed for protection under Chapter 11 of the United States Bankruptcy Code; provided that, if such proceeding is an involuntary proceeding, the condition of this clause (b) will not be satisfied until the earliest of the following: (I) the Obligor consents to such proceeding, (II) an order for relief under the United States Bankruptcy Code, or any similar order under a proceeding not taking place under the United States Bankruptcy Code, has been entered, and (III) such proceeding remains unstayed and undismissed for 30 days;

(c) in respect of which the Collateral Manager knows the Obligor thereunder is in default as to payment of principal and/or interest on another of its obligations (and such default has not been cured), which ranks at least *pari passu* with the Collateral Obligation in right of payment, without regard to any grace period applicable thereto, or waiver or forbearance thereof, after the passage (other than in the case of a default that, in the Collateral Manager's reasonable judgment (as certified in writing to the Trustee), 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 (x) the Collateral Obligation shall constitute a Defaulted Obligation under this paragraph (c) only until, to the knowledge of the Collateral Manager, such acceleration has been rescinded and (y) both the Collateral Obligation and such other debt obligation are full recourse obligations of the applicable Obligor;

(d) which (i) has a Moody's Rating of "Ca" or "C" or lower; or (ii) has a S&P Rating of "D" or "CC" or lower or "SD" or had such S&P Rating or below immediately prior to its withdrawal by S&P;

(e) which is a Participation in a loan with respect to which: (i) the Selling Institution has (x) a S&P Rating of "CC" or lower or "SD" or had such rating immediately before such rating was withdrawn or (y) a Moody's Rating of "D" or below; (ii) the Selling Institution has defaulted in any respect in the performance of any of its payment obligations under that Participation; or (iii) the obligation which is the subject of such Participation would constitute a Defaulted Obligation, if the Issuer had a direct interest therein;

(f) which ranks *pari passu* in right of payment as to the payment of principal and/or interest to another obligation of the same Obligor which has (i) a Moody's Rating of "Ca" or "C"; or (ii) has a S&P Rating of "D", "CC" or "SD" (in each case, excluding Current Pay Obligations and Corporate Rescue Loans) *provided that* both the Collateral Obligation and such other obligation are full recourse obligations of the applicable Obligor or secured by the same collateral;

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

(i) a Restructured Obligation; and

(ii) such Restructured Obligation does not otherwise constitute a Defaulted Obligation pursuant to any other paragraph of the definition hereof; or

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

provided that (A) a Collateral Obligation shall not constitute a Defaulted Obligation pursuant to clauses (b) through (h) above if such Collateral Obligation (or, in the case of a Participation, the underlying Collateral Obligation) is a Current Pay Obligation (provided that the aggregate Principal Balance of Current Pay Obligations exceeding 2.5 per cent. of the Collateral Principal Amount (where, for the purposes of determining the Collateral Principal Amount, the Principal Balance of each Defaulted Obligation shall be multiplied by its Market Value) will be treated as Defaulted Obligations and, provided further, that in determining which of the Current Pay Obligations are to be treated as Defaulted Obligations under this proviso, the Current Pay Obligations with the lowest Market Value expressed as a percentage of the Principal Balance of such Collateral Obligations as of the relevant date of determination shall be deemed to constitute the excess), (B) a Collateral Obligation shall not constitute a Defaulted Obligation pursuant to clauses (b) through (g) above if such Collateral Obligation (or, in the case of a Participation, the underlying obligation) is a Corporate Rescue Loan (*provided that* the Corporate Rescue Loans having a S&P Rating of "CC" or below will be treated as Defaulted Obligations), and (C) any Collateral Obligation shall cease to be a Defaulted Obligation on the date such obligation no longer satisfies this definition of "Defaulted Obligation".

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

"**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" in respect of either:

(i) a "Tax Event Upon Merger"; or

(ii) an "Additional Termination Event" 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 Obligation**" means a PIK Security (other than a Defaulted Obligation) that is deferring the payment of the current cash interest due thereon and has been so deferring the payment of such interest due thereon: (i) with respect to Collateral Obligations that have a Moody's Rating of at least "Baa3", for the shorter of two consecutive accrual periods or one year; and (ii) with respect to Collateral Obligations that have a Moody's Rating of "Ba1" or below, for the shorter of one accrual period or six consecutive months, which deferred capitalised interest has not, as of the date of determination, been paid in cash. For the avoidance of doubt, a Collateral Obligation that is not a PIK Security will not be considered a Deferring Obligation, but if it is deferring the payment of the required current cash pay interest due thereon, such a failure to pay interest would make such Collateral Obligation a Defaulted Obligation if and for so long as paragraph (a) of the definition of "Defaulted Obligation" applies to such obligation.

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

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

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

"**Directors**" means Michael Drew and Padraic Doherty or such other person(s) who may be appointed as Director(s) of the Issuer from time to time.

"**Discount Obligation**" means any Collateral Obligation (or part thereof) that is not a Swapped Non-Discount Obligation and that the Collateral Manager determines:

(a) in the case of any Floating Rate Collateral Obligation (or part thereof) that is a loan, is acquired by the Issuer for a purchase price of less than the lower of (A) (x) in the case of an Unhedged Collateral Obligation (or part thereof), 80.0 per cent. of its Unhedged Principal Balance, and (y) in the case of all other such Collateral Obligations (or parts thereof), 80.0 per cent. of the Principal Balance of such Collateral Obligation (or, if such obligation has a Moody's Rating below "B3", such obligation is acquired by the Issuer for a purchase price of less than 85.0 per cent. of its Principal Balance); and (B) the average price of the applicable Eligible Loan Index as at the date of such acquisition; *provided that* such Collateral Obligation (or part thereof) shall cease to be a Discount Obligation at such time as the Market Value of such Collateral Obligation (or part thereof) equals or exceeds:

(i) in the case of an Unhedged Collateral Obligation (or part thereof), as determined for any period of 30 consecutive days since the acquisition by the Issuer of such Collateral Obligation (or part thereof), 85.0 per cent. of its Unhedged Principal Balance;

(ii) in the case of any such Collateral Obligation that is a Euro Collateral Obligation (or part thereof), as determined for any period of 90 consecutive days since the acquisition by the Issuer of such Collateral Obligation (or part thereof), 90.0 per cent. of the Principal Balance of such Collateral Obligation (or part thereof); and

(iii) in the case of any such Collateral Obligation that is a USD Collateral Obligation (or part thereof), as determined for any period of 30 consecutive days since the acquisition by the Issuer of such Collateral Obligation (or part thereof), 85.0 per cent. of the Principal Balance of such Collateral Obligation (or part thereof); or

(b) in the case of any other Collateral Obligation (or part thereof), is acquired by the Issuer for a purchase price of less than the lower of (A) (x) in the case of an Unhedged Collateral Obligation (or part thereof), 75.0 per cent. of its Unhedged Principal Balance, and (y) in the case of all other such Collateral Obligations (or parts thereof) 75.0 per cent. of the Principal Balance of such Collateral Obligation (or part thereof) (or, if such obligation has a Moody's Rating below "B3", such obligation is acquired by the Issuer for a purchase price of less than 80.0 per cent. of its Principal Balance); and (B) the price corresponding to a yield that is two per cent. higher than the average yield of the applicable Eligible Bond Index as at the date of such acquisition; *provided that* such Collateral Obligation (or part thereof) shall cease to be a Discount Obligation at such time as the Market Value of such Collateral Obligation (or part thereof) equals or exceeds:

(i) in the case of an Unhedged Collateral Obligation (or part thereof), as determined for any period of 30 consecutive days since the acquisition by the Issuer of such Collateral Obligation (or part thereof), 80.0 per cent. of its Unhedged Principal Balance;

(ii) in the case of any such Collateral Obligation that is a Euro Collateral Obligation (or part thereof), as determined for any period of 90 consecutive days since the acquisition by the Issuer of such Collateral Obligation (or part thereof), 85.0 per cent. of the Principal Balance of such Collateral Obligation (or part thereof); and

(iii) in the case of any such Collateral Obligation that is a USD Collateral Obligation (or part thereof), as determined for any period of 30 consecutive days since the acquisition by the Issuer of such Collateral Obligation (or part thereof), 80.0 per cent. of the Principal Balance of such Collateral Obligation (or part thereof),

provided that if such interest is a Revolving Obligation or Delayed Drawdown Collateral Obligation, the purchase price of such Revolving Obligation or Delayed Drawdown Collateral Obligation for such purpose shall include an amount equal to the Unfunded Amount of such Revolving Obligation or Delayed Drawdown Collateral Obligation which is required to be deposited in the applicable Unfunded Revolver Reserve Account; and provided further that where the Principal Balance of a Collateral Obligation is partially composed of a Discount Obligation, any sale, repayment or prepayment in respect of such Collateral Obligation will be applied *pro rata* (1) to the discounted part of such Collateral Obligation and (2) the non-discounted part of such Collateral Obligation.

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

"**Dodd-Frank Act**" means the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act including any related regulation and as the same may be amended, supplemented or replaced from time to time, which was signed into law on 21 July 2010.

"**Domicile**" or "**Domiciled**" means with respect to any Obligor with respect to a Collateral Obligation, as the Collateral Manager shall determine:

(a) its country of organisation or incorporation; or

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

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

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

"**EBITDA**" earnings before interest, taxes debt and amortisation as determined by the Collateral Manager, based on information disclosed by the Obligor or arranging bank for the relevant credit facility, or calculated by a third party in published research reports.

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

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

(b) 1 February 2020 (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 (other than the S&P CDO Monitor 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 by such date (a) Euro Collateral Obligations the Aggregate Principal Balance of which equals or exceeds the Euro Target Par Amount and (b) USD Collateral Obligations the Aggregate Principal Balance of which equals or exceeds the USD Target Par Amount (provided that, for the purposes of determining the Aggregate Principal Balance as provided above, any repayments or prepayments of any Collateral Obligations subsequent to the Issue Date shall be disregarded and the Principal Balance of a

Collateral Obligation which is a Defaulted Obligation will be the lower of its (i) Moody's Collateral Value and (ii) S&P Collateral Value).

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

(a) the Issuer is provided with, and has confirmed in writing to the Trustee receipt of an accountants' certificate stating that the Effective Date Determination Requirements are satisfied; and

(b) Moody's is provided with the Effective Date Report (for the avoidance of doubt, the Effective Date Report will not include the accountants' certificate or sections or excerpts of it).

"**Effective Date Rating Event**" means any one or more of the following shall occur:

(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 and (ii) either (A) the Collateral Manager does not present a Rating Confirmation Plan to the Rating Agencies, or (B) Rating Agency Confirmation has not been obtained for the Rating Confirmation Plan following request therefor from the Collateral Manager;

(b) the Effective Date S&P Condition not being satisfied ; or

(c) the Effective Date Moody's Condition not being satisfied,

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

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

"**Effective Date S&P Condition**" means a condition that will be satisfied if, on or after the Effective Date, S&P has provided a Rating Agency Confirmation to the Issuer, the Trustee and the Collateral Manager confirming its Initial Rating of each Class of Notes; *provided that* S&P will be deemed to have given such Rating Agency Confirmation if (a) the Issuer (or the Collateral Manager on its behalf) has confirmed to S&P that the Effective Date Determination Requirements have been met and (b) S&P is provided with the Effective Date Report (for the avoidance of doubt, the Effective Date Report will not include the accountants' certificate or sections or excerpts of it); *provided further that* the Effective Date S&P Condition will be deemed to be satisfied if S&P makes a public announcement or informs the Issuer, the Collateral Manager and the Trustee in writing (including by means of email notification or a press release) that (a) it believes satisfaction of the Effective Date S&P Condition is not required or (b) its practice is not to give such confirmation.

"**Eligible Bond Index**" means Markit iBoxx EUR High Yield Index, Market iBoxx USD Liquid High Yield Index, Credit Suisse Western European High Yield Index, Credit Suisse High Yield Index, BofA Merrill Lynch Euro High Yield Index, or BofA Merrill Lynch US High Yield Index.

"**Eligible Investment**" means any investment denominated in the currency of the Account from which the purchase money for such investment is funded and that is cash or is one or more of the following obligations or securities (other than obligations or securities which are Zero Coupon Securities), including, without limitation, any Eligible Investments for which the Custodian, the Trustee, the Collateral Manager, a Collateral Manager Related Person or an Affiliate of any of them provides services:

(a) direct obligations of, and obligations the timely payment of principal of and interest under which is fully and expressly guaranteed (such guarantee to comply with the relevant S&P criteria on guarantees) by, a Non-Emerging Market Country or any agency or instrumentality of a Non-Emerging Market Country, the obligations of which are fully and expressly guaranteed by a Non-Emerging Market Country which, in each case, have a rating of not less than the applicable Eligible Investment Minimum Rating;

(b) demand and time deposits in, certificates of deposit of and bankers' acceptances issued by any depository institution (including the Account Bank) or trust company incorporated under the laws of a Non-Emerging Market Country with, in each case, a maturity of no more than 90 days or, following the first Payment Date after 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 Non-Emerging Market Country which has a rating of not less than the applicable Eligible Investment Minimum Rating,

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

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

(e) commercial paper or other short-term obligations having, at the time of such investment, a credit rating of not less than the applicable Eligible Investment Minimum Rating and that either are bearing interest or are sold at a discount to the face amount thereof and have a maturity of not more than 92 days or, following the first Payment Date after 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" or "AAAm-G" by S&P, provided that any such fund issues shares, units or participations that may be lawfully acquired in Ireland; and

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

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

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

and, in each case, such instrument or investment (x) provides for payment of a pre-determined fixed amount of principal on maturity that is not subject to change, (y) has a Collateral Obligation Stated Maturity (giving effect to any applicable grace period) of no later than one year following the date of the Issuer's acquisition thereof and (z) either (A) has a Collateral Obligation Stated Maturity (giving effect to any applicable grace period) no later than the Business Day immediately preceding the next following Payment Date or, in respect of the Eligible Investments referred to in paragraph (d) above only, (B) is capable of being liquidated at par on demand without penalty; *provided***,** *however*, that Eligible Investments shall not include any mortgage backed security, interest only security, security subject to withholding or similar taxes, obligations rated with an "f", "r", "sf" or "t" subscript by S&P security purchased at a price in excess of 100 per cent. of par, 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 Investment Minimum Rating**" means:

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

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

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

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

(i) in the case of Eligible Investments with a Collateral 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;

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

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

(ii) a short term debt or issuer (as applicable) credit rating of at least "A-1" from S&P in the case of Eligible Investments with a Collateral Obligation Stated Maturity of 60 days or less.

"**Eligible Loan Index**" means the S&P European Leveraged Loan Index, the S&P LSTA Leveraged Loan Index, Markit iBoxx USD Leveraged Index, Credit Suisse Western European Leveraged Loan Index, or Credit Suisse Leveraged Loan Index.

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

"**EMIR**" means Regulation (EU) 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories, including any implementing and/or delegated regulation, technical standards and guidance related thereto as the same may be amended, replaced or supplemented from time to time.

"**Equity Security**" means any security that by its terms does not provide for periodic payments of interest at a stated coupon rate and repayment of principal at a stated maturity and any other debt or equity security that is not eligible for purchase by the Issuer as a Collateral Obligation; it being understood that Equity Securities do not include Collateral Enhancement Obligations and Equity Securities may not be purchased by the Issuer but may be received by the Issuer in exchange for or in relation to, a Collateral Obligation or a portion thereof in connection with an insolvency, bankruptcy, reorganisation, debt restructuring or workout of the issuer or obligor thereof; provided that the capital stock of an Issuer Subsidiary shall not constitute an Equity Security.

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

"**EU Due Diligence Requirements**" means Article 5 of the Securitisation Regulation (as implemented by the Member States of the European Union), together with any other guidelines and technical standards published in relation thereto by the EBA or contained in any European Commission delegated regulation as may be effective from time to time, in each case together with any amendments to those provisions or any successor or replacement provisions included in any European Union directive or regulation.

"**EU Retention Deficiency**" means, as of any date of determination, an event which shall occur if the Principal Amount Outstanding of Class M Subordinated Notes held by the Originator (in respect of the Class M-2 Subordinated Notes, after having converted into Euro at the Spot Rate) is less than 5 per cent. of the Collateral

Principal Amount (determined by the Collateral Administrator (in consultation with the Collateral Manager and the Retention Holder) in accordance with the definition thereof for the purposes of compliance with the EU Risk Retention Requirement) and the EU Risk Retention Requirement are not or would not be complied with as a result.

"**EU Risk Retention Requirement**" means the requirement that the originator, sponsor or original lender retains on an ongoing basis a material net economic interest which, in any event, shall not be less than 5 per cent. determined in accordance with Article 6 of the Securitisation Regulation (as implemented by the Member States of the European Union), together with any other guidelines and technical standards published in relation thereto by the EBA or contained in any European Commission delegated regulation as may be effective from time to time, in each case together with any amendments to those provisions or any successor or replacement provisions included in any European Union directive or regulation.

"**EU Transparency Requirements**" means Article 7 of the Securitisation Regulation (as implemented by the Member States of the European Union), together with any other guidelines and technical standards published in relation thereto by the EBA or contained in any European Commission delegated regulation as may be effective from time to time, in each case together with any amendments to those provisions or any successor or replacement provisions included in any European Union directive or regulation.

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

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

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

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

"**Euro**", "**Euros**", "**euro**" and "**€**" means the lawful currency of the member states of the European Union that have adopted and retain the single currency in accordance with the Treaty 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).

"**Euronext Dublin**" means The Irish Stock Exchange p.l.c. trading as Euronext Dublin.

"**Euro Applicable Margin**" has the meaning given to it in Condition 6(e)(i)(C) (*Floating Rate of Interest on the Floating Rate Notes other than the Class A-2 Notes*).

"**Euro Collateral Obligation**" means a Collateral Obligation denominated in Euro.

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

"**Euro Expense Reserve Account**" means the Euro account described as such in the name of the Issuer held with the Account Bank.

"**Euro Hedged Collateral Obligation**" means together, Euro Collateral Obligations and Currency Hedge Obligations.

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

"**Euro Interest Proceeds**" means Interest Proceeds denominated in Euro.

"**Euro Interest Smoothing Account**" means the Euro account described as such in the name of the Issuer held with the Account Bank.

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

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

"**Euro Principal Proceeds**" means Principal Proceeds denominated in Euro.

"**Euro Reference Banks**" has the meaning given thereto in Condition 6(e)(i)(A) (*Floating Rate of Interest on the Floating Rate Notes other than the Class A-2 Notes*).

"**Euro Supplemental Reserve Account**" means the Euro account described as such in the name of the Issuer held with the Account Bank.

"**Euro Target Par Amount**" means €320,000,000.

"**Euro Unfunded Revolver Reserve Account**" means the Euro account described as such in the name of the Issuer held with the Account Bank.

"**Euro Unused Proceeds Account**" means the Euro account described as such in the name of the Issuer held with the Account Bank.

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

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

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

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

"**Excess Reinvestment Target Par Balance**" means, as of any date of determination, an amount equal to the excess, if any, of (a) the Aggregate Principal Balance (for which purpose the Principal Balance of each Defaulted Obligation shall be multiplied by its Market Value) of Collateral Obligations and Eligible Investments constituting Principal Proceeds (in the case of USD Collateral Obligations and USD denominated Eligible Investments, converted into Euro at the Initial Exchange Rate) over (b) the Reinvestment Target Par Balance.

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

"**Exchange Transaction**" means the exchange of a debt obligation that is a Defaulted Obligation for another debt obligation that is a Defaulted Obligation, in each case which, but for the fact that such debt obligation is a Defaulted Obligation, would otherwise qualify as a Collateral Obligation and (i) in the Collateral Manager's reasonable business judgment, at the time of the exchange, such debt obligation received in exchange has a better likelihood of recovery than the Defaulted Obligation to be exchanged, (ii) as determined by the Collateral Manager, at the time of the exchange, the debt obligation received in exchange is no less senior in right of payment vis-à-vis the obligor of such obligation's other outstanding indebtedness than the Defaulted Obligation to be exchanged vis-à-vis its obligor's other outstanding indebtedness, (iii) as determined by the Collateral Manager, both prior to and after giving effect to such exchange, each of the Coverage Tests is satisfied or, if any Coverage Test was not satisfied prior to such exchange, the coverage ratio relating to such test will be at least as close to being satisfied after giving effect to such exchange as it was before giving effect to such exchange, (iv) no more than one other Exchange Transaction has occurred during the Due Period during which such Exchange Transaction is occurring, (v) as determined by the Collateral Manager, both prior to and after giving effect to such exchange, in aggregate amount not more than 5.0 per cent. of the Collateral Principal Amount consists of obligations received in an Exchange Transaction, (vi) the period for which the Issuer held the Defaulted Obligation to be exchanged will be included for all purposes in the Collateral Management and Administration Agreement when determining the period for which the Issuer holds the debt obligation received in exchange, (vii) such exchanged Defaulted Obligation was not itself acquired in an Exchange Transaction; provided, however that if the sale price of the exchanged obligation is lower than the purchase price of the received obligation, any cash consideration payable by the Issuer in connection with any Exchange Transaction shall be payable only from the amounts available in the Supplemental Reserve Account and any amounts available for investment under paragraph (DD) of the Interest Priority of Payments with respect to Interest Proceeds, (viii) the Moody's Default Probability Rating, if any, of the debt obligation to be received is equal to or better than the

Moody's Default Probability Rating of the debt obligation to be exchanged, and (ix) no Restricted Trading Period is in effect at the time of the relevant exchange.

"**Exchanged Equity Security**" means an equity security which is not a Collateral Enhancement Obligation and which is delivered to the Issuer upon acceptance of an Offer in respect of a Defaulted Obligation or received in connection with a bankruptcy, workout, restructuring, credit event or similar event of a Collateral Obligation or Obligor thereof (and which for the avoidance of doubt, need not satisfy the Restructured Obligation Criteria prior to the receipt thereof by the Issuer).

"**Exercise Date**" means, in respect of a Currency Call Option, the date specified as the "Exercise Date" in the confirmation evidencing the terms of such Currency Call Option.

"**Expense Reserve Accounts**" means the Euro Expense Reserve Account and the USD Expense Reserve Account.

"**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 (a) Sections 1471 through 1474 of the Code or any associated regulations or other official guidance; (b) any agreement pursuant to the implementation of paragraph (a) above with the IRS, the US government or any governmental or taxation authority in any other jurisdiction; or (c) any treaty, law, regulation or other official guidance enacted in any other jurisdiction, or relating to an intergovernmental agreement between the US and any other jurisdiction, which (in either case) facilitates the implementation of paragraph (a) or (b) above.

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

"**Fee Basis Amount**" means, as of any date of determination, the sum of the outstanding principal amount of all Collateral Obligations (including undrawn commitments that have not been irrevocably reduced in respect of Revolving Obligations and Delayed Drawdown Collateral Obligations), Eligible Investments and cash (other than, for the avoidance of doubt, any Balances on any Counterparty Downgrade Collateral Account) of the Issuer (converted, as applicable, into Euro at the Applicable FX Rate).

"**First Period Reserve Account**" means the Euro account described as such in the name of the Issuer held with the Account Bank.

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

"**Fixed Rate Notes**" means the Class A-3 Notes and the Class B-2 Notes.

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

"**Floating Rate Notes**" means the Class X Notes, the Class A-1 Notes, the Class A-2 Notes, the Class B-1 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 on the Floating Rate Notes other than the Class A-2 Notes*).

"**Form Approved Hedge**" means either (i) an Interest Rate Hedge Transaction the documentation for and structure of which conforms to a form for which Rating Agency Confirmation has been received by the Issuer or which has previously been approved by the Rating Agencies and in respect of which the Rating Agencies have not notified the Issuer or Collateral Manager that such approval has been withdrawn and (in each case save for the amount and timing of periodic payments, the name of the Collateral Obligation, the notional amount, the effective date, the termination date and other consequential and immaterial changes which have been notified in writing to the Rating Agencies) or (ii) a Currency Hedge Transaction the documentation for and structure of which conforms to a form for which Rating Agency Confirmation has been received by the Issuer or which has previously been approved by the Rating Agencies 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 Currency Hedge 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 of Collateral Obligations (excluding Defaulted Obligations and any Collateral Obligations not paying scheduled interest in cash on such date) that reset so as to become Semi-Annual Obligations in the Due Period ending on such Frequency Switch Measurement Date, is greater than or equal to 20 per cent. of the Collateral Principal Amount; and

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

(A) the sum of:

(1) the aggregate of scheduled and projected interest payments (and any commitment fees in respect of any Revolving Obligations or Delayed Drawdown Collateral Obligations) which will be due to be paid on each Collateral Obligation during the immediately following Due Period (which, in the case of each such Non-Euro Obligation, shall be converted into Euro at the Applicable FX Rate) but excluding (i) such payments on Defaulted Obligations (other than Current Pay Obligations); (ii) scheduled interest on Collateral Obligations not being paid in cash on such date; and (iii) any such payments as to which the Issuer or the Collateral Manager has actual knowledge that such payment will not be made when due; and

(2) the difference between (x) the Balance standing to the credit of the Interest Smoothing Accounts on the Business Day following such Frequency Switch Measurement Date (where necessary, after having been converted into Euro at the Applicable FX Rate) (on the assumption that no Frequency Switch Event shall have occurred on such Frequency Switch Measurement Date and the Collateral Manager has credited the applicable Interest Smoothing Amount to the applicable Interest Smoothing Account from the applicable Interest Account on the Business Day following such Frequency Switch Measurement Date pursuant to Condition 3(m)(xiii) (*Interest Smoothing Accounts*)) and (y) the amount calculated by the Collateral Administrator that would be required to be retained in the Interest Smoothing Accounts for the next Payment Date as an Interest Smoothing Amount (assuming no Frequency Switch Event has occurred on or prior thereto); by

(B) the sum of the scheduled Interest Amounts (and the Unpaid Class X Principal Amortisation Amount, if any) which will fall due on the Class X Notes, the Class A Notes and the Class B Notes on the second Payment Date following such Frequency Switch Measurement Date and all amounts due and payable pursuant to paragraphs (A) to (F) of the Interest Priority of Payments on such date (where necessary, after having been converted into Euro at the Applicable FX Rate),

is less than 120 per cent.; and

(iii) for so long as any of the Class X Notes, the Class A Notes and the Class B Notes remain outstanding, the sum of:

(A) the amount determined pursuant to paragraph (a)(ii)(A) above (provided that scheduled and projected principal payments that become due to be paid in the circumstances described therein shall be deemed to be included in addition to scheduled and projected interest payments); and

(B) the aggregate of scheduled and projected interest payments (and any commitment fees in respect of Revolving Obligations or Delayed Drawdown Collateral Obligations) which will be accrued but not yet paid as at the end of the immediately following Due Period in respect of each Collateral Obligation that has become a

Semi-Annual Obligation within the period described in paragraph (a)(i) above (which, in the case of each such Non-Euro Obligation, shall be converted into Euro at the Applicable FX Rate) but excluding (i) such payments on Defaulted Obligations (other than Current Pay Obligations); (ii) scheduled interest on Collateral Obligations not being paid in cash on such date; and (iii) any such payments as to which the Issuer or the Collateral Manager has actual knowledge that such payment will not be made when due,

is equal to or greater than the amount determined pursuant to paragraph (a)(ii)(B) above; 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 X Notes, the Class A Notes or the Class B Notes remain outstanding, the requirements of paragraph (a)(iii) above are satisfied),

with the projected interest amounts described above being calculated in respect of such Frequency Switch Measurement Date on the basis of the following assumptions:

(i) in respect of each Floating Rate Collateral Obligation, projected interest payable on such Floating Rate Collateral Obligation on each future payment date thereunder during the immediately following Due Period shall be determined based on the applicable base rate and applicable margin pursuant to the relevant Underlying Instrument as determined as at such Frequency Switch Measurement Date;

(ii) the frequency of interest payments on each Collateral Obligation shall not change following such Frequency Switch Measurement Date;

(iii) EURIBOR for the purposes of calculating Interest Amounts in respect of the Class X Notes, the Class A-1 Notes and the Class B-1 Notes at all times following such Frequency Switch Measurement Date shall be equal to EURIBOR as determined as at such Frequency Switch Measurement Date; and

(iv) USD-LIBOR for the purposes of calculating Interest Amounts in respect of the Class A-2 Notes at all times following such Frequency Switch Measurement Date shall be equal to USD-LIBOR as determined as at such Frequency Switch Measurement Date.

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

"**FTT**" means a common financial transactions tax as contemplated by the EU Commission in a draft Directive published on 14 February 2013.

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

"**Global Certificate**" means, together, the permanent global certificates representing the Regulation S Notes and the permanent global certificates representing the Rule 144A Notes.

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

"**Hedge Agreement**" means any Interest Rate Hedge Agreement, any Currency Hedge Agreement or the Currency Call Option Agreement.

"**Hedge Counterparty**" means any Interest Rate Hedge Counterparty, any Currency Hedge Counterparty, or the Currency Call Option Counterparty.

"**Hedge Counterparty Termination Payment**" means the amount payable by a Hedge Counterparty to the Issuer upon termination or modification of a Hedge Transaction, and excluding for all purposes other than determining the amount payable by the Hedge Counterparty thereunder upon such termination or modification, any due and unpaid scheduled amounts 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 by the Issuer to a Hedge Counterparty upon termination or modification of a Hedge Transaction, but excluding for all purposes other than determining the amount payable by the Issuer thereunder upon such termination or modification, 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 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, any Currency Hedge Transaction or any Currency Call Option.

"**Hedging Condition**" means, in respect of a Hedge Agreement or a Hedge Transaction, receipt by the Collateral Manager, with a copy to the Trustee, of legal advice from reputable legal counsel to the effect that the entry into such arrangements should not require any of the Issuer, its directors or officers or the Collateral Manager or its directors, officers or employees to register with the United States Commodity Futures Trading Commission as a commodity pool operator pursuant to the United States Commodity Exchange Act of 1936, as amended.

"**High Yield Bond**" means a debt security which, on acquisition by the Issuer, is a high yielding debt security as determined by the Collateral Manager, excluding any debt security which is secured directly on, or represents the ownership of, a pool of consumer receivables, auto loans, auto leases, equipment leases, home or commercial mortgages, corporate debt or sovereign debt obligations or similar assets, including, without limitation, collateralised bond obligations, collateralised loan obligations or any similar security and which is not a Secured Senior Bond.

"**IAI/QP**" means an Institutional Accredited Investor who is also a Qualified Purchaser.

"**IAI Class M Subordinated Notes**" means Class M Subordinated Notes offered for sale to IAI/QPs pursuant to Section 4(a)(2).

"**Incentive Collateral Management Fee**" means the fee payable to the Collateral Manager pursuant to the Collateral Management and Administration Agreement on each Payment Date from (and including) and after the date on which the Incentive Collateral Management Fee IRR Threshold has first been met, such Incentive Collateral Management Fee (exclusive of any VAT payable in relation thereto) being payable from 20 per cent. of any Interest Proceeds and Principal Proceeds that would otherwise be available to distribute to the Class M Subordinated Noteholders, in accordance with paragraph (CC) of the Interest Priority of Payments, paragraph (U) of the Principal Priority of Payments and paragraph (V) of the Post-Acceleration Priority of Payments (after converting, as applicable, into Euro at the Applicable FX Rate).

"**Incentive Collateral Management Fee IRR Threshold**" means the threshold which will have been reached on the relevant Payment Date if the Class M Subordinated Notes Outstanding have received an IRR of at least 12 per cent. on the Principal Amount Outstanding of the Class M Subordinated Notes (assuming that the Class M Subordinated Notes were acquired at a purchase price equal to the Class M Subordinated Notes Initial Offer Price Percentage) as of the first day of the Due Period preceding such Payment Date (after giving effect to all payments in respect of the Class M Subordinated Notes to be made on such Payment Date).

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

"**Initial Exchange Rate**" means the following exchange rate for exchanging USD for Euro and Euro for USD: 1 EUR = 1.1200 USD, rounded to four decimal places.

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

"**Initial Purchaser**" means NATIXIS in its capacity as initial purchaser.

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

"**Insolvency Regulations**" has the meaning given thereto in Condition 5(a)(vi)(D) (*Covenants of the Issuer*).

"**Institutional Accredited Investor**" or "**IAI**" means the persons within Rule 501(a) (1), (2), (3) and (7) of the Securities Act.

"**Interest Accounts**" means the Euro Interest Account and the USD Interest Account.

"**Interest Amount**" has the meaning specified in Condition 6(e)(iii) (*Determination of Floating Rate of Interest and Calculation of Interest Amount*) in respect of the Floating Rate Notes and Condition 6(e)(iv) (*Calculation of the Interest Amount for the Fixed Rate Notes*) in respect of the Fixed 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 Accounts;

(b) plus the scheduled interest payments (and any commitment fees due but not yet received in respect of any Revolving Obligations or Delayed Drawdown Collateral Obligations) 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, excluding:

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

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

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

(iv) any amounts expected to be withheld at source or otherwise deducted in respect of taxes;

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

(vi) any Purchased Accrued Interest,

provided that, in respect of a Non-Euro Obligation:

(i) that is denominated in an Available Currency, the amount taken into account for the purposes of paragraph (b) shall be an amount equal to such scheduled interest payments due but not yet received (subject to the exclusions set out therein), converted into Euro at the Applicable FX Rate;

(ii) that is a Currency Hedge Obligation, paragraph (b) shall be deemed to refer to the related Scheduled Periodic Currency Hedge Counterparty Payment, subject to the exclusions set out above; and

(iii) that is an Unhedged Collateral Obligation, the amount taken into account for paragraph (b) shall be an amount equal to:

(A) if such Unhedged Collateral Obligation is denominated in a Qualifying Unhedged Obligation Currency and has been an Unhedged Collateral Obligation for less than 90 calendar days since the settlement of the purchase by the Issuer of such Collateral Obligation, and as long as the Rated Notes are rated by Moody's and/or S&P:

(1) in respect of Unhedged Collateral Obligations denominated in GBP, 85 per cent. of the scheduled interest payments due but not yet received (subject to the exclusions set out above), converted into Euro at the Applicable FX Rate; and

(2) in respect of such Unhedged Collateral Obligations denominated in a Qualifying Unhedged Obligation Currency other than GBP, 50 per cent. of the scheduled interest payments due but not yet received (subject to the exclusions set out above), converted into Euro at the Applicable FX Rate,

provided that:

(1) if the Aggregate Principal Balance of Unhedged Collateral Obligations is greater than 2.5 per cent. of the Collateral Principal Amount, such amount shall be multiplied by 2.5 per cent. of the Collateral Principal Amount and divided by the Aggregate Principal Balance of Unhedged Collateral Obligations; and

(2) the scheduled interest payments referred to in (I) and (II) above in respect of each Unhedged Collateral Obligation shall be deemed to be zero if the Collateral Principal Amount is lower than the Reinvestment Target Par Balance; and

(B) otherwise, zero;

(c) minus the amounts payable pursuant to paragraphs (A) through to (F) of the Interest Priority of Payments on the following Payment Date, converted, as the case may be, into Euro at the Applicable FX Rate;

(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, converted, as the case may be, into Euro at the Applicable FX Rate;

(e) plus any amounts that would be payable from the Expense Reserve Accounts (only in respect of amounts that are not designated for transfer to the Principal Accounts), the First Period Reserve Account, the Interest Smoothing Accounts and/or the Currency Accounts to the Interest Accounts in the Due Period in which such Measurement Date falls (converted, as the case may be, into Euro at the Applicable FX Rate, and without double counting any such amounts which have been already transferred to the Interest Accounts);

(f) plus any Scheduled Periodic Hedge Counterparty Payments payable to the Issuer under any Interest Rate Hedge Transaction (converted, as the case may be, into Euro at the Applicable FX Rate) or Currency Hedge Transaction (as determined by the Issuer with the reasonable assistance of the Collateral Manager) to the extent not already included in accordance with (b) above; and

(g) minus any interest in respect of any Collateral Obligation that has been deferred (but only to the extent such amount has not already been excluded in accordance with (b)(ii) or (iii) above) converted, as the case may be, into Euro at the Applicable FX Rate.

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

"**Interest Coverage Ratio**" means the Class A/B Interest Coverage Ratio, the Class C Interest Coverage Ratio, the Class D Interest Coverage Ratio and the Class E Interest Coverage Ratio. For the purposes of calculating an Interest Coverage Ratio, the expected interest income on Collateral Obligations, Eligible Investments and the Accounts (to the extent applicable) and the expected interest payable on the relevant Rated Notes will be calculated using the then current interest rates applicable thereto.

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

"**Interest Determination Date**" means:

(a) the second Business Day prior to the commencement of each Accrual Period in relation to the determination of EURIBOR in accordance with these Conditions; and

(b) the second USD Business Day prior to the commencement of each Accrual Period in relation to the determination of USD-LIBOR in accordance with these Conditions.

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 (i) six and nine month Euro deposits (with respect to the Rated Notes other than the Class A-2 Notes, the Class A-3 Notes and the Class B-2 Notes) as of the second Business Day prior to the Issue Date in respect of EURIBOR and (ii) six and twelve month USD deposits (with respect to the Class A-2 Notes) as of the second USD Business Day prior to the Issue Date in respect of USD-LIBOR.

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

"**Interest Proceeds**" means all amounts paid or payable into the Interest Accounts from time to time and, with respect to any Payment Date, means any Interest Proceeds received or receivable by the Issuer during the related Due Period to be disbursed pursuant to the Interest Priority of Payments on such Payment Date, together with any other amounts to be disbursed out of the Payment Accounts as Interest Proceeds on such Payment Date pursuant to Condition 3(l) (*Accounts*) and Condition 11(b) (*Enforcement*).

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

"**Interest Rate Hedge Counterparty**" means each financial institution with which the Issuer enters into an Interest Rate Hedge Agreement or any permitted assignee or successor under any Interest Rate Hedge Agreement which, in each case, satisfies the applicable Rating Requirement upon the date of entry into such agreement (or in respect of which Rating Agency Confirmation has been obtained on such date) and has the appropriate regulatory capacity to enter into derivative transactions with Irish residents.

"**Interest Rate Hedge Issuer Termination Payment**" means any amount payable by the Issuer to an Interest Rate Hedge Counterparty upon termination or modification of the applicable Interest Rate Hedge Agreement or Interest Rate Hedge Transaction.

"**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 Accounts**" means the Euro Interest Smoothing Account and the USD Interest Smoothing Account.

"**Interest Smoothing Amount**" means, in respect of each Determination Date following (and including) the Determination Date upon which a Frequency Switch Event occurs, zero and, in respect of each other Determination Date and for so long as any Rated Notes are Outstanding, an amount equal to the greater of zero and, for each Available Currency:

(a) the sum of all payments of interest received during the related Due Period in respect of each Semi-Annual Obligation (other than Defaulted Obligations) denominated in such Available Currency (that was a Semi-Annual Obligation at all times during such Due Period); minus

(b) the sum of:

(x) the product of:

(i) 0.25; multiplied by

(ii) the sum of:

(A) EURIBOR (where Euro is the Available Currency) or USD-LIBOR (where USD is the Available Currency) (as of the relevant Determination Date); plus

(B) the Weighted Average Spread provided that, for the purpose of calculating the Weighted Average Spread, such calculation shall only include Floating Rate Collateral Obligations denominated in such Available Currency which are Semi-Annual Obligations (other than Defaulted Obligations) and that were Semi-Annual Obligations at all times during the related Due Period; multiplied by

(iii) the Aggregate Principal Balance of all Semi-Annual Obligations (other than Defaulted Obligations) denominated in such Available Currency that were Semi-Annual Obligations at all times during the related Due Period and which are Floating Rate Collateral Obligations; and

(y) the product of:

(i) 0.25; multiplied by

(ii) the Weighted Average Fixed Coupon, provided that, for purposes of calculating the Weighted Average Fixed Coupon, such calculation shall only include Fixed Rate Collateral Obligations denominated in such Available Currency which are Semi-Annual Obligations (other than Defaulted Obligations) and which were Semi-Annual Obligations at all times during the related Due Period; multiplied by

(iii) the Aggregate Principal Balance of all Semi-Annual Obligations (other than Defaulted Obligations) denominated in such Available Currency that were Semi-Annual Obligations at all times during the related Due Period and which are Fixed Rate Collateral Obligations,

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 Semi-Annual Obligations (other than Defaulted Obligations) denominated in the applicable Available Currency (as at the last day of the related Due Period) is less than or equal to 5 per cent. of the Collateral Principal Amount, such amount shall be deemed to be zero with respect to such Available Currency.

"**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 Deed of Charge**" means the Irish law deed of charge entered into by the Issuer and the Trustee dated on or about 1 August 2019, as the same may be amended and/or supplemented from time to time.

"**Irish Excluded Assets**" means the Issuer Corporate Services Agreement and the Issuer Profit Account (including any amounts standing to the credit thereof from time to time).

"**Irish STS Regulations**" means the European Union (General Framework for Securitisation and Specific Framework for Simple, Transparent and Standard Securitisation) Regulations 2018 of Ireland or the relevant provisions thereof, as applicable.

"**IRR**" means the compounded annualised internal rate of return (computed on the basis of a 365 day year and the actual number of days elapsed) derived with the Microsoft® Excel "XIRR" function that, when used to discount all of the payments made (including those payments already made or to be made on the date of determination) by the Issuer to the holders of the Class M Subordinated Notes as distributions in respect of the Class M Subordinated Notes, results in a present value as at the Issue Date that is equal to the aggregate Principal Amount Outstanding of the Class M Subordinated Notes on the Issue Date (and assuming for this purpose that all Class M Subordinated Notes were purchased on the Issue Date at a price equal to the Class M Subordinated Notes Initial Offer Price Percentage of the principal amount thereof and having converted such distributions and outstanding amounts, as necessary, into Euro at the Applicable FX Rate).

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

"**Issue Date**" means 1 August 2019 (or such other date as may shortly follow such date as may be agreed between the Issuer, the Initial Purchaser and the Collateral Manager and is notified to the Trustee, the Collateral Administrator and the Noteholders in accordance with Condition 16 (*Notices*) and Euronext Dublin).

"**Issue Date Collateral Obligation**" means an obligation for which the Issuer (or the Collateral Manager, acting on behalf of the Issuer) has entered into a binding commitment to purchase on or prior to the Issue Date, including pursuant to the Warehouse Arrangements.

"**Issuer Corporate Services Provider**" means Maples Fiduciary Services (Ireland) Limited.

"**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 the payment on each Payment Date, prior to a Frequency Switch Event, of €250, and following the occurrence of a Frequency Switch Event, of €500, subject always to a maximum of €1,000 per annum, in each case payable in arrear in accordance with the Priorities of Payment and representing the fee payable to the Issuer in connection with its participation in this transaction.

"**Issuer Subsidiary**" means an entity treated as a corporation for U.S. federal income tax purposes, 100 per cent. of the equity interest in which is owned directly or indirectly by the Issuer.

"**Mandatory Redemption**" means a redemption of the Notes pursuant to and in accordance with Condition 7(c) (*Mandatory Redemption upon Breach of Coverage Tests*).

"**Market Value**" means, in respect of a Collateral Obligation (expressed as a percentage of the Principal Balance in respect thereof) on any date of determination and as provided by the Collateral Manager to the Collateral Administrator:

(a) the bid price of such Collateral Obligation determined by an independent recognised pricing service; or

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

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

(d) if two such broker-dealer prices are not available, the bid side price determined by one independent broker-dealer (unless the fair market value thereof determined by the Collateral Manager pursuant to paragraph (e) below would be lower) of such Collateral Obligation; or

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

(i) the higher of (x) the S&P Recovery Rate of such Collateral Obligation; (y) the Moody's Recovery Rate of such Collateral Obligation and (z) 70 per cent.; and

(ii) the fair market value thereof determined by the Collateral Manager provided that such valuation is consistent with the manner in which it would and does (if applicable) determine the market value of an asset for purposes of other funds or accounts managed by it (and using the same fair market value as is used by the Collateral Manager in respect of the relevant Collateral Obligation for all other purposes).

Provided that for the purposes of paragraph (e) above:

(A) "independent" shall mean: (A) that each pricing service and broker-dealer from whom a bid price is sought is independent from each of the other pricing service and broker-dealers from whom a bid price is sought and (B) each pricing service and broker dealer is not an Affiliate of the Collateral Manager;

(B) where the Market Value is determined by the Collateral Manager in accordance with paragraph (e) above, such Market Value shall only be valid for 30 days, after which time if the Market Value cannot be ascertained by a third party, the Market Value shall be deemed to be zero, unless and for so long as the Collateral Manager or any of its Affiliates is subject to the Investment Advisers Act of 1940 of the United States (or other comparable law or regulations); and

(C) where the fair market value has not been determined by the Collateral Manager pursuant to paragraph (e)(ii) above, the Market Value shall be deemed to be zero until the Market Value has been determined in accordance with paragraphs (a) through (e) above.

"**Maturity Amendment**" means, with respect to any Collateral Obligation, any waiver, modification, amendment or variance that would extend or have the effect of extending the Collateral Obligation Stated Maturity of such Collateral Obligation (whether by way of amendment and restatement of the existing facility or novation or substitution on substantially the same terms save for the maturity amendment). For the avoidance of doubt, a waiver, modification, amendment or variance that would extend the Collateral Obligation Stated Maturity of the credit facility of which a Collateral Obligation is part, but would not extend the Collateral Obligation Stated Maturity of the Collateral Obligation held by the Issuer, does not constitute a Maturity Amendment.

"**Maturity Date**" means the Payment Date falling on 15 May 2032 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 the commitment to acquire any additional Collateral Obligation following the Effective Date;

(d) each Determination Date;

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

(f) following the Effective Date, with reasonable (and not less than five Business Days') notice, any Business Day requested by any Rating Agency then rating any Class of Notes Outstanding.

"**Mezzanine Obligation**" means an obligation (other than a Secured Senior Loan, a Second Lien Loan an Unsecured Senior Loan, a Secured Senior Bond an Unsecured Senior Bond or a High Yield Bond):

(a) with a junior contractual claim on tangible or intangible property (which property is subject to a prior lien (other than customary permitted liens, such as, but not limited to, any tax liens)) to secure payment of a debt or the fulfilment of a contractual obligation; and

(b) which is a Subordinated Obligation,

including any such obligation with attached warrants and any such obligation which is evidenced by an issue of notes, as determined by the Collateral Manager in its reasonable business judgment, or a Participation therein. For the avoidance of doubt, in determining the S&P Recovery Rate for any Mezzanine Obligation, such S&P Recovery Rate shall be determined in accordance with the methodology more particularly set out in the Collateral Management and Administration Agreement applicable to "mezzanine obligations".

"**Minimum Denomination**" means:

(a) in the case of the Regulation S Notes of each Class (other than the Class A-2 Notes, the Class A-3 Notes and the Class M-2 Subordinated Notes), €100,000;

(b) in the case of the Rule 144A Notes of each Class (other than the Class A-2 Notes, the Class A-3 Notes and the Class M-2 Subordinated Notes), €250,000;

(c) in the case of the Class A-2 Notes, the Class A-3 Notes and the Class M-2 Subordinated Notes in the form of Regulation S Notes, $150,000;

(d) in the case of the Class A-2 Notes, the Class A-3 Notes and the Class M-2 Subordinated Notes in the form of Rule 144A Notes, $250,000;

(e) in the case of the IAI Class M Subordinated Notes (other than the Class M-2 Subordinated Notes), €500,000; and

(f) in the case of the Class M-2 Subordinated Notes in the form of IAI Class M Subordinated Notes, $500,000.

"**Monthly Report**" means the monthly report defined as such in the Collateral Management and Administration Agreement which is prepared by the Collateral Administrator (in consultation with the Collateral Manager) on behalf of the Issuer on such dates as are set forth in the Collateral Management and Administration Agreement, which shall include information regarding the status of certain of the Collateral pursuant to the Collateral Management and Administration Agreement made available via a secured website currently located at https://pivot.usbank.com (or other such website as may be notified in writing by the Collateral Administrator to the Trustee, the Issuer, the Collateral Manager, the Arranger, the Initial Purchaser, the Co-Placement Agents, the Hedge Counterparties, the Rating Agencies and the holders of a beneficial interest in any Note from time to time) which shall be accessible to the Trustee, the Issuer, the Collateral Manager, the Arranger, the Initial Purchaser, the Co-Placement Agents, the Hedge Counterparties, the Rating Agencies, the competent authorities, any Noteholder and any potential investor in the Notes 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 such other certifications and documents as may be requested by the Collateral Administrator.

"**Moody's**" means Moody's Investors Service Ltd. and any successor or successors thereto.

"**Moody's Collateral Value**" means in the case of any Defaulted Obligation or Deferring Obligation, the lower of:

(a) its prevailing Market Value; and

(b) the relevant Moody's Recovery Rate,

in each case, multiplied by its Principal Balance, provided that for a period of 30 days after a Collateral Obligation becomes a Defaulted Obligation or Deferring Obligation, the Moody's Collateral Value shall be the Moody's Recovery Rate multiplied by its Principal Balance.

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

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

"**Moody's Recovery Rate**" means, in respect of each Collateral Obligation, the recovery rate determined in accordance with the Collateral Management and Administration Agreement or as so advised by Moody's.

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

"**NATIXIS**" means the company established under French law, registered in Paris under no. B 542 044 524 and whose registered office is at 30, avenue Pierre Mendès-France 75013 Paris.

"**Negative Interest**" means amounts equal to the chargeable interest incurred by the Account Bank and/or Custodian in respect of negative deposit rates as a result of maintaining any Accounts on the Issuer's behalf.

"**Non-Call Period**" means the period from and including the Issue Date up to, but excluding, 15 August 2021 (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)); *provided that* the Class M Subordinated Noteholders, acting by Ordinary Resolution and with the consent of the Collateral Manager, may elect to extend the Non-Call Period for any Class of Notes by up to 2 years in connection with a Refinancing.

"**Non-Eligible Issue Date Collateral Obligation**" has the meaning given thereto in the Collateral Management and Administration Agreement.

"**Non-Emerging Market Country**" means any of Australia, Austria, Belgium, Canada, Cayman Islands, the Channel Islands, Denmark, Finland, France, Germany, Iceland, Ireland, Italy, Liechtenstein, Luxembourg, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, United Kingdom or United States and any other country, the foreign currency government bond rating of which is rated, at the time of commitment to purchase the relevant Collateral Obligation, at least "Baa3" by Moody's and the foreign currency country issuer rating of which is rated, at the time of commitment to purchase the relevant Collateral Obligation, at least "BBB-" by S&P (provided that Rating Agency Confirmation is received in respect of any such other country which is not in the Euro zone) or any other country in respect of which, at the time of acquisition of the relevant Collateral Obligation, Rating Agency Confirmation is received.

"**Non-Euro Obligation**" means any Collateral Obligation or part thereof, as applicable, denominated in a currency other than Euro.

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

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

(a) *firstly*, to the redemption of the Class X Notes, the Class A-1 Notes, the Class A-2 Notes and the Class A-3 Notes (on a *pro rata* and *pari passu* basis by reference to the respective Principal Amounts Outstanding thereof (and for the avoidance of doubt in accordance with Condition 3(e) (*FX Conversions*)) 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-1 Notes and the Class B-2 Notes (on a *pro rata* and *pari passu* basis by reference to the respective Principal Amounts Outstanding thereof) 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 X Notes, the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and/or the Class M 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; and

(iii) by reason of the failure by the relevant Noteholder or beneficial owner to comply with any applicable procedures required to establish non-residence or other similar claim for exemption from such tax or to provide information concerning nationality, residency or connection with Ireland, the United States or other applicable taxing authority; or

(b) United Kingdom or U.S. state or federal tax authorities impose net income, profits or similar tax upon the Issuer or its representative in an amount in excess of €1,000 per annum; or

(c) the Issuer is liable to pay net income, profits or similar tax in Ireland (other than Irish corporate income tax on the Issuer Profit Amount) in an amount in excess of €1,000 per annum.

"**Noteholders**" means the several persons in whose name the Notes are registered from time to time in accordance with and subject to their terms and the terms of the Trust Deed, and "**holder**" (in respect of the Notes) shall be construed accordingly.

"**Obligor**" means, in respect of a Collateral Obligation, the borrower thereunder or issuer thereof or, in either case, the guarantor thereof (as determined by the Collateral Manager on behalf of the Issuer).

"**Offer**" means, with respect to any Collateral Obligation, (a) any offer by the Obligor under such obligation or by any other Person made to all of the creditors of such Obligor in relation to such obligation to purchase or otherwise acquire such obligation (other than pursuant to any redemption in accordance with the terms of the related Underlying Instruments) or to convert or exchange such obligation into or for cash, securities or any other type of consideration (whether by way of amendment and restatement of the existing facility, novation or substitution), (b) any solicitation by the Obligor of such obligation or any other Person to amend, modify or waive any provision of such obligation or any related Underlying Instrument or (c) any offer or consent request with respect to a Maturity Amendment.

"**Optional Redemption**" means a redemption pursuant to and in accordance with Condition 7(b) (*Optional Redemption*).

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

"**Originator**" means Black Diamond Commercial Finance, L.L.C. in its capacity as originator and any successor, assign or transferee to the extent permitted under the EU Risk Retention Requirement and the Retention Undertaking Letter.

"**Originator Requirement**" means, at any time, the condition that the Aggregate Principal Balance of all Collateral Obligations in the Portfolio acquired by the Issuer from the Originator divided by the Aggregate Principal Balance of all Collateral Obligations in the Portfolio, is greater than 50 per cent., (as determined by the Collateral Manager) (*provided that*, in the case of any Non-Euro Obligation, the Principal Balance thereof for

the purposes of determining the Aggregate Principal Balance in this definition shall be the outstanding principal amount thereof converted into Euro at the Acquisition FX Rate); *provided that* if the Collateral Manager reasonably determines (based on guidance provided by the European Banking Authority or a legal opinion from legal counsel of reputable standing) that:

(a) a percentage lower than 50 per cent. applies and notifies the Issuer, the Trustee, the Collateral Administrator and the Initial Purchaser (for the avoidance of doubt, none of whose consent is required to be obtained) in writing of such determination, then the Originator Requirement shall (without the consent of any Person) be amended so that the required percentage is such lower number; and/or

(b) the calculation in Article 3(4)(b) of the European Commission Delegated Regulation (EU) No. 625/2014 of 13 March 2014 supplementing the CRR is only applicable on the date on which a securitisation is established and not on an ongoing basis through the life of the securitisation and notifies the Issuer, the Trustee, the Collateral Administrator and the Initial Purchaser (for the avoidance of doubt, none of whose consent is required to be obtained) in writing of such determination, then the Originator Requirement shall (without the consent of any Person) be amended so that it is not applicable and does not need to be satisfied at any time other than on the Issue Date.

"**Other Plan Law**" means any federal, state, local or non-U.S. law or regulation that is substantially similar to the prohibited transaction provisions of Section 406 of ERISA and/or Section 4975 of the Code.

"**Outstanding**" means, in relation to the Notes of a Class as of any date of determination, all of the Notes of such Class issued, as further defined in the Trust Deed.

"**Par Value Ratio**" means the Class A/B Par Value Ratio, the Class C Par Value Ratio, the Class D Par Value Ratio, the Class E Par Value Ratio and the Class F Par Value Ratio (as applicable).

"**Par Value Test**" means the Class A/B Par Value Test, Class C Par Value Test, the Class D Par Value Test and the Class E Par Value Test and the Class F Par Value Test (as applicable).

"**Participation**" means an interest in a Collateral Obligation acquired indirectly by the Issuer by way of sub-participation from a Selling Institution which shall include, for the purposes of the Bivariate Risk Table set forth in the Collateral Management and Administration Agreement, Intermediary Obligations.

"**Participation Agreement**" means an agreement between the Issuer and a Selling Institution in relation to the purchase by the Issuer of a Participation.

"**Payment Accounts**" means the Euro Payment Account and the USD Payment Account.

"**Payment Date**"

(a) following the occurrence of a Frequency Switch Event, 15 February and 15 August (where the Payment Date immediately following the occurrence of the relevant Frequency Switch Event is either February or August), or 15 May or 15 November (where the Payment Date immediately following the occurrence of the relevant Frequency Switch Event is either May or November); and

(b) 15 February, 15 May, 15 August and 15 November, at all other times,

in each case in each year commencing on 15 February 2020 up to and including the Maturity Date and any Redemption Date in connection with a redemption of the Rated Notes in whole; *provided that*, if any Payment Date would otherwise fall on a day which is not a Business Day, it shall be postponed to the next day that is a Business Day (unless it would thereby fall in the following month, in which case it shall be brought forward to the immediately preceding Business Day).

"**Payment Date Report**" means the report defined as such in the Collateral Management and Administration Agreement which is prepared by the Collateral Administrator (in consultation with the Collateral Manager) on behalf of the Issuer on the Business Day preceding the related Payment Date and made available via a secured website currently located at https://pivot.usbank.com (or other such website as may be notified in writing by the Collateral Administrator to the Trustee, the Issuer, the Collateral Manager, the Arranger, the Initial Purchaser, the Co-Placement Agents, the Hedge Counterparties, the Rating Agencies and the holders of a beneficial interest in any Note from time to time) which shall be accessible to the Trustee, the Issuer, the Collateral Manager, the Arranger, the Initial Purchaser, the Co-Placement Agents, the Hedge Counterparties, the Rating Agencies, the

competent authorities, any Noteholder and any potential investor in the Notes 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 such other certifications and documents as may be requested by the Collateral Administrator.

"**Permitted Use**" has the meaning ascribed to it in Condition 3(m)(vi) (*Supplemental Reserve Accounts*).

"**Person**" means an individual, corporation (including a business trust), partnership, joint venture, association, joint stock company, trust (including any beneficiary thereof), unincorporated association or government or any agency or political subdivision thereof.

"**PIK Security**" means any Collateral Obligation which is a security, the terms of which permit the deferral of the payment of interest thereon, including without limitation by way of capitalising interest thereon but excluding current cash interest, provided that:

(a) a Collateral Obligation that is required to pay interest in cash equal to or greater than in the case of (x) a Floating Rate Collateral Obligation, EURIBOR or USD-LIBOR (or other relevant interbank offered rate), as applicable, plus 3.00% and (y) a Fixed Rate Collateral Obligation, 3.00%, will not be considered to be a PIK Security; and

(b) for the avoidance of doubt, Mezzanine Obligations shall not constitute PIK Securities.

"**Plan Asset Regulation**" means 29 C.F.R. Section 2510.3-101, as modified by Section 3(42) of ERISA, as they may be amended or modified.

"**Portfolio**" means the Collateral Obligations, Collateral Enhancement Obligations, Exchanged Equity Securities, Eligible Investments and other similar obligations or securities held by or on behalf of the Issuer from time to time.

"**Portfolio Profile Tests**" means the Portfolio Profile Tests each as defined in the Collateral Management and Administration Agreement.

"**Post-Acceleration Priority of Payments**" means the priority of payments set out in Condition 11 (*Enforcement*).

"**Presentation Date**" means a day which (subject to Condition 12 (*Prescription*)):

(a) is a Business Day;

(b) is or falls after the relevant due date or, if the due date is not or was not a Business Day in the place of presentation, is or falls after the next following Business Day which is a Business Day in the place of presentation; and

(c) is a Business Day in the place in which the account specified by the payee is located.

"**Principal Accounts**" means the Euro Principal Account and the USD Principal Account.

"**Principal Amount Outstanding**" means, in relation to any Class of Notes and at any time, the aggregate principal amount outstanding under such Class of Notes at that time, including, in the case of the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes, Deferred Interest which has been capitalised pursuant to Condition 6(c) (*Deferral of Interest*) save that Deferred Interest shall not be included for the purposes of determining voting rights attributable to the Class C Notes, Class D Notes, Class E Notes and Class F Note, as applicable, and the applicable quorum at any meeting of the Noteholders pursuant to Condition 14 (*Meetings of Noteholders, Modification, Waiver and Substitution*); and *provided that* the Principal Amount Outstanding of the Class A-2 Notes, the Class A-3 Notes and the Class M-2 Subordinated Notes shall be converted into Euro at the Applicable FX Rate for the purposes of determining voting rights attributable to the Class A-2 Notes, the Class A-3 Notes and the Class M-2 Subordinated Notes and the applicable quorum at any meeting of Noteholders pursuant to Condition 14 (*Meetings of Noteholders, Modification, Waiver and Substitution*).

"**Principal Balance**" means, with respect to any Collateral Obligation, Eligible Investment, Collateral Enhancement Obligation, Equity Security or Exchanged Equity Security, as of any date of determination, the

outstanding principal amount thereof (excluding any interest capitalised pursuant to the terms of such instrument other than, with respect to a Mezzanine Obligation or 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 Obligation as of any date of determination shall be the outstanding principal amount of such Revolving Obligation or Delayed Drawdown Collateral Obligation, plus any undrawn commitments that have not been irrevocably cancelled with respect to such Revolving Obligation or Delayed Drawdown Collateral Obligation;

(b) the Principal Balance of each Equity Security, Exchanged Equity Security and each Collateral Enhancement Obligation shall be deemed to be zero (*provided that* for the purposes of determining compliance with the EU Risk Retention Requirement, the Principal Balance of any Equity Security, Exchanged Equity Security and each Collateral Enhancement Obligation shall be determined as provided for in the definition of Collateral Principal Amount herein);

(c) the Principal Balance of each USD Collateral Obligation shall be an amount equal to the Euro equivalent of the outstanding principal amount thereof converted into Euro at the Applicable FX Rate;

(d) the Principal Balance of any Currency Hedge Obligation shall be an amount equal to the Euro equivalent of the outstanding principal amount of the reference Non-Euro Obligation, converted into Euro at the Currency Hedge Transaction Exchange Rate;

(e) the Principal Balance of any Unhedged Collateral Obligation shall be:

(i) if such Unhedged Collateral Obligation is denominated in a Qualifying Unhedged Obligation Currency and has been an Unhedged Collateral Obligation for less than 90 calendar days since the settlement of the purchase by the Issuer of such Collateral Obligation:

(A) in respect of Unhedged Collateral Obligations denominated in GBP, the product of (i) 85 per cent. of the principal amount of such Unhedged Collateral Obligation and (ii) the Applicable FX Rate; or

(B) in respect of Unhedged Collateral Obligations denominated in a Qualifying Unhedged Obligation Currency other than GBP, the product of (i) 50 per cent. of the principal amount of such Unhedged Collateral Obligation and (ii) the Applicable FX Rate,

provided that:

(1) if the Aggregate Principal Balance of Unhedged Collateral Obligations is greater than 2.5 per cent. of the Collateral Principal Amount (where for such purpose the Principal Balance of each Unhedged Collateral Obligation shall be calculated without taking into account paragraphs (e)(i)(1) and (e)(i)(2)), the Principal Balance of each Unhedged Collateral Obligation calculated in accordance with (A) or (B) above, as applicable, shall be multiplied by 2.5 per cent. of the Collateral Principal Amount (where for such purpose the Principal Balance of each Unhedged Collateral Obligation shall be calculated without taking into account paragraphs (e)(i)(1) and (e)(i)(2)) and divided by the Aggregate Principal Balance (where for such purpose the Principal Balance of each Unhedged Collateral Obligation shall be calculated without taking into account paragraphs (e)(i)(1) and (e)(i)(2)) of Unhedged Collateral Obligations; and

(2) the Principal Balance of each Unhedged Collateral Obligation shall be deemed to be zero if the Collateral Principal Amount (where for such purpose the Principal Balance of each Unhedged Collateral Obligation shall be calculated without taking into account paragraphs (e)(i)(1) and (e)(i)(2) and the Principal Balance of each Defaulted Obligation shall be its outstanding principal amount multiplied by its Market Value), is lower than the Reinvestment Target Par Balance,

with the Aggregate Principal Balance of Unhedged Collateral Obligations and the Collateral Principal Amount determined (i) after giving effect to the purchase of any unsettled Unhedged Collateral Obligation, and (ii) after applying paragraphs (e)(i)(A) and (B) to the Principal Balance of each Unhedged Collateral Obligation; and

(ii) in respect of any other Unhedged Collateral Obligation, zero,

provided further that the Principal Balance of each Unhedged Collateral Obligation for the purposes of determining compliance with the EU Risk Retention Requirement, or whether an EU Retention Deficiency has occurred, shall be the product of the principal amount outstanding thereof and the Spot Rate;

(f) the Principal Balance of any cash shall be the amount of such cash (converted into Euro, as the case may be, at the Applicable FX Rate);

(g) solely for the purposes of applying the Collateral Quality Tests (other than the S&P CDO Monitor Test), the Principal Balance of each Defaulted Obligation shall be zero; and

(h) for the purposes of determining the Originator Requirement, the Principal Balance of any Collateral Obligation shall be its Principal Balance (converted into Euro at the Acquisition FX Rate on the applicable Measurement Date) in each case without any adjustments for purchase price or the application of haircuts or other adjustments.

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

"**Principal Proceeds**" means all amounts payable out of, paid out of, payable into or paid into the Principal Accounts from time to time and, with respect to any Payment Date, means Principal Proceeds received or receivable by the Issuer during the related Due Period and any other amounts to be disbursed as Principal Proceeds on such Payment Date pursuant to Condition 3(c)(ii) (*Application of Principal Proceeds*) or Condition 11(b) (*Enforcement*). For the avoidance of doubt, amounts received as principal proceeds in connection with an Offer for the exchange of a Collateral Obligation for a new or novated obligation or substitute obligation will not constitute Principal Proceeds and will not be deposited into the Principal Accounts to the extent such principal proceeds are required to be applied as consideration for the new or novated obligation or substitute obligation.

"**Priorities of Payment**" means:

(a) save for (i) in connection with any optional redemption of the Notes in whole but not in part pursuant to Condition 7(b) (*Optional Redemption*), (ii) in connection with a redemption in whole pursuant to Condition 7(g) (*Redemption Following Note Tax Event*) or (iii) following the delivery (whether actual or deemed) of an Acceleration Notice which has not subsequently been rescinded and annulled in accordance with Condition 10(c) (*Curing of Default*), in the case of Interest Proceeds, the Interest Priority of Payments and, in the case of Principal Proceeds, the Principal Priority of Payments; and

(b) in the event of any optional redemption of the Notes in whole but not in part pursuant to Condition 7(b) (*Optional Redemption*) or Condition 7(g) (*Redemption Following Note Tax Event*) or following the delivery (whether actual or deemed) of an Acceleration Notice which has not subsequently been rescinded and annulled in accordance with Condition 10(c) (*Curing of Default*), the Post-Acceleration Priority of Payments.

"**Purchase and Sale Agreement**" means the purchase and sale Agreement, dated 21 June 2018, between the Issuer and the Originator, relating to the sale of Collateral Obligations from the Originator to the Issuer from time to time.

"**Purchased Accrued Interest**" means, with respect to any Due Period, all payments of interest and proceeds of sale received during such Due Period in relation to any Collateral Obligation, in each case, to the extent that such amounts represent accrued and/or capitalised interest in respect of such Collateral Obligation (including, in respect of a Mezzanine Obligation or PIK Security, any accrued interest which, as at the time of purchase, had been capitalised and added to the principal amount of such Mezzanine Obligation or PIK Security), which was purchased at the time of the acquisition thereof with Principal Proceeds and/or amounts paid out of the Unused Proceeds Accounts.

"**QIB**" means a Person who is a "qualified institutional buyer" as defined in Rule 144A.

"**QIB/QP**" means a Person who is both a QIB and a QP.

"**Qualified Purchaser**" and "**QP**" mean a Person who is a "qualified purchaser" as defined in Section 2(a)(51)(A) of the Investment Company Act.

"**Qualifying Currency**" means Sterling, Norwegian Krone, Danish Krone, Swedish Krona, Swiss Francs, Australian Dollars, Canadian Dollars and Japanese Yen, or such other currency in respect of which Rating Agency Confirmation is received and for which the Account Bank has confirmed it is able to hold deposits.

"**Qualifying Unhedged Obligation Currency**" means Sterling, Norwegian Krone, Danish Krone, Swedish Krona, Swiss Francs, Australian Dollars or Canadian Dollars.

"**Rate of Interest**" means, together, each Floating Rate of Interest, the Class A-2 Rate of Interest, the Class A-3 Rate of Interest and the Class B-2 Rate of Interest.

"**Rated Notes**" means the Class X Notes, the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes.

"**Rating Agencies**" means S&P and Moody's, provided that if at any time S&P and/or Moody's ceases to provide rating services, "Rating Agencies" shall mean any other nationally recognised investment rating agency or rating agencies (as applicable) selected by the Issuer (a "**Replacement Rating Agency**") and "**Rating Agency**" means any such rating agency. In the event that at any time a Rating Agency is replaced by a Replacement Rating Agency, references to rating categories of the original Rating Agency in these Conditions, the Trust Deed and the Collateral Management and Administration Agreement shall be deemed instead to be references to the equivalent categories of the relevant Replacement Rating Agency as of the most recent date on which such other rating agency published ratings for the type of security in respect of which such Replacement Rating Agency is used and all references herein to "Rating Agencies" shall be construed accordingly. Any rating agency shall cease to be a Rating Agency if, at any time, it ceases to assign a rating in respect of any Class of Rated Notes.

"**Rating Agency Confirmation**" means, with respect to any specified action, determination or appointment, receipt by the Issuer and/or the Trustee of written confirmation (which may take the form of a bulletin, press release, email or other written communication) by each Rating Agency which has, as at the relevant date assigned ratings to any Class of the Rated Notes that are Outstanding (or, if applicable, the Rating Agency specified in respect of any such action or determination, provided that such Rating Agency has, as at the relevant date assigned ratings to any Class of the Rated Notes) that such specified action, determination or appointment will not result in the reduction or withdrawal of any of the ratings currently assigned to the Rated Notes by such Rating Agency. Notwithstanding anything to the contrary in any Transaction Document and these Conditions, no Rating Agency Confirmation shall be required from a Rating Agency in respect of any action, determination or appointment if (i) such Rating Agency has declined a request from the Trustee, the Collateral Manager or the Issuer to review the effect of such action, determination or appointment or (ii) such Rating Agency announces (publicly or otherwise) or confirms to the Trustee, the Collateral Manager or the Issuer (or their advisers) that Rating Agency Confirmation from such Rating Agency is not required, or that its practice is to not give such confirmations for such type of action, determination or appointment or (iii) such Rating Agency has ceased to engage in the business of providing ratings or has made a public statement in writing to the effect that it will no longer review events or circumstances of the type requiring a Rating Agency Confirmation under any Transaction Document or these Conditions for purposes of evaluating whether to confirm the then-current ratings (or initial ratings) of obligations rated by such Rating Agency.

"**Rating Confirmation Plan**" means a plan provided by the Collateral Manager (acting on behalf of the Issuer) to the Rating Agencies setting forth the intended timing and manner of acquisition of additional Collateral Obligations and/or any other intended action which will cause confirmation of the Initial Ratings, as further described and as defined in the Collateral Management and Administration Agreement.

"**Rating Event**" means, at any time, the reduction or withdrawal of any of the ratings then assigned to the Rated Notes by a Rating Agency.

"**Rating Requirement**" means:

(a) in the case of the Account Bank:

(i) a long-term senior unsecured issuer credit rating of at least "A3" by Moody's and a short-term senior unsecured issuer credit rating of at least "P-1" by Moody's; and

(ii) a long-term issuer credit rating of at least "A" by S&P and a short-term issuer credit rating of at least "A-1" by S&P or, if it does not have such short-term rating, a long-term issuer credit rating of at least "A+" by S&P;

(b) in the case of the Custodian or any sub-custodian appointed thereby:

(i) a long-term senior unsecured issuer credit rating of at least "A3" by Moody's and a short-term senior unsecured issuer credit rating of at least "P-1" by Moody's; and

(ii) a long-term issuer credit rating of at least "A" by S&P and a short-term issuer credit rating of at least "A-1" by S&P or, if it does not have such short-term rating, a long-term issuer credit rating of at least "A+" by S&P;

(c) in the case of any Hedge Counterparty, the ratings requirement(s) as set out in the relevant Hedge Agreement;

(d) in the case of a Selling Institution with regards to a Participation only, a counterparty which satisfies the ratings set out in the Bivariate Risk Table; and

(e) in the case of the Principal Paying Agent:

(i) a long-term senior unsecured issuer credit rating of at least "Baa3" by Moody's; or

(ii) if the Principal Paying Agent has no long-term senior unsecured issuer credit rating by Moody's, a short-term senior unsecured issuer credit rating of at least "P-3" by Moody's,

or in each case, (x) such other rating or ratings as may be agreed by the relevant Rating Agency as would maintain the then rating of the Rated Notes and (y) if any of the requirements are not satisfied by any of the parties referred to herein, Rating Agency Confirmation from the relevant Rating Agency is received in respect of such party.

"**Record Date**" means:

(a) in respect of Notes represented by a Definitive Certificate, the fifteenth day before the relevant due date for payment of principal and interest in respect of such Note; and

(b) in respect of Notes represented by a Global Certificate, the close of business on the Clearing System Business Day before the relevant due date for payment of principal and interest in respect of such Note.

"**Redemption Date**" means each date specified in the Redemption Notice therefor on which Notes of a Class are to be redeemed 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 set out in the Agency and Account Bank Agreement available from the Principal Paying Agent which has been duly completed by a Noteholder and which specifies, amongst other things, the applicable Redemption Date.

"**Redemption Price**" means, when used with respect to:

(a) any Class M Subordinated Note, such Class M Subordinated Note's *pro rata* share (calculated in accordance with paragraph (DD) of the Interest Priority of Payments, paragraph (V) of the Principal Priority of Payments and paragraph (W) of the Post-Acceleration Priority of Payments, and for the

avoidance of doubt, in accordance with Condition 3(e) (*FX Conversions*)) 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 after converting as applicable, into Euro at the Applicable FX Rate); and

(b) any Rated Note, 100 per cent. of the Principal Amount Outstanding thereof (if any), together with any accrued and unpaid interest in respect thereof to the relevant day of redemption and, in respect of the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes, any Deferred Interest.

"**Redemption Threshold Amount**" means the aggregate of all amounts which would be due and payable by the Issuer on redemption of the Rated Notes on the scheduled Redemption Date (to the extent such amounts are ascertainable by the Collateral Administrator (in consultation with the Collateral Manager) or have been provided to the Collateral Administrator by the relevant Secured Party and, for the avoidance of doubt, not taking into account for this purpose any reduction in the Issuer's payment obligations pursuant to these Conditions or any other Transaction Document as a result of any limited recourse provisions) which rank in priority to payments in respect of the Class M Subordinated Notes in accordance with the Post-Acceleration Priority of Payments.

"**Refinancing**" has the meaning given to it in Condition 7(b)(v) (*Optional Redemption effected in whole or in part through Refinancing*).

"**Refinancing Costs**" means the fees, costs, charges and expenses incurred by or on behalf of the Issuer in respect of a Refinancing, provided that such fees, costs, charges and expenses have been incurred as a direct result of a Refinancing, as determined by the Collateral Manager.

"**Refinancing Proceeds**" means the cash proceeds from a Refinancing.

"**Register**" means the register of holders of the legal title to the Notes kept by the Registrar pursuant to the terms of the Agency and Account Bank Agreement.

"**Regulation S**" means Regulation S under the Securities Act.

"**Regulation S Notes**" means the Notes offered for sale to non-U.S. Persons in offshore transactions outside of the United States in reliance on Regulation S.

"**Reinvesting Noteholder**" means each Class M Subordinated Noteholder that elects to make a Reinvestment Amount and whose Reinvestment Amount is accepted, in each case, in accordance with Condition 3(f) (*Reinvestment Amounts*).

"**Reinvestment Amount**" means a cash contribution or designation of Interest Proceeds or Principal Proceeds which a Class M Subordinated Noteholder designates as a Reinvestment Amount pursuant to Condition 3(f) (*Reinvestment Amounts*).

"**Reinvestment Criteria**" has the meaning given to it in the Collateral Management and Administration Agreement.

"**Reinvestment Overcollateralisation Test**" means the test which will be satisfied, on any Measurement Date on and after the Effective Date during the Reinvestment Period, if the Class F Par Value Ratio is at least equal to 104.03 per cent.

"**Reinvestment Period**" means the period from and including the Issue Date up to and including the earliest of: (i) the end of the Due Period preceding the Payment Date falling in August 2023 (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)); (ii) the date of the acceleration of the Notes pursuant to Condition 10(b) (*Acceleration*) (provided that such Acceleration Notice (actual or deemed) has not been rescinded or annulled in accordance with Condition 10(c) (*Curing of Default*)); and (iii) the date on which the Collateral Manager reasonably believes and notifies the Issuer, the Rating Agencies and the Trustee that it can no longer reinvest in additional Collateral Obligations in accordance with the Reinvestment Criteria.

"**Reinvestment Target Par Balance**" means, as of any date of determination, the Target Par Amount, minus: (i) the amount of any reduction in the Principal Amount Outstanding of the Notes (excluding the Class X Notes and the Deferred Interest which has been capitalised pursuant to Condition 6(c) (*Deferral of Interest*)) and plus

(ii) the Principal Amount Outstanding of any additional Notes issued pursuant to Condition 17 (*Additional Issuances*) or, if greater, the aggregate amount of Principal Proceeds that result from the issuance of such additional Notes (where any of the foregoing amounts not denominated in Euro shall be converted into Euro at the Applicable FX Rate).

"**Replacement Currency Call Option Agreement**" means any Currency Call Option Agreement entered into by the Issuer upon termination of the existing Currency Call Option Agreement on substantially the same terms as the existing Currency Call Option Agreement that preserves for the Issuer the economic effect of the terminated Currency Call Option Agreement and the Currency Call Option thereunder, subject to such amendments as may be agreed by the Collateral Manager and in respect of which Rating Agency Confirmation is obtained.

"**Replacement Currency Hedge Agreement**" means any Currency Hedge Agreement entered into by the Issuer upon termination of an existing Currency Hedge Agreement on substantially the same terms as such existing Currency Hedge Agreement that preserves for the Issuer the economic effect of the terminated Currency Hedge Agreement and all Currency Hedge Transactions thereunder, subject to such amendments as may be agreed by the Collateral Manager and in respect of which Rating Agency Confirmation is obtained.

"**Replacement Hedge Agreements**" means each Replacement Currency Hedge Agreement, each Replacement Interest Rate Hedge Agreement and each Replacement Currency Call Option Agreement and "**Replacement Hedge Agreement**" means any of them.

"**Replacement Hedge Transaction**" means any replacement Interest Rate Hedge Transaction, Currency Hedge Transaction or Currency Call Option entered into under a Replacement Interest Rate Hedge Agreement, a Replacement Currency Hedge Agreement or a Replacement Currency Call Option Agreement (as applicable) (or under another existing Interest Rate Hedge Agreement, Currency Hedge Agreement or Currency Call Option Agreement with another Hedge Counterparty) in respect of the relevant terminated Interest Rate Hedge Transactions, the relevant terminated Currency Hedge Transactions and the Currency Call Options under the relevant terminated Interest Rate Hedge Agreement, Currency Hedge Agreement or Currency Call Option Agreement (as applicable).

"**Replacement Interest Rate Hedge Agreement**" means any Interest Rate Hedge Agreement entered into by the Issuer upon termination of an existing Interest Rate Hedge Agreement in full on substantially the same terms as the original Interest Rate Hedge Agreement that preserves for the Issuer the economic equivalent of the terminated Interest Rate Hedge Transactions outstanding thereunder, subject to such amendments as may be agreed by the 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 for the delegation by the Issuer of certain derivative transaction reporting obligations to one or more Reporting Delegates.

"**Resolution**" means any Ordinary Resolution or Extraordinary Resolution, as the context may require.

"**Responsible Officer**" means, with respect to the Collateral Manager or BDCM, a senior officer thereof who is directly involved in the material advisory services provided to the Issuer under the Collateral Management and Administration Agreement.

"**Restricted Trading Period**" means, while any Rated Notes remain outstanding, the period during which:

(a) the S&P rating of the Class X Notes, the Class A Notes, the Class B Notes, the Class C Notes or the Class D Notes is withdrawn (and not reinstated) or, in the case of the Class A Notes, is one or more sub categories below its rating on the Issue Date or, in the case of the Class B Notes, the Class C Notes or the Class D Notes, is two or more sub categories below its rating on the Issue Date, provided the Class of Notes affected by such ratings downgrade or withdrawal is Outstanding; or

(b) the Moody's rating of the Class X Notes, the Class A Notes, the Class B Notes, the Class C Notes or the Class D Notes is withdrawn (and not reinstated) or, in the case of the Class A Notes, is one or more sub categories below its rating on the Issue Date or, in the case of the Class B Notes, the Class C Notes

or the Class D Notes, is two or more sub categories below its rating on the Issue Date, provided the Class of Notes affected by such ratings downgrade or withdrawal is Outstanding,

provided that, in each case, such period will not be a Restricted Trading Period:

(i) if:

(A) the Collateral Principal Amount is equal to or greater than the Reinvestment Target Par Balance; and

(B) each of the Coverage Tests is satisfied and each of the Collateral Quality Tests is satisfied; or

(ii) upon the direction of the Issuer with the consent of the Controlling Class acting by Ordinary Resolution,

provided, further, that no Restricted Trading Period shall restrict any purchase or sale of a Collateral Obligation entered into by the Issuer at a time when a Restricted Trading Period is not in effect, regardless of whether such purchase or sale has settled.

"**Restructured Obligation**" means a Collateral Obligation which has been restructured (whether effected by way of an amendment to the terms of such Collateral Obligation (including but not limited to an extension of its maturity) or by way of substitution of new obligations and/or change of Obligor) and which satisfies the Restructured Obligation Criteria as at its applicable Restructuring Date provided that the failure of a Restructured Obligation to satisfy the Restructured Obligation Criteria at any time after the applicable Restructuring Date shall not cause such obligation to cease to be a Restructured Obligation unless it is subsequently restructured again, in which case such obligation shall constitute a Restructured Obligation provided that it satisfies the Restructured Obligation Criteria as at its Restructuring Date.

"**Restructured Obligation Criteria**" means the restructured obligation criteria specified in the Collateral Management and Administration Agreement which are required to be satisfied in respect of each Restructured Obligation at the applicable Restructuring Date.

"**Restructuring Date**" means the date a restructuring of a Collateral Obligation becomes binding on the holders thereof provided, if an obligation satisfies the Restructured Obligation Criteria at a later date, such later date shall be deemed to be the Restructuring Date for the purposes of determining whether such obligation shall constitute a Restructured Obligation.

"**Retention Guidance Action**" means, following the determination by the Originator that a Retention Guidance Event has occurred (or with the passage of time, is reasonably likely to occur), any action taken by the Originator, in its sole discretion, as it may deem to be reasonably necessary or appropriate (in light of the facts and circumstances existing at the time) to comply with, or preserve compliance with, the EU Risk Retention Requirement as a "sponsor" rather than "originator", which action shall be promptly notified to the Issuer, the Trustee and the Noteholders in writing.

"**Retention Guidance Event**" means any guidance published by one or more of the European Supervising Authorities determining that investment firms or other persons, whether located in the European Union or not, may act as a "sponsor" for the purposes of the EU Risk Retention Requirement.

"**Retention Holder**" means Black Diamond Commercial Finance, L.L.C. in its capacity as Originator and any successor, assign or transferee to the extent permitted under the EU Risk Retention Requirement and the Retention Undertaking Letter.

"**Retention Notes**" has the meaning given to that term in the Retention Undertaking Letter.

"**Retention Note Purchase Deed**" means the purchase deed in respect of the Retention Notes between the Issuer and the Retention Holder dated on or about the Issue Date.

"**Retention Undertaking Letter**" means a letter dated on or about the Issue Date from the Originator and addressed to (and for the benefit of) the Issuer, the Trustee, the Initial Purchaser, the Arranger and the Collateral Administrator under which the Originator agrees to retain the Retention Notes as Originator for the purposes of the EU Risk Retention Requirement.

"**Revolving Obligation**" means any Collateral Obligation (other than a Delayed Drawdown Collateral Obligation) that is a loan (including, without limitation, revolving loans, funded and unfunded portions of revolving credit lines and letter of credit facilities, unfunded commitments under specific facilities and other similar loans and investments) denominated in Euro or USD that pursuant to the terms of its Underlying Instruments may require one or more future advances to be made to the borrower by the Issuer; but any such Collateral Obligation will be a Revolving Obligation only until all commitments to make advances to the borrower expire or are terminated or reduced to zero.

"**Rule 144A**" means Rule 144A under the Securities Act.

"**Rule 144A Notes**" means Notes offered for sale within the United States or to U.S. Persons in reliance on Rule 144A.

"**Rule 17g-5**" means Rule 17g-5 under the Exchange Act.

"**S&P**" means Standard & Poor's Credit Market Services Europe Limited and any successor or successors thereto.

"**S&P CDO Monitor Test**" has the meaning given to it in the Collateral Management and Administration Agreement.

"**S&P Collateral Value**" means for any Defaulted Obligation or Deferring Obligation as at the applicable Measurement Date, the lower of:

(a) its prevailing Market Value; and

(b) the relevant S&P Recovery Rate,

in each case, multiplied by its Principal Balance, provided that for a period of 30 days after a Collateral Obligation becomes a Defaulted Obligation or a Deferring Obligation, the S&P Collateral Value shall be the S&P Recovery Rate multiplied by its Principal Balance.

"**S&P Issuer Credit Rating**" means in respect of a Collateral Obligation, a publicly available issuer credit rating by S&P in respect of the Obligor thereof.

"**S&P Rating**" has the meaning given to it in the Collateral Management and Administration Agreement.

"**S&P Recovery Rate**" means in respect of any Collateral Obligation, the S&P recovery rate determined in accordance with the Collateral Management and Administration Agreement.

"**Sale Proceeds**" means:

(a) all proceeds received upon the sale of any Collateral Obligation (other than any Currency Hedge Obligation) excluding any sale proceeds representing accrued interest designated as Interest Proceeds by the Collateral Manager, provided that no such designation as Interest Proceeds may be made in respect of: (i) Purchased Accrued Interest; or (ii) any interest received in respect of any Mezzanine Obligation for so long as it is a Defaulted Deferring Mezzanine Obligation other than Defaulted Mezzanine Excess Amounts; or (iii) proceeds that represent deferred interest accrued in respect of any PIK Security; or (iv) proceeds representing accrued interest received in respect of any Defaulted Obligation unless and until such amounts represent Defaulted Obligation Excess Amounts;

(b) in the case of any Currency Hedge Obligation, 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 Obligation as described in paragraph (a) above, under the related Currency Hedge Transaction; and

(c) in the case of any Collateral Enhancement Obligation or Equity Security, all proceeds and any fees received upon the sale of such Collateral Enhancement Obligation or Equity Security,

in each case net of any amounts expended by or payable by the Issuer or the Collateral Administrator (on behalf of the Issuer) in connection with the sale, disposition or termination of such Collateral Obligation, Collateral Enhancement Obligation or Equity Security.

"**Scheduled Periodic Currency Hedge Counterparty Payment**" means, with respect to any Currency Hedge Agreement, all amounts scheduled to be paid by the Currency Hedge Counterparty to the Issuer pursuant to the terms of such Currency Hedge Agreement, excluding any Hedge Counterparty Termination Payment.

"**Scheduled Periodic Currency Hedge Issuer Payment**" means, with respect to any Currency Hedge Agreement, all amounts scheduled to be paid by the Issuer to the applicable Currency Hedge Counterparty pursuant to the terms of such Currency Hedge Agreement, 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 Hedge Counterparty Termination Payment.

"**Scheduled Periodic Interest Rate Hedge Issuer Payment**" means, with respect to any Interest Rate Hedge Agreement, all amounts scheduled to be paid by the Issuer to the applicable Interest Rate Hedge Counterparty pursuant to the terms of such Hedge Agreement, excluding any Interest Rate Hedge Issuer Termination Payment.

"**Scheduled Principal Proceeds**" means:

(a) in the case of any Collateral Obligation (other than Non-Euro Obligations with a related Currency Hedge Transaction), scheduled principal repayments received by the Issuer (including scheduled amortisation, instalment or sinking fund payments);

(b) in the case of any Non-Euro Obligation with a related Currency Hedge Transaction, scheduled final and interim 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 Account into the applicable Principal Account and any amounts transferred from a Counterparty Downgrade Collateral Account to the applicable Principal Account in accordance with Condition 3(m)(v) (*Counterparty Downgrade Collateral Accounts*).

"**Second Lien Loan**" means a loan obligation (other than a Secured Senior Loan) with a junior contractual claim on tangible or intangible property (which property is subject to a prior lien (other than customary permitted liens, such as, but not limited to, any tax liens)) to secure payment of a debt or the fulfilment of a contractual obligation, as determined by the Collateral Manager in its reasonable commercial judgment, or a Participation therein.

"**Section 4(a)(2)**" means Section 4(a)(2) of the Securities Act, as amended.

"**Secured Obligations**" has the meaning given to it in the Trust Deed.

"**Secured Party**" means each of the Class X Noteholders, the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders, the Class F Noteholders, the Class M Subordinated Noteholders, the Reinvesting Noteholders (if any), the Initial Purchaser, each Co-Placement Agent, the Collateral Manager, the Trustee, the Collateral Administrator, any Receiver or Appointee of the Trustee under the Trust Deed, the Agents, each Reporting Delegate and each Hedge Counterparty and "**Secured Parties**" means any two or more of them as the context so requires.

"**Secured Senior Bond**" means a Collateral Obligation that is a senior secured debt security in the form of, or represented by, a bond, note, certificated debt security or other debt security (that is not a Secured Senior Loan) as determined by the Collateral Manager in its reasonable business judgment or a Participation therein, provided that:

(a) it is secured (i) by assets of the Obligor thereof if and to the extent that the provision of security over assets is permissible under applicable law (save in the case of assets where the failure to take such security is consistent with reasonable secured lending practices), and otherwise (ii) by at least 80 per cent. of the equity interests in the shares of an entity owning, either directly or indirectly, such assets; and

(b) no other obligation of the Obligor has any higher priority security interest in such assets or shares referred to in (a) above (other than customary permitted liens, such as but not limited to, tax liens) provided that a revolving loan of the Obligor that, pursuant to its terms, may require one or more future advances to be made to the borrower may have a higher priority security interest in such assets or shares in the event of an enforcement in respect of such loan representing up to the Secured Senior RCF Percentage of the Obligor's senior debt.

"**Secured Senior Loan**" means a Collateral Obligation (which may be a Revolving Obligation or a Delayed Drawdown Collateral Obligation) that is a senior secured loan obligation as determined by the Collateral Manager in its reasonable business judgment or a Participation therein, provided that:

(a) it is secured (i) by assets of the Obligor thereof if and to the extent that the provision of security over assets is permissible under applicable law (save in the case of assets where the failure to take such security is consistent with reasonable secured lending practices), and otherwise (ii) by at least 80 per cent. of the equity interests in the shares of an entity owning, either directly or indirectly, such assets; and

(b) no other obligation of the Obligor has any higher priority security interest in such assets or shares referred to in (a) above (other than customary permitted liens, such as but not limited to, tax liens) provided that a revolving loan of the Obligor that, pursuant to its terms, may require one or more future advances to be made to the borrower may have a higher priority security interest in such assets or shares in the event of an enforcement in respect of such loan representing up to the Secured Senior RCF Percentage of the Obligor's senior debt.

"**Secured Senior Obligation**" means a Secured Senior Bond or a Secured Senior Loan.

"**Secured Senior RCF Percentage**" means, in relation to a Secured Senior Bond or a Secured Senior Loan, 15 per cent.

"**Securities Act**" means the United States Securities Act of 1933, as amended.

"**Securitisation Regulation**" means Regulation (EU) 2017/2401 amending the CRR and Regulation (EU) 2017/2402 relating to a European framework for simple, transparent and standardised securitisation, in each case as amended, varied or substituted from time to time including any implementing regulation, technical standards and official guidance related thereto (including, in respect of Ireland, the Irish STS Regulations), in each case as amended, varied or substituted from time to time.

"**Selling Institution**" means an institution from whom (i) a Participation is taken and satisfies the applicable Rating Requirement or (ii) an Assignment is acquired.

"**Semi-Annual Obligations**" means Collateral Obligations which, at the relevant date of measurement, pay interest less frequently than quarterly.

"**Senior Expenses Cap**" means, in respect of each Payment Date, the sum of:

(a) (i) in respect of the first Due Period, €450,000 per annum, or (ii) in respect of each other Due Period, €250,000 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 year); and

(b) 0.0225 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 each 360 day year) of the Collateral Principal Amount as at the Determination Date immediately preceding the Payment Date in respect of such Due Period,

provided, *however that*

(i) the Senior Expenses Cap in respect of the Payment Date immediately following a Redemption Date pursuant to Condition 7(b)(ii) (*Optional Redemption in Part – Collateral Manager/Class M Subordinated Noteholders*) that is not itself a Payment Date shall be reduced (subject to a minimum value of zero) by the amount distributed as Trustee Fees and Expenses and Administrative Expenses on such Redemption Date pursuant to Conditions 11(b)(iii)(B) and (C) (*Enforcement*); and

(ii) if the amount of Trustee Fees and Expenses and Administrative Expenses paid on each of the three immediately preceding Payment Dates or, if a Frequency Switch Event has occurred, the immediately preceding Payment Date and in either case, during the related Due Period(s) (including the Due Period relating to the current Payment Date) (converted, as applicable, into Euro at the Applicable FX Rate) is less than the stated Senior Expenses Cap, the amount of each such excess (if any) may be added to the Senior Expenses Cap with respect to the then current Payment Date. For the avoidance of doubt, any such excess (if any) may not at any time result in an increase of the Senior Expenses Cap on a per annum basis and provided further that the Senior Expenses Cap shall not apply to any amounts due or accrued with respect to actions taken on or in connection with the Issue Date with respect to the issuance of Notes and the entry into the Transaction Documents (as determined by the Collateral Manager).

"**Senior Management Fee**" means the fee payable to the Collateral Manager in arrear on each Payment Date in respect of each Due Period pursuant to the Collateral Management and Administration Agreement in an amount (exclusive of any VAT payable in relation thereto), as determined by the Collateral Administrator, equal to 0.15 per cent. per annum (calculated semi-annually in respect of each semi-annual Due Period following the occurrence of a Frequency Switch Event and quarterly at all other times and, in each case, on the basis of a 360 day year and the actual number of days elapsed in such Due Period) of the Fee Basis Amount as at the first day of the Due Period (or, if such day is not a Business Day, the next day which is a Business Day) immediately preceding such Payment Date as determined by the Collateral Administrator.

"**Senior Obligation**" means a Collateral Obligation that is a Secured Senior Obligation, an Unsecured Senior Obligation or a Second Lien Loan.

"**Similar Law**" means any federal, state, local, non-U.S. or other law or regulation that could cause the underlying assets of the Issuer to be treated as assets of the investor in any Note (or any interest therein) by virtue of its interest and thereby subject the Issuer or the Collateral Manager (or other persons responsible for the investment and operation of the Issuer's assets) to Other Plan Law.

"**Solvency II**" means Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II) (recast) including any implementing and/or delegated regulations, technical standards and guidance related thereto as may be amended, replaced or supplemented from time to time.

"**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 determined by, notwithstanding anything to the contrary in these Conditions or any Transaction Document, the Collateral Manager in consultation and agreement with the Collateral Administrator on the date of calculation.

"**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.

"**Structured Finance Security**" means any debt security which is issued by a special purpose vehicle and 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 Management Fee**" means the fee payable to the Collateral Manager in arrear on each Payment Date in respect of the immediately preceding Due Period, pursuant to the Collateral Management and Administration Agreement equal to (exclusive of any VAT payable in relation thereto) 0.35 per cent. per annum (calculated semi-annually in respect of each semi-annual Due Period following the occurrence of a Frequency Switch Event and quarterly at all other times and, in each case, on the basis of a 360 day year and the actual number of days elapsed in such Due Period) of the Fee Basis Amount as at the first day of the Due Period (or, if such day is not a Business Day, the next day which is a Business Day) immediately preceding such Payment Date, as determined by the Collateral Administrator.

"**Subordinated Obligation**" means a debt obligation that by the terms of its Underlying Instrument is subordinated in priority of payment to all non-subordinated debt obligations of the relevant Obligor.

"**Subscription and Placement Agency Agreement**" means the subscription and placement agency agreement between the Issuer, the Initial Purchaser and the Co-Placement Agents dated on or about the Issue Date.

"**Substitute Collateral Obligation**" means a Collateral Obligation purchased in substitution for a previously held Collateral Obligation pursuant to the terms of the Collateral Management and Administration Agreement and which satisfies both the Eligibility Criteria and the Reinvestment Criteria.

"**Supplemental Reserve Accounts**" means the Euro Supplemental Reserve Account and the USD Supplemental Reserve Account.

"**Supplemental Reserve Amount**" means, with respect to any Payment Date during the Reinvestment Period, the amount of Interest Proceeds deposited to the applicable Supplemental Reserve Account on such Payment Date in accordance with paragraph (BB) of the Interest Priority of Payments, at the sole discretion of the Collateral Manager, which amounts shall not exceed €3,000,000, in respect of the Euro Supplemental Reserve Account and $3,000,000, in respect of the USD Supplemental Reserve Account in the aggregate for any Payment Date or an aggregate amount for all applicable Payment Dates of €9,000,000, in respect of the Euro Supplemental Reserve Account and $9,000,000, in respect of the USD Supplemental Reserve Account.

"**Swapped Non-Discount Obligation**" means any Collateral Obligation that would otherwise be considered a Discount Obligation, but that is purchased with the Sale Proceeds of a Collateral Obligation (the "**Original Obligation**") that was not a Discount Obligation at the time of its purchase, and will not be considered a Discount Obligation so long as such purchased Collateral Obligation:

(a) is purchased or committed to be purchased within 30 Business Days of such sale;

(b) is purchased at a price (as a percentage of par) equal to or greater than the sale price of the sold Collateral Obligation; and

(c) is purchased at a price not less than 50 per cent. of the Principal Balance thereof;

provided, however that:

(i) to the extent the Aggregate Principal Balance of all Swapped Non-Discount Obligations held by the Issuer as of the relevant date of determination exceeds 5 per cent. of the Target Par Amount, such excess will not constitute Swapped Non-Discount Obligations;

(ii) to the extent the cumulative Aggregate Principal Balance of all Swapped Non-Discount Obligations acquired by the Issuer on or after the Issue Date (for the avoidance of doubt, whether or not such Swapped Non-Discount Obligation is held by the Issuer as of the relevant date of determination) exceeds 10 per cent. of the Target Par Amount, such excess will not constitute Swapped Non-Discount Obligations;

(iii) such Collateral Obligation will cease to be a Swapped Non-Discount Obligation at such time as the Market Value (expressed as a percentage of par) for such Collateral Obligation on each day during any period of 30 consecutive days since the acquisition of such Collateral Obligation equals or exceeds (i) for a loan, 85 per cent. or (ii) for all other Collateral Obligations, 80 per cent.; and

(iv) in determining which of the Swapped Non-Discount Obligations shall be included in the excess pursuant to paragraph (i) or (ii) above, Swapped Non-Discount Obligations in respect

of which the Issuer entered into a binding commitment to purchase earlier in time shall be deemed to constitute the excess.

"**TARGET Day**" means a day on which TARGET2 is open for settlement of payments in Euro.

"**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).

"**Tax"** means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

"**Trading Gains**" means, in respect of any Collateral Obligation which is repaid, prepaid, redeemed or sold, any excess of (a) the Principal Proceeds or Sale Proceeds received in respect thereof over (b) the greater of (x) the Principal Balance thereof (where for such purpose "Principal Balance" shall be determined as set out in the definition of Collateral Principal Amount for the purposes of compliance with the EU Risk Retention Requirement) and (y) the purchase price thereof, in each case net of (i) any expenses incurred in connection with any repayment, prepayment, redemption or sale thereof, and (ii) in the case of a sale of such Collateral Obligation, any interest accrued but not paid thereon which has not been capitalised as principal and included in the sale price thereof.

"**Transaction Documents**" means the Trust Deed (including the Notes and these Conditions), the Agency and Account Bank Agreement, the Subscription and Placement Agency Agreement, the Collateral Management and Administration Agreement, the Irish Deed of Charge, the Retention Undertaking Letter, each Hedge Agreement, each Reporting Delegation Agreement, the Participation Agreements, the Issuer Corporate Services Agreement, the Warehouse Termination Agreement and any document supplemental thereto or issued in connection therewith or any other document designated as a "**Transaction Document**" by the Issuer, the Trustee and the Collateral Manager.

"**Trustee Fees and Expenses**" means the fees and expenses (including, without limitation, legal and other professional advisor fees) and all other amounts payable to the Trustee (or any Receiver, agent, delegate or other Appointee of the Trustee pursuant to the Trust Deed) (including amounts payable by way of indemnity) 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 or directly to the relevant taxing authority, including reimbursements, indemnity payments (in each case to the extent provided for therein) and, in respect of any Refinancing, any fees, costs, charges and expenses (including, without limitation, legal or other professional advisor fees) properly incurred by the Trustee.

"**Underlying Instrument**" means the agreements or instruments pursuant to which a Collateral Obligation has been issued or created and each other agreement that governs the terms of, or secures the obligations represented by, such Collateral Obligation or under which the holders or creditors under such Collateral Obligation are the beneficiaries.

"**Unfunded Amount**" means, with respect to any Revolving Obligation or Delayed Drawdown Collateral Obligation, the excess, if any, of (i) the Commitment Amount under such Revolving Obligation or Delayed Drawdown Collateral Obligation, as the case may be, at such time over (ii) the Funded Amount thereof at such time.

"**Unpaid Class X Principal Amortisation Amount**" means, for any Payment Date, the aggregate amount of all or any portion of the Class X Principal Amortisation Amount for any prior Payment Dates that was not paid on such prior Payment Dates.

"**Unfunded Revolver Reserve Accounts**" means the Euro Unfunded Revolver Reserve Account and the USD Unfunded Revolver Reserve Account, amounts standing to the credit of which, subject to certain conditions, may be used to fund in full the amount of any unfunded commitments or unfunded liabilities from time to time, in relation to Delayed Drawdown Collateral Obligations and Revolving Obligations denominated in Euro and USD respectively.

"**Unhedged Collateral Obligation**" means a Non-Euro Obligation which is not a USD Collateral Obligation and which is not the subject, at the time of determination, of a Currency Hedge Transaction.

"**Unhedged Principal Balance**" means the sum of the principal amount, converted into Euro at the Applicable FX Rate, of each Unhedged Collateral Obligation.

"**United States Person**" has the meaning given to it in Section 7701(a)(30) of the Code.

"**Unsaleable Assets**" means (a)(i) a Defaulted Obligation, (ii) an Equity Security or (iii) an obligation received in connection with an Offer, in a restructuring or plan of reorganisation with respect to the obligor, in each case, in respect of which the Issuer has not received a payment in cash during the preceding 12 months or (b) any Collateral Obligation or Eligible Investment identified in an officer's certificate of the Collateral Manager as having a Market Value multiplied by its Principal Balance of less than Euro 1,000, in the case of each of (a) and (b) with respect to which the Collateral Manager certifies to the Trustee that (x) it has made commercially reasonable endeavours to dispose of such obligation for at least 90 days and (y) in its commercially reasonable judgment such obligation is not expected to be saleable in the foreseeable future.

"**Unscheduled Principal Proceeds**" means:

(a) with respect to any Collateral Obligation (other than a Currency Hedge Obligation), principal proceeds received by the Issuer prior to the Collateral Obligation Stated Maturity thereof as a result of optional redemptions, prepayments (including any acceleration) or Offers (excluding any premiums or make whole amounts in excess of the principal amount of such Collateral Obligation);

(b) with respect to any Currency Hedge Obligation, the Currency Hedge Counterparty Principal Exchange Amount payable in respect of the amounts referred to in (a) above pursuant to the related Currency Hedge Transaction, together with:

  (i) any related Currency Hedge Termination Receipts but less any related Currency Hedge Issuer Termination Payment (to the extent any are payable and in each case determined without regard to the exclusions of unpaid amounts and Currency Hedge Counterparty Principal Exchange Amounts or (as applicable) Currency Hedge Issuer Principal Exchange Amounts set forth in the definitions thereof) and only to the extent not required for application towards the cost of entry into a Replacement Hedge Transaction; and

  (ii) any related Currency Hedge Replacement Receipts but only to the extent not required for application towards any related Currency Hedge Issuer Termination Payments.

"**Unsecured Senior Bond**" means a Collateral Obligation that:

(a) is a debt security in the form of or represented by a bond, note, certificated security or other security, in each case senior to any Subordinated Obligation of the Obligor as determined by the Collateral Manager in its reasonable business judgment; and

(b) is not secured (i) by fixed assets of the Obligor or guarantor thereof if and to the extent that the granting of security over such assets is permissible under applicable law or (ii) by at least 80 per cent. of the equity interests in the stock of an entity owning such fixed assets.

"**Unsecured Senior Loan**" means a Collateral Obligation that:

(a) is a loan obligation senior to any Subordinated Obligation of the Obligor as determined by the Collateral Manager in its reasonable business judgment; and

(b) is not secured (i) by fixed assets of the Obligor or guarantor thereof if and to the extent that the granting of security over such assets is permissible under applicable law or (ii) by at least 80 per cent. of the equity interests in the stock of an entity owning such fixed assets.

"**Unsecured Senior Obligation**" means an Unsecured Senior Loan or an Unsecured Senior Bond.

"**Unused Proceeds Accounts**" means the Euro Unused Proceeds Account and the USD Unused Proceeds Account into which the Issuer will procure amounts are deposited in accordance with Condition 3(m)(iii) (*Unused Proceeds Accounts*).

"**U.S. Person**" means a U.S. person as such term is defined under Regulation S.

"**U.S. Risk Retention Rules**" means the final rules implementing the credit risk retention requirements of Section 941 of the Dodd-Frank Act.

"**USD**" and "**$**"mean the lawful currency of the United States of America.

"**USD Applicable Margin**" has the meaning given to it in Condition 6(e)(ii)(C) (*Interest on the Class A-2 Notes*).

"**USD Business Day**" means (save to the extent otherwise defined) a day on which commercial banks and foreign exchange markets settle payments in London and New York City (other than a Saturday or a Sunday).

"**USD Collateral Obligation**" means a Collateral Obligation denominated in USD.

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

"**USD Expense Reserve Account**" means the USD account described as such in the name of the Issuer held with the Account Bank.

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

"**USD Interest Proceeds**" means Interest Proceeds denominated in USD.

"**USD Interest Smoothing Account**" means the USD account described as such in the name of the Issuer held with the Account Bank.

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

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

"**USD Principal Proceeds**" means Principal Proceeds denominated in USD.

"**USD Reference Banks**" has the meaning given thereto in Condition 6(e)(ii)(A) (*Interest on the Class A-2 Notes*).

"**USD Strike Price**" means, with respect to any Currency Call Option, the strike price specified as such being the rate of exchange pursuant to which such Currency Call Option may be exercised in order for the Issuer to receive the applicable amount in USD.

"**USD Supplemental Reserve Account**" means the USD account described as such in the name of the Issuer held with the Account Bank.

"**USD Target Par Amount**" means the USD equivalent amount of €80,000,000 converted at the Initial Exchange Rate.

"**USD Unfunded Revolver Reserve Account**" means the USD account described as such in the name of the Issuer held with the Account Bank.

"**USD Unused Proceeds Account**" means the USD account described as such in the name of the Issuer held with the Account Bank.

"**USD-LIBOR**" means the rate determined in accordance with Condition 6(e)(ii)(A) (*Interest on the Class A-2 Notes*) (subject to the terms thereof):

(a) in the case of the initial Accrual Period, pursuant to a straight line interpolation of the rates applicable to six and twelve month USD deposits;

(b) in the case of each six month Accrual Period, as applicable to six month USD deposits; and

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

"**VAT**" means any tax imposed in conformity with the Council Directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112) and any other tax of a similar 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.

"**Volcker Rule**" means Section 619 of the Dodd-Frank Act and the corresponding implementing rules.

"**Warehouse Arrangements**" means the warehouse financing and related arrangements entered into by the Issuer prior to the Issue Date to, *inter alia*, finance the acquisition of Collateral Obligations prior to the Issue Date.

"**Warehouse Termination Agreement**" means the termination agreement dated on or about the Issue Date relating to the termination of the Warehouse Arrangements.

"**Weighted Average Life Test**" has the meaning given to it in the Collateral Management and Administration Agreement.

"**Weighted Average Spread**" has the meaning given to it in the Collateral Management and Administration Agreement.

"**Winding Up Expenses**" means amounts reasonably determined by the Collateral Manager and notified to the Trustee, related to the expenses of the winding up of the Issuer.

"**Written Resolution**" means any Resolution of the Noteholders in writing, as described in Condition 14 (*Meetings of Noteholders, Modification, Waiver and Substitution*) and as further described in, and as defined in, the Trust Deed.

"**Zero Coupon Security**" means a security (other than a Step-Up Coupon Security) that, at the time of determination does not provide for periodic payments of interest for the remaining period that it is outstanding.

2. Form and Denomination, Title, Transfer and Exchange

(a) Form and Denomination

The Notes of each Class will 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 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 Issuer shall procure that the Registrar keep and maintain the Register outside the United Kingdom and that no entire copy of the Register shall be created, kept or maintained in the United Kingdom.

(b) Title to the Registered Notes

Title to the Notes passes upon registration of transfers in the Register in accordance with the provisions of the Agency and Account Bank Agreement and the Trust Deed. Notes will be transferable only on the books of the Issuer and its agents. The registered holder of any Note will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it, any writing on it, or its theft or loss) and no person will be liable for so treating the holder.

(c) Transfer

In respect of Notes represented by a Definitive Certificate, one or more Notes may be transferred in whole or in part in nominal amounts of the applicable Authorised Denomination only upon the surrender, at the specified office of the Registrar or the Transfer Agent, of the Definitive Certificate representing such Note(s) to be transferred, with the form of transfer endorsed on such Definitive Certificate duly completed and executed and together with such other evidence as the Registrar or Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Notes

represented by one Definitive Certificate, a new Definitive Certificate will be issued to the transferee in respect of the part transferred and a further new Definitive Certificate in respect of the balance of the holding not transferred will be issued to the transferor. Interests in 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 sent by courier, at the risk of the holder entitled to the new Definitive Certificate, to such address as may be so specified. In this Condition 2(d) (*Delivery of New Certificates*), "**Business Day**" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified offices of the Transfer Agent and the Registrar.

(e) Transfer Free of Charge

Transfer of Notes and Global Certificates or Definitive Certificates (as applicable) representing such Notes in accordance with these Conditions on registration or transfer will be effected without charge to the Noteholders by or on behalf of the Issuer, the Registrar or the Transfer Agent, but upon payment (or the giving of such indemnity as the Registrar or the Transfer Agent may require in respect thereof) of any tax or other governmental charges which may be imposed in relation to it.

(f) Closed Periods

No Noteholder may require the transfer of a Note to be registered (i) during the period of 15 calendar days ending on the due date for redemption (in full) of that Note or (ii) during the period of seven calendar days ending on (and including) any Record Date.

(g) Regulations Concerning Transfer and Registration

All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning the transfer of Notes scheduled to the Trust Deed, including without limitation, that a transfer of Notes in breach of certain of such regulations will result in such transfer being void *ab initio*. Notwithstanding any other provision of these Conditions, the regulations may be changed by the Issuer in any manner which is reasonably required by the Issuer (after consultation with the Trustee) to reflect changes in legal or regulatory requirements or in any other manner which, in the opinion of the Issuer (after consultation with the Trustee and subject to not less than 60 days' notice of any such change having been given to the Noteholders in accordance with Condition 16 (*Notices*)), is not prejudicial to the interests of the holders of the relevant Class of Notes. A copy of the current regulations may be inspected at the offices of the Transfer Agent during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) for the term of the Notes and will be sent by the Registrar to any Noteholder who so requests.

(h) Forced Transfer of Rule 144A Notes and IAI Class M Subordinated Notes

If the Issuer determines at any time that (i) a holder of Rule 144A Notes is a U.S. Person and is not a QIB/QP or (ii) a holder of IAI Class M Subordinated Notes is a U.S. Person and is not an IAI/QP (any such person, a "**Non-Permitted Noteholder**"), the Issuer shall promptly after determination that such person is a Non-Permitted Noteholder by the Issuer, send notice to such Non-Permitted Noteholder demanding that such holder transfer its Notes outside the United States to a non-U.S. Person or within the United States to a U.S. Person that is a QIB/QP or an IAI/QP, as applicable, within 30 days of the date of such notice. If such holder fails to effect the transfer of its Rule 144A Notes or IAI Class M Subordinated Notes, as applicable, within such period, (a) the Issuer or the Collateral Manager on its behalf and at the expense of the Issuer shall cause such Rule 144A Notes to be transferred in a sale to a person or entity that certifies to the Issuer, in connection with such transfer, that such person or entity either is not a U.S. Person or is a QIB/QP (or in the case of an IAI Class M Subordinated Note, an

IAI/QP) and (b) pending such transfer, no further payments will be made in respect of such Rule 144A Notes or IAI Class M Subordinated Notes, as applicable. 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 (or IAI Class M Subordinated Notes, as applicable) and selling such Rule 144A Notes (or IAI Class M Subordinated Notes, as applicable) to the highest such bidder. However, the Issuer may select a purchaser by any other means determined by it in its sole discretion. Each Noteholder and each other person in the chain of title from the permitted Noteholder to the Non-Permitted Noteholder by its acceptance of an interest in the Rule 144A Notes (or IAI Class M Subordinated Notes, as applicable) agrees to co-operate with the Issuer to effect such transfers. The proceeds of such sale, net of any commissions, expenses and taxes due in connection with such sale shall be remitted to the selling Noteholder. The terms and conditions of any sale hereunder shall be determined in the sole discretion of the Issuer, subject to the transfer restrictions set out herein, and none of the Issuer, the Trustee and the Registrar shall be liable to any person having an interest in the Notes sold as a result of any such sale or the exercise of such discretion. The Issuer reserves the right to require any holder of Notes to submit a written certification substantiating that it is a QIB/QP (or in the case of an IAI Class M Subordinated Note, an IAI/QP) or a non-U.S. Person. If such holder fails to submit any such requested written certification on a timely basis, the Issuer has the right to assume that the holder of the Notes from whom such a certification is requested is not a QIB/QP (or in the case of an IAI Class M Subordinated Note, an IAI/QP) or a non-U.S. Person. Furthermore, the Issuer reserves the right to refuse to honour a transfer of beneficial interests in a Rule 144A Note (or IAI Class M Subordinated Notes, as applicable) to any Person who is not either a non-U.S. Person or a U.S. Person that is a QIB/QP (or in the case of an IAI Class M Subordinated Note, an IAI/QP).

(i) Forced Transfer pursuant to ERISA

If any Noteholder is determined by the Issuer to be a Noteholder who has made or is deemed to have made a prohibited transaction (under ERISA or the Code), Benefit Plan Investor, Controlling Person, Other Plan Law, Similar Law or other ERISA representation that is subsequently shown to be false or misleading, or whose beneficial ownership otherwise causes a violation of the 25 per cent. limitation set out in the Plan Asset Regulation (any such Noteholder a "**Non-Permitted ERISA Noteholder**"), the Non-Permitted ERISA Noteholder shall be required by the Issuer to sell or otherwise transfer its Notes to an eligible purchaser (selected by the Issuer) at a price to be agreed between the Issuer (exercising its sole discretion) and such eligible purchaser at the time of sale, subject to the transfer restrictions set out in the Trust Deed. Each Noteholder and each other Person in the chain of title from the Noteholder, by its acceptance of an interest in such Notes, agrees to cooperate with the Issuer to the extent required to effect such transfers. None of the Issuer, the Trustee and the Registrar shall be liable to any Noteholder having an interest in the Notes sold or otherwise transferred as a result of any such sale or transfer. The Issuer shall be entitled to deduct from the sale or transfer price an amount equal to all the expenses and costs incurred and any loss suffered by the Issuer as a result of such forced transfer. The Non-Permitted ERISA Noteholder will receive the balance, if any.

(j) Forced Transfer pursuant to FATCA

Each Noteholder (which, for the purposes of this Condition 2(j) (*Forced Transfer pursuant to FATCA*) may include a nominee or beneficial owner of a Note) will agree to provide the Issuer and its agents with any correct, complete and accurate forms or certifications that may be required for the Issuer to comply with FATCA and CRS and to prevent the imposition of tax under FATCA on payments to or for the benefit of the Issuer. In the event the Noteholder fails to provide such forms or certifications, or to the extent that its ownership of the Notes would otherwise cause the Issuer to be subject to tax under FATCA, (A) the Issuer and its agents are authorised to withhold amounts otherwise distributable to the Noteholder as compensation for any taxes to which the Issuer is subject under FATCA as a result of such failure or the Noteholder's ownership of Notes, and (B) to the extent necessary to avoid an adverse effect on the Issuer as a result of such failure or the Noteholder's ownership of Notes, the Issuer will have the right to compel the Noteholder to sell its Notes, and, if the Noteholder does not sell its Notes within 10 Business Days after notice from the Issuer or any agent of the Issuer, the Issuer will have the right to sell such Notes at a public or private sale called and conducted in any manner permitted by law, and to remit the net proceeds of such sale (taking into account any costs, charges, and any taxes incurred by the Issuer in connection with such sale) to the Noteholder as payment in full for such Notes. The Issuer may also assign each such Note a separate ISIN in the Issuer's sole discretion.

(k) Forced Transfer mechanics

In order to effect the forced transfer provisions set out in Conditions 2(h) (*Forced Transfer of Rule 144A Notes and IAI Class M Subordinated Notes*), 2(i) (*Forced Transfer pursuant to ERISA*) and 2(j) (*Forced Transfer pursuant to FATCA*), the Issuer may repay any affected Notes and issue replacement Notes and the Issuer, the Trustee and the Agents (each at the expense of the Issuer) shall work with the Clearing Systems to take such action as may be necessary to effect such repayment and issue of replacement Notes.

Each Noteholder and each other Person in the chain of title from the Noteholder, by its acceptance of an interest in such Notes, authorises the Trustee, the Agents and the Clearing Systems to take such action as may be necessary to effect the forced transfer provisions set out in Conditions 2(h) (*Forced Transfer of Rule 144A Notes and IAI Class M Subordinated Notes*), 2(i) (*Forced Transfer pursuant to ERISA*) and 2(j) (*Forced Transfer pursuant to FATCA*) without the need for further express instruction from any affected Noteholder. Each Noteholder and each other Person in the chain of title from the Noteholder, by its acceptance of an interest in such Notes, agrees that it shall be bound by any such action taken by the Issuer, the Trustee, the Agents and the Clearing Systems. For the avoidance of doubt, none of the Trustee or 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.

(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 and IAI Class M Subordinated Notes*), 2(i) (*Forced Transfer pursuant to ERISA*) and 2(j) (*Forced Transfer pursuant to FATCA*) above without the need for any further express instruction from any affected Noteholder. The Noteholders shall be bound by any actions taken by the Registrar, the Clearing Systems or any other party taken pursuant to the above-named Conditions.

(m) Exchange of Voting/Non-Voting Notes

Each Rated Note (other than the Class X Notes, the Class E Notes and the Class F Notes) may be in the form of a CM Voting Note, a CM Non-Voting Exchangeable Note or a CM Non-Voting Note.

CM Voting Notes shall carry a right to vote in respect of, and be counted for the purposes of determining a quorum and the result of voting on, any CM Replacement Resolution and any CM Removal Resolution. CM Non-Voting Exchangeable Notes and CM Non-Voting Notes shall not carry any rights in respect of, or be counted for the purposes of determining a quorum and the result of voting on, any CM Removal Resolution or any CM Replacement Resolution but shall carry a right to vote on and be counted in respect of all other matters in respect of which the Notes of the applicable Class have a right to vote and be counted.

CM Voting Notes of any Class shall be exchangeable at any time upon request by the relevant Noteholder into CM Non-Voting Exchangeable Notes or CM Non-Voting Notes of such Class. CM Non-Voting Exchangeable Notes of any Class shall be exchangeable (a) upon request by the relevant Noteholder at any time into CM Non-Voting Notes of such Class or (b) into CM Voting Notes of such Class only in connection with the transfer of such Notes to an entity that is not an Affiliate of the transferor upon request of the relevant transferee or transferor and in no other circumstance. CM Non-Voting Notes shall not be exchangeable at any time into CM Voting Notes or CM Non-Voting Exchangeable Notes.

Any such right to exchange a Note, as described and subject to the limitations set out in the immediately prior paragraph, may be exercised by a Noteholder holding a Definitive Certificate or a beneficial interest in a Global Certificate delivering to the Registrar or a Transfer Agent a duly completed exchange request substantially in the form provided in the Trust Deed.

3. Status

(a) Status

The Notes of each Class constitute direct, general, secured, unconditional obligations of the Issuer, recourse in respect of which is limited in the manner described in Condition 4(c) (*Limited Recourse*

and Non-Petition). The Notes of each Class are secured in the manner described in Condition 4(a) (*Security*) and, within each Class, shall at all times rank *pari passu* and without any preference amongst themselves.

(b) Relationship Among the Classes

The Notes of each Class are constituted by the Trust Deed and are secured on the Collateral as further described in the Trust Deed. Payments of interest on the Class X Notes and the Class A Notes will rank senior to payments of interest on each Payment Date in respect of each other Class; payment of interest on the Class B Notes will be subordinated in right of payment to payments of interest in respect of the Class X Notes and the Class A Notes, but senior in right of payment to payments of interest in respect of the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class M 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 X Notes, the Class A Notes and the Class B Notes, but senior in right of payment to payments of interest on the Class D Notes, the Class E Notes, the Class F Notes and the Class M 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 X Notes, the Class A Notes, the Class B Notes and the Class C Notes, but senior in right of payment to payments of interest on the Class E Notes, the Class F Notes and the Class M 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 X Notes, the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes, but senior in right of payment to payments of interest on the Class F Notes and the Class M Subordinated Notes; payment of interest on the Class F Notes will be subordinated in right of payment to payments of interest on the Rated Notes (other than the Class F Notes) but senior in right of payment to payments of interest in respect of the Class M Subordinated Notes and payment of interest on the Class M Subordinated Notes will be subordinated in right of payment to payment of interest in respect of the Rated Notes. Interest on the Class M Subordinated Notes shall be paid *pari passu* and without any preference amongst themselves. Payments of interest on the Class A-1 Notes, the Class A-2 Notes and the Class A-3 Notes will rank *pari passu* in right of payment and will be made *pro rata* based on the amount of interest due on such classes. Payments of interest on the Class B-1 Notes and the Class B-2 Notes will rank *pari passu* in right of payment and will be made *pro rata* based on the amount of interest due on such classes. Payment of interest on each Class will be subordinate to the payment of certain other amounts (including Administrative Expenses and the Senior Management Fee, and in the case of the Class M Subordinated Notes, the Subordinated Management Fee) as set forth in the Priorities of Payment.

No amount of principal in respect of the Class B Notes shall become due and payable until redemption and payment in full of the Class X Notes and 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 X Notes, the Class A Notes and the Class B Notes. No amount of principal in respect of the Class D Notes shall become due and payable until redemption and payment in full of the Class X Notes, the Class A Notes, the Class B Notes and the Class C Notes. No amount of principal in respect of the Class E Notes shall become due and payable until redemption and payment in full of the Class X Notes, the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes. No amount of principal in respect of the Class F Notes shall become due and payable until redemption and payment in full of the Class X Notes, the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes. Subject to the applicability of the Post-Acceleration Priority of Payments, the Class M Subordinated Notes will be entitled to receive, out of Principal Proceeds, the amounts described under the Principal Priority of Payments on a *pari passu* basis. Payments on the Class M 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 Class M Subordinated Notes until the Rated Notes and other payments ranking prior to the Class M Subordinated Notes in accordance with the Priorities of Payment are paid in full. Payments of principal on the Class A-1 Notes, the Class A-2 Notes and the Class A-3 Notes will rank *pari passu* in right of payment and will be made *pro rata* based on the amount of principal outstanding in respect of such classes. Payments of principal on the Class B-1 Notes and the Class B-2 Notes will rank *pari passu* in right of payment and will be made *pro rata* based on the amount of principal outstanding in respect of such classes.

(c) Priorities of Payment

The Collateral Administrator shall (on the basis of the Payment Date Report prepared by the Collateral Administrator in consultation with the Collateral Manager pursuant to the terms of the Collateral Management and Administration Agreement on each Determination Date), on behalf of the Issuer on each Payment Date (i) prior to the acceleration of the Notes in accordance with Condition 10(b) (*Acceleration*); (ii) following acceleration of the Notes which has subsequently been rescinded and annulled in accordance with Condition 10(c) (*Curing of Default*); and (iii) other than in connection with an optional redemption in whole under Condition 7(b) (*Optional Redemption*) or in accordance with Condition 7(g) (*Redemption Following Note Tax Event*) (in which event the Post-Acceleration Priority of Payments shall apply), cause the Account Bank to disburse Interest Proceeds and Principal Proceeds transferred to the applicable Payment Accounts in accordance with Condition 3(m) (*Payments to and from the Accounts*), in each case, in accordance with the following Priorities of Payment:

(i) Application of Interest Proceeds

Subject as further provided below, Euro Interest Proceeds standing to the credit of the Euro Payment Account and USD Interest Proceeds standing to the credit of the USD Payment Account in respect of a Due Period shall be paid on the Payment Date immediately following such Due Period in the following order of priority (in each case subject to Condition 3(e) (*FX Conversion*s):

(A) to the payment of (i) firstly taxes owing by the Issuer accrued in respect of the related Due Period (other than any Irish corporate income tax payable in relation to the Issuer Profit Amount referred to in (ii) below) as certified by an Authorised Officer of the Issuer to the Collateral Administrator, if any, (save for any VAT payable in respect of any Collateral Management Fee or any other tax payable in relation to any amount payable to the Secured Parties and which arises as a result of the payment of that amount to the relevant Secured Party); and (ii) secondly the Issuer Profit Amount to be retained by the Issuer, for deposit into the Issuer Profit Account from time to time;

(B) to the payment of accrued and unpaid Trustee Fees and Expenses, up to an amount equal to the sum of the Senior Expenses Cap in respect of the related Due Period, provided that upon the occurrence of a Note Event of Default under Condition 10(a) (*Note Events of Default*), the Senior Expenses Cap shall not apply to any Trustee Fees and Expenses incurred whilst such Note Event of Default is continuing, plus the Balance of the Expense Reserve Accounts as at the date of transfer of any amounts from the Expense Reserve Accounts pursuant to paragraph (4) of Condition 3(m)(x) (*Expense Reserve Accounts*) after taking into account all other payments to be made out of the Expense Reserve Accounts on such date (and for purposes of determining the maximum amount payable under this paragraph (B), after converting all payments referred to in this paragraph (B) that are not denominated in Euro into Euro at the Applicable FX Rate));

(C) to the payment of Administrative Expenses in the priority stated in the definition thereof, up to an amount equal to the sum of the Senior Expenses Cap in respect of the related Due Period plus the Balance of the Expense Reserve Accounts as at the date of transfer of any amounts from the Expense Reserve Accounts pursuant to paragraph (4) of Condition 3(m)(x) (*Expense Reserve Accounts*) after taking into account all other payments to be made out of the Expense Reserve Accounts on such date (and for purposes of determining the maximum amount payable under this paragraph (C) after converting all payments referred to in this paragraph (C), that are not denominated in Euro into Euro at the Applicable FX Rate) less the Euro equivalent amount (where necessary, converted at the Applicable FX Rate) of any amounts paid pursuant to paragraph (B) above;

(D) to each Expense Reserve Account, at the Collateral Manager's discretion, up to an aggregate amount equal to the Senior Expenses Cap in respect of the related Due Period less (i) the Euro equivalent amount (where necessary converted at the Applicable FX Rate) of any amounts paid pursuant to paragraph (B) and (C) above and (ii) any amounts paid out of the Expense Reserve Accounts in respect of the related Due Period to pay any Trustee Fees and Expenses or Administrative Expenses (where necessary converting into Euro at the Applicable FX Rate);

(E) to the payment:

(1) *firstly*, to the Collateral Manager of the Senior Management Fee due and payable on such Payment Date and any VAT in respect thereof (whether payable to the Collateral Manager or directly to the relevant taxing authority) (save for any Deferred Senior Collateral Management Amounts and Deferred Subordinated Collateral Management Amounts) except that the Collateral Manager may, in its sole discretion, elect to (x) irrevocably waive, (y) designate for reinvestment or (z) defer payment of some or all of the amounts that would have been payable to the Collateral Manager under this paragraph (E) (any such amounts pursuant to (z) being "**Deferred Senior Collateral Management Amounts**") on any Payment Date which amounts in each case shall not be treated as unpaid for the purposes of this paragraph (E), paragraph (X) or paragraph (CC) below, provided that any such amount in the case of (y) shall (i) be used to purchase Substitute Collateral Obligations or (ii) be deposited in the applicable Principal Account pending reinvestment in Substitute Collateral Obligations (*provided that* such deposit or purchase would not cause an EU Retention Deficiency), or, in the case of (x) or (z), shall be applied to the payment of amounts in accordance with paragraphs (F) through (W) and (Y) through (DD) 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 Management Fees (other than Deferred Senior Collateral Management Amounts or Deferred Subordinated Collateral Management Amounts), (together with any interest thereon) and any VAT in respect thereof (whether payable to the Collateral Manager or directly to the relevant taxing authority);

(F) (1) *firstly* to the payment, on a *pro rata* basis, of (i) any Scheduled Periodic Hedge Issuer Payments, (ii) any Currency Hedge Issuer Termination Payments (to the extent not paid out of the Currency Account or the Hedge Termination Account and other than Defaulted Currency Hedge Termination Payments), and (iii) any Interest Rate Hedge Issuer Termination Payments (to the extent not paid out of the applicable Interest Account or the Hedge Termination Account and other than Defaulted Interest Rate Hedge Termination Payments); and

(2) *secondly*, on a *pro rata* basis, any Hedge Replacement Payments (to the extent not paid out of the Hedge Termination Account);

(G) to the payment on a *pro rata* and *pari passu* basis of (1)(a) all Interest Amounts due and payable on the Class X Notes in respect of the Accrual Period ending on such Payment Date, (b) the Class X Principal Amortisation Amount due and payable on such Payment Date and (c) any Unpaid Class X Principal Amortisation Amount as of such Payment Date and (2) all Interest Amounts due and payable on the Class A-1 Notes, the Class A-2 Notes and the Class A-3 Notes in respect of the Accrual Period ending on such Payment Date, and all other Interest Amounts due and payable on such Class A-1 Notes, Class A-2 Notes and Class A-3 Notes;

(H) to the payment on a *pro rata* and *pari passu* basis of all Interest Amounts due and payable on the Class B-1 Notes and the Class B-2 Notes in respect of the Accrual Period ending on such Payment Date and all other Interest Amounts due and payable on such Class B-1 Notes and Class B-2 Notes;

(I) 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 preceding the second Payment Date or any Determination Date thereafter, to the redemption of the Notes in accordance with the Note Payment Sequence in the amount determined pursuant to Condition 7(c)(vi) (*Calculation of Coverage Test Cure Amounts*);

(J) to the payment on a *pro rata* basis of the Interest Amounts due and payable on the Class C Notes in respect of the Accrual Period ending on such Payment Date (excluding any Deferred Interest but including interest on Deferred Interest in respect of the relevant Accrual Period);

(K) to the payment on a *pro rata* basis of any Deferred Interest on the Class C Notes which is due and payable pursuant to Condition 6(c) (*Deferral of Interest*);

(L) if either of the Class C Coverage Tests is not satisfied on any Determination Date on and after the Effective Date or, in the case of the Class C Interest Coverage Test, on the Determination Date preceding the second Payment Date or any Determination Date thereafter, to the redemption of the Notes in accordance with the Note Payment Sequence in the amount determined pursuant to Condition 7(c)(vi) (*Calculation of Coverage Test Cure Amounts*);

(M) to the payment on a *pro rata* basis of the Interest Amounts due and payable on the Class D Notes in respect of the Accrual Period ending on such Payment Date (excluding any Deferred Interest but including interest on Deferred Interest in respect of the relevant Accrual Period);

(N) to the payment on a *pro rata* basis of any Deferred Interest on the Class D Notes which is due and payable pursuant to Condition 6(c) (*Deferral of Interest*);

(O) if either of the Class D Coverage Tests is not satisfied on any Determination Date on and after the Effective Date or, in the case of the Class D Interest Coverage Test, on the Determination Date preceding the second Payment Date or any Determination Date thereafter, to the redemption of the Notes in accordance with the Note Payment Sequence in the amount determined pursuant to Condition 7(c)(vi) (*Calculation of Coverage Test Cure Amounts*);

(P) to the payment on a *pro rata* basis of the Interest Amounts due and payable on the Class E Notes in respect of the Accrual Period ending on such Payment Date (excluding any Deferred Interest but including interest on Deferred Interest in respect of the relevant Accrual Period);

(Q) to the payment on a *pro rata* basis of any Deferred Interest on the Class E Notes which is due and payable pursuant to Condition 6(c) (*Deferral of Interest*);

(R) if either of the Class E Coverage Tests is not satisfied on any Determination Date on and after the Effective Date or, in the case of the Class E Interest Coverage Test, on the Determination Date preceding the second Payment Date or any Determination Date thereafter, to the redemption of the Notes in accordance with the Note Payment Sequence in the amount determined pursuant to Condition 7(c)(vi) (*Calculation of Coverage Test Cure Amounts*);

(S) to the payment on a *pro rata* basis of the Interest Amounts due and payable on the Class F Notes in respect of the Accrual Period ending on such Payment Date (excluding any Deferred Interest but including interest on Deferred Interest in respect of the relevant Accrual Period);

(T) to the payment on a *pro rata* basis of any Deferred Interest on the Class F Notes which is due and payable pursuant to Condition 6(c) (*Deferral of Interest*);

(U) if the Class F Par Value Test is not satisfied on any Determination Date on and after the Effective Date, to the redemption of the Notes in accordance with the Note Payment Sequence in the amount determined pursuant to Condition 7(c)(vi) (*Calculation of Coverage Test Cure Amounts*);

(V) on the Payment Date following the Effective Date and each Payment Date thereafter to the extent required, in the event of the occurrence of an Effective Date Rating Event which is continuing on the Business Day prior to such Payment Date at the sole election of the Issuer (or the Collateral Manager on its behalf) either (i) to redeem the Notes in full in accordance with the Note Payment Sequence or, if earlier, until an Effective Date Rating Event is no longer continuing; or (ii) to enter into binding commitments to acquire additional Collateral Obligations or to the Principal Account pending such acquisition using proceeds which would have been used to redeem the Rated Notes in accordance with (i) above until an Effective Date Rating Event is no longer continuing;

(W) during the Reinvestment Period only, if after giving effect to the payment of all amounts payable in respect of paragraphs (A) through (V) (inclusive) above, the Reinvestment Overcollateralisation Test has not been satisfied, to the payment in an amount (such amount, the "**Required Diversion Amount**") equal to the lesser of (1) 50.0 per cent. of all remaining Interest Proceeds available for payment and (2) the amount which, after giving effect to the

payment of all amounts payable in respect of paragraphs (A) through (V) (inclusive) above (and for the avoidance of doubt, taking into account the application of both Euro Interest Proceeds and USD Interest Proceeds hereunder), would be sufficient to cause the Reinvestment Overcollateralisation Test to be satisfied, at the discretion of the Collateral Manager (acting on behalf of the Issuer):

(1) into the relevant Principal Account for the acquisition of additional Collateral Obligations; or

(2) to redeem the Rated Notes in accordance with the Note Payment Sequence;

(X) to the payment:

(1) *firstly*, to the Collateral Manager of the Subordinated Management Fee due and payable on such Payment Date and any VAT in respect thereof (whether payable to the Collateral Manager or directly to the relevant taxing authority) (save for any Deferred Senior Collateral Management Amounts and Deferred Subordinated Collateral Management Amounts) until such amount has been paid in full except that the Collateral Manager may, in its sole discretion, elect to (x) irrevocably waive, (y) designate for reinvestment or (z) defer payment of some or all of the amounts that would have been payable to the Collateral Manager under this paragraph (X) (any such amounts pursuant to (z) being "**Deferred Subordinated Collateral Management Amounts**") on any Payment Date which amounts in each case shall not be treated as unpaid for the purposes of paragraph (E) above, this paragraph (X) or paragraph (CC) below, provided that any such amount in the case of (y) shall (i) be used to purchase Substitute Collateral Obligations or (ii) be deposited in the applicable Principal Account pending reinvestment in Substitute Collateral Obligations (*provided that* such deposit or purchase would not cause an EU Retention Deficiency), or, in the case of (x) or (z), shall be applied to the payment of amounts in accordance with paragraphs (Y) through (DD) below, subject to the Collateral Manager having notified the Collateral Administrator in writing not later than one Business Day prior to the relevant Determination Date of any amounts to be so applied;

(2) *secondly*, to the Collateral Manager of any previously due and unpaid Subordinated Management Fee (other than Deferred Senior Collateral Management Amounts and Deferred Subordinated Collateral Management Amounts) (together with any interest accrued thereon) and any VAT in respect thereof (whether payable to the Collateral Manager or directly to the relevant taxing authority);

(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 (together with any interest accrued thereon); and

(4) *fourthly*, to the repayment of any Collateral Manager Advances and any interest thereon;

(Y) to the payment of Trustee Fees and Expenses (if any) not paid by reason of the Senior Expenses Cap;

(Z) to the payment of Administrative Expenses (if any) not paid by reason of the Senior Expenses Cap, in relation to each item thereof in the order of priority stated in the definition thereof;

(AA) to the payment on a *pari passu* and *pro rata* basis of any Defaulted Currency Hedge Termination Payments due to any Currency Hedge Counterparty or any Defaulted Interest Rate Hedge Termination Payments due to any Interest Rate Hedge Counterparty (in each case to the extent not paid out of the Hedge Termination Account or any relevant Counterparty Downgrade Collateral Account);

(BB) during the Reinvestment Period at the direction and in the discretion of the Collateral Manager, to transfer to the applicable Supplemental Reserve Account any Supplemental Reserve Amount;

(CC) subject to the Incentive Collateral Management Fee IRR Threshold having been reached (after taking into account all prior distributions to Class M Subordinated Noteholders and any distributions to be made to Class M Subordinated Noteholders on such Payment Date, including pursuant to paragraph (DD) below and paragraph (V) of the Principal Priority of Payments and including for such purpose any such distributions designated as Reinvestment Amounts) (a) firstly, to the payment to the Collateral Manager of 20 per cent. of any remaining Interest Proceeds (after converting into Euro as required, at the Applicable FX Rate), in the payment of the Incentive Collateral Management Fee, provided, however that the Collateral Manager may, in its sole discretion, elect to (x) irrevocably waive or (y) designate for reinvestment payment of some or all of the amounts that would have been payable to the Collateral Manager under this paragraph (CC) on any Payment Date, provided that any such amount in the case of (y) shall (i) be used to purchase Substitute Collateral Obligations or (ii) be deposited in the applicable Principal Account pending reinvestment in Substitute Collateral Obligations (*provided that* such deposit or purchase would not cause an EU Retention Deficiency), or, in the case of (x), shall be applied to the payment of amounts in accordance with paragraph (DD) below, subject to the Collateral Manager having notified the Collateral Administrator in writing not later than one Business Day prior to the relevant Determination Date of any amounts to be so applied; and (b) secondly to the payment of any VAT in respect of the Incentive Collateral Management Fee referred to in (a) above (whether payable to the Collateral Manager or directly to the relevant taxing authority); and

(DD) subject to Condition 3(o) (*Winding Up Expenses*), any remaining Interest Proceeds (after converting into Euro as required, at the Applicable FX Rate) to the payment of interest on the Class M Subordinated Notes (other than, during the Reinvestment Period, any Reinvesting Noteholder that has, with the consent of the Collateral Manager, directed that a Reinvestment Amount in respect of its Class M Subordinated Notes be deposited on such Payment Date into the applicable Supplemental Reserve Account and whose Reinvestment Amount is accepted subject to the provisions of Condition 3(f) (*Reinvestment Amounts*)) on a *pro rata* basis and *pari passu* (determined upon redemption in full thereof by reference to the proportion that the principal amount of the Class M Subordinated Notes held by Class M Subordinated Noteholders bore to the Principal Amount Outstanding of the Class M 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 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 Priority of Payments but only to the extent not paid in full thereunder and only to the extent necessary to cause the Class A/B Coverage Tests that are applicable on such Payment Date with respect to the Class X Notes, the Class A Notes and the Class B Notes to be satisfied as of the related Determination Date;

(C) to the payment of the amounts referred to in paragraph (J) of the Interest Priority of Payments but only to the extent not paid in full thereunder and only to the extent that the Class C Notes are the Controlling Class;

(D) to the payment of the amounts referred to in paragraph (K) of the Interest Priority of Payments but only to the extent not paid in full thereunder and only to the extent that the Class C Notes are the Controlling Class;

(E) to the payment of the amounts referred to in paragraph (L) of the Interest Priority of Payments but only to the extent not paid in full thereunder and only to the extent necessary to cause the Class C Coverage Tests that are applicable on such Payment Date with respect to the Class C Notes to be satisfied as of the related Determination Date;

(F) to the payment of the amounts referred to in paragraph (M) of the Interest Priority of Payments but only to the extent not paid in full thereunder and only to the extent that the Class D Notes are the Controlling Class;

(G) to the payment of the amounts referred to in paragraph (N) of the Interest Priority of Payments but only to the extent not paid in full thereunder and only to the extent that the Class D Notes are the Controlling Class;

(H) to the payment of the amounts referred to in paragraph (O) of the Interest Priority of Payments but only to the extent not paid in full thereunder and only to the extent necessary to cause the Class D Coverage Tests that are applicable on such Payment Date to be satisfied as of the related Determination Date;

(I) to the payment of the amounts referred to in paragraph (P) of the Interest Priority of Payments but only to the extent not paid in full thereunder and only to the extent that the Class E Notes are the Controlling Class;

(J) to the payment of the amounts referred to in paragraph (Q) of the Interest Priority of Payments but only to the extent not paid in full thereunder and only to the extent that the Class E Notes are the Controlling Class;

(K) to the payment of the amounts referred to in paragraph (R) of the Interest Priority of Payments but only to the extent not paid in full thereunder and only to the extent necessary to cause the Class E Coverage Tests that are applicable on such Payment Date to be satisfied as of the related Determination Date;

(L) to the payment of the amounts referred to in paragraph (S) of the Interest Priority of Payments but only to the extent not paid in full thereunder and only to the extent that the Class F Notes are the Controlling Class;

(M) to the payment of the amounts referred to in paragraph (T) of the Interest Priority of Payments, but only to the extent not paid in full thereunder and only to the extent that the Class F Notes are the Controlling Class;

(N) to the payment of the amounts referred to in paragraph (U) of the Interest Priority of Payments but only to the extent not paid in full thereunder and only to the extent necessary to cause the Class F Par Value Test, applicable on such Payment Date to be satisfied as of the related Determination Date;

(O) to the payment of the amounts referred to in paragraph (V) of the Interest Priority of Payments, but only to the extent not paid in full thereunder;

(P) 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;

(Q) (1) during the Reinvestment Period, at the discretion of the Collateral Manager, either to the purchase of Substitute Collateral Obligations or to the applicable Principal Account pending reinvestment in Substitute Collateral Obligations at a later date in each case in accordance with the Collateral Management and Administration Agreement;

(2) after the Reinvestment Period in the case of Principal Proceeds representing Unscheduled Principal Proceeds and Sale Proceeds from the sale of Credit Improved Obligations and Credit Risk Obligations at the discretion of the Collateral Manager, either to the purchase of Substitute Collateral Obligations or to the applicable Principal Account pending reinvestment in Substitute Collateral Obligations at a later date in each case in accordance with the Collateral Management and Administration Agreement;

(R) after the Reinvestment Period, to redeem the Notes in accordance with the Note Payment Sequence;

(S) after the Reinvestment Period, to the payment on a sequential basis of the amounts referred to in paragraphs (X) through (AA) (inclusive) of the Interest Priority of Payments, but only to the extent not paid in full thereunder;

(T) to any Reinvesting Noteholder (whether or not any applicable Reinvesting Noteholder continues on the date of such payment to hold all or any portion of such Class M Subordinated Notes) of any Reinvestment Amounts accrued and not previously paid pursuant to this paragraph (T) with respect to their respective Class M Subordinated Notes, *pro rata* in accordance with the respective aggregate Reinvestment Amounts with respect to the Class M Subordinated Notes;

(U) subject to the Incentive Collateral Management Fee IRR Threshold having been reached (after taking into account all prior distributions to Class M Subordinated Noteholders and any distributions to be made to Class M Subordinated Noteholders on such Payment Date, including pursuant to paragraph (V) below and paragraph (DD) of the Interest Priority of Payments) (a) *firstly*, to the payment to the Collateral Manager of 20 per cent. of any remaining Principal Proceeds (after converting into Euro as required, at the Applicable FX Rate) in payment of the Incentive Collateral Management Fee, provided**,** however that the Collateral Manager may, in its sole discretion, elect to (x) irrevocably waive or (y) designate for reinvestment payment of some or all of the amounts that would have been payable to the Collateral Manager under this paragraph (U) on any Payment Date, provided that any such amount in the case of (y) shall (i) be used to purchase Substitute Collateral Obligations or (ii) be deposited in the applicable Principal Account pending reinvestment in Substitute Collateral Obligations (*provided that* such deposit or purchase would not cause an EU Retention Deficiency) or, in the case of (x), shall be applied to the payment of amounts in accordance with paragraph (V) below, subject to the Collateral Manager having notified the Collateral Administrator in writing not later than one Business Day prior to the relevant Determination Date of any amounts to be so applied; and (b) *secondly*, to the payment of any VAT in respect of the Incentive Collateral Management Fee referred to in (a) above (whether payable to the Collateral Manager or directly to the relevant taxing authority); and

(V) subject to Condition 3(o) (*Winding Up Expenses*), any remaining Principal Proceeds (after converting into Euro as required, at the Applicable FX Rate) to the payment of principal on the Class M Subordinated Notes (other than, during the Reinvestment Period, any Reinvesting Noteholder that, with the consent of the Collateral Manager, has directed that a Reinvestment Amount in respect of its Class M Subordinated Notes be deposited on such Payment Date into the applicable Supplemental Reserve Account and whose Reinvestment Amount is accepted in accordance with these Conditions), on a *pro rata* and *pari passu* basis and thereafter to the payment of interest on a *pro rata* and *pari passu* basis on the Class M Subordinated Notes (in each case determined upon redemption in full thereof by reference to the proportion that the principal amount of the Class M Subordinated Notes held by Class M Subordinated Noteholders bore to the Principal Amount Outstanding of the Class M Subordinated Notes immediately prior to such redemption).

(d) Withholding Taxes

Where the payment of any amount in accordance with the Priorities of Payment set out above is subject to any deduction or withholding for or on account of any Tax is payable by or on behalf of the Issuer in respect of any such amount, payment of the amount so deducted or withheld so due shall be made to the relevant taxing authority *pari passu* with and, so far as possible, at the same time as the payment of the amount in respect of which the relevant deduction or withholding has arisen.

(e) FX Conversions

(i) Currency Call Options

(A) Subject to paragraph (D) below, the Collateral Manager shall (at no additional cost to the Issuer) exercise, on behalf of the Issuer, each Currency Call Option on its Exercise Date.

(B) The Collateral Manager may (on behalf of the Issuer) in its sole discretion sell any Currency Call Option at any time after the Rated Notes have been redeemed in full in accordance with the Conditions.

(C) In the event of a Currency Call Option being exercised or sold by the Collateral Manager on behalf of the Issuer, USD proceeds received pursuant to such Currency Call Option shall be deposited promptly by the Issuer into the USD Principal Account for application in accordance with the Principal Priority of Payments on the next succeeding Payment Date.

(D) The Collateral Manager may (on behalf of the Issuer) sell any Currency Call Option prior to the Rated Notes being redeemed in full in accordance with the Conditions if such sale is for the purposes of effecting an Optional Redemption pursuant to Condition 7(b) (*Optional Redemption*) (*provided* that with respect to an Optional Redemption pursuant to Condition 7(b)(ii) (*Optional Redemption in Part – Collateral Manager/Class M Subordinated Noteholders*) only, Rating Agency Confirmation from each Rating Agency has been obtained).

(ii) Currency Conversion Provisions

(A) To the extent that there is an insufficient amount of Interest Proceeds or Principal Proceeds denominated in USD or Euro to meet the aggregate payment obligations falling due pursuant to the same paragraph of the Priorities of Payment (or with respect to the purchase of Class X Notes, Class A-1 Notes, Class A-2 Notes and Class A-3 Notes by the Issuer pursuant to Condition 7 (*Redemption and Purchase*)), the amounts payable pursuant to such paragraph (or Condition) shall be adjusted so that the shortfall is borne in equal proportion by all such liabilities regardless of their currency of denomination (determined by converting the amount of any USD liabilities into Euro at the Applicable FX Rate) and effected by converting proceeds denominated in USD or Euro, as applicable, into the other currency(ies) at the Applicable FX Rate to the extent required to ensure that such shortfall is borne equally on the basis specified above and applying such amounts towards the liabilities denominated in the same currency.

(B) In order to determine amounts payable to the Class M Subordinated Noteholders, the amount of proceeds available to be applied in respect of the Class M Subordinated Notes on the applicable Payment Date pursuant to paragraph (DD) of the Interest Priority of Payments, paragraph (V) of the Principal Priority of Payments and paragraph (W) of the Post-Acceleration Priority of Payments (in each case, with any non-Euro amounts converted into Euro at the Applicable FX Rate), shall be multiplied by:

(1) in respect of amounts payable on the Class M-1 Subordinated Notes, a fraction equal to the amount of the Principal Amount Outstanding of the Class M-1 Subordinated Notes, divided by the Principal Amount Outstanding of the Class M Subordinated Notes (determined in Euro, with amounts in USD converted into Euro at the Applicable FX Rate); and

(2) in respect of amounts payable on the Class M-2 Subordinated Notes, a fraction equal to the amount of the Principal Amount Outstanding of the Class M-2 Subordinated Notes, divided by the Principal Amount Outstanding of the Class M Subordinated Notes (in each case, determined in Euro, with amounts in USD converted into Euro at the Applicable FX Rate),

provided that and to the extent available, the Issuer shall use an amount of Euro from the Euro Payment Account to make payments in Euro to meet such payment and an amount of USD from the USD Payment Account to make payments in USD to meet such payment. If there is an insufficient amount in the Euro Payment Account to meet any such payment denominated in Euro, the Issuer shall exchange a sufficient amount denominated in USD from the USD Payment Account, if such is available, into Euro at the Applicable FX Rate to meet such payment, or if there is an insufficient amount in the USD Payment Account to meet any such payment denominated in USD, the Issuer shall exchange a sufficient amount denominated in Euro from the Euro Payment Account, if such is available, into USD at the Applicable FX Rate to meet such payment.

(f) Reinvestment Amounts

Any holder of Class M Subordinated Notes may notify the Issuer, the Trustee, the Collateral Administrator and the Collateral Manager that it proposes to:

(i) at any time during the Reinvestment Period, make a cash contribution to the Issuer (*provided that*, taking into account the Permitted Use for which such proposed cash contribution would be applied, making such contribution would not cause an EU Retention Deficiency); or

(ii) at any time during the Reinvestment Period, designate as a contribution to the Issuer all or a specified portion of Interest Proceeds and/or Principal Proceeds that would otherwise be distributed on a Payment Date to such holder pursuant to paragraph (DD) of the Interest Priority of Payments or paragraph (V) of the Principal Priority of Payments, provided that the relevant Class M Subordinated Notes are held in the form of Definitive Certificates or the procedures of the Clearing Systems can facilitate such designation (and *provided that*, taking into account the Permitted Use for which such proposed Reinvestment Amount would be applied, to do so would not cause an EU Retention Deficiency).

Any such proposed Reinvestment Amount is subject to the conditions that:

(A) no more than a total of three Reinvestment Amounts may be effected in aggregate in respect of all Class M Subordinated Notes held by such Class M Subordinated Noteholder; and

(B) each Reinvestment Amount is in an amount no less than Euro 1,000,000 in respect of Class M-1 Subordinated Notes and $1,000,000 in respect of Class M-2 Subordinated Notes.

The Collateral Manager, in its sole discretion (but subject always to compliance with its obligations under the Collateral Management and Administration Agreement), will determine (A) whether to accept any proposed Reinvestment Amount and (B) the Permitted Use to which each proposed Reinvestment Amount would be applied. The Collateral Manager will provide written notice of such determination to the applicable Reinvesting Noteholder(s) thereof and such Reinvestment Amount will be accepted by the Issuer. If such Reinvestment Amount is accepted by the Collateral Manager, it will be deposited by the Issuer into the applicable Supplemental Reserve Account and applied to a Permitted Use determined by the Collateral Manager. Amounts deposited pursuant to sub-paragraph (ii) above will be deemed to constitute payment of the amounts designated thereunder for purposes of all distributions from the applicable Payment Account to be made on such Payment Date. Any amount so deposited shall not earn interest and shall not increase the principal balance of the Class M Subordinated Notes held by such holder. Unless retained as directed by the applicable Reinvesting Noteholder, Reinvestment Amounts will be paid to the applicable Reinvesting Noteholder on the first subsequent Payment Date on which Principal Proceeds are available therefor as provided in paragraph (T) of the Principal Priority of Payments or on which Interest Proceeds and Principal Proceeds are available therefor as provided in the Post-Acceleration Priority of Payments, as applicable (for the avoidance of doubt, in accordance with Condition 3(e) (*FX Conversions*)). Any request of any Reinvesting Noteholder under sub-paragraph (ii) above shall specify the percentage(s) of the amount(s) that such Reinvesting Noteholder is entitled to receive on the applicable Payment Date in respect of distributions pursuant to paragraphs (DD) of the Interest Priority of Payments or (V) of the Principal Priority of Payments, as applicable (such Reinvesting Noteholder's "**Distribution Amount**") that such Reinvesting Noteholder wishes the Issuer to deposit in the applicable Supplemental Reserve Account. The Collateral Manager on behalf of the Issuer will provide each such Reinvesting Noteholder with an estimate of such Reinvesting Noteholder's Distribution Amount not later than two Business Days prior to any subsequent Payment Date.

(g) Non-payment of Amounts

Failure on the part of the Issuer to pay the Interest Amounts on the Class X Notes, the Class A Notes or the Class B Notes pursuant to Condition 6 (*Interest*) in accordance with the Priorities of Payment by reason solely that there are insufficient funds standing to the credit of the applicable Payment Account shall not be a Note Event of Default unless and until such failure continues for a period of at least five Business Days (or ten Business Days in the case of an administrative error or omission as described in Condition 10(a)(i) (*Non-payment of Interest*)), save as the result of any deduction therefrom or the imposition of withholding thereon as set forth in Condition 9 (*Taxation*).

Failure on the part of the Issuer to pay the Interest Amounts on the Class C Notes, Class D Notes, Class E Notes or Class F Notes pursuant to Condition 6 (*Interest*) in accordance with the Priorities of Payment by reason solely that there are insufficient funds standing to the credit of the applicable Payment Account shall not constitute a Note Event of Default, but instead will constitute Deferred Interest pursuant to Condition 6(c) (*Deferral of Interest*).

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

Failure on the part of the Issuer to pay any principal when the same becomes due and payable on any Rated Note on the Maturity Date or any Redemption Date shall be a Note Event of Default provided that, in the case of a failure to disburse due to an administrative error or omission, such failure continues for a period of at least ten Business Days after the Issuer, the Collateral Administrator or the Principal Paying Agent receives written notice of, or has actual knowledge of, such administrative error or omission 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 these Conditions or, in the case of an Optional Redemption with respect to which a Refinancing fails, will not constitute a Note Event of Default.

Subject always, in the case of Interest Amounts payable in respect of the Class C Notes, Class D Notes, Class E Notes and Class F Notes pursuant 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) or Reinvestment Amounts to Reinvesting Noteholders, in the event of non-payment of any amounts referred to in the Interest Priority of Payments or the Principal Priority of Payments on any Payment Date, such amounts shall remain due and shall be payable on each subsequent Payment Date in the orders of priority provided for in this Condition 3 (*Status*). References to the amounts referred to in the Interest Priority of Payments and the Principal Priority of Payments of this Condition 3 (*Status*) shall include any amounts thereof not paid when due in accordance with this Condition 3 (*Status*) on any preceding Payment Date.

(h) Determination and Payment of Amounts

The Collateral Administrator will, in consultation with the Collateral Manager, following each Determination Date, calculate the amounts payable on the applicable Payment Date pursuant to the applicable Priorities of Payment and will notify the Issuer and the Trustee one Business Day prior to each Payment Date 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 4.00pm (London time) on the Business Day preceding each Payment Date, cause the amounts standing to the credit of the applicable Principal Account, the applicable Unused Proceeds Account and the applicable Interest Account and Supplemental Reserve Account (together with, to the extent applicable, amounts standing to the credit of any other Account) to the extent required to pay the amounts referred to in the Interest Priority of Payments and the Principal Priority of Payments which are payable on such Payment Date to be transferred to the applicable Payment Account in accordance with Condition 3(m) (*Payments to and from the Accounts*).

(i) *De Minimis* Amounts

The Collateral Administrator on behalf of the Issuer may, in consultation with the Collateral Manager, adjust the amounts required to be applied in payment of principal on the Class X Notes, the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class M Subordinated Notes from time to time pursuant to the Priorities of Payment so that the amount to be so applied in respect of (i) each Class X Note, Class A-1 Note, Class B-1 Note, Class B-2 Notes, Class C Note, Class D Note, Class E Note, Class F Note and the Class M-1 Subordinated Notes, and (ii) each Class A-2 Note, Class A-3 Note and Class M-2 Subordinated Note, is a whole amount, not involving any fraction of a €0.01 or $0.01 (as applicable) or, at the discretion of the Collateral Manager, part of a Euro or USD (as applicable).

(j) Publication of Amounts

The Collateral Administrator on behalf of the Issuer will cause details of the amounts of interest and principal to be paid, and any amounts of interest payable but not paid, on each Payment Date in respect

of the Notes to be notified at the expense of the Issuer to the Issuer, the Trustee, the Principal Paying Agent and the Registrar by no later than 12.00 noon (London time) on the Business Day prior to the applicable Payment Date in the Payment Date Report.

(k) Notifications to be Final

All notifications, opinions, determinations, certificates, quotations and decisions given, expressed, made or obtained or discretions exercised for the purposes of the provisions of this Condition 3 (*Status*) will (in the absence of manifest error) be binding on the Issuer, the Collateral Administrator, the Collateral Manager, the Trustee, the Registrar, the Principal Paying Agent, the Transfer Agent and all Noteholders and (in the absence of any fraud, negligence or wilful misconduct on the part of the Collateral Administrator) no liability to the Issuer or the Noteholders shall attach to the Collateral Administrator in connection with the exercise, non-exercise or delay in the exercise by it of its powers, duties and discretions under this Condition 3 (*Status*).

(l) 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 Accounts;
- the Interest Accounts;
- the Unused Proceeds Accounts;
- the Payment Accounts;
- the Supplemental Reserve Accounts;
- the Expense Reserve Accounts;
- the Unfunded Revolver Reserve Accounts;
- the Currency Accounts;
- the Custody Account;
- the Collection Accounts;
- the First Period Reserve Account;
- the Interest Smoothing Accounts;
- the Counterparty Downgrade Collateral Account(s); and
- the Hedge Termination Account(s).

The Account Bank and the Custodian shall at all times be a financial institution satisfying the Rating Requirement applicable thereto that has the necessary regulatory capacity and licences (to the extent required) to perform the services required of it in Ireland. If the Account Bank or the Custodian at any time fails to satisfy the Rating Requirement, the Issuer shall use reasonable endeavours to procure that a replacement Account Bank or Custodian, as the case may be, which satisfies the Rating Requirement, is appointed in accordance with the provisions of the Agency and Account Bank Agreement.

Amounts standing to the credit of the Accounts (other than the Unfunded Revolver Reserve Accounts, each Counterparty Downgrade Collateral Account, the Collection Accounts and the Payment Accounts) 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 applicable 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 applicable Interest Account as, and to the extent provided, above.

To the extent that any amounts required to be paid into any Account pursuant to the provisions of this Condition 3 (*Status*) are denominated in a currency other than Euro or USD, the Collateral Manager, acting on behalf of the Issuer, may (other than in the case of any Counterparty Downgrade Collateral Accounts) convert such amounts into the currency of the Account at the Applicable FX Rate as determined by the Collateral Administrator in consultation with the Collateral Manager.

Notwithstanding any other provisions of this Condition 3(l) (*Accounts*) or Condition 3(m) *(Payments to and from the Accounts*), all amounts standing to the credit of each of the Accounts (other than (i) the Interest Accounts, (ii) the Payment Accounts, (iii) the Expense Reserve Accounts, (iv) the Supplemental Reserve Accounts, (v) all interest accrued on the Accounts, (vi) each Counterparty Downgrade Collateral Account(s), (vii) the First Period Reserve Account, (viii) the Interest Smoothing Accounts and (ix) the Currency Accounts to the extent that the same represent Sale Proceeds in respect of Non-Euro Obligations sold subject to and in accordance with the terms of a Currency Hedge Transaction which shall be paid to the relevant Hedge Counterparty in accordance with the terms thereof outside the Priorities of Payment) shall be transferred to the applicable 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 Accounts, the Expense Reserve Accounts, the Supplemental Reserve Accounts, the Interest Smoothing Accounts, 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 applicable Payment Account as Interest Proceeds on the Business Day prior to any redemption of the Notes in full.

The Issuer (or the Collateral Manager acting on its behalf) may open additional ledgers in any applicable Account deemed necessary for convenience in administering the Collateral.

Application of amounts in respect of Hedge Issuer Tax Credit Payments received by the Issuer shall be paid out of the applicable Interest Account to the relevant Hedge Counterparty in accordance with the terms of the relevant Hedge Agreement, without regard to the Priorities of Payment.

(m) Payments to and from the Accounts

(i) Principal Accounts

The Issuer will procure that the following Principal Proceeds are paid into the applicable Principal Account on the basis of the Available Currency in which such Principal Proceeds are denominated promptly upon receipt thereof, but in each case, if applicable, excluding any Trading Gains that are paid into the applicable Interest Account as determined by the Collateral Manager, in accordance with Condition 3(m)(ii)(Q) (*Interest Accounts*) below:

(A) all principal payments received in respect of any Collateral Obligation including, without limitation:

(1) Scheduled Principal Proceeds;

(2) amounts received in respect of any maturity, scheduled amortisation, mandatory prepayment or mandatory sinking fund payment on a Collateral Obligation;

(3) Unscheduled Principal Proceeds; and

(4) any other principal payments with respect to Collateral Obligations or Eligible Investments (to the extent not included in the Sale Proceeds),

but excluding (i) any such payments received in respect of any Revolving Obligation or Delayed Drawdown Collateral Obligation, to the extent required to be paid into the applicable Unfunded Revolver Reserve Account, (ii) principal proceeds on any Currency Hedge

Obligation or Unhedged Collateral Obligation to the extent required to be paid into the Currency Account, (iii) any such payments received in respect of any Hedge Replacement Receipts or Hedge Counterparty Termination Payments to the extent required to be paid into the Hedge Termination Account and (iv) principal proceeds received both before and after the Reinvestment Period in connection with the acceptance of an Offer where such Offer is by way of novation or substitution (for the avoidance of doubt, such proceeds will be reinvested automatically as consideration for the novated or substitute Collateral Obligation);

(B) all interest and other amounts received in respect of any Defaulted Obligation or any Mezzanine Obligation for so long as it is a Defaulted Obligation or a Defaulted Deferring Mezzanine Obligation (as applicable) (save for Defaulted Obligation Excess Amounts and Defaulted Mezzanine Excess Amounts) and amounts representing the element of deferred interest in any payments received in respect of any PIK Security;

(C) all premiums (including prepayment premiums) receivable upon redemption of any Collateral Obligation at maturity or otherwise or upon exercise of any put or call option in respect thereof which is above the outstanding principal amount of any Collateral Obligation;

(D) all fees and commissions received in connection with the purchase or sale of any Collateral Obligations or Eligible Investments or work out or restructuring of any Defaulted Obligations or Collateral Obligations as determined by the Collateral Manager in its reasonable discretion;

(E) all Sale Proceeds received in respect of a Collateral Obligation;

(F) all Distributions and Sale Proceeds received in respect of Exchanged Equity Securities;

(G) all Collateral Enhancement Obligation Proceeds;

(H) all Purchased Accrued Interest;

(I) amounts transferred to the applicable Principal Account from any other Account as required below;

(J) all proceeds received from any additional issuance of the Notes that are not invested in Collateral Obligations or required to be paid into the applicable Supplemental Reserve Account;

(K) any other amounts received in respect of the Collateral which are not required to be paid into another Account;

(L) all amounts transferable from a Counterparty Downgrade Collateral Account to the applicable Principal Account in accordance with Condition 3(m)(v) (*Counterparty Downgrade Collateral Accounts*) below;

(M) all amounts transferred from the applicable Supplemental Reserve Account;

(N) all amounts transferred from the applicable Expense Reserve Account;

(O) all principal payments received in respect of any Non-Eligible Issue Date Collateral Obligations or any other asset which did not satisfy the Eligibility Criteria on the date it was required to do so and which have not been sold by the Collateral Manager in accordance with the Collateral Management and Administration Agreement;

(P) all net proceeds of issuance of any Refinancing Obligations issued in accordance with Condition 7(b) (*Optional Redemption*);

(Q) all amounts transferred to the applicable Principal Account from a Currency Account pursuant to paragraph (B) of Condition 3(m)(ix) (*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;

(R) all amounts payable into the applicable Principal Account pursuant to paragraph (W) of the Interest Priority of Payments upon the failure to meet the Reinvestment Overcollateralisation Test during the Reinvestment Period;

(S) any other amounts which are not required to be paid into any other Account in accordance with this Condition 3(m) (*Payments to and from the Accounts*);

(T) any amount transferred from the First Period Reserve Account;

(U) all amounts in connection with the sale or exercise of any Currency Call Option by the Issuer (or the Collateral Manager on its behalf); and

(V) on any Business Day on or prior to the Determination Date prior to the first Payment Date any amounts that were not previously transferred from the applicable Unused Proceeds Account to the applicable Interest Account subject to and in accordance with paragraph (4) of Condition 3(m)(iii) (*Unused Proceeds 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 applicable Principal Account (on the basis of the Available Currency in which such Principal Proceeds are denominated, provided in each case that amounts deposited in the Principal Account pursuant to sub-paragraph (P) above shall only be applied in accordance with sub-paragraph (3) below unless, after such application on the relevant Payment Date, there is a surplus of such proceeds):

(1) on the Business Day prior to each Payment Date, all Principal Proceeds standing to the credit of the applicable Principal Account to the applicable Payment Account to the extent required for disbursement pursuant to the Principal Priority of Payments, save for: (a) amounts deposited after the end of the related Due Period; and (b) any Principal Proceeds deposited prior to the end of the related Due Period to the extent such Principal Proceeds are permitted to be and have been reinvested or designated for reinvestment by the Collateral Manager (on behalf of the Issuer) pursuant to the Collateral Management and Administration Agreement for a period beyond such Payment Date, provided that no such payment shall be made to the extent that such amounts are not required to be distributed pursuant to the Principal Priority of Payments on such Payment Date;

(2) at any time at the discretion of the Collateral Manager, acting on behalf of the Issuer, in accordance with the terms of, and to the extent permitted under, the Collateral Management and Administration Agreement, in the acquisition of Collateral Obligations including assignment fees, transfer fees and the Unfunded Amounts of any Revolving Obligations or Delayed Drawdown Collateral Obligations which are required to be deposited in the Unfunded Revolver Reserve Account and including any initial principal exchange amounts payable by the Issuer to a Currency Hedge Counterparty pursuant to any Currency Hedge Transaction;

(3) on any Business Day on which a Refinancing has occurred, all amounts credited to the applicable Principal Account pursuant to sub-paragraph (P) above in redemption of the relevant Class or Classes of Rated Notes, subject to and in accordance with the applicable paragraphs of Condition 7(b) (*Optional Redemption*);

(4) on any Business Day on which a Refinancing occurs in relation to the redemption of the Rated Notes in whole but not in part in accordance with Condition 7(b)(i) (*Optional Redemption in Whole – Class M Subordinated Noteholders/Collateral Manager*) only, to the Interest Account at the Collateral Manager's discretion if each condition precedent to the applicable Refinancing on such date shall have been satisfied in accordance with these Conditions and the Trust Deed;

(5) on any Business Day, at the direction of the Issuer (or the Collateral Manager acting on its behalf), to purchase any Rated Notes in accordance with Condition 7(l) (*Purchase*), provided that nothing in this paragraph (5) shall operate to override the priority in respect of such Principal Proceeds of those obligations more senior to the Rated Notes in accordance with the relevant Priority of Payments;

(6) on any Business Day, at the direction of the Collateral Manager, to the Collateral Manager to repay Collateral Manager Advances out of Collateral Enhancement Obligation Proceeds (if any) credited to the applicable Principal Account pursuant to paragraph (G) above and not otherwise transferred, withdrawn or designated in accordance with paragraph (1) through (5) above; and

(7) any amounts payable into the Principal Account in accordance with paragraph (V) of the Interest Priority of Payments and paragraph (O) of the Principal Priority of Payments.

(ii) Interest Accounts

The Issuer will procure that the following Interest Proceeds are credited to the applicable Interest Account on the basis of the Available Currency in which such Interest Proceeds are denominated promptly upon receipt thereof:

(A) all cash payments of interest in respect of the Collateral Obligations other than any Purchased Accrued Interest, together with all amounts received by the Issuer by way of gross up in respect of such interest and in respect of a claim under any applicable double taxation treaty or otherwise but excluding (i) interest proceeds on any Currency Hedge Obligation and Unhedged Collateral Obligation to the extent required to be paid into the applicable Currency Account and (ii) any interest received in respect of any Defaulted Obligations and Mezzanine Obligation for so long as it is a Defaulted Obligation or Defaulted Deferring Mezzanine Obligation (as applicable) other than Defaulted Obligation Excess Amounts and Defaulted Mezzanine Excess Amounts (as applicable);

(B) all interest accrued on the Balance standing to the credit of the applicable Interest Account from time to time and all interest accrued in respect of the Balances standing to the credit of the other Accounts (including interest on any Eligible Investments standing to the credit thereof) (other than in respect of any Counterparty Downgrade Collateral Account);

(C) all cash payments of principal and interest and other amounts received by the Issuer in respect of Eligible Investments purchased with Interest Proceeds;

(D) unless otherwise designated as Principal Proceeds by the Collateral Manager, all cash payments of amendment and waiver fees, late payment fees, syndication fees, ticking fees and other fees and commissions received in connection with all Collateral Obligations, as determined by the Collateral Manager in its reasonable discretion;

(E) all cash payments of delayed compensation (representing compensation for delayed settlement), commitment fees and similar fees received in connection with any Collateral Obligations, as determined by the Collateral Manager in its reasonable discretion;

(F) all cash payments of accrued interest included in the proceeds of sale of any other Collateral Obligation that are designated by the Collateral Manager as Interest Proceeds pursuant to the Collateral Management and Administration Agreement (provided that no such designation may be made in respect of (i) any Purchased Accrued Interest, (ii) any interest received in respect of any Mezzanine Obligation for so long as it is a Defaulted Deferring Mezzanine Obligation other than Defaulted Mezzanine Excess Amounts or (iii) a Defaulted Obligation save for Defaulted Obligation Excess Amounts);

(G) all cash payments of amounts representing the element of deferred interest (other than Purchased Accrued Interest) in any payments received in respect of any Mezzanine Obligation which is not a Defaulted Deferring Mezzanine Obligation and which by its contractual terms provides for the deferral of interest;

(H) Gains Amounts transferred from the applicable Unused Proceeds Account in the circumstances described under paragraph (4) of Condition 3(m)(iii) (*Unused Proceeds Accounts*);

(I) all cash payments of scheduled commitment fees received by the Issuer in respect of any Revolving Obligations or Delayed Drawdown Collateral Obligations;

(J) all cash payments of amounts received by the Issuer in respect of interest paid in respect of any collateral deposited by the Issuer with a third party as security for any reimbursement or indemnification obligations to any other lender under a Revolving Obligation or a Delayed Drawdown Collateral Obligation in an account established pursuant to an ancillary facility;

(K) all amounts transferred from the applicable Supplemental Reserve Account;

(L) all amounts transferred from the applicable Expense Reserve Account;

(M) all cash payments of amounts payable to the Issuer under any Hedge Transaction in respect of interest save for Hedge Counterparty Termination Payments or Hedge Replacement Receipts;

(N) all cash payments of interest in respect of any Non-Eligible Issue Date Collateral Obligations or any other asset which did not satisfy the Eligibility Criteria on the date it was required to do so and that have not been sold by the Collateral Manager, other than any Purchased Accrued Interest, together with all amounts received by the Issuer by way of gross-up in respect of such interest and in respect of a claim under any applicable double taxation treaty in accordance with the Collateral Management and Administration Agreement;

(O) all Interest Smoothing Amounts which are required to be transferred from the applicable Interest Smoothing Account;

(P) all amounts transferred from the First Period Reserve Account; and

(Q) up to 50 per cent. of any Trading Gains realised in respect of any Collateral Obligation that the Collateral Manager elects in its sole discretion in accordance with either of the following provisions; *provided that* as at such date, the aggregate amount of all Trading Gains so transferred is not more than 1 per cent. of the Target Par Amount (on a cumulative basis after taking into account all such transfers):

(1) to the extent that the deposit of such amounts into the applicable Principal Account would, in the sole discretion of the Collateral Manager, cause an EU Retention Deficiency; or

(2) after taking into account payment of such Trading Gains to the Interest Account, (i) the Collateral Principal Amount (for which purposes the Principal Balance of each Defaulted Obligation shall be the lesser of its Moody's Collateral Value and its S&P Collateral Value) is greater than or equal to the Reinvestment Target Par Balance, (ii) the Class F Par Value Ratio is at least equal to the Class F Par Value Ratio on the Effective Date, (iii) not more than 7.5 per cent. of the Collateral Principal Amount consists of obligations which are Caa Obligations; and (iv) so long as any Rated Note is rated by Moody's, (x) each of the Portfolio Profile Tests and each of the Collateral Quality Tests is satisfied or, if any such test is not satisfied it shall be at least maintained or improved after giving effect to such transfer as it was immediately prior thereto and (y) the Moody's Maximum Weighted Average Rating Factor Test is satisfied.

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 Interest Account (on the basis of the Available Currency in which such Interest Proceeds are denominated):

(1) on the Business Day prior to each Payment Date, all Interest Proceeds standing to the credit of the applicable Interest Account shall be transferred to the applicable Payment Account to the extent required for disbursement pursuant to the Interest Priority of Payments save for amounts deposited after the end of the related Due Period and any amounts to be disbursed pursuant to (2) below on such Business Day or amounts representing any Hedge Issuer Tax Credit Payments to be disbursed pursuant to (3) below;

(2) at any time in accordance with the terms of, and to the extent permitted under, the Collateral Management and Administration Agreement, in the acquisition of Collateral

Obligations to the extent that any such acquisition costs represent accrued interest, delayed compensation and similar fees as determined by the Collateral Manager;

(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 a Note Event of Default which is continuing; and (iii) the Determination Date immediately prior to any redemption of the Notes in full, any Interest Smoothing Amount required to be transferred to the applicable Interest Smoothing Account.

(iii) Unused Proceeds Accounts

The Issuer will procure that the following amounts are credited to the applicable Unused Proceeds Account (on the basis of the Available Currency in which such amounts are denominated), as applicable:

(A) an amount transferred from the applicable Collection Account equal to the net proceeds of issue of the Notes remaining after (1) the payment of certain fees and expenses due and payable by the Issuer on the Issue Date; (2) amounts payable into the applicable Expense Reserve Account; (3) amounts payable into the First Period Reserve Account; and (4) amounts repaid pursuant to the Warehouse Arrangements; and

(B) all proceeds received during the Initial Investment Period from any additional issuance of Notes that are not invested in Collateral Obligations or paid into the applicable Supplemental Reserve Account.

The Issuer shall procure payment of the following amounts (and shall ensure that payment of no other amount is made, save to the extent otherwise permitted above) out of the applicable Unused Proceeds Account (on the basis of the Available Currency in which such amounts are denominated):

(1) on or about the Issue Date, such amounts equal to the aggregate of (without duplication of amounts paid out of the Collection Account on the Issue Date):

(a) the purchase price (including any assignment or transfer fees in relation thereto) for certain Collateral Obligations on or prior to the Issue Date, including pursuant to the Warehouse Arrangements;

(b) amounts required for repayment of any amounts borrowed by the Issuer (together with interest thereon) in order to finance the acquisition of certain Collateral Obligations on or prior to the Issue Date; and

(c) the initial premium payable under any Currency Call Option;

(2) at any time up to and including the last day of the Initial Investment Period, in accordance with the terms of, and to the extent permitted under, the applicable Collateral Management and Administration Agreement, in the acquisition of Collateral Obligations;

(3) in the event of the occurrence of an Effective Date Rating Event, the Balance standing to the credit of the applicable Unused Proceeds Account, on the Business Day prior to the Payment Date falling immediately after the Effective Date, to the extent required, to the applicable Payment Account for application as Principal Proceeds in accordance with the Priorities of Payment, in redemption of the Notes in accordance with the Note Payment Sequence or, if earlier, until an Effective Date Rating Event is no longer continuing; and

(4) on or after the Effective Date if no Effective Date Rating Event shall have occurred or be continuing, at the sole discretion of the Collateral Manager, acting on behalf of the Issuer, the Balance standing to the credit of the applicable Unused Proceeds Account to the applicable Principal Account or Interest Account; *provided that* the aggregate amount of such Balance that may be transferred to the Interest Accounts shall not exceed the lesser

of (a) 1.0 per cent. of the Target Par Amount and (b) 50 per cent. of the (positive) difference between (x) the Collateral Principal Amount and (y) the Target Par Amount (the maximum amount so permitted to be transferred from the Unused Proceeds Accounts to the Interest Accounts being the "**Gains Amount**").

The Issuer will procure that any remaining credit balances on the Unused Proceeds Accounts are transferred to the applicable Principal Account (other than where transferred to the applicable Interest Account pursuant to paragraph (4) above) promptly following the first Payment Date and that following any such transfers, each Unused Proceeds Account is closed.

(iv) Payment Accounts

The Issuer will procure that, on the Business Day prior to each Payment Date, all amounts standing to the credit of each of the Accounts which are required to be transferred from the other accounts to the applicable Payment Account (on the basis of the Available Currency in which such amounts are denominated) pursuant to Condition 3(l) (*Accounts*) and Condition 3(m) (*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 any Payment Account at any other time or in any other circumstances.

(v) Counterparty Downgrade Collateral Accounts

The Issuer will procure that all Counterparty Downgrade Collateral transferred pursuant to a Hedge Agreement shall be deposited in a separate 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 Account and any interest or distributions thereon or liquidation proceeds thereof are held separate from and do not form part of Principal Proceeds, Interest Proceeds or of Collateral Enhancement Obligation Proceeds (other than in the circumstances set out below) and accordingly, are not available to fund general distributions of the Issuer (save as set out below and in the applicable Hedge Agreement). The amounts standing to the credit of the applicable Counterparty Downgrade Collateral Account shall not be commingled with any other funds from any other party.

Amounts standing to the credit of each Counterparty Downgrade Collateral Account will not be available for the Issuer to make payments to the Noteholders nor any other creditor of the Issuer (other than in the circumstances set out below). The Issuer will procure the payment of the following amounts (and shall ensure that no other payments are made, save to the extent required hereunder):

(A) prior to the occurrence or designation of an "Early Termination Date" (as defined in the relevant Hedge Agreement) in respect of all "Transactions" (as defined in such Hedge Agreement) entered into under such Hedge Agreement pursuant to which all such "Transactions" under such Hedge Agreement are terminated early, solely in or towards payment or transfer of:

(1) any "Return Amounts" (if applicable and as defined in such Hedge Agreement or the Credit Support Annex thereto);

(2) any "Interest Amounts" and "Distributions" (if applicable and each as defined in such Hedge Agreement or the Credit Support Annex thereto); and

(3) any other return or transfer of collateral or other payment amounts in the nature of interest or distributions in respect of collateral in accordance with the terms of such Hedge Agreement (including without limitation in connection with any permitted novation or other transfer of the Hedge Counterparty's obligations thereunder),

directly to the Hedge Counterparty in accordance with the terms of such Hedge Agreement (including, if applicable, the Credit Support Annex thereto);

(B) following the designation of an "Early Termination Date" (as defined in the relevant Hedge Agreement) in respect of all "Transactions" under and as defined in the relevant Hedge Agreement pursuant to which all "Transactions" under such Hedge Agreement are terminated early where (A) the relevant Hedge Counterparty is the Defaulting Hedge Counterparty and (B) the Issuer enters into one or more Replacement Hedge Agreements or any novation of the relevant Hedge Counterparty's obligations to a replacement Hedge Counterparty, in the following order of priority:

(1) first, in or towards payment of any Hedge Replacement Payments in respect of Replacement Hedge Transactions relating to such terminated "Transactions" (to the extent not funded from the relevant Hedge Termination Account);

(2) second, in or towards payment of any Hedge Issuer Termination Payments relating to such terminated "Transactions" (to the extent not funded from the relevant Hedge Termination Account); and

(3) third, the surplus amount standing to the credit of such Counterparty Downgrade Collateral Account (if any) to the applicable Principal Account;

(C) following the designation of an "Early Termination Date" (as defined in the relevant Hedge Agreement) in respect of all "Transactions" under and as defined in the relevant Hedge Agreement pursuant to which all "Transactions" under such Hedge Agreement are terminated early (A) other than where the relevant Hedge Counterparty is the Defaulting Hedge Counterparty and (B) 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 standing to the credit of such Counterparty Downgrade Collateral Account (if any) to the applicable Principal Account,

(D) following the designation of an "Early Termination Date" (as defined in the relevant Hedge Agreement) in respect of all "Transactions" under and as defined in the relevant Hedge Agreement pursuant to which all "Transactions" under such Hedge Agreement are terminated early and if the Issuer, or the Collateral Manager on its behalf, determines not to replace such terminated "Transactions" and Rating Agency Confirmation is received in respect of such determination or termination of such "Transactions" occurs on a Redemption Date or if for any reason the Issuer does not enter into one or more Replacement Hedge Agreements or any novation of the relevant Hedge Counterparty's obligations to a replacement Hedge Counterparty, in the following order of priority:

(1) first, in or towards payment of any Hedge Issuer Termination Payments relating to such terminated "Transactions" (to the extent not funded from the relevant Hedge Termination Account); and

(2) second, the surplus amount standing to the credit of such Counterparty Downgrade Collateral Account (if any) to the applicable Principal Account.

(vi) Supplemental Reserve Accounts

The Issuer will procure that, on each Payment Date, any Supplemental Reserve Amount and each Reinvestment Amount, in each case, in respect of such Payment Date, shall be deposited into the applicable Supplemental Reserve Account (on the basis of the Available Currency in which such amounts are denominated).

The Issuer will procure payment of the following amounts (and shall ensure that payment of no other amount is made, save to the extent otherwise permitted above) out of each Supplemental Reserve Account (on the basis of the Available Currency in which such amounts are denominated):

(A) at any time, to the applicable Principal Account for either (x) during the Reinvestment Period to reinvest in Substitute Collateral Obligations or (y) otherwise for distribution on the next following Payment Date in accordance with the Priorities of Payment; *provided that* no EU Retention Deficiency shall occur as a direct result of, and immediately after giving effect to, any such reinvestment or distribution;

(B) at any time, at the direction of the Issuer (or the Collateral Manager acting on its behalf), to the applicable Interest Account for distribution in accordance with the Priorities of Payment;

(C) at any time, in the acquisition of, or in respect of any exercise of any option or warrant comprised in, Collateral Enhancement Obligations, in accordance with the terms of the Collateral Management and Administration Agreement; *provided that* no EU Retention Deficiency shall occur as a direct result of, and immediately after giving effect to, any such acquisition;

(D) at any time, at the direction of the Issuer (or the Collateral Manager acting on its behalf), to purchase any Rated Notes in accordance with Condition 7(l) (*Purchase*);

(E) on the occurrence of an Effective Date Rating Event, on the Business Day prior to the Payment Date falling immediately after the Effective Date, to the extent required to cause such Effective Date Rating Event to no longer be continuing, to the applicable Payment Account for application as Principal Proceeds in accordance with the Priorities of Payment, in redemption of the Notes in accordance with the Note Payment Sequence or, if earlier, until an Effective Date Rating Event is no longer continuing; and

(F) the Balance standing to the credit of the applicable Supplemental Reserve Account to the applicable Payment Account for distribution on such Payment Date in accordance with the Principal Priority of Payments or the Post-Acceleration Priority of Payments (as applicable) (1) at the direction of the Collateral Manager at any time prior to a Note Event of Default or (2) automatically upon an acceleration of the Notes in accordance with Condition 10(b) (*Acceleration*),

each of the foregoing being a "**Permitted Use**".

(vii) The Unfunded Revolver Reserve Accounts

The Issuer shall procure the following amounts are paid into the applicable Unfunded Revolver Reserve Account (on the basis of the Available Currency in which such amounts are denominated):

(A) upon the acquisition by or on behalf of the Issuer of any Revolving Obligation or Delayed Drawdown Collateral Obligation, an amount equal to the amount which would cause the Balance standing to the credit of the applicable Unfunded Revolver Reserve Account to be at least equal to the combined aggregate principal amounts of the Unfunded Amounts under each of the Revolving Obligations and Delayed Drawdown Collateral Obligations (which Unfunded Amounts will be treated as part of the purchase price for the related Revolving Obligation or Delayed Drawdown Collateral Obligation) less amounts posted thereafter as collateral (which do not constitute Funded Amounts), in each case, pursuant to paragraph (2) or (3) below, as applicable;

(B) all principal payments received by the Issuer in respect of any Revolving Obligation or Delayed Drawdown Collateral Obligation, if and to the extent that the amount of such principal payments may be re-borrowed under such Revolving Obligation or Delayed Drawdown Collateral Obligation or otherwise as determined by the Collateral Manager, acting on behalf of the Issuer; and

(C) all repayments of collateral to the Issuer originally paid by the Issuer pursuant to (2) below.

The Issuer shall procure payment of the following amounts (and shall ensure that no other amounts are paid) out of the applicable Unfunded Revolver Reserve Account (on the basis of the Available Currency in which such amounts are denominated):

(1) all amounts required to fund any drawings under any Delayed Drawdown Collateral Obligation or Revolving Obligation;

(2) in respect of Delayed Drawdown Collateral Obligations or Revolving Obligations, all amounts required to be deposited in the Issuer's name with any third party which satisfies the Rating Requirement applicable to an Account Bank (or if the third party does not satisfy the Rating Requirement applicable to an Account Bank, subject to receipt of Rating Agency Confirmation) as collateral for any reimbursement or indemnification obligations of the Issuer owed to any other lender under such Revolving Obligation or Delayed Drawdown Collateral Obligation (subject to such security documentation as may be agreed between such lender and the Collateral Manager acting on behalf of the Issuer);

(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 applicable Unfunded Revolver Reserve Account over (b) the sum of the Unfunded Amounts of all Revolving Obligations and Delayed Drawdown Collateral Obligations after taking into account such sale or such reduction, cancellation or expiry of such commitment or notional amount; and

(4) all interest accrued on the Balance standing to the credit of the applicable Unfunded Revolver Reserve Account from time to time (including capitalised interest received upon the sale, maturity or termination of any Eligible Investment) to the applicable Interest Account.

(viii) Hedge Termination Account

The Issuer will procure that all Hedge Counterparty Termination Payments and Hedge Replacement Receipts are paid into the appropriate Hedge Termination Account promptly upon receipt thereof.

The Issuer will procure payment of the following amounts (and shall ensure that payment of no other amount is made save to the extent otherwise permitted) out of the relevant Hedge Termination Account in payment as provided below:

(A) at any time, in the case of any Hedge Replacement Receipts paid into the relevant Hedge Termination Account, in payment of any Interest Rate Hedge Issuer Termination Payment or Currency Hedge Issuer Termination Payment, as applicable, due and payable to a Hedge Counterparty under the Hedge Transaction being replaced or, to the extent not required to make such payment and *provided that* to do so would not cause an EU Retention Deficiency, in payment of such amount to the applicable Principal Account;

(B) at any time, in the case of any Hedge Counterparty Termination Payments paid into the relevant Hedge Termination Account, in payment of any Hedge Replacement Payment and any other amounts payable by the Issuer upon entry into a Replacement Hedge Transaction in accordance with the Collateral Management and Administration Agreement; and

(C) in the case of any Hedge Counterparty Termination Payments paid into the relevant Hedge Termination Account, in the event that:

(1) the Issuer, or the Collateral Manager on its behalf, determines not to replace the Hedge Transaction (or part thereof) and Rating Agency Confirmation is received in respect of such determination (other than where such determination is made in connection with a Currency Hedge Transaction which has been terminated solely as a result of the sale or prepayment or redemption or repayment of the relevant Non-Euro Obligation); or

(2) termination of the Hedge Transaction under which such Hedge Counterparty Termination Payments are payable occurs on a Redemption Date; or

(3) to the extent that such Hedge Counterparty Termination Payments are not required for application towards costs of entry into a Replacement Hedge Transaction,

in payment of such amounts (save for accrued interest thereon) to the applicable Principal Account (*provided that* to do so would not cause an EU Retention Deficiency).

(ix) Currency Accounts

The Issuer will procure that all amounts received in respect of any Unhedged Collateral Obligation or Currency Hedge Obligation (including Sale Proceeds and including any initial principal exchange amounts received by the Issuer from a Currency Hedge Counterparty in connection with funding the acquisition of Currency Hedge 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 Accounts or Principal Accounts are paid into the appropriate Currency Account in the currency of receipt thereof. A separate Currency Account will be established in respect of each applicable currency.

The Issuer will procure payment of the following amounts (and shall ensure that payment of no other amount is made) out of the Currency Accounts:

(A) at any time, all amounts payable by the Issuer to a Currency Hedge Counterparty under any Currency Hedge Transaction save for:

(1) Currency Hedge Issuer Termination Payments (other than where such Currency Hedge Issuer Termination Payments arise in connection with the termination of a Currency Hedge Transaction in circumstances where no Replacement Hedge Transaction is entered into by the Issuer which gives rise to a Hedge Replacement Receipt, including where a Currency Hedge Transaction has been terminated solely as a result of the sale or prepayment or redemption or repayment of the relevant Currency Hedge Obligation);

(2) Hedge Replacement Payments; and

(3) 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 Currency Hedge Obligations which for the avoidance of doubt shall be payable out of amounts standing to the credit of the applicable 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)(1) above shall be converted into Euro at the Applicable FX Rate by the Collateral Administrator on behalf of the Issuer following consultation with the Collateral Manager and transferred to the applicable Principal Account (*provided that* to do so would not cause an EU Retention Deficiency); 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 and Administration Agreement.

(x) Expense Reserve Accounts

The Issuer shall procure that the following amounts are paid into the applicable Expense Reserve Account (on the basis of the Available Currency in which such amounts are denominated):

(A) on the Issue Date, an amount determined on the Issue Date for the payment of amounts due or accrued in connection with the issue of the Notes, in accordance with (1) below;

(B) any amount applied in payment into the applicable Expense Reserve Account pursuant to paragraph (D) of the Interest Priority of Payments; and

(C) any amounts received by the Issuer by way of indemnity or contractual damages payments in respect of or relating to any Transaction Document ("**Third Party Indemnity Receipts**").

The Issuer shall procure payment of the following amounts (and shall procure that no other amounts are paid) out of the applicable Expense Reserve Account (on the basis of the Available Currency in which such amounts are denominated):

(1) other than Third Party Indemnity Receipts, amounts due or accrued with respect to actions taken on or in connection with the Issue Date with respect to the issue of Notes and the entry into the Transaction Documents;

(2) other than Third Party Indemnity Receipts, amounts standing to the credit of the applicable Expense Reserve Account on the Determination Date immediately preceding the first Payment Date may be transferred to the applicable Principal Account and/or the applicable Interest Account in the sole discretion of the Issuer (or the Collateral Manager acting on its behalf) and on each Determination Date thereafter, amounts standing to the credit of the applicable Expense Reserve Account may be transferred to the applicable Interest Account in the sole discretion of the Issuer (or the Collateral Manager acting on its behalf);

(3) at any time, the amount of any Trustee Fees and Expenses and Administrative Expenses which have accrued and become payable prior to the immediately following Payment Date, upon receipt of invoices therefor from the relevant creditor, provided that any such payments, in aggregate and together with any other payments out of the applicable Expense Reserve Account on the relevant date, shall not cause the balance of the applicable Expense Reserve Account to fall below zero;

(4) on any date, any Third Party Indemnity Receipts due and payable by the Issuer to the Trustee and/or the Agents, in an amount which shall not at any time exceed the lesser of (i) the amount paid into the applicable Expense Reserve Account in accordance with paragraph (C) above; and (ii) the amount of any indemnity payments payable by the Issuer to the Trustee and/or the Agents which relate to such Third Party Indemnity Receipts. Any such amount so paid shall not be taken into account for the purposes of the application of the Senior Expenses Cap; and

(5) any Third Party Indemnity Receipts in excess of (4) above shall be transferred to the applicable Payment Account on the Business Day prior to each Payment Date for application in accordance with the Interest Priority of Payments on such Payment Date.

(xi) Collection Accounts

The Issuer will procure that the following amounts are credited to the applicable Collection Account (on the basis of the Available Currency in which such amounts are denominated):

(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(m)(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 applicable Collection Account (on the basis of the Available Currency in which such amounts are denominated):

(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 applicable Expenses Reserve Account;

(c) to repay the relevant lender under the Warehouse Arrangements in respect of the funding provided by it to finance the purchase of Collateral Obligations prior to the Issue Date;

(d) to pay all other amounts due under the Warehouse Arrangements;

(e) amounts payable into the First Period Reserve Account; and

(f) any remaining amounts to the applicable Unused Proceeds Account; and

(2) subject to the prior payment of all amounts in Condition 3(m)(xi)(B)(1) (*Collection Accounts*) above, in transfer to the other Accounts as required in accordance with Condition 3(l) (*Accounts*) and the other provisions of this Condition 3(m) (*Payments to and from the Accounts*) on a daily basis, such that the balance standing to the credit of each Collection Account at the end of each Business Day is zero.

(xii) First Period Reserve Account

The Issuer shall direct the Account Bank to deposit €2,000,000 in the First Period Reserve Account, on the Issue Date.

At any time up to and including the last day of the Initial Investment Period, the Collateral Manager, in its sole discretion (acting on behalf of the Issuer), may direct some or all amounts standing to the credit of the First Period Reserve Account to be used for (A) the acquisition of Euro Collateral Obligations or (B) transfer to the Euro Principal Account pending such acquisition, subject to and in accordance with the Collateral Management and Administration Agreement (and in each case *provided that* any such transfer would not cause an EU Retention Deficiency). Following the Initial Investment Period, all of the funds in the First Period Reserve Account (save for amounts transferred to the Euro Principal Account) (including all interest accrued thereon) shall be transferred to the Euro Interest Account for distribution pursuant to the Interest Priority of Payments and once fully transferred such account shall be closed.

(xiii) Interest Smoothing Accounts

On the Business Day following each Determination Date save for:

(A) the first Determination Date following the Issue Date;

(B) a Determination Date following the occurrence of a Note Event of Default which is continuing;

(C) the Determination Date immediately prior to any redemption of the Notes in full; and

(D) any Determination Date on or following the occurrence of a Frequency Switch Event,

the applicable Interest Smoothing Amount (if any) shall be credited to the applicable Interest Smoothing Account from the applicable Interest Account (on the basis of the Available Currency in which such amounts are denominated).

The Issuer shall procure, on the Business Day falling after the Payment Date following the Determination Date on which any Interest Smoothing Amount was transferred to an Interest Smoothing Account, such Interest Smoothing Amount to be transferred to the applicable Interest Account (on the basis of the Available Currency in which such amounts are denominated).

(n) Collateral Manager Advances

To the extent that there are insufficient sums standing to the credit of the applicable Supplemental Reserve Account from time to time to purchase or exercise rights under Collateral Enhancement Obligations which the Collateral Manager determines on behalf of the Issuer should be purchased or exercised, the Collateral Manager may, at its discretion, pay amounts required in order to fund such purchase or exercise (such amount, a "**Collateral Manager Advance**") to such account pursuant to the terms of the Collateral Management and Administration Agreement. Each Collateral Manager Advance

may bear interest provided that such rate of interest shall not exceed a rate of EURIBOR (or USD-LIBOR in respect of advances in USD) plus 3.0 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 (or on any Business Day, at the Collateral Manager's discretion, out of the Collateral Enhancement Obligation Proceeds standing to the credit of the applicable Principal Account (and not otherwise transferred, withdrawn or designated in accordance with Condition 3(m)(i) (*Principal Accounts*)). The aggregate amount outstanding of all Collateral Manager Advances shall not, at any time, exceed €7,500,000 (or its equivalent in USD calculated by reference to the Applicable FX Rate) or such greater number as the Class M Subordinated Noteholders may approve, acting by way of Ordinary Resolution.

(o) Winding Up Expenses

Notwithstanding anything to the contrary in any Transaction Document, so long as all amounts senior in right of payment to the Class M Subordinated Noteholders have been paid in full, the Issuer may reserve the Winding Up Expenses from amounts otherwise payable to the Class M Subordinated Noteholders, and any Winding Up Expenses that have been reserved but not applied will be distributed to the Class M Subordinated Noteholders in accordance with the Priorities of Payment at such time as reasonably determined by the Collateral Manager.

4. Security

(a) Security

Pursuant to the Trust Deed, the obligations of the Issuer under the Notes, the Trust Deed, the Irish Deed of Charge, the Agency and Account Bank Agreement, the Collateral Management and Administration Agreement and the Subscription and Placement Agency Agreement (together with the obligations owed by the Issuer to the other Secured Parties) are secured in favour of the Trustee for the benefit of the Secured Parties by:

(i) an assignment by way of security of all the Issuer's present and future rights, title and interest (and all entitlements or other benefits relating thereto) in respect of all Collateral Obligations, Exchanged Equity Securities, Equity Securities, Collateral Enhancement Obligations, Eligible Investments standing to the credit of each of the Accounts (other than the Counterparty Downgrade Collateral Account(s)) 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 into an agreement or deed) and where such contractual rights arise other than under securities), including, without limitation, moneys received in respect thereof, all dividends and distributions paid or payable thereon, all property paid, distributed, accruing or offered at any time on, to or in respect of or in substitution therefor and the proceeds of sale, repayment and redemption thereof;

(ii) a first fixed charge and first priority security interest granted over all the Issuer's present and future rights, title and interest (and all entitlements or other benefits relating thereto) in respect of all Collateral Obligations, Exchanged Equity Securities, Equity Securities, Collateral Enhancement Obligations, Eligible Investments standing to the credit of each of the Accounts (other than the Counterparty Downgrade Collateral Account(s)) and any other investments (other than the 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 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 relevant Counterparty Downgrade Collateral Account, including, without limitation, all moneys received in respect thereof, all dividends and distributions paid or payable thereon, all property paid, distributed, accruing or offered at any time on, to or in respect

of or in substitution therefor and the proceeds of sale, repayment and redemption thereof and over the relevant Counterparty Downgrade Collateral Account and all moneys from time to time standing to the credit of the relevant Counterparty Downgrade Collateral Account and the debts represented thereby, subject, in each case, to the rights of any Hedge Counterparty to Counterparty Downgrade Collateral pursuant to the terms of the relevant Hedge Agreement and Condition 3(m)(v) (*Counterparty Downgrade Collateral Accounts*) and any first priority security interest granted by the Issuer to any Hedge Counterparty;

(iv) an assignment by way of security of all the Issuer's present and future rights against the Custodian under the Agency and Account Bank Agreement (to the extent each relates to the Custody Account);

(v) 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 contained in the relevant Hedge Agreement and shall not in any way restrict the release of collateral granted thereunder in whole or in part at any time pursuant to the terms thereof);

(vi) a first fixed charge and first priority security interest 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);

(vii) an assignment by way of security of all the Issuer's present and future rights under the Collateral Management and Administration Agreement, the Agency and Account Bank Agreement, the Subscription and Placement Agency Agreement, each Collateral Acquisition Agreement, each other Transaction Document and each Reporting Delegation Agreement, and, in each case, all sums derived therefrom;

(viii) a first fixed charge and first priority security over all of the Issuer's future right, title and interest (and all entitlements or other benefits relating thereto) in any Issuer Subsidiaries that may be incorporated from time to time; and

(ix) a floating charge over the whole of the Issuer's undertaking and assets to the extent that such undertaking and assets are not subject to any other security created pursuant to the Trust Deed,

excluding for the purpose of (i) to (ix) above, all of the Issuer's rights in respect of the Irish Excluded Assets.

The security created pursuant to paragraphs (i) to (ix) above is granted to the Trustee for itself and as trustee for the Secured Parties as continuing security for the payment of the Secured Obligations provided that the security granted by the Issuer over any collateral provided to the Issuer pursuant to a Hedge Agreement will only be available to the Secured Parties (other than with respect to the collateral provided to the relevant Hedge Counterparty pursuant to such Hedge Agreement and Condition 3(m)(v) (*Counterparty Downgrade Collateral Accounts*)) when such collateral is expressed to be available to the Issuer and (if a title transfer arrangement) to the extent that no equivalent amount is owed to the Hedge Counterparty pursuant to the relevant Hedge Agreement and/or Condition 3(m)(v) (*Counterparty Downgrade Collateral Accounts*). The security will extend to the ultimate balance of all sums payable by the Issuer in respect of the above, regardless of any intermediate payment or discharge in whole or in part.

If, for any reason, the purported assignment by way of security of, and/or the grant of first fixed charges over, the property, assets, rights and/or benefits described above is found to be ineffective in respect of any such property, assets, rights and/or benefits (together, the "**Affected Collateral**"), the Issuer shall hold to the fullest extent permitted under Irish or any other mandatory law the benefit of the Affected Collateral and any sums received in respect thereof or any security interest, guarantee or indemnity or undertaking of whatever nature given to secure such Affected Collateral (together, the "**Trust Collateral**") on trust for the Trustee for the benefit of the Secured Parties and shall (i) account to the Trustee for or otherwise apply all sums received in respect of such Trust Collateral as the Trustee may direct (provided that, subject to these Conditions and the terms of the Collateral Management and

Administration Agreement, if no Note Event of Default has occurred and is continuing, the Issuer shall be entitled to apply the benefit of such Trust Collateral and such sums in respect of such Trust Collateral received by it and held on trust under this paragraph without prior direction from the Trustee), (ii) exercise any rights it may have in respect of the Trust Collateral at the direction of the Trustee and (iii) at its own cost take such action and execute such documents as the Trustee may in its sole discretion require.

Pursuant to the Irish Deed of Charge, the obligations of the Issuer under the Notes, the Trust Deed, the Irish Deed of Charge, the Agency and Account Bank Agreement, the Collateral Management and Administration Agreement and the Subscription and Placement Agency Agreement (together with the obligations owed by the Issuer to the other Secured Parties) are also secured in favour of the Trustee for the benefit of the Secured Parties by a first fixed charge over all present and future rights, title and interest (and all entitlements or other benefits relating thereto) of the Issuer in respect of each of the Accounts (other than the Counterparty Downgrade Collateral Account(s)) and all moneys from time to time standing to the credit of such Accounts and the debts represented thereby and including, without limitation, all interest accrued and other moneys received in respect thereof.

The Issuer may from time to time grant security:

(A) by way of a first priority security interest to a Hedge Counterparty over a Counterparty Downgrade Collateral Account and any Counterparty Downgrade Collateral deposited by such Hedge Counterparty in the relevant Counterparty Downgrade Collateral Account as security for the Issuer's obligations to repay or redeem such Counterparty Downgrade Collateral pursuant to the terms of the applicable Hedge Agreement and Condition 3(m)(v) (*Counterparty Downgrade Collateral Accounts*) (subject to such security documentation as may be agreed between such third party and the Collateral Manager acting on behalf of the Issuer); 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 Obligation and deposited in its name with a third party as security for any reimbursement or indemnification obligation of the Issuer owed to any other lender under such Revolving Obligation or Delayed Drawdown Collateral Obligation, subject to the terms of Condition 3(m)(vii) (*The Unfunded Revolver Reserve Accounts*) (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 on substantially the same terms of the Agency and Account Bank Agreement.

Pursuant to the terms of the Trust Deed, the Trustee is exempted from any liability in respect of any loss or theft or reduction in value of the Collateral, from any obligation to insure or monitor the insurance arrangements in respect of the Collateral and from any claim arising from the fact that the Collateral is held in a clearing system or in safe custody by the Custodian, a bank or other custodian. The Trustee has no responsibility for ensuring that the Custodian, the Account Bank or the Hedge Counterparty satisfies the Rating Requirement applicable to it or, in the event of its failure to satisfy such Rating Requirement, to procure the appointment of a replacement custodian, account bank or hedge counterparty. The Trustee has no responsibility for the administration, management or operation 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 or liability. The Trust Deed also provides that the Trustee shall accept without investigation, requisition or objection such right, benefit, title and interest, if any, as the Issuer may have in and to any of the Collateral and is not bound to make any investigation into the same or into the Collateral in any respect.

(b) Application of Proceeds upon Enforcement

The Trust Deed and the Irish Deed of Charge provide that the net proceeds of realisation of or enforcement with respect to the security over the Collateral constituted by the Trust Deed and the Irish Deed of Charge shall be applied in accordance with the Post-Acceleration Priority of Payments set out in Condition 11 (*Enforcement*).

(c) Limited Recourse and Non-Petition

The obligations of the Issuer to pay amounts due and payable in respect of the Notes and to the other Secured Parties at any time shall be limited to the proceeds available at such time to make such payments in accordance with the Priorities of Payment. Notwithstanding anything to the contrary in these Conditions or any other Transaction Document, if the net proceeds of realisation of the security constituted by the Trust Deed and the Irish Deed of Charge, upon enforcement thereof in accordance with Condition 11 (*Enforcement*) and the provisions of the Trust Deed and the Irish Deed of Charge or otherwise are less than the aggregate amount payable in such circumstances by the Issuer in respect of the Notes and to the other Secured Parties (such negative amount being referred to herein as a "**shortfall**"), the obligations of the Issuer in respect of the Notes of each Class and its obligations to the other Secured Parties 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 Class X Noteholders, the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders, the Class F Noteholders, the Reinvesting Noteholders (if any), the Class M Subordinated Noteholders and the other Secured Parties in accordance with the Priorities of Payment (applied in reverse order). In such circumstances the rights of the Secured Parties to receive any further amounts in respect of such obligations shall be extinguished and none of the Noteholders of each Class or the other Secured Parties may take any further action to recover such amounts. None of the Noteholders of any Class, the Trustee, the other Secured Parties or any other person acting on behalf of any of them shall be entitled at any time to institute against the Issuer or any Issuer Subsidiary, or join in any institution against the Issuer or any Issuer Subsidiary of, any bankruptcy, reorganisation, arrangement, insolvency, examinership, winding up or liquidation proceedings or other proceedings under any applicable bankruptcy or similar law in connection with any obligations of the Issuer relating to the Notes of any Class, the Trust Deed, the Irish Deed of Charge or otherwise owed to the Secured Parties, save for lodging a claim in the liquidation of the Issuer or any Issuer Subsidiary which is initiated by another non-Affiliated party or taking proceedings to obtain a declaration as to the obligations of the Issuer and without limitation to the Trustee's right to enforce and/or realise the security constituted by the Trust Deed and the Irish Deed of Charge (including by appointing a receiver or an administrative receiver).

In addition, none of the Noteholders or any of the other Secured Parties shall have any recourse against any director, shareholder or officer of the Issuer in respect of any obligations, covenants or agreements entered into or made by the Issuer pursuant to the terms of these Conditions or any other Transaction Document to which the Issuer is a party or any notice or documents which it is requested to deliver hereunder or thereunder.

None of the Trustee, the Directors, the Initial Purchaser, the Arranger, the Co-Placement Agents, the Collateral Manager, the Originator or any Agent has any obligation to any Noteholder of any Class for payment of any amount by the Issuer in respect of the Notes of any Class.

(d) Exercise of Rights in Respect of the Portfolio

Pursuant to the Collateral Management and Administration Agreement, the Issuer authorises the Collateral Manager, prior to enforcement of the security over the Collateral, to exercise all rights and remedies of the Issuer in its capacity as a holder of, or person beneficially entitled to, the Portfolio. In particular, the Collateral Manager is authorised, subject to any specific direction given by the Issuer, to attend and vote at any meeting of holders of, or other persons interested or participating in, or entitled to the rights or benefits (or a part thereof) under, the Portfolio and to give any consent, waiver, indulgence, time or notification, make any declaration or agree any composition, compounding or other similar arrangement with respect to any obligations forming part of the Portfolio.

(e) Information Regarding the Collateral

The Issuer shall procure that a copy of each Monthly Report and any Payment Date Report is made available, within two Business Days of publication, to each Noteholder of each Class upon request in writing therefor and that copies of each such Report are made available to the Trustee, the Collateral Manager and each Rating Agency within two Business Days of publication thereof via the Collateral Administrator's website currently located at https://pivot.usbank.com. It is not intended that such Reports will be made available in any other format, save in limited circumstances with the Collateral Administrator's agreement. Registration may be required for access to such website and persons wishing to access such website may be required to certify that they are Noteholders or otherwise entitled to access such website.

The Issuer hereby agrees to be designated as the entity required to fulfil the information requirements of Article 7 of the Securitisation Regulation. The Issuer will assume all costs of complying with the information requirements under Article 7 of the Securitisation Regulation (including the properly incurred costs and expenses (including legal fees) of all parties incurred amending the Transaction Documents for this purpose) and, if applicable, shall reimburse each of the Collateral Manager and/or the Collateral Administrator for any such costs incurred by the Collateral Manager or the Collateral Administrator in connection with their assisting the Issuer with the preparation and/or filing of such information and reports required pursuant to the provisions of the Securitisation Regulation, such costs to be paid as Administrative Expenses.

5. Covenants of and Restrictions on the Issuer

(a) Covenants of the Issuer

Unless otherwise provided in the Transaction Documents, the Issuer covenants to the Trustee on behalf of the holders of the Notes that, for so long as any Note remains Outstanding, the Issuer will:

(i) take such steps as are reasonable to enforce all its rights:

(A) under the Trust Deed;

(B) in respect of the Collateral;

(C) under the Agency and Account Bank Agreement;

(D) under the Collateral Management and Administration Agreement;

(E) under the Irish Deed of Charge;

(F) under the Issuer Corporate Services Agreement;

(G) under any Hedge Agreement; and

(H) under each other Transaction Document;

(ii) comply with its obligations under the Notes, the Trust Deed, the Agency and Account Bank Agreement, the Collateral Management and Administration Agreement and each other Transaction Document to which it is a party;

(iii) keep proper books of account;

(iv) at all times maintain its tax residence outside the United Kingdom and the United States and will not establish a branch, agency (other than the appointment of the Collateral Manager and the Collateral Administrator pursuant to the Collateral Management and Administration Agreement) or place of business or register as a company in the United Kingdom or the United States and shall not do or permit anything within its control which might result in its residence being considered to be outside Ireland for tax purposes;

(v) 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;

(vi) conduct its business and affairs such that, at all times:

(A) it shall maintain its registered office in Ireland;

(B) it shall hold all meetings of its board of Directors in Ireland and ensure that all of its directors are resident in Ireland for tax purposes, that they will exercise their control over the business of the Issuer independently and that those directors (acting independently) exercise their authority only from and within Ireland by taking all key decisions relating to the Issuer in Ireland;

(C) it shall not open any office or branch or place of business outside of Ireland;

(D) it shall not knowingly take any action (save to the extent necessary for the Issuer to comply with its obligations under the Transaction Documents) which will cause its "centre of main interests" (within the meaning of European Council Regulation No. 2015/848 on Insolvency Proceedings (the "**Insolvency Regulations**") to be located in any jurisdiction other than Ireland and will not establish any offices, branches or other establishments (as defined in the Insolvency Regulations) or register as a company in any jurisdiction other than Ireland (other than in respect of any Issuer Subsidiary);

(vii) pay its debts generally as they fall due;

(viii) do all such things as are necessary to maintain its corporate existence;

(ix) use its best endeavours to obtain and maintain the listing and admission to trading of the Outstanding Notes of each Class on the Global Exchange Market of Euronext Dublin. If, however, it is unable to do so, having used such endeavours, or if the maintenance of such listings and admission to trading are agreed by the Trustee to be unduly onerous and the Trustee is satisfied that the interests of the holders of the Outstanding Notes of each Class would not thereby be materially prejudiced, the Issuer will instead use all reasonable endeavours promptly to obtain and thereafter to maintain a listing and admission to trading for such Notes on such other stock exchange(s) or securities market(s) as it may (with the approval of the Trustee, such approval not to be unreasonably withheld) decide;

(x) supply such information to the Rating Agencies as they may reasonably request;

(xi) have its own stationery;

(xii) ensure that its tax residence is and remains at all times in Ireland; and

(xiii) ensure an agent is appointed to assist in creating and maintaining the Issuer's website to enable the Rating Agencies to comply with Rule 17g-5.

(b) Restrictions on the Issuer

For so long as any of the Notes remain Outstanding, save as provided in the Transaction Documents, the Issuer covenants to the holders of such Outstanding Notes that (to the extent applicable) it will not, without the prior written consent of the Trustee:

(i) sell, factor, discount, transfer, assign, lend or otherwise dispose of any of its right, title or interest in or to the Collateral, other than in accordance with the Collateral Management and Administration Agreement and the Trust Deed and these Conditions, nor will it create or permit to be outstanding any mortgage, pledge, lien, charge, encumbrance or other security interest over the Collateral except in accordance with the Trust Deed, these Conditions or the Transaction Documents;

(ii) sell, factor, discount, transfer, assign, lend or otherwise dispose of, nor create or permit to be outstanding any mortgage, pledge, lien, charge, encumbrance or other security interest over, any of its other property or assets or any part thereof or interest therein other than in accordance with the Trust Deed, a Hedge Agreement, these Conditions or the Transaction Documents;

(iii) engage in any business other than:

(A) acquiring and holding any property (other than real property or an interest in real property), assets or rights that are capable of being effectively charged in favour of the Trustee or that are capable of being held on trust by the Issuer in favour of the Trustee under the Trust Deed;

(B) issuing and performing its obligations under the Notes;

(C) entering into, exercising its rights and performing its obligations under or enforcing its rights under the Trust Deed, the Agency and Account Bank Agreement, the Collateral Management and Administration Agreement and each other Transaction Document to which it is a party, as applicable; or

(D) performing any act incidental to or necessary in connection with any of the above;

(iv) amend or agree to any amendment to any term or Condition of the Notes of any Class (save in accordance with these Conditions and the Trust Deed);

(v) agree to any amendment to any provision of, or grant any waiver or consent under, the Trust Deed, the Agency and Account Bank Agreement, the Collateral Management and Administration Agreement, the Issuer Corporate Services Agreement or any other Transaction Document to which it is a party (save in accordance with these Conditions and the Trust Deed and, in the case of the Collateral Management and Administration Agreement, the terms thereof);

(vi) guarantee or incur any indebtedness for borrowed money, other than in respect of:

(A) the Notes (including the issuance of additional Notes pursuant to Condition 17 (*Additional Issuances*)) or any document entered into in connection with the Notes or the sale thereof or any additional Notes or the sale thereof;

(B) any Refinancing; or

(C) as otherwise contemplated or permitted pursuant to the Trust Deed or the Collateral Management and Administration Agreement;

(vii) amend its constitution;

(viii) have any subsidiaries or establish any offices, branches or other "establishment" (as that term is defined in article 2(10) of the Insolvency Regulations) outside of Ireland;

(ix) have any employees (for the avoidance of doubt the Directors of the Issuer do not constitute employees);

(x) enter into any reconstruction, amalgamation, merger or consolidation;

(xi) convey or transfer all or a substantial part of its properties or assets (in one or a series of transactions) to any person, otherwise than as contemplated in these Conditions;

(xii) issue any shares (other than the share that is in issue as at the Issue Date) nor redeem or purchase any of its issued share capital;

(xiii) enter into any material agreement or contract with any Person (other than an agreement on customary market terms which for the avoidance of doubt will include agreements to buy and sell obligations and documentation relating to restructurings (including steering committee indemnity letters) and any agreement with the Issuer's independent accountants), unless such contract or agreement contains "limited recourse" and "non-petition" provisions;

(xiv) otherwise than as contemplated in the Transaction Documents, release from or terminate the appointment of the Custodian or the Account Bank under the Agency and Account Bank Agreement or the Collateral Manager or the Collateral Administrator under the Collateral Management and Administration Agreement (including, in each case, any transactions entered into thereunder) or, in each case, any executory obligation thereunder;

(xv) comingle its assets with those of any other Person or entity;

(xvi) enter into any lease in respect of, or own, premises;

(xvii) enter into any transaction or arrangement otherwise than by way of a bargain made at arm's length; or

(xviii) have any Affiliates (except Issuer Subsidiaries) or, if it does have any Affiliates, enter into any transactions or arrangements with any of such Affiliates on anything other than arm's length terms.

6. Interest

(a) Payment Dates

(i) Rated Notes

The Rated Notes each bear interest from (and including) the Issue Date and such interest will be payable (A) in the case of interest accrued during the initial Accrual Period, for the period from (and including) the Issue Date to (but excluding) the Payment Date falling in February 2020, (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) Class M Subordinated Notes

Interest shall be payable on the Class M Subordinated Notes to the extent funds are available in accordance with paragraph (DD) of the Interest Priority of Payments, paragraph (V) of the Principal Priority of Payments and paragraph (W) of the Post-Acceleration Priority of Payments (for the avoidance of doubt, in accordance with Condition 3(e) (*FX Conversions*)) on each Payment Date or other relevant payment date and shall continue to be payable in accordance with this Condition 6 (*Interest*) notwithstanding redemption in full of any Class M 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 Class M Subordinated Notes being redeemed in full or at their Principal Amount Outstanding shall be deemed to be amended to the extent required to ensure that a minimum of €1 principal amount of each such Class of Notes remains Outstanding at all times and any amounts which are to be applied in redemption of each such Class of Notes pursuant hereto which are in excess of the Principal Amount Outstanding thereof minus €1 shall constitute interest payable in respect of such Notes and shall not be applied in redemption of the Principal Amount Outstanding thereof, provided always however that such €1 principal shall no longer remain Outstanding and each such Class of Notes shall be redeemed in full on the date on which all of the Collateral securing the Notes has been realised and is to be finally distributed to the Noteholders.

If the aggregate of income and gains earned by the Issuer during an accounting period exceeds the costs and expenses accrued for that period, such excess shall accrue as additional interest on the Class M Subordinated Notes but shall only be payable on any Payment Date or other payment date following payment in full of amounts payable pursuant to the Priorities of Payment on such Payment Date or other payment date.

(b) Interest Accrual

(i) Rated Notes

Each Rated Note (or, as the case may be, the relevant part thereof due to be redeemed) will cease to bear interest from the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused. In such event, it shall continue to bear interest in accordance with this Condition 6 (*Interest*) (both before and after judgment) until whichever is the earlier of (A) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (B) the day following seven days after the Trustee or the Principal Paying Agent has notified the Noteholders of such Class of Notes in accordance with Condition 16 (*Notices*) of receipt of all sums due in respect of all the Notes of such Class up to that

seventh day (except to the extent that there is failure in the subsequent payment to the relevant holders under these Conditions).

(ii) Class M Subordinated Notes

All payments on the Class M Subordinated Notes will cease to become payable in respect of each Class M Subordinated Note upon the date that all of the Collateral has been realised and no Interest Proceeds or Principal Proceeds or, where applicable, other net proceeds of enforcement of the security over the Collateral remain available for distribution in accordance with the Priorities of Payment.

(c) Deferral of Interest

The Issuer shall, and shall only be obliged to, pay any Interest Amount payable in respect of the Class C Notes, the Class D Notes, the Class E Notes or the Class F Notes in full on any Payment Date in each case to the extent that there are Interest Proceeds or Principal Proceeds available for payment thereof in accordance with the Priorities of Payment.

In the case of the Class C Notes, the Class D Notes, the Class E Notes or the Class F Notes, an amount of interest equal to any shortfall in payment of the Interest Amount which would, but for the first paragraph of this Condition 6(c) (*Deferral of Interest*) otherwise be due and payable in respect of such Class on any Payment Date (each such amount being referred to as "**Deferred Interest**") will not be payable on such Payment Date, but will be added to the principal amount of the Class C Notes, the Class D Notes, the Class E Notes or the Class F Notes, as applicable, and thereafter will accrue interest at the rate of interest applicable to that Class, and the failure to pay such Deferred Interest to the holders of the Class C Notes, the Class D Notes, the Class E Notes or the Class F Notes, as applicable, will not be a Note Event of Default until the Maturity Date or any earlier date on which the Notes are to be redeemed in full.

(d) Payment of Deferred Interest

Deferred Interest in respect of any Class C Note, Class D Note, Class E Note or Class F Note shall only become payable by the Issuer in accordance with the relevant paragraphs of the Interest Priority of Payments, the Principal Priority of Payments and the Post-Acceleration Priority of Payments and under the Note Payment Sequence in each place specified in the Priorities of Payment, to the extent that Interest Proceeds or Principal Proceeds, as applicable, or, where applicable, other net proceeds of enforcement of the security over the Collateral, are available to make such payment in accordance with the Priorities of Payment (and, if applicable, the Note Payment Sequence). Deferred Interest on the Class C Notes, the Class D Notes, the Class E Notes and/or the Class F Notes, as applicable, will be added to the principal amount of the relevant Class, as applicable. An amount equal to any such Deferred Interest so paid shall be subtracted from the principal amount of the Class C Notes, the Class D Notes, the Class E Notes and/or the Class F Notes, as applicable.

(e) Interest on the Rated Notes

(i) Floating Rate of Interest on the Floating Rate Notes other than the Class A-2 Notes

The rate of interest from time to time in respect of the Class X Notes (the "**Class X Rate of Interest**"), in respect of the Class A-1 Notes (the "**Class A-1 Rate of Interest**"), in respect of the Class B-1 Notes (the "**Class B-1 Rate of Interest**"), in respect of the Class C Notes (the "**Class C Rate of Interest**"), in respect of the Class D Notes (the "**Class D Rate of Interest**"), in respect of the Class E Notes (the "**Class E Rate of Interest**") and in respect of the Class F Notes (the "**Class F Rate of Interest**") (and each a "**Floating Rate of Interest**") will in each case 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 six month and nine month Euro deposits;

(2) in the case of each Interest Determination Date, other than the initial Interest Determination Date and prior to the occurrence of a Frequency Switch Event, the Calculation Agent will determine the offered rate for three month Euro deposits; and

(3) in the case of each Interest Determination Date following the occurrence of a Frequency Switch Event, the Calculation Agent will determine the offered rate for six month Euro deposits (provided that, following the occurrence of a Frequency Switch Event, if the Accrual Period ending on the Maturity Date is a three month period, the Calculation Agent will determine the offered rate for three month Euro deposits in the case of the Interest Determination Date relating to such period),

in each case, as at 11.00 am (Brussels time) on the Interest Determination Date in question ("**EURIBOR**"). Such offered rate will be that which appears on the display designated on the Bloomberg Screen "BTMM EU" Page (or such other page or service as may replace it for the purpose of displaying EURIBOR rates). The Class X Rate of Interest, the Class A-1 Rate of Interest, the Class B-1 Rate of Interest, the Class C Rate of Interest, the Class D Rate of Interest, the Class E Rate of Interest and the Class F Rate of Interest for each Accrual Period shall be the aggregate of the Euro Applicable Margin (as defined below) and the rate for the relevant Accrual Period referred to in paragraph (a), (b) or (c) above, as applicable, in each case as determined by the Calculation Agent.

If the offered rate so appearing is replaced by the corresponding rates of more than one bank then paragraph (A) shall be applied, with any necessary consequential changes, to the arithmetic mean (rounded, if necessary, to the nearest one hundred thousandth of a percentage point (with 0.000005 being rounded upwards)) of the rates (being at least two) which so appear, as determined by the Calculation Agent. If for any other reason such offered rate does not so appear, or if the relevant page is unavailable, the Calculation Agent will request each of four major banks in the Euro zone interbank market (selected by the Collateral Manager on behalf of the Issuer) acting in each case through its principal Euro zone office (the "**Euro Reference Banks**") to provide the Calculation Agent with its offered quotation to leading banks for Euro deposits in the Euro zone interbank market:

(a) 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;

(b) in respect of each Interest Determination Date, other than the initial Interest Determination Date and prior to the occurrence of a Frequency Switch Event, for a period of three months; and,

(c) in respect of each Interest Determination Date following the occurrence of a Frequency Switch Event, for a period of six months (or for a period of three months, in respect of the Interest Determination Date following the occurrence of a Frequency Switch Event and relating to the Accrual Period ending on the Maturity Date, if such Accrual Period is a three month period),

in each case, as at 11.00 am (Brussels time) on the Interest Determination Date in question. The Class X Rate of Interest, the Class A-1 Rate of Interest, the Class B-1 Rate of Interest, the Class C Rate of Interest, the Class D Rate of Interest, the Class E Rate of Interest and the Class F Rate of Interest for such Accrual Period shall be the aggregate of the Euro 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 the quotations in respect of the relevant Accrual Period referred to in paragraph (a), (b) or (c) above, as applicable (or of such quotations, being at least two, as are so provided), all as determined by the Calculation Agent.

(B) If on any Interest Determination Date one only or none of the Euro Reference Banks provides such quotations, the Class X Rate of Interest, the Class A-1 Rate of Interest, the Class B-1 Rate of Interest, the Class C Rate of Interest, the Class D Rate of Interest, the Class E Rate of Interest and the Class F Rate of Interest, respectively, for the next Accrual Period shall be determined by reference to the last available offered rate for three or six month Euro deposits as determined by the Calculation Agent; and provided further that following the occurrence of

a Frequency Switch Event, in respect of the Accrual Period ending on the Maturity Date if such Accrual Period is a three month period, the Class X Rate of Interest, the Class A-1 Rate of Interest, the Class B-1 Rate of Interest, the Class C Rate of Interest, the Class D Rate of Interest, the Class E Rate of Interest and the Class F Rate of Interest, respectively, shall be determined by reference to the most recent offered rate for three month Euro deposits obtainable by the Calculation Agent.

(C) Where:

"**Euro Applicable Margin**" means:

(1) in the case of the Class X Notes: 0.49 per cent. per annum (the "**Class X Margin**");

(2) in the case of the Class A-1 Notes: 1.20 per cent. per annum (the "**Class A-1 Margin**");

(3) in the case of the Class B-1 Notes: 1.95 per cent. per annum (the "**Class B-1 Margin**");

(4) in the case of the Class C Notes: 2.80 per cent. per annum (the "**Class C Margin**");

(5) in the case of the Class D Notes: 4.10 per cent. per annum (the "**Class D Margin**");

(6) in the case of the Class E Notes: 6.19 per cent. per annum (the "**Class E Margin**"); and

(7) in the case of the Class F Notes: 8.46 per cent. per annum (the "**Class F Margin**").

(D) Notwithstanding paragraphs (A) and (B) above, if, in relation to any Interest Determination Date, EURIBOR in respect of any Class of Rated Notes (other than the Class A-2 Notes, the Class A-3 Notes and the Class B-2 Notes) as determined in accordance with paragraphs (A) and (B) above would yield a rate less than zero, such rate shall be deemed to be zero for the purposes of determining the applicable Floating Rate of Interest pursuant to this Condition 6(e)(i) (*Floating Rate of* Int*erest on the Floating Rate Notes other than the Class A-2 Notes*).

(ii) Interest on the Class A-2 Notes

The rate of interest from time to time in respect of the Class A-2 Notes (the "**Class A-2 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 six month and twelve month USD deposits;

(2) in the case of each Interest Determination Date, other than the initial Interest Determination Date and prior to the occurrence of a Frequency Switch Event, the Calculation Agent will determine the offered rate for three month USD 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 USD deposits (provided that, following the occurrence of a Frequency Switch Event, if the Accrual Period ending on the Maturity Date is a three month period, the Calculation Agent will determine the offered rate for three month USD deposits in the case of the Interest Determination Date relating to such period),

in each case, as at 11.00 am (London time) on the Interest Determination Date in question ("**USD-LIBOR**"). Such offered rate will be that which appears on the display designated on the Bloomberg Screen "BTMM US" (or such other page or service as may replace it for the purpose of displaying USD-LIBOR rates). The Class A-2 Rate of Interest for each Accrual Period shall be the aggregate of the USD Applicable Margin (as defined below) and the rate referred to in paragraph (1), (2) or (3) above (as applicable), in each case as determined by the Calculation Agent.

If the offered rate so appearing is replaced by the corresponding rates of more than one bank then paragraph (A) shall be applied, with any necessary consequential changes, to the arithmetic mean (rounded, if necessary, to the nearest one hundred thousandth of a percentage point (with 0.000005 being rounded upwards)) of the rates (being at least two) which so appear, as determined by the Calculation Agent. If for any other reason such offered rate does not so appear, or if the relevant page is unavailable, the Calculation Agent will request each of four major banks in the London interbank market (selected by the Collateral Manager on behalf of the Issuer) (the **"USD Reference Banks**") to provide the Calculation Agent with its offered quotation to leading banks for USD deposits in the London interbank market:

(a) in the case of the initial Accrual Period, for a straight line interpolation of the offered quotation for six month and twelve month USD deposits;

(b) in respect of each Interest Determination Date, other than the initial Interest Determination Date and prior to the occurrence of a Frequency Switch Event, for a period of three months; and,

(c) in respect of each Interest Determination Date following the occurrence of a Frequency Switch Event, for a period of six months (or for a period of three months, in respect of the Interest Determination Date following the occurrence of a Frequency Switch Event and relating to the Accrual Period ending on the Maturity Date, if such Accrual Period is a three month period),

in each case, as at 11.00 am (London time) on the Interest Determination Date in question. The Class A-2 Rate of Interest for such Accrual Period shall be the aggregate of the USD 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 the quotations referred to in paragraph (a), (b) or (c) above, as applicable (or of such quotations, being at least two, as are so provided), all as determined by the Calculation Agent.

(B) If on any Interest Determination Date one only or none of the USD Reference Banks provides such quotations, the Class A-2 Rate of Interest for the next Accrual Period shall be determined by reference to the last available offered rate for three or six month USD deposits as determined by the Calculation Agent; and provided further that following the occurrence of a Frequency Switch Event, in respect of the Accrual Period ending on the Maturity Date if such Accrual Period is a three month period, the Class A-2 Rate of Interest shall be determined by reference to the most recent offered rate for three month USD deposits obtainable by the Calculation Agent.

(C) Where "**USD Applicable Margin**" means in the case of the Class A-2 Notes, 1.55 per cent. per annum (the "**Class A-2 Margin**").

(D) Notwithstanding paragraphs (A) and (B) above, if, in relation to any Interest Determination Date, USD-LIBOR in respect of the Class A-2 Notes as determined in accordance with paragraphs (A) and (B) above would yield a rate less than zero, such rate shall be deemed to be zero for the purposes of determining the Class A-2 Rate of Interest pursuant to this Condition 6(e)(ii) (*Interest on the Class A-2 Notes*).

(iii) Determination of Floating Rate of Interest and Calculation of Interest Amount

The Calculation Agent will, as soon as practicable (and in any event not later than the Business Day following the relevant Interest Determination Date), determine the Class X Rate of Interest, the Class A-1 Rate of Interest, the Class A-2 Rate of Interest, the Class B-1 Rate of Interest, the Class C Rate of Interest, the Class D Rate of Interest, the Class E Rate of Interest and the Class F Rate of Interest and calculate the interest amount payable in respect of original principal amounts of the Class X Notes, the Class A-1 Notes, the Class A-2 Notes, the Class B-1 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 X Rate of Interest in the case of the Class X Notes, the

Class A-1 Rate of Interest in the case of the Class A-1 Notes, the Class A-2 Rate of Interest in the case of the Class A-2 Notes, the Class B-1 Rate of Interest in the case of the Class B-1 Notes, the Class C Rate of Interest in the case of the Class C Notes, the Class D Rate of Interest in the case of the Class D Notes, the Class E Rate of Interest in the case of the Class E Notes and the Class F Rate of Interest in the case of the Class F Notes, respectively, to an amount equal to the Principal Amount Outstanding in respect of such Authorised Integral Amount, multiplying the product by the actual number of days in the Accrual Period concerned, divided by 360 and rounding the resultant figure to the nearest €0.01 or $0.01 (as applicable) (€0.005 or $0.005 (as applicable) being rounded upwards).

(iv) Calculation of the Interest Amount for the Fixed Rate Notes

The Calculation Agent will calculate the amount of interest (an "**Interest Amount**") payable in respect of the original principal amount of the Class A-3 Notes and the Class B-2 Notes equal to the Authorised Integral Amounts applicable to the Class A-3 Notes and the Class B-2 Notes (as applicable) for the relevant Accrual Period by applying the Class A-3 Rate of Interest in the case of the Class A-3 Notes and the Class B-2 Rate of Interest in the case of the Class B-2 Notes, respectively, to an amount equal to the Principal Amount Outstanding in respect of such Authorised Integral Amount, multiplying the product by the number of days in the Accrual Period concerned (the number of days to be calculated on the basis of a year of 360 days with 12 months of 30 days each), divided by 360 and rounding the resultant figure to the nearest €0.01 or $0.01 (as applicable) (€0.005 or $0.005 (as applicable) being rounded upwards), where (a) "**Class A-3 Rate of Interest**" means 3.483 per cent. per annum. and (b) "**Class B-2 Rate of Interest**" means 2.750 per cent. per annum.

(v) Euro Reference Banks, USD Reference Banks and Calculation Agent

The Issuer will procure that, so long as any Class X Note, 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 X Rate of Interest, the Class A-1 Rate of Interest, the Class A-2 Rate of Interest, the Class B-1 Rate of Interest, the Class C Rate of Interest, the Class D Rate of Interest, the Class E Rate of Interest and the Class F Rate of Interest are to be calculated by Euro Reference Banks or USD Reference Banks (as applicable) pursuant to Condition 6(e) (*Interest on the Rated Notes*), that the number of Euro Reference Banks or USD Reference Banks (as applicable) required pursuant to such provision are requested to provide a quotation.

If the Calculation Agent is unable or unwilling to continue to act as the Calculation Agent for the purpose of calculating interest hereunder or fails duly to establish any Rate of Interest for any Accrual Period, or to calculate the Interest Amount on any Class of Rated Notes, the Issuer shall (with the prior approval of the Trustee) appoint some other leading bank to act as such in its place. The Calculation Agent may not resign its duties without a successor having been so appointed.

(f) Interest Proceeds in respect of Class M Subordinated Notes

Solely in respect of Class M Subordinated Notes, the Collateral Administrator will as of each Determination Date calculate the Interest Proceeds payable to the extent of available funds in respect of an original principal amount of Class M Subordinated Notes equal to the Authorised Integral Amount applicable thereto for the relevant Accrual Period. The Interest Proceeds payable on each Payment Date in respect of an original principal amount of Class M Subordinated Notes equal to the Authorised Integral Amount applicable thereto shall be calculated by multiplying the amount of Interest Proceeds to be applied on the Class M Subordinated Notes on the applicable Payment Date pursuant to paragraph (DD) of the Interest Priority of Payments, paragraph (V) of the Principal Priority of Payments and paragraph (W) of the Post-Acceleration Priority of Payments (converted, as applicable, into Euro at the Applicable FX Rate) by:

(i) in respect of the Class M-1 Subordinated Notes:

(A) a fraction equal to the amount of the Principal Amount Outstanding of the Class M-1 Subordinated Notes, divided by the Principal Amount Outstanding of the Class M Subordinated Notes (determined in Euro, with amounts in USD converted into Euro at the Applicable FX Rate); and

(B) a fraction equal to the Authorised Integral Amount applicable to the Class M-1 Subordinated Notes, divided by the aggregate original principal amount of the Class M-1 Subordinated Notes; and

(ii) in respect of the Class M-2 Subordinated Notes:

(A) a fraction equal to the amount of the Principal Amount Outstanding of the Class M-2 Subordinated Notes, divided by the Principal Amount Outstanding of the Class M Subordinated Notes (in each case, determined in Euro, with amounts in USD converted into Euro at the Applicable FX Rate); and

(B) a fraction equal to the Authorised Integral Amount applicable to the Class M-2 Subordinated Notes, divided by the aggregate original principal amount of the Class M-2 Subordinated Notes (in each case, determined in Euro, with amounts in USD converted into Euro at the Applicable FX Rate).

(g) Publication of Rates of Interest, Interest Amounts and Deferred Interest

The Calculation Agent will cause the Class X Rate of Interest, the Class A-1 Rate of Interest, the Class A-2 Rate of Interest, the Class A-3 Rate of Interest, the Class B-1 Rate of Interest, the Class B-2 Rate of Interest, the Class C Rate of Interest, the Class D Rate of Interest, the Class E Rate of Interest and the Class F Rate of Interest and 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, the occurrence of a Frequency Switch Event on any Frequency Switch Measurement Date (following notification by the Collateral Manager of such occurrence), 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, the Collateral Administrator 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 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 Rated Notes or the Payment Date in respect of any Class so published may subsequently be amended (or appropriate alternative arrangements made with the consent of the Trustee by way of adjustment) without notice in the event of an extension or shortening of the Accrual Period. If any of the Notes become due and payable under Condition 10 (*Events of Default*), interest shall nevertheless continue to be calculated as previously by the Calculation Agent in accordance with this Condition 6 (*Interest*) but no publication of the applicable Interest Amounts shall be made unless the Trustee so determines.

(h) 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 Euro Reference Banks, the USD Reference Banks (or any of them), the Calculation Agent or the Trustee, will be binding on the Issuer, the Euro Reference Banks, the USD Reference Banks, the Calculation Agent, the Trustee, the Registrar, the Principal Paying Agent, the Transfer Agent and all Noteholders (save in the case that the Issuer certifies to the Trustee (upon which certificate the Trustee may rely conclusively and without further enquiry or liability) that any such notification, opinion, determination, certificate, quotation or decisions given, expressed, made or obtained is erroneous and, if applicable, the Issuer publishes a correction in accordance with Condition 16 (*Notices*), provided that the Trustee shall be under no obligation to monitor or investigate any such notifications, opinions, determinations, certificates, quotations and decisions for such errors) and no liability to the Issuer or the Noteholders of any Class shall attach to the Euro Reference Banks, the USD Reference Banks, the Calculation Agent

or the Trustee in connection with the exercise, non-exercise or delay in the exercise by them of their powers, duties and discretions under this Condition 6(h) (*Notifications, etc. to be Final*).

7. Redemption and Purchase

(a) Final Redemption

Subject to Condition 6(a)(ii) (*Class M Subordinated Notes*), 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 at their Redemption Price in accordance with the Note Payment Sequence and the Priorities of Payment. Notes may not be redeemed other than in accordance with this Condition 7 (*Redemption and Purchase*).

(b) Optional Redemption

(i) Optional Redemption in Whole – Class M Subordinated Noteholders/Collateral Manager

Subject to the provisions of Condition 7(b)(iv) (*Terms and Conditions of an Optional Redemption*) and Condition 7(b)(v) (*Optional Redemption effected in whole or in part through Refinancing*), Condition 7(b)(vi) (*Optional Redemption effected through Liquidation only*) and Condition 7(b)(vii) (*Mechanics of Redemption*), the Rated Notes may be redeemed in whole but not in part by the Issuer at the applicable Redemption Prices:

(A) on any Business Day falling on or after expiry of the Non-Call Period, at the option of:

(1) with respect to any Optional Redemption other than pursuant to Condition 7(b)(vi) (*Optional Redemption effected through Liquidation only*), (i) the holders of the Class M Subordinated Notes acting by way of Ordinary Resolution and subject to the written consent of the Collateral Manager or (ii) the Collateral Manager; or

(2) with respect to any Optional Redemption pursuant to Condition 7(b)(vi) (*Optional Redemption effected through Liquidation only*), the holders of the Class M Subordinated Notes acting by way of Extraordinary Resolution (but excluding for such purpose, any Class M Subordinated Notes held by or on behalf of the Collateral Manager, the Originator, or any Collateral Manager Related Person) and subject to the written consent of the Collateral Manager; or

(B) upon the occurrence of a Collateral Tax Event, on any Business Day falling after such occurrence at the direction of the Class M Subordinated Noteholders acting by Ordinary Resolution.

(ii) Optional Redemption in Part – Collateral Manager/Class M Subordinated Noteholders

Subject to the provisions of Condition 7(b)(iv) (*Terms and Conditions of an Optional Redemption*) and Condition 7(b)(v) (*Optional Redemption effected in whole or in part through Refinancing*), the Rated Notes of any Class may be redeemed by the Issuer at the applicable Redemption Prices, solely from Refinancing Proceeds (in accordance with Condition 7(b)(v) (*Optional Redemption effected in whole or in part through Refinancing*) below) on any Business Day falling on or after expiry of the Non-Call Period (A) at the direction of the Class M Subordinated Noteholders, (acting by Ordinary Resolution), or (B) at the written direction of the Collateral Manager, in either case at least 45 days prior to the Redemption Date, to redeem such Class of Rated Notes. No such Optional Redemption may occur unless the Rated Notes to be redeemed represent the entire Class of such Rated Notes (or, in relation to the Class A Notes, the redemption of the entire tranche of Class A-1 Notes and/or Class A-2 Notes and/or Class A-3 Notes or, in relation to the Class B Notes, the redemption of the entire tranche of Class B-1 Notes and/or Class B-2 Notes); *provided that* any Refinancing so directed by the Class M Subordinated Noteholders shall be subject to the prior written consent of the Collateral Manager.

(iii) Optional Redemption in Whole - Clean-up Call

Subject to the provisions of Conditions 7(b)(iv) (*Terms and Conditions of an Optional Redemption*) and 7(b)(vi) (*Optional Redemption effected through Liquidation only*), the Rated Notes shall be redeemed in whole but not in part by the Issuer, at the applicable Redemption

Prices, from Sale Proceeds on any Business Day falling on or after expiry of the Non-Call Period if, upon or at any time following the expiry of the Non-Call Period, the Collateral Principal Amount is less than 15 per cent. of the Target Par Amount and such redemption is directed in writing by the Collateral Manager or the Originator.

(iv) Terms and Conditions of an Optional Redemption

In connection with any Optional Redemption:

(A) the Issuer shall provide at least 45 days' prior written notice of such Optional Redemption (such notice to (I) state that such redemption is subject to satisfaction of the conditions set out in this Condition 7 (*Redemption and Purchase*), (II) specify the applicable Redemption Date therefor determined in accordance with the relevant provisions of this Condition 7 (*Redemption and Purchase*), and (III) specify the relevant Redemption Price therefor, is given to the Trustee, each Hedge Counterparty and the Noteholders in accordance with Condition 16 (*Notices*);

(B) the Rated Notes to be redeemed shall be redeemed at their applicable Redemption Prices (subject, in the case of an Optional Redemption of the Rated Notes in whole, to the right of holders of 100 per cent. of the aggregate Principal Amount Outstanding of any Class of Rated Notes to elect to receive less than 100 per cent. of the Redemption Price that would otherwise be payable to the holders of such Class of Rated Notes). Such right shall be exercised by delivery by each holder of the relevant Class of Rated Notes of a written direction confirming such holder's election to receive less than 100 per cent. of the Redemption Price that would otherwise be payable to it, together with evidence of their holding to the Issuer and the Collateral Manager no later than 45 days prior to the relevant Redemption Date;

(C) any such redemption must comply with the procedures set out in Condition 7(b)(vii) (*Mechanics of Redemption*); and

(D) any redemption in part of the Notes pursuant to Condition 7(b)(ii) (*Optional Redemption in Part – Collateral Manager/Class M Subordinated Noteholders*) may be effected solely from Refinancing Proceeds in accordance with Condition 7(b)(v) (*Optional Redemption effected in whole or in part through Refinancing*) below.

(v) Optional Redemption effected in whole or in part through Refinancing

Following receipt of, or, as the case may be, confirmation from the Principal Paying Agent of receipt of, a direction in writing from (A) the Collateral Manager or (B) the Class M Subordinated Noteholders (acting by way of Ordinary Resolution or Extraordinary Resolution, as applicable) to exercise any right of optional redemption pursuant to Condition 7(b)(i) (*Optional Redemption in Whole – Class M Subordinated Noteholders/Collateral Manager*) or Condition 7(b)(ii) (*Optional Redemption in Part – Collateral Manager/ Class M Subordinated Noteholders*), the Issuer may, subject to the consent of the Collateral Manager:

(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 of one or more entire Classes of Rated Notes (or, in relation to the Class A Notes, the redemption of the entire tranche of Class A-1 Notes and/or Class A-2 Notes and/or Class A-3 Notes or, in relation to the Class B Notes, the redemption of the entire tranche of Class B-1 Notes and/or Class B-2 Notes) but less than all Classes of 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 Class M 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 – Class M Subordinated Noteholders/Collateral Manager*). In addition, Refinancing Proceeds may be applied in the redemption of the Rated Notes in part by Class (or, in relation to the Class A Notes, the redemption in part of the entire tranche of Class A-1 Notes and/or Class A-2 Notes and/or Class A-3 Notes or, in relation to the Class B Notes, the redemption of the entire tranche of Class B-1 Notes and/or Class B-2 Notes) pursuant to Condition 7(b)(ii) (*Optional Redemption in Part – Collateral Manager/Class M Subordinated Noteholders*).

(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 – Class M Subordinated Noteholders/Collateral Manager*) as described above, such Refinancing will be effective only if:

(1) the Issuer provides prior written notice thereof to Moody's and S&P;

(2) all Refinancing Proceeds, all Sale Proceeds, if any, from the sale of Collateral Obligations and Eligible Investments and all other available funds will be at least sufficient to pay any Refinancing Costs (including, for the avoidance of doubt, all Trustee Fees and Expenses incurred in connection with such Refinancing and all Administrative Expenses incurred in connection with such Refinancing, in each case without reference to the Senior Expenses Cap) and all amounts due and payable in respect of all Classes of Notes save for the Class M Subordinated Notes (including without limitation Deferred Interest on the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes) and all amounts payable in priority thereto pursuant to the Priorities of Payment (subject to any election to receive less than 100 per cent. of the Redemption Price) on such Redemption Date when applied in accordance with the Post-Acceleration Priority of Payments;

(3) all Principal Proceeds, Refinancing Proceeds, Sale Proceeds, if any, and other available funds are used (to the extent necessary) to make such redemption;

(4) each agreement entered into by the Issuer in respect of such Refinancing contains limited recourse and non-petition provisions substantially the same as those contained in the Trust Deed; and

(5) all Refinancing Proceeds and all Sale Proceeds, if any, from the sale of Collateral Obligations and Eligible Investments are received by (or on behalf of) the Issuer on or prior to the applicable Redemption Date,

in each case, as certified in writing by the Collateral Manager to the Issuer and the Trustee (upon which certification the Trustee may rely conclusively and without further enquiry or liability).

(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) pursuant to Condition 7(b)(ii) (*Optional Redemption in Part – Collateral Manager/Class M Subordinated Noteholders*), such Refinancing will be effective only if:

(1) the Issuer provides prior written notice thereof to Moody's and S&P;

(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, (B) the amount standing to the credit of the Expense Reserve Account and (C) the amount of Interest Proceeds standing to the credit of each Interest Account in excess of the aggregate amount of Interest Proceeds which

would be applied in accordance with the Interest Priority of Payments prior to paying any amount in respect of the Class M Subordinated Notes on the immediately following Payment Date, will be at least sufficient to pay in full:

(a) the aggregate Redemption Prices of the entire Class or Classes of Rated Notes (or tranche or tranches, as applicable) subject to the Optional Redemption; plus

(b) all accrued and unpaid Trustee Fees and Expenses and Administrative Expenses in connection with such Refinancing, in each case without reference to the Senior Expenses Cap;

(5) if such Redemption Date is not a Payment Date, the Collateral Manager reasonably determines that the Interest Proceeds will be available on the immediately following Payment Date in an amount at least equal to the sum of: (i) the amount that will be required for distribution under the Interest Priority of Payments for the payment of Trustee Fees and Expenses and Administrative Expenses on the immediately following Payment Date; and (ii) the amount required for distribution under the Interest Priority of Payments as accrued and unpaid interest on the Rated Notes;

(6) the Refinancing Proceeds are used (to the extent necessary) to make such redemption;

(7) 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;

(8) the aggregate principal amount of the Refinancing Obligations for each Class (or tranche, as applicable) is equal to the aggregate Principal Amount Outstanding of such Class of Notes (or tranche, as applicable) being redeemed with the Refinancing Proceeds (and the currency of each Class of Notes being redeemed is the same as that of the relevant Refinancing Obligations);

(9) 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 of Notes (or tranche or tranches, as applicable) being redeemed with the Refinancing Proceeds;

(10) the interest rate of any Refinancing Obligations will not be greater than the interest rate of the Rated Notes subject to such Optional Redemption;

(11) payments in respect of the Refinancing Obligations are subject to the Priorities of Payment and do not rank higher in priority pursuant to the Priorities of Payment than the relevant Class or Classes (or tranche or tranches, as applicable) of Rated Notes being redeemed;

(12) 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 (or tranche, as applicable) being redeemed; and

(13) all Refinancing Proceeds are received by (or on behalf of) the Issuer on or prior to the applicable Redemption Date,

in each case, as certified in writing by the Collateral Manager to the Issuer and the Trustee (upon which certification the Trustee may rely conclusively and without further enquiry or liability).

If, in relation to a proposed optional redemption of the Notes (in part or in whole, as applicable), any of the relevant conditions specified in this Condition 7(b)(v) (*Optional Redemption effected in whole or in part through Refinancing*) are not satisfied, the Issuer shall cancel the relevant redemption of the Notes and shall give notice of such cancellation to the Trustee, the Collateral Manager, the Rating Agencies and the Noteholders in accordance with Condition 16 (*Notices*).

None of the Issuer, the Collateral Manager, the Collateral Administrator or the Trustee shall be liable to any party, including the Class M Subordinated Noteholders, for any failure to obtain a Refinancing, and such failure shall not constitute a Note Event of Default.

(C) Consequential Amendments

Following a Refinancing, the Issuer and the Trustee shall, with the consent of the Collateral Manager, agree to the modification of the Trust Deed and the other Transaction Documents to the extent which the Issuer (or the Collateral Manager on its behalf) certifies (upon which certificate the Trustee shall rely absolutely and without liability) is necessary to reflect the terms of the Refinancing. The holders of the Class M Subordinated Notes, acting by Ordinary Resolution and with the consent of the Collateral Manager, may elect to extend the Non-Call Period for any Class of Notes by up to 2 years in connection with any Refinancing. No further consent for such amendments shall be required from the holders of Notes other than from the holders of the Class M Subordinated Notes acting by way of Ordinary Resolution.

The Trustee will not be obliged to enter into any modification that, in its opinion, would (i) have the effect of exposing the Trustee to any liability against which it has not been indemnified and/or secured and/or prefunded to its satisfaction or (ii) add to or increase the obligations, liabilities, duties or decrease the protections, rights, powers, indemnities or authorisations of the Trustee in respect of any Transaction Document, and the Trustee will be entitled to conclusively rely upon an officer's certificate and/or opinion of counsel as to matters of law (which may be supported as to factual (including financial and capital markets) matters by any relevant certificates and other documents necessary or advisable in the judgment of counsel delivering such opinion of counsel) provided by the Issuer or the Collateral Manager 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 counsel or officer will have no obligation to opine or certify as to the sufficiency of the Refinancing Proceeds).

(vi) Optional Redemption effected through Liquidation only

Following receipt of notice from the Issuer or, as the case may be, of confirmation from the Principal Paying Agent of (i) a direction in writing from the Class M Subordinated Noteholders (acting by way of Extraordinary Resolution but excluding for such purpose, any Class M Subordinated Notes held by or on behalf of the Collateral Manager, the Originator, or any Collateral Manager Related Person), (ii) a direction in writing from the Controlling Class (acting by way of Ordinary Resolution) and/or (iii) consent of or direction from (where required) the Collateral Manager as the case may be, subject to and in accordance with this Condition 7 (*Redemption and Purchase*), and in each case in writing, 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 and, in each case, subject to the establishment of a reserve as determined by the Trustee following consultation with the Collateral Manager, the Issuer and the Collateral Administrator for all amounts payable in such circumstances in accordance with the Post-Acceleration Priority of Payments prior to the payment of any amounts payable on the Class M Subordinated Notes (*provided* the Trustee shall have no liability to any Person in connection with the establishment of any reserve made by it pursuant to this Condition 7(b)(vi) (*Optional Redemption effected through Liquidation only*)), the Collateral Administrator (in consultation with the Collateral Manager) shall, as soon as practicable, and in any event not later than 15 Business Days prior to the scheduled Redemption Date (the "**Redemption Determination Date**"), provided that the Collateral Administrator has received such notice or confirmation at least 20 Business Days prior to the scheduled Redemption Date, calculate the Redemption Threshold Amount in consultation with the Collateral Manager. The Collateral Manager, the Originator, or any Collateral Manager Related Person will be permitted to purchase Collateral Obligations in the Portfolio where the Noteholders exercise their right of early redemption pursuant to this Condition 7(b) (*Optional Redemption*) or Condition 7(g) (*Redemption Following Note Tax Event*).

The Notes shall not be optionally redeemed where such Optional Redemption is to be effected solely through the liquidation or realisation of the Portfolio unless:

(A) at least five Business Days before the scheduled Redemption Date (or such shorter date as agreed between the Collateral Manager and the Issuer and no consent for such shorter period shall be required from the Trustee) the Collateral Manager shall have furnished to the Trustee a certificate (upon which certificate the Trustee may rely conclusively and without further enquiry or liability) signed by an officer of the Collateral Manager 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 provided that it has a short-term issuer credit rating of at least "A-1" by S&P or, if it does not have such a short-term issuer credit rating, a long-term issuer credit rating of at least "A+" by S&P, or (y) in respect of which 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 and, without double counting, amounts standing to the credit of the Accounts that will be available for payment in accordance with the Post-Acceleration Priority of Payments on the scheduled Redemption Date, to meet the Redemption Threshold Amount;

(B) no later than the scheduled Redemption Date, the Issuer shall have received proceeds of disposition of all or part of the Portfolio at least sufficient, together with the Eligible Investments maturing, redeemable or putable to the issuer thereof at par on or prior to the scheduled Redemption Date and, without double counting, amounts standing to the credit of the Accounts that will be available for payment in accordance with the Post-Acceleration Priority of Payments on the scheduled Redemption Date. to meet the Redemption Threshold Amount, provided that, if the Issuer has received funds from a purchaser of one or more Collateral Obligations (in whole or in part), but such Collateral Obligations have not yet been disposed of by transfer of legal title, such funds will be included within the calculation of whether the Redemption Threshold Amount has been met; and

(C) prior to selling any Collateral Obligations and/or Eligible Investments, the Collateral Manager confirms in writing to the Trustee that, in its judgment, the aggregate sum of (1) expected proceeds from the sale of Eligible Investments, (2) for each Collateral Obligation, the product of its Principal Balance and its Market Value and (3) without double counting, amounts standing to the credit of the Accounts that will be available for payment in accordance with the Post-Acceleration Priority of Payments on the scheduled Redemption Date, shall meet or exceed the Redemption Threshold Amount.

Any Noteholder, the Collateral Manager or any Collateral Manager Related Person shall have the right, subject to the same terms and conditions afforded to other bidders, to bid on Collateral Obligations to be sold as part of an Optional Redemption pursuant to this Condition 7(b)(vi) (*Optional Redemption effected through Liquidation only*).

If any of the conditions (A) to (C) above are not satisfied, the Issuer shall cancel the redemption of the Notes and shall give notice of such cancellation to the Trustee, the Collateral Manager, the Rating Agencies and the Noteholders in accordance with Condition 16 (*Notices*). Such cancellation shall not constitute a Note Event of Default.

The Trustee shall rely conclusively and without liability on any confirmation or certificate of the Collateral Manager furnished by it pursuant to or in connection with this Condition 7(b)(vi) (*Optional Redemption effected through Liquidation only*).

(vii) Mechanics of Redemption

Following calculation by the Collateral Administrator of the relevant Redemption Threshold Amount (in consultation with the Collateral Manager), if applicable, the Collateral Administrator (in consultation with the Collateral Manager) shall make such other calculations as it is required to make pursuant to the Collateral Management and Administration Agreement and shall notify the

Issuer, the Trustee, the Collateral Manager and the Principal Paying Agent (who shall notify the Noteholders in accordance with Condition 16 (*Notices*) of such amounts).

Any exercise of a right of Optional Redemption by the Class M Subordinated Noteholders or the Collateral Manager pursuant to this Condition 7(b) (*Optional Redemption*) or the Controlling Class or the Class M Subordinated Noteholders pursuant to Condition 7(g) (*Redemption Following Note Tax Event*) shall be effected by delivery to the Principal Paying Agent, by the requisite amount of Class M Subordinated Noteholders or the requisite amount of Notes comprising the Controlling Class (as applicable) held thereby, of duly completed Redemption Notices, or by the Collateral Manager of a written direction to the Issuer, as applicable, not less than 45 days prior to the proposed Redemption Date. No Redemption Notice so delivered or any direction given by the Collateral Manager (subject as provided below) may be withdrawn without the prior consent of the Issuer. The Registrar shall copy each Redemption Notice received or any direction given to it by the Collateral Manager to each of the Issuer, the Trustee, the Collateral Administrator and the Collateral Manager (if applicable).

Notwithstanding anything else in this Condition 7 (*Redemption and Purchase*), where a right of Optional Redemption is to be exercised by way of an Ordinary Resolution or an Extraordinary Resolution of a meeting of the Class M Subordinated Noteholders or the Controlling Class (as applicable), no Redemption Notices shall be required to be issued in connection therewith.

The Issuer shall notify the Collateral Manager, the Trustee, the Collateral Administrator, each Hedge Counterparty and the Principal Paying Agent upon satisfaction of all of the conditions set out in this Condition 7(b) (*Optional Redemption*) and Condition 7(g) (*Redemption Following Note Tax Event*) and the Collateral Manager shall use commercially reasonable endeavours to arrange for liquidation and/or realisation of the Portfolio in whole or in part as necessary, on behalf of the Issuer in accordance with the Collateral Management and Administration Agreement. The Issuer shall deposit, or cause to be deposited, the funds required for an optional redemption of the Notes in accordance with this Condition 7(b) (*Optional Redemption*) and/or Condition 7(g) (*Redemption Following Note Tax Event*) in the Payment Accounts on or before the Business Day prior to the applicable Redemption Date. Principal Proceeds and Interest Proceeds received in connection with a redemption in whole of the Rated Notes shall be payable in accordance with the Post-Acceleration Priority of Payments. In the case of any redemption in whole of a Class (or tranche, as applicable) of Rated Notes, the relevant Refinancing Proceeds (other than a redemption in whole of all Classes of Rated Notes) shall be paid to the Noteholders of such Class (or tranche, as applicable) of Notes subject to payment of amounts in priority in accordance with the Priorities of Payment. Where the Collateral Manager has directed the Issuer to effect a redemption in accordance with this Condition 7(b) (*Optional Redemption*), the Issuer shall promptly notify the Trustee, each Hedge Counterparty and the Noteholders thereof in accordance with Condition 16 (*Notices*). Any Optional Redemption so notified and instructed by the Collateral Manager shall occur on the Redemption Date therefor in accordance with these Conditions, provided that the Collateral Manager has not rescinded such notice of Optional Redemption by written notice of rescission to the Issuer no later than two Business Days prior to the applicable Redemption Date.

(viii) Optional Redemption of Class M Subordinated Notes

The Class M 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 the Class M Subordinated Noteholders (acting by Ordinary Resolution) or at the direction of the Collateral Manager.

(c) Mandatory Redemption upon Breach of Coverage Tests

(i) Class X Notes, Class A Notes and Class B Notes

If the Class A/B Par Value Test is not met on any Determination Date on and after the Effective Date or if the Class A/B Interest Coverage Test is not met on the Determination Date immediately preceding the second Payment Date or any Determination Date thereafter, Interest Proceeds and thereafter Principal Proceeds will be applied in redemption of the Class X Notes, the Class A Notes and the Class B Notes in accordance with the Note Payment Sequence, on the related Payment Date in accordance with and subject to the Priorities of Payment (including payments of

all prior ranking amounts) in the amount determined pursuant to Condition 7(c)(vi) (*Calculation of Coverage Test Cure Amounts*).

(ii) Class C Notes

If the Class C Par Value Test is not met on any Determination Date on and after the Effective Date or if the Class C Interest Coverage Test is not met on the Determination Date immediately preceding the second Payment Date or any Determination Date thereafter, Interest Proceeds and thereafter Principal Proceeds will be applied in redemption of the Class X Notes, the Class A Notes, the Class B Notes and the Class C Notes in accordance with the Note Payment Sequence, on the related Payment Date in accordance with and subject to the Priorities of Payment (including payment of all prior ranking amounts) in the amount determined pursuant to Condition 7(c)(vi) (*Calculation of Coverage Test Cure Amounts*).

(iii) Class D Notes

If the Class D Par Value Test is not met on any Determination Date on and after the Effective Date or if the Class D Interest Coverage Test is not met on the Determination Date immediately preceding the second Payment Date or any Determination Date thereafter, Interest Proceeds and thereafter Principal Proceeds will be applied in redemption of the Class X Notes, the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes in accordance with the Note Payment Sequence, on the related Payment Date in accordance with and subject to the Priorities of Payment (including payment of all prior ranking amounts) in the amount determined pursuant to Condition 7(c)(vi) (*Calculation of Coverage Test Cure Amounts*).

(iv) Class E Notes

If the Class E Par Value Test is not met on any Determination Date on and after the Effective Date or if the Class E Interest Coverage Test is not met on the Determination Date immediately preceding the second Payment Date or any Determination Date thereafter, Interest Proceeds and thereafter Principal Proceeds will be applied in redemption of the Class X Notes, the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes in accordance with the Note Payment Sequence, on the related Payment Date in accordance with and subject to the Priorities of Payment (including payment of all prior ranking amounts) in the amount determined pursuant to Condition 7(c)(vi) (*Calculation of Coverage Test Cure Amounts*).

(v) Class F Notes

If the Class F Par Value Test is not met on any Determination Date on and after the Effective Date, Interest Proceeds and thereafter Principal Proceeds will be applied in redemption of the Class X Notes, the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes in accordance with and subject to 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) in the amount determined pursuant to Condition 7(c)(vi) (*Calculation of Coverage Test Cure Amounts*).

(vi) Calculation of Coverage Test Cure Amounts

Subject to available Interest Proceeds and Principal Proceeds, the principal amount of the applicable Class of Notes required to be paid to bring the Class A/B Interest Coverage Test, the Class C Interest Coverage Test, the Class D Interest Coverage Test or the Class E Interest Coverage Test, as applicable, into compliance will be the amount that, if it had been paid in reduction of the principal amount of such Class of Notes on the immediately preceding Payment Date, would have caused such Interest Coverage Test to be satisfied on the current Determination Date.

Subject to available Interest Proceeds and Principal Proceeds, the principal amount of any Class of Notes subject to mandatory redemption on any Payment Date because 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 or the Reinvestment Overcollateralisation Test, as applicable, is not satisfied as of the related Determination Date will be the amount that, if it were applied to make payments (including Deferred Interest, if any) on such Class of Notes based on the Note Payment Sequence

on that Payment Date, would cause such test to be met for the current Determination Date. This amount will be determined by: (a) calculating the amount of Interest Proceeds required for such payments in accordance with the Priorities of Payment assuming that any such amount would reduce the denominator of 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 (but would not change the numerator); and (b) then calculating the amount of Principal Proceeds required for such payments in accordance with the Priorities of Payment, assuming that amount would reduce both the numerator and the denominator of 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. For this purpose, calculation of the required amount of (a) Interest Proceeds will give effect to any principal payments to be made on the Notes pursuant to a more senior priority level of the Priorities of Payment on that Payment Date and (b) Principal Proceeds will give effect to (i) Interest Proceeds that will be used to make principal payments on Notes in accordance with the Priorities of Payment on that Payment Date and (ii) Principal Proceeds to be applied pursuant to a more senior priority level of the Priorities of Payment on that Payment Date.

During the Reinvestment Period only, subject to available Interest Proceeds, the amount of Interest Proceeds available for the purchase of additional Collateral Obligations or for investment in Eligible Investments pending the purchase of additional Collateral Obligations at a later date because the Reinvestment Overcollateralisation Test is not satisfied as of the related Determination Date shall be the amount that, if it were applied to the purchase of additional Collateral Obligations or Eligible Investments pending the purchase of additional Collateral Obligations, would cause such test to be met for the current Determination Date. This amount shall be determined by calculating the amount of Interest Proceeds required for such purchase assuming that any such amount would increase the numerator of the Class F Par Value Ratio for purposes of the Reinvestment Overcollateralisation Test (but would not change the denominator).

For the avoidance of doubt, such calculations shall be made on a "pro forma basis," which means such calculations shall be made after giving effect to all payments, in accordance with the Priorities of Payment described herein, that precede (in priority of payment) or include the clause in which such calculation is made.

(d) Special Redemption

Principal payments on the Notes shall be made in accordance with the Principal Priority of Payments at the sole and absolute discretion of the Collateral Manager (acting on behalf of the Issuer), if either (A) at any time during the Reinvestment Period, the Collateral Manager (acting on behalf of the Issuer) certifies (upon which certification the Trustee may rely conclusively and without further enquiry or liability) to the Trustee that, using commercially reasonable endeavours, it has been unable, for a period of 20 consecutive Business Days, to identify additional Collateral Obligations or Substitute Collateral Obligations that are deemed appropriate by the Collateral Manager in its sole discretion which meet the Eligibility Criteria or, to the extent applicable, the Reinvestment Criteria, in sufficient amounts to permit the investment or reinvestment of all or a portion of the funds then in the applicable Principal Account that are to be invested in additional Collateral Obligations or Substitute Collateral Obligations, or (B) at any time after the Effective Date, the Collateral Manager (acting on behalf of the Issuer) notifies the Trustee in writing that, as determined by the Collateral Manager acting in a commercially reasonable manner, a redemption is required in order to avoid a Rating Event (upon which notification the Trustee may rely conclusively and without further enquiry or liability) (a "**Special Redemption**"). On the first Payment Date following the Due Period in which such notification is given (a "**Special Redemption Date**") (A) the funds in the applicable Principal Account representing Principal Proceeds which, using commercially reasonable endeavours, cannot be reinvested in additional Collateral Obligations or Substitute Collateral Obligations by the Collateral Manager or (B) such minimum amount of funds in the applicable Principal Account as the Collateral Manager determines, acting in a commercially reasonable manner, is required to avoid the occurrence of a Rating Event (each amount under (A) and (B), a "**Special Redemption Amount**") will be applied in accordance with paragraph (P) of the Principal Priority of Payments. Notice of payments pursuant to this Condition 7(d) (*Special Redemption*) shall be given by the Issuer in accordance with Condition 16 (*Notices*) not less than three Business Days prior to the applicable Special Redemption Date to the Noteholders 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 at the sole election of the Issuer or the Collateral Manager on its behalf either (A), 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 or (B) using proceeds which would have been used to redeem the Rated Notes in accordance with (A) above, additional Collateral Obligations shall be acquired or such proceeds shall be transferred to the Principal Account pending acquisition thereof 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 applicable 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 reasonable efforts to change the territory in which it is resident for tax purposes to another jurisdiction which, at the time of such change, would prevent the continuation of a Note Tax Event. Upon the earlier of (a) the date upon which the Issuer certifies to the Trustee (upon which certification the Trustee may rely conclusively and without further enquiry or liability) and the Noteholders that it is not able to effect such change of residence and (b) the date which is 90 calendar days from the date upon which the Issuer first becomes aware of such Note Tax Event (provided that such 90 calendar day period shall be extended by a further 90 calendar days in the event that during the former period the Issuer has notified (or procured the notification of) the Trustee and the Noteholders (in accordance with Condition 16 (*Notices*)) that, based on advice received by it, it expects that it shall have changed its place of residence by the end of the latter 90 calendar day period) (i) the Controlling Class or (ii) the Class M Subordinated Noteholders, in each case acting by way of Ordinary Resolution, may elect that the Notes of each Class are redeemed, in whole but not in part, on any 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 Class M Subordinated Notes (in addition to any other Class of Notes) on such Payment Date; *provided further that* such redemption of the Notes, whether pursuant to the exercise of such option by the Controlling Class or the Class M Subordinated Noteholders, shall take place subject to and in accordance with the procedures set out in Condition 7(b) (*Optional Redemption*) (including, for the avoidance of doubt, Condition 7(b)(vi) (*Optional Redemption effected through Liquidation only*)).

(h) Redemption

Unless otherwise specified in this Condition 7 *(Redemption and Purchase*), all Notes in respect of which any notice of redemption is given shall be redeemed on the Redemption Date at their applicable Redemption Prices and to the extent specified in such notice and in accordance with the requirements of this Condition 7 (*Redemption and Purchase*).

(i) Cancellation and Purchase

All Notes redeemed in full by the Issuer will be cancelled and may not be reissued or resold.

No Note may be surrendered (including in connection with any abandonment, donation, gift, contribution or other event or circumstance) except for payment as provided herein or for cancellation pursuant to Condition 7(l) (*Purchase*) below, for registration of transfer, exchange or redemption, or for replacement in connection with any Note mutilated, defaced or deemed lost or stolen.

In respect of Notes represented by a Global Certificate, cancellation of any Note required by 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 in writing to the Trustee and Noteholders in accordance with Condition 16 (*Notices*) and promptly in writing to the Rating Agencies.

(k) Reinvestment Overcollateralisation Test

During the Reinvestment Period, at the discretion of the Collateral Manager, acting on behalf of the Issuer, in accordance with and subject to the terms of the Collateral Management and Administration Agreement, the Issuer may redeem the Notes upon a failure of the Reinvestment Overcollateralisation Test subject to and in accordance with the Priorities of Payment and that notice is given in writing to the Trustee and Noteholders in accordance with Condition 16 (*Notices*).

(l) Purchase

On any Business Day, at the discretion of the Collateral Manager, acting on behalf of the Issuer, in accordance with and subject to the terms of the Collateral Management and Administration Agreement, the Issuer may, subject to the conditions below, purchase any of the Rated Notes (in whole or in part), using amounts standing to the credit of the applicable Supplemental Reserve Account or the Principal Accounts, in each case, denominated in the currency in which the Rated Notes being purchased are denominated.

No purchase of Rated Notes by the Issuer may occur unless each of the following conditions is satisfied:

(A) such purchase of Rated Notes shall occur in the following sequential order of priority: first, the Class X Notes, the Class A-1 Notes, the Class A-2 Notes and the Class A-3 Notes on a *pro rata* basis (for the avoidance of doubt, in accordance with Condition 3(e) (*FX Conversions*)) until the Class X Notes, the Class A-1 Notes, the Class A-2 Notes and the Class A-3 Notes are purchased or redeemed in full and cancelled; second, the Class B-1 Notes and the Class B-2 Notes on a *pro rata* basis, until the Class B-1 Notes and the Class B-2 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 amount of Supplemental Reserve Amounts and/or Principal Proceeds 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 the relevant Supplemental Reserve Amounts and/or Principal Proceeds specified in such offer, a portion of the Notes in the relevant currency 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 Coverage Test is satisfied immediately prior to each such purchase and will be satisfied after giving effect to such purchase (and subsequent cancellation pursuant to this Condition 7(l) (*Purchase*)) or, if any Coverage Test is not satisfied, it shall be at least maintained or improved after giving effect to such purchase (and subsequent cancellation pursuant to this Condition 7(l) (*Purchase*)) compared with what it was immediately prior thereto;

(E) no Note Event of Default shall have occurred and be continuing;

(F) any Rated Notes to be purchased shall be surrendered to the Registrar for cancellation and may not be reissued or resold;

(G) each such purchase will otherwise be conducted in accordance with applicable law (including the laws of Ireland); and

(H) the Issuer shall provide written notice of each such purchase to S&P.

Upon instruction by the Issuer, the Registrar shall cancel any such purchased Rated Notes surrendered to it for cancellation. The cancellation (and/or decrease, as applicable) of any such surrendered Rated Notes shall be taken into account for purposes of all relevant calculations. The Issuer shall procure that notice of any such purchase of Rated Notes by it is given promptly in writing to the Rating Agencies, the Noteholders in accordance with Condition 16 (*Notices*) and the Trustee.

(m) Mandatory Redemption of Class X Notes

The Class X Notes shall be subject to mandatory redemption in part on each of the Payment Dates beginning on (and including) the first Payment Date immediately following the Issue Date, in each case in an amount equal to the relevant Class X Principal Amortisation Amount.

8. Payments

(a) Method of Payment

Payments of principal upon final redemption in respect of each Note will be made against presentation and surrender (or, in the case of part payment only, endorsement) of such Note at the specified office of the Principal Paying Agent by wire transfer. Payments of interest on each Note and, prior to redemption in full thereof, principal in respect of each Note, will be made by wire transfer. Upon application of the holder to the specified office of the Principal Paying Agent not less than five Business Days before the due date for any payment in respect of a Note, the payment may be made (in the case of any final payment of principal against presentation and surrender (or, in the case of part payment only of such final payment, endorsement) of such Note as provided above) by wire transfer, in immediately available funds, on the due date to a Euro account, or with respect to the Class A-2 Notes, the Class A-3 Notes and the Class M-2 Subordinated Notes, a USD account, in each case maintained by the payee with a bank in Western Europe or the United States.

Payments of principal and interest in respect of Notes represented by a Global Certificate will be made to the registered holder as shall have been notified to the relevant Noteholders (in accordance with Condition 16 (*Notices*)) for such purpose and, if no further payment falls to be made in respect of the relevant Notes, upon surrender of such Global Certificate to or to the order of the Principal Paying Agent or the Transfer Agent. On each occasion on which a payment of interest (unless the Notes represented thereby do not bear interest) or principal is made in respect of the relevant Global Certificate, the Registrar shall note the same in the Register and cause the aggregate principal amount of the Notes represented by a Global Certificate to be decreased accordingly.

(b) Payments

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Condition 9 (*Taxation*). No commission shall be charged to the Noteholders.

(c) Payments on Presentation Days

A holder shall be entitled to present a Note for payment only on a Presentation Date and shall not, except as provided in Condition 6 (*Interest*), be entitled to any further interest or other payment if a Presentation Date falls after the due date.

If a Note is presented for payment at a time when, as a result of differences in time zones it is not practicable to transfer the relevant amount to an account as referred to above for value on the relevant Presentation Date, the Issuer shall not be obliged so to do but shall be obliged to transfer the relevant amount to the account for value on the first practicable date after the Presentation Date.

(d) Principal Paying Agent and Transfer Agent

The names of the initial Principal Paying Agent and Transfer Agent and their initial specified offices are set out below. The Issuer reserves the right at any time subject to and in accordance with the terms of the Agency and Account Bank Agreement, with the prior written approval of the Trustee, to vary or terminate the appointment of the Principal Paying Agent and the Transfer Agent and appoint additional or other Agents, provided that it will maintain a Principal Paying Agent. Notice of any change in any Agent or their specified offices or in the Collateral Manager or Collateral Administrator will promptly be given to the Noteholders by the Issuer in accordance with Condition 16 (*Notices*).

9. Taxation

All payments of principal and interest in respect of the Notes shall be made free and clear of, and without withholding or deduction for or on account of, any Taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Ireland or the United States, or any other jurisdiction, or any political sub-division or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. For the avoidance of doubt, the Issuer shall not be required to gross up any payments made to Noteholders of any Class and shall withhold or deduct from any such payments any amounts on account of such Tax where so required by law (including FATCA) or any such relevant taxing authority. Any withholding or deduction shall not constitute a Note Event of Default under Condition 10(a) (*Note Events of Default*).

Subject as provided below, if the Issuer certifies (upon which certification the Trustee may rely conclusively and without further enquiry or liability) to the Trustee that it has or will on the occasion of the next payment due in respect of the Notes of any Class become obliged 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 because of the imposition of such Tax, the Issuer (save as provided below) shall use 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, provided that the Trustee's approval shall be subject to confirmation of tax counsel (at the cost of the Issuer) that such a substitution and/or change in tax residence would be effective in eliminating the imposition of such Tax.

Notwithstanding the above, if any Taxes referred to in this Condition 9 (*Taxation*) arise:

(a) due to any present or former connection of any Noteholder (or between a fiduciary, settlor, beneficiary, member or shareholder of such Noteholder if such Noteholder is an estate, a trust, a partnership, or a corporation) with 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) 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;

(d) under FATCA or as a result of the Noteholder's failure to provide the Issuer with appropriate tax forms and other documentation reasonably requested by the Issuer; or

(e) any combination of the preceding clauses (a) through (d) 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) Note Events of Default

Any of the following events shall constitute a "**Note Event of Default**":

(i) Non-payment of interest

the Issuer fails to pay any interest in respect of the Class X Notes, the Class A Notes or the Class B Notes when the same becomes due and payable (save, in each case, as the result of any deduction therefrom or the imposition or withholding thereon in the circumstances described in Condition 9 (*Taxation*)) and, in each case, the failure to pay such interest in such circumstances continues for a period of at least five Business Days provided that, in the case of a failure to disburse due to an administrative error or omission, such failure continues for a period of at least ten Business Days after the Issuer, the Collateral Administrator or the Principal Paying Agent receives written notice of, or has actual knowledge of, such administrative error or omission; provided further that the failure to effect any Optional Redemption or redemption following a Note Tax Event for which notice is withdrawn in accordance with these Conditions or, in the case of an Optional Redemption with respect to which a Refinancing fails, will not constitute a Note Event of Default;

(ii) Non-payment of principal

the Issuer fails to pay any principal when the same becomes due and payable (save, in each case, as the result of any deduction therefrom or the imposition or withholding thereon in the circumstances described in Condition 9 (*Taxation*)) on any Rated Note on the Maturity Date or any Redemption Date provided that, in the case of a failure to disburse due to an administrative error or omission, such failure continues for a period of at least ten Business Days after the Issuer, the Collateral Administrator or the Principal Paying Agent receives written notice of, or has actual knowledge of, such administrative error or omission 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 these Conditions or, in the case of an Optional Redemption with respect to which a Refinancing fails, will not constitute a Note Event of Default;

(iii) Default under Priorities of Payment

the failure on any Payment Date to disburse amounts (other than (i) or (ii) above) available in the Payment Account in excess of €1,000 and payable in accordance with the Priorities of Payment and continuation of such failure for a period of five Business Days or, in the case of a failure to disburse due to an administrative error or omission or another non-credit-related reason (as determined by the Collateral Manager acting in a commercially reasonable manner and certified in writing to the Trustee (upon which certification the Trustee may rely conclusively and without further enquiry or liability), but without liability as to such determination), such failure continues for ten Business Days after the Issuer and the Collateral Administrator receives written notice of, or has actual knowledge of, such administrative error or omission;

(iv) Collateral Obligations

on any Measurement Date after the Effective Date, failure of the percentage equivalent of a fraction, (i) the numerator of which is equal to (1) the Aggregate Principal Balance of all Collateral Obligations other than Defaulted Obligations plus (2) the aggregate in respect of each Defaulted Obligation of its Market Value multiplied by its Principal Balance on such date plus (3) any Principal Proceeds standing to the credit of the Principal Accounts on such Measurement Date (converted into Euro, as applicable, at the Applicable FX Rate) and (ii) the denominator of which

is equal to the Principal Amount Outstanding of the Class A Notes, to equal or exceed 102.5 per cent. (converted into Euro, as applicable, at the Applicable FX Rate);

(v) Breach of Other Obligations

except as otherwise provided in this definition of "Note Event of Default", a default in a material respect in the performance by, or breach in a material respect of any material covenant of, the Issuer under the Trust Deed and/or these Conditions (provided that any failure to meet any Portfolio Profile Test, Collateral Quality Test, Coverage Test or Reinvestment Overcollateralisation Test is not a Note Event of Default and any failure to satisfy the Effective Date Determination Requirements is not a Note Event of Default, except in either case to the extent provided in paragraph (iv) above) or the failure of any representation, warranty, undertaking or other agreement of the Issuer made in the Trust Deed and/or these Conditions or in any certificate or other writing delivered pursuant thereto or in connection therewith to be correct in each case in all material respects when the same shall have been made, and (A) such default, breach or failure is, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders of any Class; and (B) the continuation of such default, breach or failure for a period of 30 days after the earlier of (a) the Issuer having actual knowledge of such default, breach or failure or (b) notice being given to the Issuer and the Collateral Manager by registered or certified mail or courier from the Trustee, or to the Issuer, the Collateral Manager and the Trustee from the Controlling Class acting pursuant to an Ordinary Resolution, in each case copied to the Trustee (as applicable), specifying such default, breach or failure and requiring it to be remedied and stating that such notice is a "**Notice of Default**" under the Trust Deed; *provided that* if the Issuer (as notified to the Trustee by the Collateral Manager in writing) has commenced curing such default, breach or failure during the 30 day period specified above, such default, breach or failure shall not constitute a Note Event of Default under this paragraph (v) unless it continues for a period of 45 days (rather than, and not in addition to, such 30 day period specified above) after the earlier of the Issuer having actual knowledge thereof or notice thereof in accordance herewith;

(vi) Insolvency Proceedings

proceedings are initiated against the Issuer under any applicable liquidation, insolvency, bankruptcy, composition, reorganisation or other similar laws (together, "**Insolvency Law**"), or a receiver, administrative receiver, trustee, administrator, custodian, conservator, liquidator, examiner, curator or other similar official (other than any party, including without limitation the Trustee and the Custodian, appointed or otherwise acting pursuant to or in connection with the Transaction Documents) (a "**Receiver**") is appointed in relation to such proceedings and the whole or any substantial part of the undertaking or assets of the Issuer and, in any of the foregoing cases, except in relation to the appointment of a Receiver, is not discharged within 30 days; or the Issuer is subject to, or initiates or consents to, judicial proceedings relating to itself under any applicable Insolvency Law, or seeks the appointment of a Receiver, or makes a conveyance or assignment for the benefit of its creditors generally or otherwise becomes subject to any reorganisation or amalgamation (other than on terms previously approved in writing by the Trustee or by an Extraordinary Resolution of the Controlling Class);

(vii) Illegality

it is or will become unlawful for the Issuer to perform or comply with any one or more of its material obligations under the Notes; or

(viii) Investment Company Act

the Issuer or any of the Collateral becomes required to register as an "investment company" under the Investment Company Act and such requirement continues for 45 days.

(b) Acceleration

If a Note Event of Default occurs and is continuing, the Trustee may, at its discretion, and shall, at the request of the Controlling Class acting by way of Extraordinary Resolution, (subject, in each case, to being indemnified and/or secured and/or prefunded to its satisfaction against all liabilities, proceedings, claims and demands to which it may thereby become liable and all costs, charges and expenses which

may be incurred by it in connection therewith) give notice to the Issuer and the Collateral Manager that all the Notes are immediately due and repayable (such notice, an "**Acceleration Notice**"), whereupon the Notes shall become immediately due and repayable at their applicable Redemption Prices, provided that upon the occurrence of a Note Event of Default described in paragraph (vi) of the definition thereof, an Acceleration Notice shall be deemed to have been given and all the Notes shall automatically become immediately due and repayable at their applicable Redemption Prices.

(c) Curing of Default

At any time after an Acceleration Notice (whether deemed or otherwise) has been given pursuant to Condition 10(b) (*Acceleration*) following the occurrence of a Note Event of Default 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) rescind and annul such Acceleration Notice under paragraph (b) above and its consequences if:

(i) the Issuer has paid or deposited with the Trustee (or to its order) a sum sufficient to pay:

(A) all overdue payments of interest and principal on the Notes, other than the Class M Subordinated Notes;

(B) all due but unpaid taxes owing by the Issuer, as certified by an Authorised Officer of the Issuer to the Trustee;

(C) all unpaid Administrative Expenses and Trustee Fees and Expenses in each case, without regard to the Senior Expenses Cap; and

(D) all amounts due and payable by the Issuer under any Currency Hedge Agreement or any Interest Rate Hedge Agreement,

in each case in the Available Currency in which each amounts are overdue, unpaid or due and payable (as applicable) and excluding any amounts due solely as a result of the acceleration of the Notes under paragraph (b) above; and

(ii) the Trustee has determined that all Events of Default, other than the non-payment of the interest in respect of, or principal of, the Notes that have become due solely as a result of the acceleration thereof under paragraph (b) above due to such Events of Default, have been cured or waived.

Any previous rescission and annulment of an Acceleration Notice (whether deemed or otherwise) pursuant to this paragraph (c) shall not prevent the subsequent acceleration of the Notes if the Trustee, at its discretion or as subsequently requested, accelerates the Notes or if the Notes are automatically accelerated in accordance with paragraph (b) above.

All amounts received in respect of this Condition 10(c) (*Curing of Default*) shall be distributed two Business Days following receipt by the Trustee of payment or deposit from the Issuer, in accordance with paragraph (i) above and the Post-Acceleration Priority of Payments.

(d) Restriction on Acceleration

No direction to accelerate the Notes shall be permitted by any Class of Noteholders, other than the Controlling Class as provided in Condition 10(b) (*Acceleration*).

(e) Notification and Confirmation of No Default

The Issuer shall immediately notify the Trustee, the Collateral Manager, the Noteholders (in accordance with Condition 16 (*Notices*)) and the Rating Agencies upon becoming aware of the occurrence of a Note Event of Default. The Trust Deed contains provision for the Issuer to provide written confirmation to the Trustee and the Rating Agencies on an annual basis that no Note Event of Default has occurred and that no condition, event or act has occurred which, with the lapse of time and/or the issue, making or giving of any notice, certification, declaration and/or request and/or the

taking of any similar action and/or the fulfilment of any similar condition would constitute a Note Event of Default.

(f) Collateral Manager Events of Default

Any of the following events shall constitute a "**Collateral Manager Event of Default**":

(i) the wilful and intentional breach by the Collateral Manager of a material provision of the Collateral Management and Administration Agreement or the Trust Deed applicable to the Collateral Manager (unrelated to the economic performance of the Portfolio and not including a wilful and intentional breach that results from a good faith dispute regarding reasonable alternative courses of action or interpretation of instructions);

(ii) the violation by the Collateral Manager of any material provision of the Collateral Management and Administration Agreement or the Trust Deed applicable to it (unrelated to the economic performance of the Portfolio and not including a wilful and intentional breach that results from a good faith dispute regarding reasonable alternative courses of action or interpretation of instructions) which violation (a) has a material adverse effect on any Class of Notes and (b) if capable of being cured, is not cured within 30 days of a responsible officer of the Collateral Manager receiving notice from, the Issuer or the Trustee of, such violation, unless if such failure is remediable, the Collateral Manager has taken action that the Collateral Manager believes in good faith will remedy such failure and such action does remedy such failure within 60 days after a responsible officer receives notice thereof;

(iii) the Collateral Manager (A) files, or consents by answer or otherwise to the filing against it of a petition for relief or reorganisation or arrangement or any other petition in bankruptcy, for liquidation or to take advantage of any bankruptcy, insolvency, reorganisation, moratorium or other similar law of any jurisdiction, (B) makes an assignment for the benefit of its creditors, (C) consents to the appointment of a custodian, receiver, trustee or other officer with similar powers with respect to it or with respect to any substantial part of its property, or (D) is adjudicated as insolvent or bankrupt, or a petition seeking reorganisation, arrangement, adjustment or composition of or in respect of the Collateral Manager, or appointing a receiver, liquidator, assignee or sequestrator (or other similar official) of the Collateral Manager or of any substantial part of its property or ordering the winding up or liquidation of the Collateral Manager, and the continuance of any such decree or order is unstayed and in effect for a period of 30 consecutive days;

(iv) (x) the occurrence of a Note Event of Default under Condition 10(a)(i), (ii) or (iii) (*Note Events of Default*) which results from a material breach by the Collateral Manager of its duties under the Trust Deed or the Collateral Management and Administration Agreement, which breach or default is not cured within any applicable cure period or (y) the occurrence of a Note Event of Default under Condition 10(a)(iv) (*Collateral Obligations*);

(v) the failure of any representation, warranty or certification made or delivered by the Collateral Manager, in writing, in or pursuant to the Collateral Management and Administration Agreement or the Trust Deed to be correct in any material respect when made and such failure (x) has a material adverse effect on any Class of Notes and (y) no correction is made for a period of 30 days after a responsible officer of the Collateral Manager becomes aware of or receives notice from the Issuer or the Trustee of, such failure;

(vi) (x) the Collateral Manager or BDCM (so long as an Affiliate of BDCM is the Collateral Manager) or any Responsible Officer thereof is convicted by a United States court or court of any other jurisdiction of appropriate jurisdiction in the United States, United Kingdom or Ireland of a criminal offence materially related to its investment advisory services of the type provided to the Issuer, under the Collateral Management and Administration Agreement or (y) the Collateral Manager or BDCM (so long as an Affiliate of BDCM is the Collateral Manager) or any responsible officer of the Collateral Manager or BDCM (so long as an Affiliate of BDCM is the Collateral Manager) primarily responsible for the performance by the Collateral Manager of its obligations under the Collateral Management and Administration Agreement is indicted by a an authority of appropriate jurisdiction in the United States, the United Kingdom or Ireland for a

criminal offence materially related to the Collateral Manager's services to the Issuer under the Collateral Management and Administration Agreement; or

(vii) the Collateral Manager resigning pursuant to the terms of the Collateral Management and Administration Agreement; or

(viii) the occurrence of a Collateral Manager Tax Event.

Pursuant to the terms of the Collateral Management and Administration Agreement:

(A) upon the occurrence of a Collateral Manager Event of Default (other than pursuant to paragraph (vii) of the definition thereof), the Collateral Management and Administration Agreement may be terminated, and the Collateral Manager may be removed (i) at the Issuer's discretion; (ii) at the direction of the holders of each Class of Rated Notes (acting separately) by Extraordinary Resolution; or (iii) by holders of the Class M Subordinated Notes acting by Extraordinary Resolution (in each case, excluding any CM Non-Voting Exchangeable Notes, CM Non-Voting Notes and Notes held by the Collateral Manager, the Originator or a Collateral Manager Related Person), upon 30 Business Days' prior written notice to the Collateral Manager, the Trustee and each Rating Agency; and

(B) upon the occurrence of a removal or resignation of the Collateral Manager following a Collateral Manager Event of Default, the Controlling Class, and the Class M Subordinated Noteholders will have certain rights with respect to the appointment of a successor collateral manager, as more fully described in the Collateral Management and Administration Agreement.

The Issuer acknowledges that the rights of the holders of Rated Notes to participate in the selection or removal of the Collateral Manager following a Collateral Manager Event of Default, as described above, are the rights of a creditor to exercise remedies upon the occurrence of an event of default.

For the avoidance of doubt, the occurrence of a Collateral Manager Event of Default pursuant to the Collateral Management and Administration Agreement, shall not, of itself, cause a Note Event of Default to occur under these Conditions (it being acknowledged that certain events may give rise to both a Collateral Manager Event of Default and a Note Event of Default).

11. Enforcement

(a) Security Becoming Enforceable

Subject as provided in paragraph (b) below, the security constituted by the Trust Deed and the Irish Deed of Charge 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 and the Irish Deed of Charge becomes enforceable, the Trustee may, at its discretion (but subject always to Condition 4(c) (*Limited Recourse and Non-Petition*)), and shall, if so directed by the Controlling Class acting by Extraordinary Resolution (subject, in each case, as provided in Condition 11(b)(ii) (*Enforcement*)), institute such proceedings or take such other action against the Issuer or take any other action as it may think fit to enforce the terms of the Trust Deed, the Irish Deed of Charge and the Notes and, pursuant and subject to the terms of the Trust Deed, the Irish Deed of Charge and the Notes, realise and/or otherwise liquidate or sell the Collateral in whole or in part and/or take such other action as may be permitted under applicable laws against any Obligor in respect of the Collateral and/or take any other action to enforce or realise the security over the Collateral in accordance with the Trust Deed and the Irish Deed of Charge (such actions together, "**Enforcement Actions**"), in each case without any liability as to the consequences of such action and without having regard (save to the extent provided in Condition 14(e) (*Entitlement of the Trustee and Conflicts of Interest*)) to the effect of such action on the individual Noteholders of any Class or any other Secured Party provided however that:

(i) no such Enforcement Action may be taken by the Trustee unless:

(A) subject to being indemnified and/or prefunded and/or secured to its satisfaction, the Trustee (or an agent or Appointee on its behalf) determines subject to consultation by the Trustee or such agent or Appointee with the Collateral Manager that the anticipated proceeds realised from such Enforcement Action (after deducting and allowing for any expenses properly incurred in connection therewith) would be sufficient to discharge in full all amounts due and payable in respect of all Classes of Notes (including, without limitation, Deferred Interest on the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes) other than the Class M 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**") and the Controlling Class agrees with such determination by an Extraordinary Resolution (in which case the Enforcement Threshold will be met); or

(B) subject to paragraph (ii) below, if the Enforcement Threshold will not have been met then, each Class of Rated Notes (acting independently) directs the Trustee by Extraordinary Resolution to take Enforcement Action.

(ii) the Trustee shall not be bound to institute any Enforcement Action or take any other action unless, subject to the above, it is directed to do so by the Controlling Class acting by Extraordinary Resolution and in each case the Trustee is indemnified and/or secured and/or prefunded to its satisfaction. Following redemption and payment in full of the Rated Notes, the Trustee shall (provided it is indemnified and/or secured and/or prefunded to its satisfaction) act upon the directions of the Class M Subordinated Noteholders acting by Extraordinary Resolution; and

(iii) for the purposes of determining issues relating to the execution of a sale or liquidation of the Portfolio, the anticipated proceeds to be realised from any Enforcement Action and whether the Enforcement Threshold will be met, the Trustee may appoint an independent investment banking firm or other appropriate advisor to advise it and may obtain and rely on an opinion and/or advice of such independent investment banking firm or other appropriate advisor (the cost of which shall be payable as Trustee Fees and Expenses) and shall be exempted from any liability arising directly or indirectly from any action taken or not taken by the Trustee, in connection with such opinion and/or advice.

The Trustee shall notify the Noteholders, the Issuer, the Agents, the Collateral Manager, each Hedge Counterparty and the Rating Agencies in the event that it or any Appointee on its behalf makes an Enforcement Threshold Determination at any time or takes any Enforcement Action at any time (such notice an "**Enforcement Notice**"). Following the effectiveness of an Acceleration Notice which has not been rescinded and annulled in accordance with Condition 10(c) (*Curing of Default*) or, as the case may be, following automatic acceleration of the Notes or pursuant to an Optional Redemption in whole in accordance with Condition 7(b) (*Optional Redemption*) or 7(g) (*Redemption Following Note Tax Event*), Interest Proceeds, Principal Proceeds and the net proceeds of enforcement of the security over the Collateral (other than with respect to any Counterparty Downgrade Collateral or amounts standing to the credit of the Interest Account which represent Hedge Issuer Tax Credit Payments which are required to be paid or returned to a Hedge Counterparty outside the Priorities of Payment in accordance with the Hedge Agreement and/or Condition 3(m)(v) (*Counterparty Downgrade Collateral Accounts*) or amounts standing to the credit of the Currency Accounts which represent Sale Proceeds in respect of Non-Euro Obligations sold subject to and in accordance with the terms of a Currency Hedge Transaction which shall be paid to the relevant Hedge Counterparty in accordance with the terms thereof outside the Priorities of Payment), shall be credited to the applicable Payment Account based on the Available Currency in which such amounts are denominated and shall be distributed in accordance with the following order of priority but in each case only to the extent that all payments of a higher priority have been made in full (the "**Post-Acceleration Priority of Payments**"):

(A) to the payment of taxes owing by the Issuer accrued (other than any Irish corporate income tax in relation to the Issuer Profit Amount referred to below), as certified by an Authorised Officer of the Issuer to the Trustee, if any, (save for any VAT payable in respect of any Collateral Management Fee or any other tax payable in relation to any amount payable to the Secured Parties and which arises as a result of the payment of that amount to the relevant Secured Party); and to the payment of the Issuer Profit Amount, for deposit into the Issuer Profit Account from time to time;

(B) to the payment of accrued and unpaid Trustee Fees and Expenses up to an amount equal to the Senior Expenses Cap in respect of the related Due Period (and taking into account the Euro amount converted at the Applicable FX Rate of any such payments to be made pursuant to this paragraph (B) denominated in USD); *provided* that (i) upon the occurrence of a Note Event of Default under Condition 10(a) (*Note Events of Default*), the Senior Expenses Cap shall not apply to any Trustee Fees and Expenses incurred while such Note Event of Default is continuing, and (ii) upon an acceleration of the Notes in accordance with Condition 10(b) (*Acceleration*), the Senior Expenses Cap shall not apply unless and until such Acceleration Notice has been rescinded and annulled in accordance with Condition 10(c) (*Curing of Default*);

(C) to the payment of Administrative Expenses in the priority stated in the definition thereof up to an amount equal to the Senior Expenses Cap in respect of the related Due Period (and taking into account the Euro amount converted at the Applicable FX Rate of any such payments to be made pursuant to this paragraph (C) denominated in USD) less the Euro equivalent amount (where necessary, converted at the Applicable FX Rate) of any amounts paid pursuant to paragraph (B) above; *provided* that upon an acceleration of the Notes in accordance with Condition 10(b) (*Acceleration*), the Senior Expenses Cap shall not apply unless and until such Acceleration Notice has been rescinded and annulled in accordance with Condition 10(c) (*Curing of Default*);

(D) to the payment:

(1) *firstly*, on a *pro rata* basis to the Collateral Manager of the Senior Management Fee due and payable on such Payment Date and any VAT in respect thereof (whether payable to the Collateral Manager or directly to the relevant taxing authority) save for any Deferred Senior Collateral Management Amounts and Deferred Subordinated Collateral Management Amounts which shall not be paid pursuant to this paragraph; and

(2) *secondly*, to the Collateral Manager, any previously due and unpaid Senior Management Fees (other than Deferred Senior Collateral Management Amounts and Deferred Subordinated Collateral Management Amounts) (together with any interest thereon) 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 *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 Hedge Termination Account and other than Defaulted Currency Hedge Termination Payments) and (iii) any Interest Rate Hedge Issuer Termination Payments (to the extent not paid out of the Interest Account or the Hedge Termination Account and other than Defaulted Interest Rate Hedge Termination Payments);

(F) to the payment on a *pro rata* and *pari passu* basis of all Interest Amounts due and payable on the Class X Notes, the Class A-1 Notes, the Class A-2 Notes and the Class A-3 Notes;

(G) to the redemption on a *pro rata* and *pari passu* basis of the Class X Notes, the Class A-1 Notes, the Class A-2 Notes and the Class A-3 Notes, until the Class X Notes, the Class A-1 Notes, the Class A-2 Notes and the Class A-3 Notes have been redeemed in full;

(H) to the payment on a *pro rata* and *pari passu* basis of all Interest Amounts due and payable on the Class B-1 Notes and the Class B-2 Notes;

(I) to the redemption on a *pro rata* and *pari passu* basis of the Class B-1 Notes and the Class B-2 Notes, until the Class B-1 Notes and the Class B-2 Notes have been redeemed in full;

(J) to the payment on a *pro rata* basis of all Interest Amounts (including any Deferred Interest and interest on Deferred Interest) due and payable on the Class C Notes;

(K) to the redemption on a *pro rata* basis of the Class C Notes, until the Class C Notes have been redeemed in full;

(L) to the payment on a *pro rata* basis of all Interest Amounts (including any Deferred Interest and interest on Deferred Interest) due and payable on the Class D Notes;

(M) to the redemption on a *pro rata* basis of the Class D Notes, until the Class D Notes have been redeemed in full;

(N) to the payment on a *pro rata* basis of all Interest Amounts (including any Deferred Interest and interest on Deferred Interest) due and payable on the Class E Notes;

(O) to the redemption on a *pro rata* basis of the Class E Notes, until the Class E Notes have been redeemed in full;

(P) to the payment on a *pro rata* basis of all Interest Amounts (including any Deferred Interest and interest on Deferred Interest) due and payable on the Class F Notes;

(Q) to the redemption on a *pro rata* basis of the Class F Notes, until the Class F Notes have been redeemed in full;

(R) to the payment:

(1) *firstly*, to the Collateral Manager of the Subordinated Management Fee due and payable on such Payment Date and any VAT in respect thereof (whether payable to the Collateral Manager or directly to the relevant taxing authority);

(2) *secondly*, to the Collateral Manager of any previously due and unpaid Subordinated Management Fee (other than Deferred Senior Collateral Management Amounts and Deferred Subordinated Collateral Management Amounts) 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

(4) *fourthly*, to the repayment of any Collateral Manager Advances and any interest thereon;

(S) to the payment:

(1) *firstly*, of the Trustee Fees and Expenses not paid by reason of the Senior Expenses Cap (if any) in the priority stated in the definition thereof; and

(2) *secondly*, of the Administrative Expenses not paid by reason of the Senior Expenses Cap (if any) in the priority stated in the definition thereof,

in each case *provided that* following a Note Event of Default or 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;

(T) 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 any Defaulted Interest Rate Hedge Termination Payments due to any Interest Rate Hedge Counterparty (in each case to the extent not paid out of the Hedge Termination Account or any relevant Counterparty Downgrade Collateral Account);

(U) to any Reinvesting Noteholder (whether or not any applicable Reinvesting Noteholder continues on the date of such payment to hold all or any portion of such Class M Subordinated Notes) of any Reinvestment Amounts accrued and not previously paid pursuant to this paragraph (U) with respect to their respective Class M Subordinated Notes, *pro rata* in accordance with the respective aggregate Reinvestment Amounts with respect to the Class M Subordinated Notes;

(V) subject to the Incentive Collateral Management Fee IRR Threshold having been reached (after taking into account all prior distributions to Class M Subordinated Noteholders and any distributions to be made to Class M Subordinated Noteholders on such Payment Date,

including pursuant to paragraph (W) below, paragraph (DD) of the Interest Priority of Payments and paragraph (V) of the Principal Priority of Payments),

(1) *firstly*, to the payment to the Collateral Manager of 20 per cent. of any remaining proceeds (after converting into Euro as required, at the Applicable FX Rate) in payment of any accrued but unpaid Incentive Collateral Management Fee; and

(2) *secondly*, to the payment of any VAT in respect of the Incentive Collateral Management Fee referred to in (a) above (whether payable to the Collateral Manager or directly to the relevant taxing authority); and

(W) subject to Condition 3(o) (*Winding Up Expenses*), any remaining proceeds (after converting into Euro as required, at the Applicable FX Rate) to the payment of principal on the Class M Subordinated Notes on a *pro rata* and *pari passu* basis and thereafter to the payment of interest on a *pro rata* and *pari passu* basis on the Class M Subordinated Notes (in each case determined upon redemption in full thereof by reference to the proportion that the principal amount of the Class M Subordinated Notes held by Class M Subordinated Noteholders bore to the Principal Amount Outstanding of the Class M Subordinated Notes immediately prior to such redemption).

Where the payment of any amount in accordance with the Priorities of Payment set out above is subject to any deduction or withholding for or on account of any tax, or any other tax is payable by or on behalf of the Issuer in respect of any such amount, payment of the amount so deducted or withheld or of the other tax so payable shall be made to the relevant taxing authority *pari passu* with and, so far as possible, at the same time as the payment of the amount in respect of which the relevant deduction or withholding or other liability to tax has arisen.

For the avoidance of doubt, the provisions of Condition 3(e) (*FX Conversions*) shall apply to the payment of all amounts in accordance with the Priorities of Payment set out above.

(c) Only Trustee to Act

Only the Trustee may pursue the remedies available under the Trust Deed and the Irish Deed of Charge to enforce the rights of the Noteholders or, in respect of the Collateral, of any of the other Secured Parties under the Trust Deed, the Irish Deed of Charge and the Notes and no Noteholder or other Secured Party (other than the Trustee) 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. After realisation of the security which has become enforceable and distribution of the net proceeds in accordance with the Priorities of Payment, no Noteholder or other Secured Party may take any further steps against the Issuer to recover any sum still unpaid in respect of the Notes or the Issuer's obligations to such Secured Party and all claims against the Issuer to recover any sum still unpaid in respect of the Notes or the Issuer's obligations to such Secured Party and all claims against the Issuer in respect of such sums unpaid shall be extinguished. In particular, none of the Trustee, any Noteholder or any other Secured Party shall be entitled in respect thereof to petition or take any other step for the winding up of the Issuer except to the extent permitted under the Trust Deed.

(d) Purchase of Collateral by Noteholders or Collateral Manager

Upon any sale of any part of the Collateral following the acceleration of the Notes under Condition 10(b) (*Acceleration*), whether made under the power of sale under the Trust Deed or by virtue of judicial proceedings, any Noteholder, the Collateral Manager or any Collateral Manager Related Person may (but shall not be obliged to) bid for and purchase the Collateral or any part thereof and, upon compliance with the terms of sale, may hold, retain, possess or dispose of such property in its or their own absolute right without accountability. In addition, any purchaser in any such sale which is a Noteholder may deliver Notes held by it in place of payment of the purchase price for such Collateral where the amount payable to such Noteholder in respect of such Notes pursuant to the Priorities of Payment, had the purchase price been paid in cash, is equal to or exceeds such purchase price.

12. Prescription

Claims in respect of principal and interest payable on redemption in full of the relevant Notes 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 in respect of such Notes is received by the Principal Paying Agent.

Notwithstanding the above, claims against the Issuer in respect of principal and interest on the Notes while the Notes are represented by a Global Certificate will become void unless presented for payment within a period of ten years (in the case of principal) and five years (in the case of interest) from the date on which any payment first becomes due.

13. Replacement of Notes

If any Note is lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Transfer Agent, subject in each case to all applicable laws and Euronext Dublin requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer or the Transfer Agent 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 Written Resolution, in each case, either acting together (subject as provided in paragraph (ix) below) or, to the extent specified in any applicable Transaction Document or these Conditions, by a Class of Noteholders acting independently. Save to the extent expressly stated otherwise, separate meetings of the Noteholders of each Class shall be convened and held. Ordinary Resolutions and Extraordinary Resolutions can be effected either at a duly convened meeting of the applicable Noteholders or by the applicable Noteholders resolving in writing, in each case, in at least the minimum percentages specified in the table "Minimum Percentage Voting Requirements" in paragraph (iii) below. Meetings of the Noteholders may be convened by the Issuer, the Trustee (subject to being indemnified to its satisfaction) or by one or more Noteholders holding not less than 10 per cent. in principal amount of the Notes Outstanding of a particular Class, subject to certain conditions including minimum notice periods. Where decisions are to be taken by a Written Resolution of a Class or Classes under the Trust Deed or these Conditions, such decision may only be made in accordance with Condition 14(b)(v) (*Written Resolution*) below.

The Trustee may, in its discretion, determine that any proposed Ordinary Resolution or Extraordinary Resolution affects only the holders of one or more Classes of Notes, in which event the required quorum and minimum percentage, voting requirements of such Ordinary Resolution or Extraordinary Resolution may be determined by reference only to the holders of that Class or Classes of Notes and not the holders of any other Notes.

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.

Notice of any Resolution passed by the Noteholders will be given by the Issuer to Moody's and S&P in writing.

For the purposes of determining whether any quorum requirement or voting threshold has been satisfied in accordance to these Conditions, the Principal Amount Outstanding of any Note denominated in USD and entitled to be voted and be counted for quorum purposes hereunder, shall be converted into a Euro equivalent amount at the Applicable FX Rate.

(ii) Quorum

The quorum required for any meeting convened to consider an Ordinary Resolution or Extraordinary Resolution, in each case, of all the Noteholders or of any Class or Classes of Noteholders, or at any adjourned meeting to consider such a Resolution, shall be as set out in the relevant column and row corresponding to the type of resolution in the table "Quorum Requirements" below.

Type of Resolution	Any meeting (other than a meeting adjourned for want of quorum)	Meeting previously adjourned for want of quorum
Extraordinary Resolution of all Noteholders (or a certain Class or Classes only)	One or more persons holding or representing not less than $66^2/_3$ per cent. of the aggregate Principal Amount Outstanding of the Notes (or the 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) Class X Note Voting Rights

The Class X Notes shall have no voting rights in respect of, and shall not be counted for the purposes of determining a quorum and the result of voting on any CM Removal Resolutions or any CM Replacement Resolutions (but shall carry a right to vote and be so counted on all other matters in respect of which Noteholders have a right to vote and be counted).

(iv) Minimum Voting Rights

Set out in the table "*Minimum Percentage Voting Requirements*" below are the minimum percentages required to pass the Resolutions specified in such table which, (A) in the event that such Resolution is being considered at a duly convened meeting of Noteholders, shall be determined by reference to the percentage which the aggregate Principal Amount Outstanding of Notes held or represented by any person or persons who vote in favour of such Resolution represents of the aggregate Principal Amount Outstanding of all applicable Notes which are represented at such meeting and are voted or, (B) in the case of any Written Resolution, shall be determined by reference to the percentage which the aggregate Principal Amount Outstanding of Notes entitled to be voted in respect of such Resolution and which are voted in favour thereof represent of the aggregate Principal Amount Outstanding of all the Notes entitled to vote in respect of such Written Resolution.

Minimum Percentage Voting Requirements

Type of Resolution	Per cent.
Extraordinary Resolution of all Noteholders (or of a certain Class or Classes only)	At least $66^2/_3$ per cent.
Ordinary Resolution of all Noteholders (or of a certain Class or Classes only)	More than 50 per cent.

(v) Written Resolutions

Any Written Resolution may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the relevant Noteholders and the date of such Written Resolution shall be the date on which the latest such document is signed. Any Extraordinary Resolution or Ordinary Resolution may be passed by way of a Written Resolution.

(vi) Electronic Resolutions

The Trust Deed provides that any Extraordinary Resolution or Ordinary Resolution may be passed by way of consent given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Trustee) by or on behalf of the relevant number of required Noteholders for such Extraordinary Resolution or Ordinary Resolution (as applicable).

(vii) 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).

(viii) Extraordinary Resolution

Any Resolution to sanction any of the following items will be required to be passed by an Extraordinary Resolution (in each case, subject to anything else specified in the Trust Deed, the Collateral Management and Administration Agreement or the relevant Transaction Document, as applicable):

(A) any modification of any Transaction Document having a material adverse effect on the security over the Collateral constituted by the Trust Deed;

(B) any item requiring approval by Extraordinary Resolution pursuant to these Conditions or any Transaction Document;

(C) any other provision of these Conditions which requires the written consent of the holders of a requisite Principal Amount Outstanding of the Notes of any Class;

(D) 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;

(E) 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);

(F) 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;

(G) 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*);

(H) a change in the currency of payment of the Notes of a Class;

(I) any change in the Priorities of Payment or of any payment items in the Priorities of Payment;

(J) any Optional Redemption pursuant to Condition 7(b)(vi) (*Optional Redemption effected through Liquidation only*);

(K) the modification of the provisions concerning the quorum required at any meeting of Noteholders or the minimum percentage required to pass a Resolution; and

(L) any modification of this Condition 14(b) (*Decisions and Meetings of Noteholders*).

(ix) Ordinary Resolution

Any meeting of the Noteholders shall (in each case, subject to anything else specified in the Trust Deed, the Collateral Management and Administration Agreement or the relevant Transaction Document, as applicable) have power by Ordinary Resolution to approve any other matter relating to the Notes not referred to in paragraph (viii) (*Extraordinary Resolution*) above.

(x) Resolutions affecting Other Classes

If and for so long as any Notes of more than one Class are Outstanding, in relation to any meeting of Noteholders:

(A) subject to paragraphs (c) and (d) below, a Resolution which in the opinion of the Trustee affects only the Notes of a Class or Classes (the "**Affected Class(es)**"), but not another Class or Classes, as the case may be, shall be duly passed if passed at a meeting or meetings of the holders of the Notes of the Affected Class(es) and such Resolution shall be binding on all the Noteholders, including the holders of Notes which are not an Affected Class;

(B) subject to paragraphs (c) and (d) below, a Resolution which in the opinion of the Trustee affects the Notes of each Class shall be duly passed only if passed at meetings of the Noteholders of each Class;

(C) a Resolution passed by the Controlling Class to exercise any rights granted to them pursuant to these Conditions or any Transaction Document shall be duly passed if passed at a meeting of the Controlling Class and such resolution shall be binding on all the Noteholders; and

(D) a Resolution passed by at least $66^2/_3$ per cent. of the votes cast at a duly convened meeting of the Class M Subordinated Noteholders to exercise the rights granted to them pursuant to these Conditions shall be passed if passed only at a meeting of the Class M Subordinated Noteholders and such resolution shall be binding on all of the Noteholders.

(c) Modification and Waiver

The Trust Deed and the Collateral Management and Administration Agreement both provide that, without the consent of the Noteholders (other than as otherwise provided in paragraph (xiv) below) and with the consent of the Collateral Manager, the Issuer may amend, modify, supplement and/or waive the relevant provisions of the Trust Deed and/or the Collateral Management and Administration Agreement and/or any other Transaction Document (subject to the consent of the other parties thereto) (as applicable) and the Trustee shall consent to (without the consent of the Noteholders, subject as provided below) such amendment, supplement, modification or waiver, subject as provided below, for any of the following purposes:

(i) to add to the covenants of the Issuer for the benefit of the Noteholders;

(ii) to charge, convey, transfer, assign, mortgage or pledge any property to or with the Trustee;

(iii) to correct or amplify the description of any property at any time subject to the security of the Trust Deed, or to better assure, convey and confirm unto the Trustee any property subject or required to be subject to the security of the Trust Deed (including, without limitation, any and all actions

necessary or desirable as a result of changes in law or regulations) or to subject to the security of the Trust Deed any additional property;

(iv) to evidence and provide for the acceptance of appointment under the Trust Deed by a successor Trustee subject to and in accordance with the terms of the Trust Deed and to add to or change any of the provisions of the Trust Deed as shall be necessary to facilitate the administration of the trusts under the Trust Deed by more than one Trustee, pursuant to the requirements of the relevant provisions of the Trust Deed;

(v) to make such changes as shall be necessary or advisable (including the removal and appointment of any listing agent in Ireland) in order for the Notes of each Class to be (or to remain) listed and admitted to trading on the Global Exchange Market of Euronext Dublin or any other exchange or to comply with the guidelines of the Global Exchange Market of Euronext Dublin or any other applicable exchange;

(vi) to amend, modify, enter into, accommodate the execution or facilitate the transfer by the relevant Hedge Counterparty of any Hedge Agreement or otherwise facilitate hedging permitted under the Collateral Management and Administration Agreement upon terms satisfactory to the Collateral Manager and subject to receipt of Rating Agency Confirmation;

(vii) save as contemplated in paragraph (d) (*Substitution*) below, to take any action advisable to prevent the Issuer from becoming subject to withholding or other taxes, fees or assessments;

(viii) to take any action advisable to prevent the Issuer from being treated as resident in the UK for UK tax purposes, as trading in the UK for UK tax purposes or as subject to any additional VAT in respect of any Collateral Management Fees;

(ix) to take any action advisable to prevent the Issuer from being treated as engaged in a United States trade or business or otherwise subject to United States federal, state or local income tax on a net income basis;

(x) to reduce the risk that the Issuer will be treated other than as a corporation for U.S. federal income tax purposes;

(xi) to modify the restrictions on and procedures for resales and other transfers of Notes to reflect any changes in ERISA or other applicable law or regulation (or the interpretation thereof) in each case to enable the Issuer to rely upon any exemption from registration under the Securities Act or upon any exemption from, registration as, or exclusion or exemption from the definition of, an "investment company" under the Investment Company Act or to remove restrictions on resale and transfer to the extent not required thereunder;

(xii) to enter into any additional agreements not expressly prohibited by the Trust Deed or the Collateral Management and Administration Agreement (as applicable), provided that (x) any such additional agreements include customary limited recourse and non-petition provisions and (y) the entry into any such additional agreements shall be certified as not reasonably being expected to materially and adversely affect the rights or interest of any Noteholders (which shall be evidenced by an officer's certificate of the Issuer or the Collateral Manager or a certificate of an investment bank, accounting firm or other expert or advisor experienced in securities similar to the Notes);

(xiii) to make any other amendment, modification, or waiver of any of the provisions of the Trust Deed, the Collateral Management and Administration Agreement or any other Transaction Document which, is of a formal, minor or technical nature or is made to correct a manifest error and, in the case of a modification of the Collateral Management and Administration Agreement, subject to the consent in writing of the Collateral Manager, or is required to conform the Transaction Documents to the final Offering Circular, in each case, which shall be evidenced by an officer's certificate of the Issuer or the Collateral Manager or a certificate of an investment bank, accounting firm or other expert or advisor experienced in securities similar to the Notes;

(xiv) (A) subject to Rating Agency Confirmation and the consent of the Controlling Class acting by Ordinary Resolution, to make any modifications to the Collateral Quality Tests (other than the Weighted Average Life Test), the Portfolio Profile Tests, the Reinvestment Overcollateralisation Test, the Reinvestment Criteria or the Eligibility Criteria and all related definitions (*provided* that

any such modification required to be made in order to reflect changes in the methodology applied by the Rating Agencies and expressly required for such purpose by each applicable Rating Agency shall not require Rating Agency Confirmation or the consent of the Controlling Class); (B) subject to Rating Agency Confirmation and the consent of the Controlling Class acting by Ordinary Resolution, to make any modifications to the Weighted Average Life Test and all related definitions provided that (x) if the date referred to in the Weighted Average Life Test is to be extended to a date falling 12 months or earlier from the date specified therein, the consent of the Class A Noteholders, the Class B Noteholders and the Class C Noteholders (in each case acting by Ordinary Resolution) is obtained, (y) if the date referred to in the Weighted Average Life Test is to be extended to a date falling later than 12 months after the date specified therein, the consent of each Class of Noteholders (in each case acting by Ordinary Resolution) is obtained, and (z) any such modification required to be made in order to reflect changes in the methodology applied by the Rating Agencies and expressly required for such purpose by each applicable Rating Agency shall not require Rating Agency Confirmation or the consent of such Noteholders;

(xv) to make any other modification (save as otherwise expressly provided in the Trust Deed, the Collateral Management and Administration Agreement or the relevant Transaction Document), and/or give any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed or any other Transaction Document which is not materially prejudicial to the interests of the Noteholders of any Class (and which may be evidenced by an officer's certificate of the Issuer or the Collateral Manager or a certificate of an investment bank, accounting firm or other expert or advisor experienced in securities similar to the Notes) and, in the case of a modification of the Collateral Management and Administration Agreement, subject to the consent in writing of the Collateral Manager;

(xvi) to amend the name of the Issuer;

(xvii) to take any action necessary, advisable, or helpful to prevent the Issuer or the Noteholders from being subject to (or to otherwise reduce) withholding or other taxes, fees or assessments, including by complying with FATCA (including providing for remedies against, or imposing penalties upon, any holder who fails to deliver any information or take any other action that may be required for the Issuer to comply with FATCA and CRS or to prevent the imposition of tax under FATCA);

(xviii) subject to the consent of the Controlling Class acting by Ordinary Resolution, to modify or amend any components of the Moody's Test Matrix in order that it may be consistent with the criteria of Moody's, subject to receipt of Rating Agency Confirmation from Moody's;

(xix) to make any changes necessary (x) to enable or reflect any additional issuances of Notes in accordance with Condition 17 (*Additional Issuances*) or (y) to issue any replacement notes in accordance with Condition 7(b)(v) (*Optional Redemption effected in whole or in part through Refinancing*) and Condition 7(b)(v)(C) (*Consequential Amendments*);

(xx) to modify the Transaction Documents in order to comply with Rule 17g-5 of the Exchange Act;

(xxi) 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;

(xxii) to modify the terms of the Transaction Documents and/or these Conditions in order to enable the Issuer to comply with any requirements which apply to it under the Securitisation Regulation, the U.S. Risk Retention Rules, EMIR, AIFMD, the Dodd-Frank Act (including the Volcker Rule) or CRA3 (including any implementing rules, regulations, technical standards and guidance respectively related thereto), any rules and regulations of the CFTC (including in order to facilitate any filings, exemptions or registrations therewith) and any other laws, rules and regulations applicable to the Issuer;

(xxiii) to make any other modification of any of the provisions of the Trust Deed, the Collateral Management and Administration Agreement or any other Transaction Document (A) to comply with any changes in, or supplement to, the EU Transparency Requirements (including, without limitation, changing the entity responsible for fulfilling the disclosure requirements set out therein or any delegation of such responsibility and any consequential changes) or the Credit Granting

Criteria, or the interpretation of any of those requirements having regard to the availability of, among other things, new technical standards or guidance or (B) as the Collateral Manager determines is required to accommodate any Retention Guidance Action;

(xxiv) 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*);

(xxv) 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;

(xxvi) subject to Rating Agency Confirmation (other than to the extent otherwise permitted pursuant to Condition 14(c)(xxii) (*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;

(xxvii) to make any other modification of any of the provisions of any Transaction Document to facilitate compliance by the Issuer with any FTT that it is or becomes subject to;

(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 evidence the succession of another Person to the Issuer and the assumption by any such successor Person to the covenants of the Issuer subject to the terms of the Trust Deed and in the Conditions;

(xxx) to accommodate the issuance of the Notes in book-entry form through the facilities of Clearstream, Luxembourg, Euroclear, the Depository Trust Company or otherwise subject to the terms of the Trust Deed and the Conditions; or

(xxxi) to modify the terms of the Transaction Documents (save in respect of any such modification to the provisions of a Hedge Agreement, which shall be made only in accordance with the terms as are set out therein) in order to:

(A) change the reference rate in respect of the Floating Rate Notes from EURIBOR (or USD-LIBOR, as applicable) to an alternative base rate (such rate, the "**Alternative Base Rate**");

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

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

(D) in the case of a Hedge Agreement, amend, in accordance with its terms the reference rate applicable to any Hedge Transaction thereunder and make any other consequential changes permitted by such agreement (including, without limitation, to allow for the operation of any fallbacks contained in such Hedge Agreement relating to the discontinuance, cessation, disruption or change in methodology of such rate and, accordingly, make any adjustment payment or spread adjustment); and

(E) make such other amendments as are necessary or advisable in the reasonable judgment of the Collateral Manager to facilitate the foregoing changes,

provided that:

(1) the Controlling Class and the Class M Subordinated Noteholders (each acting by Ordinary Resolution) consent to such modification (excluding any modification in respect of a Hedge Agreement made in respect of sub-paragraph (D) above only); and

(2) such amendments and modifications are being undertaken due to (I) a material disruption to LIBOR (including USD-LIBOR), EURIBOR or another applicable or related index or benchmark, (II) a change in the methodology of calculating LIBOR, EURIBOR or another applicable or related index or benchmark, (III) LIBOR, EURIBOR or another applicable or related index or benchmark ceasing to exist or (IV) an event occurs making it unlawful to calculate any payments due to be made to any Noteholder using LIBOR, EURIBOR or such other applicable or related index or benchmark (or the reasonable expectation of the Collateral Manager (and/or Hedge Counterparty for amendments in respect of sub-paragraph (D) above only) that any of the events specified in paragraphs (I), (II), (III) or (IV) will occur).

Any such modification, authorisation or waiver shall be binding upon the Noteholders and shall be notified by the Issuer as soon as reasonably practicable following the execution of any supplemental trust deed or any other modification, authorisation or waiver pursuant to this Condition 14(c) (*Modification and Waiver*) to:

(A) each Rating Agency, so long as any of the Rated Notes remain Outstanding; and

(B) the Noteholders in accordance with Condition 16 (*Notices*).

Notwithstanding anything to the contrary herein and in the Trust Deed, the Issuer shall not agree to amend, modify or supplement any provisions of the Transaction Documents if such change shall have a material adverse effect on the rights or obligations of a Hedge Counterparty without the Hedge Counterparty's prior written consent and in accordance with the Hedge Agreement or on the Collateral Manager without the Collateral Manager's written consent.

To the extent required pursuant to a Hedge Agreement, the Issuer shall notify each Hedge Counterparty of any proposed amendment to any provisions of the Transaction Documents and seek the prior consent of such Hedge Counterparty in respect thereof, in each case to the extent required in accordance with and subject to the terms of the relevant Hedge Agreement. For the avoidance of doubt, such notice shall only be given and such consent shall only be sought to the extent required above or in accordance with and subject to the terms of the relevant Hedge Agreement. If a Hedge Agreement allows a certain period for the relevant Hedge Counterparty to consider and respond to such a consent request, during such period and pending a response from the relevant Hedge Counterparty, the Issuer shall not make any such proposed amendment.

For the avoidance of doubt, the Trustee shall, without the consent or sanction of any of the Noteholders (other than as otherwise provided in paragraph (xiv) above) or any other Secured Party, concur with the Issuer in making any modification, amendment, waiver or authorisation which the Issuer certifies to the Trustee (upon which certification the Trustee is entitled to rely without further enquiry or liability) is required pursuant to the paragraphs above to the Transaction Documents, provided that the Trustee shall not be obliged to agree to any modification or any other matter which, in the opinion of the Trustee, would have the effect of (i) exposing the Trustee to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or (ii) adding to or increasing the obligations, liabilities or duties, or decreasing the rights, powers, authorisations, discretions, indemnities or protections, of the Trustee in respect of the Transaction Documents.

In the case of a request for consent to a modification, amendment, waiver or authorisation pursuant to this Condition 14(c) (*Modification and Waiver*), under no circumstances shall the Trustee be required to give such consent on less than 21 calendar days' notice and the Trustee shall be entitled to obtain legal, financial or other expert advice, at the expense of the Issuer, and rely on such advice in

connection with determining whether or not to give such consent (if applicable or required) as it sees fit.

The Issuer shall procure that, so long as the Notes are listed on the Global Exchange Market of Euronext Dublin, any material amendments or modifications to these Conditions, the Trust Deed or such other conditions made pursuant to this Condition 14 (*Meetings of Noteholders, Modification, Waiver and Substitution*) shall be notified to Euronext Dublin.

(d) Substitution

The Trust Deed contains provisions permitting the Trustee to agree, subject to such amendment of the Trust Deed and such other conditions as the Trustee may require (without the consent of the Noteholders of any Class), to the substitution of any other company in place of the Issuer, or of any previous substituted company, as principal debtor under the Trust Deed and the Notes of each Class, if required for taxation purposes, provided that such substitution would not in the opinion of the Trustee be materially prejudicial to the interests of the Noteholders of any Class. In the case of such a substitution the Trustee may agree, without the consent of the Noteholders, but subject to receipt of Rating Agency Confirmation (subject to receipt of such information and/or opinions as the Rating Agency may require), to a change of the law governing the Notes and/or the Trust Deed, provided that such change would not in the opinion of the Trustee be materially prejudicial to the interests of the Noteholders of any Class. Any substitution agreed by the Trustee pursuant to this Condition 14(d) (*Substitution*) shall be binding on the Noteholders, and shall be notified by the Issuer to the Noteholders as soon as practicable in accordance with Condition 16 (*Notices*).

The Trustee may, subject to the satisfaction of certain conditions specified in the Trust Deed, including receipt of Rating Agency Confirmation, agree to a change in the place of residence of the Issuer for taxation purposes without the consent of the Noteholders of any Class, provided the Issuer does all such things as the Trustee may require in order that such change in the place of residence of the Issuer for taxation purposes is fully effective and complies with such other requirements which are in the interests of the Noteholders as it may direct.

The Issuer shall procure that, so long as the Notes are listed on the Global Exchange Market of Euronext Dublin, any material amendments or modifications to the Conditions, the Trust Deed or such other conditions made pursuant to Condition 14 (*Meetings of Noteholders, Modification, Waiver and Substitution*) shall be notified to Euronext Dublin.

(e) Entitlement of the Trustee and Conflicts of Interest

In connection with the exercise of its trusts, powers, duties and discretions (including but not limited to those referred to in this Condition 14(e) (*Entitlement of the Trustee and Conflicts of Interest*)), the Trustee shall have regard to the interests of each Class of Noteholders as a Class and shall not have regard to the consequences of such exercise for individual Noteholders of such Class and the Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer, the Trustee or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders.

In considering the interests of Noteholders while the Global Certificates are held on behalf of a clearing system, the Trustee may have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its account holders with entitlements to each Global Certificate and may consider such interests as if such account holders were the holders of any Global Certificate.

The Trust Deed provides that in the event of any conflict of interest between or among the holders of the Class X Notes, the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class M 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 X Noteholders and 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 Class M Subordinated Noteholders, (ii) the Class B Noteholders over the Class C Noteholders, the Class D Noteholders, the Class E Noteholders, the Class F Noteholders and the Class M Subordinated Noteholders, (iii) the

Class C Noteholders over the Class D Noteholders, the Class E Noteholders, the Class F Noteholders and the Class M Subordinated Noteholders, (iv) the Class D Noteholders over the Class E Noteholders, the Class F Noteholders and the Class M Subordinated Noteholders, (v) the Class E Noteholders over the Class F Noteholders and the Class M Subordinated Noteholders and (vi) the Class F Noteholders over the Class M 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, as regards all powers, trusts, authorities, duties and discretions vested in it by the Trust Deed, 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 and Account Bank Agreement or for the performance by the Collateral Manager of any of its duties under the Collateral Management and Administration Agreement, for the performance by the Collateral Administrator of its duties under the Collateral Management and Administration Agreement or for the performance by any other person appointed by the Issuer in relation to the Notes or by any other party to any Transaction Document. The Trustee shall not have any responsibility for the administration, management or operation of the Collateral including the request by the Collateral Manager to release any of the Collateral from time to time. The Trustee is entitled to rely on the certificates or notices of any relevant party without further enquiry. The Trustee shall accept, without investigation, requisition or objection to, such right, benefit, title and interest, if any, as the Issuer may have in and to any of the Collateral and is not bound to make any investigation into the same or into the Collateral in any respect.

The 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.

Each Noteholder by its acceptance of a Note will agree to provide the Issuer and the Collateral Manager with all information reasonably available to it that is reasonably requested by the Issuer or the Collateral Manager in connection with regulatory matters, including any information that is necessary or advisable in order for the Collateral Manager (or its parent or Affiliates) to complete its "Form ADV", to file its reports on "Form PF", to comply with any requirement of the Dodd-Frank Act, to establish an exemption from registration as a commodity pool operator under the Commodity Exchange Act, to comply with applicable anti-money laundering laws and to comply with any other laws or regulations applicable to the Collateral Manager or the Issuer from time to time.

16. Notices

Notices to Noteholders will be valid if posted to the address of such Noteholder appearing in the Register at the time of publication of such notice by pre-paid, first class mail (or any other manner approved by the Trustee

which may be by electronic transmission) and (for so long as the Notes are listed on the Global Exchange Market of Euronext Dublin and the rules of Euronext Dublin so require) shall be sent to the Company Announcements Office of Euronext Dublin or such other process as Euronext Dublin may require. Any such notice shall be deemed to have been given to the Noteholders (a) in the case of inland mail three days after the date of dispatch thereof, (b) in the case of overseas mail, seven days after the dispatch thereof or, (c) in the case of electronic transmission, on the date of dispatch.

Notices will be valid and will be deemed to have been given, for so long as the Notes are admitted to trading on Euronext Dublin, when such notice is filed in the Company Announcements Office of Euronext Dublin or such other process as Euronext Dublin may require.

The Trustee shall be at liberty to sanction some other method of giving notice to the Noteholders (or a category of them) if, in its opinion, such other method is reasonable having regard to market practice then prevailing and to the rules of the stock exchange on which the Notes are then listed and provided that notice of such other method is given to the Noteholders in such manner as the Trustee shall require.

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

17. Additional Issuances

(a) The Issuer may from time to time, subject to the approval of the Class M Subordinated Noteholders acting by Ordinary Resolution and the prior written approval of the Originator and the Collateral Manager and, in respect of additional issuances of Class A Notes only, the approval of the Controlling Class acting by Ordinary Resolution, create and issue further Notes (other than Class X Notes) having the same terms and conditions as existing Classes of Notes (subject as provided below) and which shall be consolidated and form a single series with the Outstanding Notes of such Class (unless otherwise provided), and will use the proceeds of sale thereof to purchase additional Collateral Obligations and, if applicable, enter into additional Hedge Transactions in connection with the Issuer's issuance of, and making payments on, the Notes and ownership of and disposition of the Collateral Obligations, provided that the following conditions are met:

(i) such additional issuances in relation to the applicable Class of Notes may not exceed 100.0 per cent. in the aggregate of the original aggregate principal amount as at the Issue Date of such Class of Notes;

(ii) such additional Notes must be issued for a cash sale price and the net proceeds invested in Collateral Obligations or, pending such investment, during the Initial Investment Period deposited in the applicable Unused Proceeds Account (based on the Available Currency in which such amounts are denominated) or, thereafter, deposited in the applicable Principal Account (based on the Available Currency in which such amounts are denominated) and, in each case, invested in Eligible Investments;

(iii) such additional Notes must be of each Class of Notes and issued in a proportionate amount among the Classes so that the relative proportions of aggregate principal amount of the Classes of Notes existing immediately prior to such additional issuance remain unchanged immediately following such additional issuance (save with respect to Class M Subordinated Notes as described in paragraph (b) below);

(iv) the terms (other than the date of issuance, the issue price and the date from which interest will accrue) of such Notes must be identical to the terms of the previously issued Notes of the applicable Class of Notes;

(v) the Issuer must notify the Rating Agencies then rating any Notes of such additional issuance and obtain Rating Agency Confirmation from each Rating Agency in respect of such additional issuance;

(vi) the Coverage Tests will be maintained or improved after giving effect to such additional issuance of Notes compared to what they were immediately prior to such additional issuance of Notes;

(vii) the holders of the relevant Class of Notes in respect of which further Notes are issued shall have been notified in writing by the Issuer no later than 30 days prior to such issuance and shall have been afforded the opportunity to purchase additional Notes of the relevant Class in an amount not to exceed the percentage of the relevant Class of Notes each holder held immediately prior to the issuance (the "**Anti-Dilution Percentage**") of such additional Notes and on the same terms offered to investors generally; provided that this paragraph (vii) shall not apply to any additional issuance of Class M Subordinated Notes if such issuance is required in order to prevent or cure an EU Retention Deficiency and/or to ensure compliance with the U.S. Risk Retention Rules for any reason including, but not limited to, where such EU Retention Deficiency and/or non-compliance with the U.S. Risk Retention Rules will occur due to an additional issuance of any Class of Notes;

(viii) (so long as the existing Notes of the Class of Notes to be issued are listed on the Global Exchange Market of Euronext Dublin) the additional Notes of such Class to be issued are in accordance with the requirements of Euronext Dublin and are listed on the Global Exchange Market of Euronext Dublin (for so long as the rules of Euronext Dublin so requires);

(ix) such additional issuances are in accordance with all applicable laws including, without limitation, the securities and banking laws and regulations of Ireland and do not adversely affect the Irish tax position of the Issuer;

(x) any issuance of additional Notes would not result in non-compliance with the Securitisation Regulation and/or, to the extent the Collateral Manager determines that the U.S. Risk Retention Rules are applicable to it for purposes of this transaction, the U.S. Risk Retention Rules;

(xi) the Issuer and the Trustee will have received advice of tax counsel of nationally recognised standing in the United States experienced in such matters to the effect that any additional Class A Notes, Class B Notes, Class C Notes, and Class D Notes will be treated, and any additional Class E Notes should be treated, as indebtedness for U.S. federal income tax purposes, provided, however, that the advice of tax counsel described in this paragraph (xi) will not be required with respect to any additional Notes that bear a different International Securities Identification Number (or equivalent identifier) from the Notes of the same Class that were issued on the Issue Date and are Outstanding at the time of the additional issuance; and

(xii) such additional issuance will be accomplished in a manner that will allow the Issuer to accurately provide the information required to be provided to the Noteholders, including Noteholders of such additional Notes, under U.S. Treasury regulations section 1.1275-3(b)(1) (including, if necessary, by issuing such additional Notes under a new securities identifier).

(b) The Issuer may also issue and sell additional Class M Subordinated Notes (without issuing Notes of any other Class) having the same terms and conditions as existing Class M Subordinated Notes (subject as provided below) (i) subject to the approval of the Class M Subordinated Noteholders acting by Ordinary Resolution and the prior written approval of the Originator and the Collateral Manager; or (ii) at the direction of the Originator, where such additional issuance is required in order to prevent, cure or lessen the amount of an EU Retention Deficiency and/or to ensure compliance with the U.S. Risk Retention Rules, and which, in each case, shall be consolidated and form a single series with the Outstanding Class M Subordinated Notes, provided that:

(i) the subordination terms of such Class M Subordinated Notes are identical to the terms of the previously issued Class M Subordinated Notes;

(ii) the terms (other than the date of issuance, the issue price and the date from which interest will accrue) of such Class M Subordinated Notes must be identical to the terms of the previously issued Class M Subordinated Notes;

(iii) such additional Class M Subordinated Notes are issued for a cash sales price, with the net proceeds to be deposited into the applicable Supplemental Reserve Account based on the Available Currency in which such amounts are denominated to be applied for the purposes of a Permitted Use;

(iv) the Issuer must notify the Trustee and the Rating Agencies then rating any Notes of such additional issuance;

(v) the holders of the Class M Subordinated Notes shall have been notified in writing no later than 30 days prior to such issuance and shall have been afforded the opportunity to purchase additional Class M Subordinated Notes in an amount not to exceed the Anti-Dilution Percentage of such additional Class M Subordinated Notes and on the same terms offered to investors generally; *provided that* this paragraph (v) shall not apply to any additional issuance of Class M Subordinated Notes if such issuance is required in order to prevent or cure an EU Retention Deficiency and/or to ensure compliance with the U.S. Risk Retention Rules for any reason including, but not limited to, where such EU Retention Deficiency and/or non-compliance with the U.S. Risk Retention Rules will occur due to an additional issuance of any Class of Notes;

(vi) such additional issuance is in accordance with all applicable laws including, without limitation, the securities and banking laws and regulations of Ireland and do not adversely affect the Irish tax position of the Issuer;

(vii) (so long as the existing Class M Subordinated Notes are listed on the Global Exchange Market of Euronext Dublin) the additional Class M Subordinated Notes to be issued are in accordance with the requirements of Euronext Dublin and are listed on the Global Exchange Market of Euronext Dublin (for so long as the rules of Euronext Dublin so requires) (except in the case of Class M Subordinated Notes issued to the Originator to prevent, cure or lessen the amount of an EU Retention Deficiency and/or to ensure compliance with the U.S. Risk Retention Rules); and

(viii) any issuance of additional Class M Subordinated Notes would not result in non-compliance with the Securitisation Regulation and/or the U.S. Risk Retention Rules.

References in these Conditions to the "Notes" include (unless the context requires otherwise) any other securities issued pursuant to this Condition 17 (*Additional Issuances*) and forming a single series with the Notes of any Class. Any further notes forming a single series with Notes constituted by the Trust Deed or any deed supplemental to it shall be constituted by a deed supplemental to the Trust Deed.

For the avoidance of doubt, no additional issuance of Class X Notes is permitted in connection with an additional issuance of Class A Notes (or any other Class of Notes).

18. Third Party Rights

No person shall have any right to enforce any term or Condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

19. Governing Law

(a) Governing Law

The Trust Deed and each Class of Notes and any dispute, controversy, proceedings or claim of whatever nature (whether contractual or non-contractual) arising out of or in any way relating to the Trust Deed or any Class of Notes are governed by and shall be construed in accordance with English law. The Irish Deed of Charge and the Issuer Corporate Services Agreement are governed by and shall be construed in accordance with the laws of Ireland.

(b) Jurisdiction

The courts of England are to have jurisdiction to settle any disputes (whether contractual or non-contractual) which may arise out of or in connection with the Notes and accordingly any legal action or proceedings arising out of or in connection with the Notes ("**Proceedings**") may be brought in such courts. The Issuer has in the Trust Deed irrevocably submitted to the jurisdiction of such courts and waives any objection to Proceedings in any such courts whether on the ground of venue or on the

ground that the Proceedings have been brought in an inconvenient forum. This submission is made for the benefit of each of the Noteholders and the Trustee and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

(c) Agent for Service of Process

The Issuer appoints Maples and Calder, London Office (having an office, at the date hereof, at 11th Floor, 200 Aldersgate Street, London EC1A 4HD) as its agent in England to receive service of process in any Proceedings in England based on any of the Notes. If for any reason the Issuer does not have such agent in England, it will promptly appoint a substitute process agent and notify the Trustee and the Noteholders of such appointment. Nothing herein shall affect the right to service of process in any other manner permitted by law.

USE OF PROCEEDS

The estimated net proceeds of the issue of the Notes after payment of fees and expenses payable on or about the Issue Date (including, without duplication, amounts deposited into the Expense Reserve Accounts) are expected to be approximately €338,660,378.57 in respect of the Notes other than the Class A-2 Notes, the Class A-3 Notes and the Class M-2 Subordinated Notes; and approximately $67,121,400.00 in respect of the aggregate net proceeds of the Class A-2 Notes, the Class A-3 Notes and the Class M-2 Subordinated Notes. Such proceeds will be used by the Issuer for the repayment of any amounts borrowed by the Issuer (together with any interest thereon) and all other amounts due in order to finance the acquisition of warehoused Collateral Obligations purchased by the Issuer prior to the Issue Date, to pay the initial premium payable under the Currency Call Options and (in respect of all such proceeds denominated in Euro), to fund the First Period Reserve Account on the Issue Date. Approximately €17,682,819 of the net proceeds of the issue of the Notes denominated in Euro will be converted to USD on the Issue Date at the exchange rate determined on the pricing date for deposit into the USD Unused Proceeds Account and the remaining proceeds shall be deposited into the applicable Unused Proceeds Accounts.

FORM OF THE NOTES

The following description of the form of the Notes consists of a summary of certain provisions of the Global Certificates which does not purport to be complete and is qualified by reference to the detailed provisions of such document.

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 the Retention 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 (a) whom the seller reasonably believes to be a non-U.S. Person in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, (b) who takes delivery in the form of an interest in a Rule 144A Global Certificate (or, in the case of the Class E Notes, the Class F Notes or the Class M Subordinated Notes and if applicable, a Rule 144A Definitive Certificate), or (c) with respect to Class M Subordinated Notes only, who takes delivery in the form of an interest in an IAI Definitive Certificate). See "*Transfer Restrictions*".

The IAI Class M Subordinated Notes will be represented on issue by an IAI Definitive Certificate deposited with, and registered in the name of, the holder (or a nominee) thereof. By acquisition of an IAI Definitive Certificate, the purchaser thereof will represent, amongst other things, that it is an IAI/QP, and that, if in the future it determines to transfer such IAI Class M Subordinated Note, it will transfer such Note in accordance with the procedures and restrictions contained in the Trust Deed. See "*Transfer Restrictions*".

The Rule 144A Notes of each Class (other than the Retention 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 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 and IAI Definitive Certificates will be subject to certain restrictions on transfer set forth therein and in the Trust Deed and as set forth in Rule 144A and Regulation S and in the case of IAI Class M Subordinated Notes, in a transaction exempt from registration under the Securities Act 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 (or an IAI Definitive Certificate, in the case of a transfer of Class M Subordinated Notes to an IAI/QP) in denominations greater than or equal to the minimum denominations applicable to interests in such Rule 144A Global Certificate (or IAI Definitive Certificates, in the case of a transfer of Class M Subordinated Notes to an IAI/QP) 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 (or an IAI, as applicable) and a QP and that such transaction is in accordance with any applicable securities laws of any state of the United States or any other jurisdiction. In the case of each Class of Notes, a beneficial interest in the Rule 144A Global Certificates (and IAI Definitive Certificates in the case of a transfer of IAI Class M Subordinated Notes by an IAI/QP) may be transferred to a person who takes delivery in the form of an interest in a Regulation S Global Certificate only upon receipt by the Transfer Agent of a written certification (in the form provided in the Trust Deed) from the transferor to the effect that the transfer is being made in an offshore transaction to a non-U.S. Person 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 (or an IAI Definitive Certificate, in the case of a

transfer of Class M Subordinated Notes to an IAI/QP) will, upon transfer, cease to be an interest in such Regulation S Global Certificate and become an interest in the Rule 144A Global Certificate (or an IAI Definitive Certificate, in the case of a transfer of Class M Subordinated Notes to an IAI/QP), and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in a Rule 144A Global Certificate (or IAI Definitive Certificates, in the case of a transfer of Class M Subordinated Notes to an IAI/QP) 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 (or an IAI Definitive Certificate, in the case of a transfer of Class M Subordinated Notes to an IAI/QP) will, upon transfer, cease to be an interest in a Rule 144A Global Certificate and become an interest in the Regulation S Global Certificate (or an IAI Definitive Certificate, in the case of a transfer of Class M Subordinated Notes to an IAI/QP) and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in a Regulation S Global Certificate (or IAI Definitive Certificates, in the case of a transfer of Class M Subordinated Notes to an IAI/QP) 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.

A Class M Subordinated Note represented by an IAI Definitive Certificate may be transferred to a person who takes delivery in the form of a beneficial interest in a Rule 144A Global Certificate or a Regulation S Global Certificate in denominations greater than or equal to the minimum denominations applicable thereto, only upon receipt by the Transfer Agent of written certification (in the form provided in the Trust Deed) to the effect that (i) in the case of a transfer to an interest in the Rule 144A Global Certificate, 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, or (ii) in the case of the transfer to an interest in a Regulation S Global Certificate, the transferor reasonably believes that the transferee is a non-U.S. Person in an offshore transaction in accordance with Regulation S. Any beneficial interest so transferred will, upon transfer, cease to be an interest in such IAI Definitive Certificate and will become a beneficial interest in Class M Subordinated Notes represented by such Rule 144A Global Certificate or Regulation S Global Certificate, as applicable, and accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to Rule 144A Global Certificates or Regulation S Global Certificates (as applicable), for so long as it remains such an interest.

The Retention Notes will be issued in definitive, certificated form. Except in the circumstances described herein, owners of beneficial interests in Global Certificates will not be entitled to receive physical delivery of certificated Notes.

On the Issue Date, an acquirer of a Class E Note, Class F Note or Class M 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 any such Note or interest therein will not be, and will not be acting on behalf of) a Benefit Plan Investor or a Controlling Person unless such acquirer: (i) receives the written consent of the Issuer; and (ii) provides an ERISA certificate to the Issuer and a Transfer Agent as to its status as a Benefit Plan Investor or Controlling Person (in or substantially in the form of Annex C (*Form of ERISA Certificate*) and as set out in the Trust Deed). Other than on the Issue Date, an acquirer of a Class E Note, Class F Note or Class M Subordinated Note in the form of a Rule 144A Global Certificate or a Regulation S Global Certificate will be required or deemed to represent (among other things) whether it is a Benefit Plan Investor or a Controlling Person. If a transferee is a Benefit Plan Investor or a Controlling Person, such transferee may not acquire such Class E Note, Class F Note or Class M Subordinated Note unless such transferee: (i) obtains the written consent of the Issuer; (ii) provides an ERISA certificate to the Issuer as to its status as a Benefit Plan Investor or Controlling Person (substantially in the form of Annex C); and (iii) exchanges and holds such Class E Note, Class F Note or Class M Subordinated Note in the form of a Definitive Certificate. Each purchaser and transferee understands and agrees that no transfer of an interest in Class E Notes, Class F Notes, Class M-1 Subordinated Notes or Class M-2 Subordinated Notes will be permitted or recognised if it would cause the 25 per cent. Limitation to be exceeded with respect to the Class E Notes, Class F Notes Class M-1 Subordinated Notes or Class M-2 Subordinated Notes (determined separately by Class).

Any Class E Note, Class F Note or Class M 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 Class M Subordinated Notes may be exchangeable for interests in a Definitive Certificate representing the Class E Note, Class F Note or Class M Subordinated Note if a transferee is acting on behalf of a Benefit Plan Investor or is a Controlling Person provided: (i) such transferee has obtained the written consent of the Issuer in respect of such transfer; and (ii) the transferee has provided the Issuer with a certification substantially in the form of Annex C (*Form of ERISA Certificate*).

In addition, interests in Global Certificates representing Class M Subordinated Notes may be exchangeable for interests in IAI Definitive Certificates in accordance with the terms of the Trust Deed and in the circumstances described above.

The Registrar will not register the transfer of, or exchange of interests in, a Global Certificate for Definitive Certificates during the period from (but excluding) the Record Date to (and including) the date for any payment of principal or interest in respect of the Notes.

If only one of the Global Certificates (the "**Exchanged Global Certificate**") becomes exchangeable for Definitive Certificates in accordance with the above paragraphs, transfers of Notes may not take place between, on the one hand, persons holding Definitive Certificates issued in exchange for beneficial interests in the Exchanged Global Certificate and, on the other hand, persons wishing to purchase beneficial interests in the other Global Certificate.

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

Delivery

In the event a Global Certificate is to be exchanged, the relevant Global Certificate shall be exchanged in full for Definitive Certificates and the Issuer will, at the cost of the Issuer (but against such indemnity as the Registrar or any Transfer Agent may require in respect of any tax or other duty of whatever nature which may be levied or imposed in connection with such exchange), cause sufficient Definitive Certificates to be executed and delivered to the Registrar for completion, authentication and dispatch to the relevant Noteholders. A person having an interest in a Global Certificate must provide the Registrar with (a) a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such Definitive Certificates and (b) in the case of the exchange of a Rule 144A Global Certificate only, a fully completed, signed certification substantially to the effect that the exchanging holder is not transferring its interest at the time of such exchange or, in the case of any exchange in connection with a sale pursuant to Rule 144A, a certification that the transfer is being made in compliance with the provisions of Rule 144A. Definitive Certificates issued in exchange for a beneficial interest in the Rule 144A Global Certificate or in connection with such a transaction or sale shall bear the legends applicable to transfers pursuant to Rule 144A (as applicable), as set out under "*Transfer Restrictions*".

Legends

The holder of a Class E Note, Class F Note or Class M Subordinated Note may transfer the Notes represented thereby in whole or in part in the applicable Minimum Denomination by surrendering such Note(s) at the specified office of the Registrar or the Transfer Agent, together with the completed form of transfer and, to the extent applicable, written consent of the Issuer and a duly completed ERISA certificate substantially in the form of Annex C (*Form of ERISA Certificate*). Upon the transfer, exchange or replacement of a Class E Note, Class F Note or Class M Subordinated Note bearing the legend referred to under "*Transfer Restrictions*" below, or upon

specific request for removal of the legend on a Definitive Certificate in registered definitive form, as applicable, the Issuer will deliver only Class E Notes, Class F Notes or Class M Subordinated Notes that bear such legend, or will refuse to remove such legend, as the case may be, unless there is delivered to the Issuer and the Registrar such satisfactory evidence, which may include an opinion of counsel, as may reasonably be required by the Issuer that neither the legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act and the Investment Company Act. With the written consent of the Issuer, a Class E Note, Class F Note or Class M Subordinated Note in the form of a Definitive Certificate may be transferred to a person who takes delivery in the form of an interest in a Rule 144A Global Certificate or a Regulation S Global Certificate, subject to all transfer restrictions and other procedures applicable to beneficial interests in a Rule 144A Global Certificate or a Regulation S Global Certificate (as applicable).

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 Initial Purchaser, the Arranger, the Co-Placement Agents or any Agent party to the Agency and Account Bank Agreement (or any Affiliate of any of the above, or any person by whom any of the above is controlled for the purposes of the Securities Act), will have any responsibility for the performance by the Clearing Systems or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations or for the sufficiency for any purpose of the arrangements described below.

Euroclear and Clearstream, Luxembourg

Custodial and depositary links have been established between Euroclear and Clearstream, Luxembourg to facilitate the initial issue of the Notes and cross-market transfers of the Notes associated with secondary market trading (see "*Settlement and Transfer of Notes*" below).

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

Book Entry Ownership

Euroclear and Clearstream, Luxembourg

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

Relationship of Participants with Clearing Systems

Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a Note represented by a Global Certificate must look solely to Euroclear or Clearstream, Luxembourg (as the case may be) for his share of each payment made by the Issuer to the holder of such Global Certificate and in relation to all other rights arising under the Global Certificate, subject to and in accordance with the respective rules and procedures of Euroclear or Clearstream, Luxembourg (as the case may be). The Issuer expects that, upon receipt of any payment in respect of Notes represented by a Global Certificate, the common depositary by whom such Note is held, or nominee in whose name it is registered, will immediately credit the relevant Participants' or accountholders' accounts in the relevant Clearing System with payments in amounts proportionate to their respective beneficial interests in the principal amount of the relevant Global Certificate as shown on the records of the relevant Clearing System or its nominee. The Issuer also expects that payments by Direct Participants in any Clearing System to owners of beneficial interests in any Global Certificate held through such Direct Participants in any Clearing System will be governed by standing instructions and customary practices. Save as aforesaid, such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Certificate and the obligations of the Issuer will be discharged by payment to the registered holder, as the case may be, of such Global Certificate in respect of each

amount so paid. None of the Issuer, the Trustee or any Agent will have any responsibility or liability for any aspect of the records relating to or payments made on account of ownership interests in any Global Certificate or for maintaining, supervising or reviewing any records relating to such ownership interests.

Settlement and Transfer of Notes

Subject to the rules and procedures of each applicable Clearing System, purchases of Notes held within a Clearing System must be made by or through Direct Participants, which will receive a credit for such Notes on the Clearing System's records. The ownership interest of each actual purchaser of each such Note (the "**Beneficial Owner**") will in turn be recorded on the Direct Participant and Indirect Participant's records. Beneficial Owners will not receive written confirmation from any Clearing System of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct Participant or Indirect Participant through which such Beneficial Owner entered into the transaction. Transfers of ownership interests in Notes held within the Clearing System will be effected by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in such Notes, unless and until interests in any Global Certificate held within a Clearing System 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 Class M Subordinated Notes) be issued with at least the following ratings: the Class X Notes: "Aaa(sf)" from Moody's and "AAAsf" from S&P; the Class A-1 Notes: "Aaa(sf)" from Moody's and "AAAsf" from S&P; the Class A-2 Notes: "Aaa(sf)" from Moody's and "AAAsf" from S&P; the Class A-3 Notes: "Aaa(sf)" from Moody's and "AAAsf" from S&P; the Class B-1 Notes: "Aa2(sf)" from Moody's and "AAsf" from S&P; the Class B-2 Notes: "Aa2(sf)" from Moody's and "AAsf" from S&P; the Class C Notes: "A2(sf)" from Moody's and "Asf" from S&P; the Class D Notes: "Baa3(sf)" from Moody's and "BBBsf" from S&P; the Class E Notes: "Ba3(sf)" from Moody's and "BBsf" from S&P; the Class F Notes: "B2(sf)" from Moody's and "B-sf" from S&P. The Class M Subordinated Notes being offered hereby will not be rated.

The ratings assigned to the Class X Notes, the Class A-1 Notes, the Class A-2 Notes, the Class A-3 Notes, the Class B-1 Notes and the Class B-2 Notes address the timely payment of interest and the ultimate payment of principal. The ratings assigned to the other Rated Notes address the ultimate payment of principal and interest.

A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the applicable rating agency.

Moody's Ratings

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

Moody's analysis of the likelihood that each Collateral Obligation will default is based on historical default rates for similar debt obligations, the historical volatility of such default rates (which increases as obligations with lower ratings are added to the Portfolio) and an additional default assumption to account for future fluctuations in defaults. Moody's then determines the level of credit protection necessary to achieve the expected loss associated with the rating of the structured securities, taking into account the expected volatility of the default rate of the Portfolio based on the level of diversification by region, issuer and industry. There can be no assurance that the actual default rates on the Collateral Obligations held by the Issuer will not exceed the rates assumed by Moody's in its analysis.

In addition to these quantitative tests, Moody's Ratings take into account qualitative features of a transaction, including the experience of the Collateral Manager, the legal structure and the risks associated with such structure and other factors that Moody's deems relevant.

S&P Ratings

S&P will rate the Rated Notes in a manner similar to the manner in which it rates other structured issues. This requires an analysis of the following:

(a) the credit quality of the portfolio of Collateral Obligations securing the Notes;

(b) the cash flow used to pay liabilities and the priorities of these payments; and

(c) legal considerations.

Based on these analyses, S&P determines the necessary level of credit enhancement needed to achieve a desired rating. In this connection, the S&P CDO Monitor Test is applied from the period beginning as of the Effective Date and ending on the expiry of the Reinvestment Period.

S&P's analysis includes the application of the S&P CDO Monitor Test, 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 Test calculates the cumulative default rate of a pool of Collateral Obligations and Eligible Investments consistent with a specified benchmark rating level based upon S&P's proprietary corporate debt default studies. The S&P CDO Monitor Test takes into consideration the rating of each Obligor, the number of Obligors, the Obligor industry concentration and the remaining weighted average maturity of each of the Collateral Obligations included in the Portfolio. The risks posed by these variables are accounted for by effectively adjusting the necessary default level needed to achieve a desired

rating. The higher the desired rating, the higher the level of defaults the Portfolio must withstand. For example, the higher the Obligor industry concentration or the longer the weighted average maturity, the higher the default level is assumed to be.

Credit enhancement to support a particular rating is then provided on the results of the S&P CDO Monitor Test, as well as other more qualitative considerations such as legal issues and management capabilities. Credit enhancement is typically provided by a combination of over collateralisation/subordination, cash collateral/reserve account, excess spread/interest and amortisation.

A cash flow model (the "**Transaction Specific Cash Flow Model**") is used to evaluate the portfolio and determine whether it can comfortably withstand the estimated level of default while fully repaying the class of debt under consideration.

There can be no assurance that actual losses on the Collateral Obligations will not exceed those assumed in the application of the S&P CDO Monitor Test 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 Initial Purchaser, the Arranger, the Co-Placement Agents or the Originator makes any representation as to the expected rate of defaults on the Portfolio or as to the expected timing of any defaults that may occur.

S&P's ratings of the Rated Notes will be established under various assumptions and scenario analyses.

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

THE ISSUER

The Issuer is a special purpose vehicle established for the purpose of issuing asset backed securities and was incorporated in Ireland as a private limited company on 15 May 2018 under the Companies Act 2014 with company registration number 626715 and having its registered office at 32 Molesworth Street, Dublin 2, Ireland and telephone number +353 1 697 3200.

The authorised share capital of the Issuer is €100,000 divided into 100,000 ordinary shares of €1.00 each (the "**Shares**"). The Issuer has issued one Share, which is fully paid up and is held on trust by MaplesFS Trustees Ireland Limited (as "**Share Trustee**") under the terms of a declaration of trust (the "**Declaration of Trust**") dated 5 June 2018, whereby the Share Trustee holds the Share on trust for charitable purposes. The Share Trustee will have no beneficial interest in and will derive no benefit (other than its fees for acting as Share Trustee) from its holding of the shares of the Issuer. The Share Trustee will apply any income derived from the Issuer solely for the above purposes.

Pursuant to the terms of a corporate services agreement between Maples Fiduciary Services (Ireland) Limited (the "**Corporate Services Provider**") and the Issuer dated 5 June 2018 (the "**Corporate Services Agreement**"), the Corporate Services Provider will perform various management functions on behalf of the Issuer, including the provision of certain clerical, reporting, accounting, administrative and other services until termination of the Corporate Services Agreement. In consideration of the foregoing, the Corporate Services Provider receives various fees and other charges payable by the Issuer at rates agreed upon from time to time plus expenses. Either party may terminate the Corporate Services Agreement by giving not less than three months' written notice. The Corporate Services Provider may retire from their obligations pursuant to the Corporate Services Agreement by giving at least three months' notice in writing to the Issuer. The retirement of the Corporate Services Provider will not take effect until such time as a replacement Corporate Services Provider has been appointed in accordance with the terms of the Corporate Services Agreement.

Directors

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

Name	Address	Principal Activities/Position
Michael Drew	32 Molesworth Street, Dublin 2, Ireland	Company Director
Padraic Doherty	32 Molesworth Street, Dublin 2, Ireland	Company Director

The Company Secretary of the Issuer is: MFD Secretaries Limited

The registered office of the Company Secretary of the Issuer is at 32 Molesworth Street, Dublin 2, Ireland.

Activities

The principal activities of the Issuer are set out in clause 3 of its memorandum of association and include, among other things, carrying on the business of financing and refinancing of any assets whatsoever and in any currency.

Prior to the Issue Date, the Issuer entered into the Warehouse Arrangements in order to enable the Issuer to acquire certain Collateral Obligations on or before the Issue Date. Amounts owing under the Warehouse Arrangements will be fully repaid on the Issue Date using the proceeds from the issuance of the Notes.

The Issuer has not previously carried on any business or activities other than those incidental to its incorporation, the authorisation and entry into of the Warehouse Arrangements, the acquisition of the Portfolio, the authorisation and issue of the Notes and activities incidental thereto.

Indebtedness

Save for in connection with the Warehouse Arrangements, the Issuer has no indebtedness as at the date of this Offering Circular, other than that which the Issuer has incurred or shall incur in relation to the transactions

contemplated herein (including the funding provided pursuant to the Warehouse Arrangements, which will be repaid in full on the Issue Date).

Financial Statements

Since its date of incorporation, no financial statements of the Issuer have been prepared. Audited financial statements will be prepared by the Issuer on an annual basis (the first financial period will be from the date of incorporation to 31 December 2018). The Issuer will not prepare interim financial statements. The financial year of the Issuer ends on to 31 December in each year. Each year, a copy of the audited profit and loss account and balance sheet of the Issuer together with the report of the Directors and the auditors thereon is required to be filed in the Irish Companies Registration Office within 28 days of the annual return date of the Issuer and is available for inspection. The profit and loss account and the balance sheet of the Issuer can be obtained free of charge from the registered office of the Issuer.

The independent auditors of the Issuer are Deloitte of 29 Earlsfort Terrace, Dublin 2, Ireland who are registered auditors regulated by the Institute of Chartered Accountants 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, the Arranger, the Co-Placement Agents or any other party. None of the Initial Purchaser, the Arranger, the Co-Placement Agents 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 that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

The delivery of this Offering Circular shall not create any implication that there has been no change in the affairs of the Collateral Manager or of its Affiliates since the date of this Offering Circular, or that the information contained or referred to herein is correct as of any time subsequent to the date of this Offering Circular.

Black Diamond Capital Management L.L.C. ("BDCM")

The Collateral Manager, the Retention Holder and the Originator are each Affiliates of BDCM. BDCM is a privately held, alternative asset management firm with approximately $8.4 billion in assets under management as of 30 September 2018 and is a registered investment adviser under the Investment Advisers Act. BDCM was formed in 1995 and currently manages collateralised loan obligations ("**CLOs**") and other structured vehicles, a credit-oriented hedge fund, distressed control private equity funds and a non-control distressed credit fund. In July 2011, BDCM Group purchased substantially all of the investment advisory business of GSC Group, Inc., which had managed CLOs and other structured vehicles, distressed control private equity funds and mezzanine loan funds since 1998.

Certain advisory and administrative functions with respect to the Portfolio will be performed by Black Diamond CLO 2019-1 Adviser, L.L.C. as the Collateral Manager under the Collateral Management and Administration Agreement to be entered into on or prior to the Issue Date between, amongst others, the Issuer and the Collateral Manager. The Collateral Manager is a recently formed special purpose investment management Affiliate of BDCM and was organised for the sole purpose of serving as collateral manager to the Issuer. The Collateral Manager will rely upon the personnel, facilities and resources of BDCM in managing the Portfolio for the Issuer and will not have its own employees for such purpose. There can be no assurance that any such investment professionals will remain employed by BDCM or if employed, will remain involved with the Collateral Manager's performance obligations under the Collateral Management and Administration Agreement.

BDCM is an experienced CLO manager that launched its first CLO in 1998.

BDCM Biographies

Although the following individuals are currently managing principals, principals and senior management of BDCM, there can be no assurance that any such personnel will remain employed by BDCM and/or its Affiliates, that any such individuals will retain the duties presently assigned to them during the term of the Collateral Manager's appointment under the Collateral Management and Administration Agreement, that any such individuals will remain involved with the Collateral Manager, the Issuer or the management of the Portfolio, that the Collateral Manager will remain appointed under the Collateral Management and Administration Agreement or that the Collateral Manager will always be Affiliated with BDCM.

Stephen H. Deckoff, Managing Principal. Mr. Deckoff is the Managing Principal of BDCM and is responsible for all portfolio management and business operations. Mr. Deckoff has held and/or is currently on the board of a number of BDCM portfolio companies, including ION Media, Werner Ladder, Bayou Steel, SmarteCarte, SunWorld, and PTC Alliance, amongst others. Prior to the founding of BDCM in 1995, Mr. Deckoff was a Senior Vice President of Kidder, Peabody & Co. Inc. At Kidder, Mr. Deckoff was head of the Structured Finance Group. Under Mr. Deckoff's direction, the group was responsible for new issue origination, transaction structuring and trading for all non-first mortgage related assets. Prior to joining Kidder, Mr. Deckoff was a Managing Director in the Structured Finance Group at Bear Stearns & Co., Inc. where his responsibilities included all phases of transaction development and group management. Before joining Bear Stearns, Mr. Deckoff worked in the Structured Finance Department of Chemical Securities, Inc. and the Fixed Income Research Department at Drexel Burnham Lambert. Mr. Deckoff has a B.S. in Operations Research from the Engineering School at Cornell University.

Leslie A. Meier, Principal and Portfolio Manager. Mr. Meier is a Principal at BDCM and is responsible for the firm's stressed and distressed loan trading activities for all its investment platforms. Mr. Meier serves on both the Non-Control and Control Investment Committees. Prior to joining BDCM in 1998, Mr. Meier was a First Vice President in the Special Situations Group of Sanwa Business Credit Corporation. As the manager of the Special Situations Group, Mr. Meier was responsible for originating and managing Sanwa's portfolio of investments in secured, unsecured and/or subordinated debt of financially distressed companies. Prior to co-founding the Special Situations Group in 1994, Mr. Meier was a Vice President/Team Leader in the Asset Management Group at Sanwa where he managed a portfolio of distressed senior and subordinated debt and was actively involved in a number of bankruptcies and workouts. Prior to 1991, Mr. Meier was in the Corporate Finance Group at Sanwa where he was responsible for originating, structuring, and underwriting highly-structured financings, including leveraged acquisitions, non-recourse project financings and tax-oriented leases. Mr. Meier received his B.S. in Finance at the University of Illinois and an M.B.A. in Finance from Indiana University.

Mounir Nahas, Principal and Chief Operating Officer. Mr. Nahas is a Principal and Chief Operating Officer of BDCM and is responsible for the Finance Group, Treasury Group, Operations Group and Information Systems Group of the firm. He is responsible for overseeing product structuring, debt financing and capital markets activities for BDCM and its Affiliates. Prior to joining BDCM in 2004, Mr. Nahas was with JP Morgan Partners where he led a 20 person department responsible for overall product and investment structuring, tax and accounting functions. Prior to this Mr. Nahas served as Managing Director of the Beacon Group, a private equity and mergers and acquisitions firm. He joined Beacon from Arthur Andersen, L.L.P., where he was responsible for the audit processes for regulated investment companies. Mr. Nahas received his B.S. in Business Administration from the University of Massachusetts and his M.S. in Accountancy from Bentley College.

G. Lanny Epperson, Senior Managing Director and Portfolio Manager. Mr. Epperson is a Senior Managing Director and CLO portfolio manager at BDCM. He is also responsible for managing the firm's non-distressed trading activities. Prior to his role as a portfolio manager, Mr. Epperson was the Senior Credit Analyst responsible for cable, broadcasting, and publishing at BDCM. Mr. Epperson's prior responsibilities at BDCM included, among other things, structuring, modelling and programming related to BDCM's CLO and structured products business. Prior to joining BDCM in 1999, Mr. Epperson was an institutional equity trader at Spear, Leeds & Kellogg. Prior to joining Spear, Leeds & Kellogg, Mr. Epperson was an analyst in the Risk Management Division of Sanford C. Bernstein & Co., Inc. Mr. Epperson received his B.S. in Finance from Clark University.

Andrew Phelps, Senior Managing Director. Mr. Phelps is a Senior Managing Director and Head of Structured Product Business Development at BDCM and is responsible for the structuring and marketing of its CLOs and other structured products. Prior to joining BDCM in 2017, Mr. Phelps was the Global Head of Structured Credit Syndication at NATIXIS and responsible for the syndication and origination of CLOs and other structured finance products. Prior to 2012, Mr. Phelps held senior roles in structured finance at Goldman Sachs, Merrill Lynch and Stifel Nicolaus. Mr. Phelps received his B.S. in Materials Science and Engineering from the Massachusetts Institute of Technology.

Simone Dagnino, Managing Director. Mr. Dagnino is a Managing Director and industry team leader at BDCM and has numerous industry responsibilities. Prior to joining BDCM in 2005, Mr. Dagnino was a research analyst and associate portfolio manager for Forest Investment Management, where he was responsible for evaluating, executing and monitoring credit related investment opportunities in the cash and credit derivative markets across the credit grade spectrum. Prior to Forest Investment Management, Mr. Dagnino was a Vice President in the Leveraged Finance Group at CSFB, responsible for all facets of committing capital, structuring and executing high yield bond, bridge loan, and leveraged loan transactions. Prior to joining CSFB, Mr. Dagnino worked in Salomon Smith Barney's high yield and leveraged loan groups. Earlier in his career, Mr. Dagnino was a research analyst for the proprietary distressed debt trading desk at Nomura Securities, traded government/agency notes and started his career in the Acquisition Finance and Loan Syndication Group of Chemical Bank. Mr. Dagnino received his B.S.E. from The Wharton School of the University of Pennsylvania and his M.B.A. from the Fuqua School of Business of Duke University.

Richard Ehrlich, Managing Director. Mr. Ehrlich is a Managing Director and industry team leader at BDCM and has numerous industry responsibilities. Prior to joining BDCM in 1996, Mr. Ehrlich was a Senior Consultant for the Deloitte & Touche Consulting Group. In addition to general management consulting, Mr. Ehrlich was a member of the Asset Securitization Group, which developed operational and information technology solutions for banks and financial service companies. Mr. Ehrlich has a B.A. in Computer Science from Yeshiva University.

Martin Ward, Managing Director and Portfolio Manager. Mr. Ward is a Managing Director and portfolio manager based in BDCM's London office. He is responsible for sourcing, evaluating, executing and managing European corporate credit investments. Prior to joining BDCM, Mr. Ward worked at GSC Group, a credit focused alternative asset manager, and in the Global Investment Banking Division of HSBC Holdings plc where he was involved in originating and executing M&A transactions and arranging acquisition facilities. Mr. Ward graduated from the University of Wales, Bangor with a B.A. in Banking and Finance and from Ecole Supérieure de Commerce de Rennes with a M.A. in International Business.

Anthony Caluori, Managing Director. Mr. Caluori is a Managing Director and industry team leader on the Black Diamond Credit Team. Prior to joining BDCM, Mr. Caluori was a Managing Director at Rothschild & Co. in the Debt Advisory Investment Banking group. At Rothschild, Mr. Caluori was responsible for leading restructuring, recapitalisation, distressed M&A, and distressed financing transactions. Prior to joining Rothschild, Mr. Caluori was Senior Vice President of Research at Chilton Investment Company, where he served as board member and member of the Restructuring Committee for Trident Resources. Prior to joining Chilton, Mr. Caluori was a Director at Angelo, Gordon & Co., a privately-held registered investment advisor dedicated to alternative investing, where he focused on investments in the leveraged loan, high yield and distressed debt markets. Mr. Caluori also managed distressed debt investments for Morgens, Waterfall, Vintiadis & Company, Inc. and Whippoorwill Associates. Prior to that, Mr. Caluori advised parties involved in corporate restructurings at the accounting firms of Ernst & Young LLP and Arthur Andersen LLP. Mr. Caluori received his B.B.A. in Accounting - from the Frank G. Zarb School of Business at Hofstra University and is a Certified Public Accountant (inactive) in the State of New York.

Tony Versaci, Managing Director. Mr. Versaci is a Managing Director at Black Diamond and is responsible for both sourcing and trading par/distressed loans and secured High Yield bond opportunities. Prior to joining BDCM, Mr. Versaci was a Director at Deutsche Asset & Wealth Management, a subsidiary of Deutsche Bank, where he was responsible for portfolio management and trading their syndicated loan portfolios. Prior to DAWM, Mr. Versaci was at FirstLight Financial Corporation, a provider of commercial financing solutions for middle market companies, where he was responsible for establishing the trading platform for their syndicated loan efforts. Prior to FLFC, Mr. Versaci was at GE Capital where he was responsible for managing a team to source and trade par/distressed syndicated loans for GE's balance sheet. Additionally, he successfully completed the Information Management Leadership Program where he completed six different assignments at various GE divisions. Mr. Versaci received his M.B.A. with a concentration in Management Information Systems from the University at Albany and his B.A. in Economics / Sociology from Union College in Schenectady, NY.

THE PORTFOLIO

The following description of the Portfolio consists of a summary of certain provisions of the Collateral Management and Administration Agreement which does not purport to be complete and is qualified by reference to the detailed provisions of such agreement.

Introduction

Pursuant to the Collateral Management and Administration Agreement, the Collateral Manager is required to act in specific circumstances in relation to the Portfolio on behalf of the Issuer and to carry out the duties and functions described below. In addition, the Collateral Administrator is required to perform certain calculations in relation to the Portfolio on behalf of the Issuer to the extent and in accordance with the information provided to it by the Collateral Manager.

Acquisition of Collateral Obligations

The Collateral Manager will determine and will use reasonable endeavours to cause to be acquired by the Issuer a portfolio of Secured Senior Obligations, Corporate Rescue Loans, Unsecured Senior Obligations, Second Lien Loans, Mezzanine Obligations and High Yield Bonds during the Initial Investment Period, the Reinvestment Period and thereafter (including, but not limited to, Collateral Obligations purchased pursuant to the Warehouse Arrangements). The Issuer anticipates that, by the Issue Date, it, or the Collateral Manager on its behalf, will have purchased or committed to purchase Collateral Obligations, the Aggregate Principal Balance of which is equal to approximately 71 per cent. of the Target Par Amount. The proceeds of issue of the Notes remaining after payment of: (a) the acquisition costs for the Collateral Obligations acquired by the Issuer on or prior to the Issue Date (including amounts due in order to finance the acquisition of warehoused Collateral Obligations); (b) the initial premium payable under the Currency Call Options; and (c) certain fees, costs and expenses incurred in connection with the issue of the Notes and anticipated to be payable by the Issuer following completion of the issue of the Notes, will be deposited in the Expense Reserve Accounts, the First Period Reserve Account and the Unused Proceeds Accounts on the Issue Date. The Collateral Manager acting on behalf of the Issuer shall use commercially reasonable efforts to purchase Collateral Obligations with an Aggregate Principal Balance (together with Collateral Obligations previously acquired) equal to at least the Target Par Amount out of the Balance standing to the credit of the Unused Proceeds Accounts during the Initial Investment Period.

The Issuer may not acquire (whether during the Initial Investment Period, the Reinvestment Period or thereafter) or dispose of any Collateral Obligation (during the Reinvestment Period) unless either (i) the Originator Requirement is satisfied immediately after giving effect to such acquisition or disposal, or (ii) in connection with an acquisition following which the Originator Requirement would not be met, such Collateral Obligation is acquired from the Originator pursuant to the Purchase and Sale Agreement, in each case unless and to the extent the Originator Requirement is determined (in accordance with the definition thereof) no longer to apply.

The Issuer does not expect and is not required to satisfy the Collateral Quality Tests, Portfolio Profile Tests or the Coverage Tests 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 1 February 2020, 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 Accounts on the Effective Date will be transferred to the Principal Accounts and/or the Interest Accounts, in each case, at the discretion of the Collateral Manager (acting on behalf of the Issuer), provided that as at such date: (i) the Issuer has acquired or entered into binding commitments to acquire Collateral Obligations, the Aggregate Principal Balance (provided that, for the purposes of determining the Aggregate Principal Balance, any repayments or prepayments in respect of a Collateral Obligation following acquisition by the Issuer shall be disregarded and the Principal Balance of a Collateral Obligation which is a Defaulted Obligation will be the lower of its Moody's Collateral Value and its S&P Collateral Value) of which equals or exceeds the Target Par Amount; and (ii) the aggregate amount of such Balance that may be transferred to the Interest Accounts shall not exceed the lesser of (a) 1.0 per cent. of the Target Par Amount and (b) 50 per cent. of the (positive) difference between (x) the Collateral Principal Amount and (y) the Target Par Amount.

Within 10 Business Days following the Effective Date, the Collateral Administrator shall issue a report (the "**Effective Date Report**") containing the information required in a Monthly Report, confirming whether the Issuer has acquired or entered into a binding commitment to acquire Collateral Obligations having an Aggregate

Principal Balance which equals or exceeds the Target Par Amount, copies of which shall be forwarded to the Issuer, the Trustee, the Collateral Manager and the Rating Agencies (provided that, for the purposes of determining the Aggregate Principal Balance as provided above, any repayments or prepayments in respect of a Collateral Obligation following acquisition by the Issuer shall be disregarded and the Principal Balance of a Collateral Obligation which is a Defaulted Obligation will be the lower of its Moody's Collateral Value and its S&P Collateral Value) and within 15 Business Days following the Effective Date the Issuer will confirm, or cause the Collateral Manager to confirm, to the Trustee and the Collateral Administrator (with a copy to the Collateral Manager, if applicable) that an accountants' certificate recalculating and comparing the Aggregate Principal Balance of all Collateral Obligations purchased or committed to be purchased as at the Effective Date and the results of the Portfolio Profile Tests, the Collateral Quality Tests and the Coverage Tests (other than the Interest Coverage Tests) by reference to such Collateral Obligations has been provided to the Issuer (for the avoidance of doubt, neither the Issuer nor the Collateral Manager on its behalf shall provide such accountants' certificate to the Trustee and the Collateral Administrator). The accountants' certificate shall specify the procedures undertaken to review data and re-computations relating to such recalculations.

The Collateral Manager (acting on behalf of the Issuer) shall promptly, following receipt of the Effective Date Report, request that each of the Rating Agencies (to the extent not previously received) confirm its Initial Ratings of the Rated Notes; provided that (i) if the Effective Date S&P Condition is satisfied then such Rating Agency Confirmation shall be deemed to have been given by S&P and (ii) if the Effective Date Moody's Condition is satisfied then such Rating Agency Confirmation shall be deemed to have been given by Moody's. If the Effective Date S&P Condition or the Effective Date Moody's Condition is not satisfied within 20 Business Days following the Effective Date, the Collateral Manager shall promptly notify S&P or Moody's, as applicable.

In addition, if the Effective Date S&P Condition has not yet occurred on the Effective Date and (a) the Issuer (or the Collateral Manager on its behalf) provides S&P with the S&P excel default model input file (as used by S&P), (b) the Issuer causes the Collateral Manager to provide to S&P the Effective Date Report and the Effective Date Report confirms satisfaction of the S&P CDO Monitor Test as of the Effective Date, (c) the Collateral Manager certifies to S&P (which confirmation may be in the form of an email) that the S&P CDO Monitor has been run as of the last day prior to the Effective Date (taking into account the S&P CDO Monitor Non-Model Adjustments described below) and that the result is passing and (d) the Collateral Manager provides to S&P an electronic copy of the Portfolio used to generate the passing test result, then a written confirmation from S&P of its Initial Ratings of the Rated Notes shall be deemed to have been provided; *provided* that, for purposes of determining compliance with the S&P CDO Monitor Test in connection with such Effective Date Report, the Aggregate Funded Spread will be calculated (i) by assuming that any Collateral Obligation subject to a EURIBOR floor bears interest at a rate equal to the stated interest rate spread over the London interbank offered rate based index for such Collateral Obligation and (ii) without including in the Collateral Principal Amount any Principal Proceeds designated to be included as Interest Proceeds on the Effective Date (the foregoing subclauses (i) and (ii), together, the "**S&P CDO Monitor Non-Model Adjustments**").

If (a) (i) the Effective Date Determination Requirements are not satisfied and Rating Agency Confirmation has not been received in respect of such failure, and (ii) either (A) the Collateral Manager (acting on behalf of the Issuer) does not present a Rating Confirmation Plan to the Rating Agencies, or (B) Rating Agency Confirmation is not received in respect of such Rating Confirmation Plan upon request therefor by the Collateral Manager; (b) the Effective Date S&P Condition is not satisfied, or (c) the Effective Date Moody's Condition is not satisfied, 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 at the sole election of the Issuer or the Collateral Manager on its behalf either (A), 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 or (B) using proceeds which would have been used to redeem the Rated Notes in accordance with (A) above additional Collateral Obligations shall be acquired or such proceeds shall be transferred to the applicable Principal Account pending acquisition thereof until an Effective Date Rating Event is no longer continuing). The Collateral Manager shall notify the Rating Agencies upon the discontinuance of an Effective Date Rating Event.

During such time as an Effective Date Rating Event shall have occurred and be continuing, the Collateral Manager (acting on behalf of the Issuer) may prepare and present to the Rating Agencies a Rating Confirmation Plan setting forth the timing and manner of acquisition of additional Collateral Obligations and/or any other intended action which is intended to cause confirmation or reinstatement of the Initial Ratings. The Collateral Manager (acting on behalf of the Issuer) is under no obligation whatsoever to present a Rating Confirmation Plan to the Rating Agencies.

The Collateral Manager has internal policies and procedures in relation to the granting of credit (in respect of the Collateral Obligations), which include criteria for the granting of credit and the process for approving, amending and refinancing credits (as to which, in relation to the Collateral Obligations, see also the information set out in this section of the Offering Circular, which describes the criteria that the selection of Collateral Obligations are subject to, being, in particular, in the Eligibility Criteria, the Portfolio Profile Tests, the Collateral Quality Tests and the Reinvestment Criteria). The Collateral Manager is obliged to exercise such policies and procedures subject to the standard of care required under the Collateral Management and Administration Agreement, and as further described in this Offering Circular.

Eligibility Criteria

Each Collateral Obligation must, at the time the Issuer enters into a binding commitment to acquire such obligation, satisfy the following criteria (the "**Eligibility Criteria**") as determined by the Collateral Manager in its reasonable discretion:

(a) it is a Secured Senior Obligation, a Corporate Rescue Loan, an Unsecured Senior Obligation, a Mezzanine Obligation, a Second Lien Loan or a High Yield Bond, in each case;

(b) it is (I) denominated in an Available Currency or (II) is denominated in a Qualifying Currency other than an Available Currency and either (x) if such Collateral Obligation is denominated in a Qualifying Unhedged Obligation Currency within 90 calendar days of the settlement of the purchase by the Issuer of such Collateral Obligation, and otherwise (y) no later than the settlement of the purchase by the Issuer of such Collateral Obligation the Issuer (or the Collateral Manager on its behalf) enters into a Currency Hedge Transaction with a notional amount in the relevant currency equal to the aggregate principal amount of such Collateral Obligation and otherwise complies with the requirements set out in respect of Currency Hedge Obligations in the Collateral Management and Administration Agreement and (III) is not convertible into or payable in any other currency;

(c) it is not a Defaulted Obligation or a Credit Risk Obligation (unless such Defaulted Obligation is being acquired in an Exchange Transaction);

(d) it is not a lease (including, for the avoidance of doubt, a financial lease);

(e) it is not a Structured Finance Security or a Synthetic Security;

(f) it is not a Zero Coupon Security;

(g) it is not a Step-Down Coupon Security;

(h) it does not constitute real property or an interest in real property;

(i) 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;

(j) it does not constitute "margin stock" (as defined under Regulation U issued by the Board of Governors of the United States Federal Reserve System);

(k) it is an obligation in respect of which, following acquisition thereof by the Issuer by the selected method of transfer, payments to the Issuer will not be subject to withholding tax imposed by any jurisdiction (provided that this clause (k) shall not apply to commitment fees, origination fees, and other similar fees (including, without limitation, similar fees or payments on obligations or securities that include a participation in or that support a letter of credit)) unless either: (i) such withholding tax can be sheltered by application being made under the applicable double tax treaty or otherwise; (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; or (iii) if the Obligor is not required to "gross-up" payments to the Issuer that cover the full amount of any such withholding on an after-tax basis, the Minimum Weighted Average Spread Test based on payments received by the Issuer on an after-tax basis, is maintained or improved after such purchase;

(l) it has a S&P Rating of not lower than "CCC-" (other than in respect of a Corporate Rescue Loan falling within paragraph (d)(iii) of the definition of S&P Rating) and a Moody's Rating of not lower than "Caa3";

(m) it is not a debt obligation whose repayment is subject to substantial non-credit related risk, including catastrophe bonds or similar instruments whose repayment is conditional on the non-occurrence of certain catastrophes or similar events;

(n) except for a Delayed Drawdown Collateral Obligation or a Revolving Obligation, it is not an obligation pursuant to which any present or future, actual or contingent monetary liabilities or obligations to the obligor thereof may be owed by the Issuer;

(o) it will not require the Issuer or the pool of collateral to be registered as an investment company under the Investment Company Act;

(p) it is not a debt obligation that pays scheduled interest less frequently than semi-annually (other than, for the avoidance of doubt, PIK Securities);

(q) it is not a debt obligation which pays interest only and does not require the repayment of principal;

(r) 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;

(s) the Collateral Obligation Stated Maturity thereof falls prior to the Maturity Date of the Notes;

(t) its acquisition by the Issuer will not result in the imposition of stamp duty, stamp duty reserve tax or similar duty or tax payable by or otherwise recoverable from the Issuer, unless such stamp duty, stamp duty reserve tax or similar duty or tax has been included in the purchase price of such Collateral Obligation;

(u) upon acquisition, both (i) the Collateral Obligation is capable of being, and will be, the subject of a first fixed charge, a first priority security interest or comparable security arrangement having substantially the same effect in favour of the Trustee for the benefit of the Secured Parties and (ii) (subject to (i) above) the Issuer (or the Collateral Manager on behalf of the Issuer) has notified the Trustee in writing in the event that any Collateral Obligation that is a bond is held through the Custodian but not held through Euroclear or Clearstream, Luxembourg, or does not satisfy any requirements relating to collateral held in Euroclear or Clearstream, Luxembourg (as applicable) specified in the Trust Deed and has taken such action as the Trustee may require to effect such security interest;

(v) it is an obligation of an Obligor or Obligors Domiciled in a Non-Emerging Market Country (as determined by the Collateral Manager acting on behalf of the Issuer);

(w) it has not been called for, and is not subject to a pending, redemption;

(x) it is capable of being sold, assigned or participated to the Issuer, together with any associated security, without any breach of applicable selling restrictions or of any contractual provisions or of any legal or regulatory requirements and the Issuer does not require any authorisations, consents, approvals or filings other than such as have been obtained or effected as a result of or in connection with any such sale, assignment or participation under any applicable law;

(y) it is in registered form for U.S. federal income tax purposes, unless it is not a "registration-required obligation" as defined in Section 163(f) of the U.S. Internal Revenue Code;

(z) either (i) the Originator Requirement is satisfied, or (ii) in connection with an acquisition following which the Originator Requirement would not be satisfied, such Collateral Obligation is acquired from the Originator pursuant to the Purchase and Sale Agreement, in each case unless and to the extent the Originator Requirement is determined (in accordance with the definition thereof) no longer to apply;

(aa) it must require the consent of at least 66⅔ per cent. of the lenders to the Obligor thereunder for any forgiveness of principal on interest or reduction of the interest rate applicable on such obligation (for the avoidance of doubt, excluding any changes originally envisaged in the loan documentation) *provided that* in the case of a Collateral Obligation that is a bond, such percentage requirement shall refer to the percentage of holders required to approve a resolution on any such matter, either as a percentage of those attending a quorate bondholder meeting or as a percentage of all bondholders acting by way of a written resolution;

(bb) it is not an obligation rated with an "f", "r", "p", "pi", "sf" or "t" subscript by S&P;

(cc) it is not an obligation of an Obligor or Obligors Domiciled in a country with a Moody's local currency country risk ceiling below "A3";

(dd) it has a minimum purchase price of 60.0 per cent. of the Principal Balance of such Collateral Obligation;

(ee) it is not an obligation for which the total potential indebtedness (comprised of all financial debt owing by the Obligor including the maximum available amount or total commitment under any revolving or delayed draw loans) of the Obligor thereof under its loan agreements and other Underlying Instruments is less than (i) EUR150,000,000 for all Collateral Obligations denominated in EUR; (ii) USD150,000,000 for all Collateral Obligations denominated in USD; and (iii) the equivalent of EUR150,000,000 in the relevant currency, determined at the Applicable FX Rate for Collateral Obligations denominated in any other currency;

(ff) it is a "qualifying asset" for the purposes of section 110 of the TCA; and

(gg) it is not (i) a "specified mortgage" for the purposes of section 110 of the TCA, (ii) units in an IREF (within the meaning of Chapter 1B of Part 27 of the TCA, or (iii) shares that derive their value from, or the greater part of their value from, directly or indirectly, Irish land.

Other than (i) Issue Date Collateral Obligations which must satisfy the Eligibility Criteria on the Issue Date and (ii) Collateral Obligations which are the subject of a restructuring (whether effected by way of an amendment to the terms of such Collateral Obligation or by way of substitution of new obligations and/or change of Obligor) which must satisfy the Restructured Obligation Criteria on the applicable Restructuring Date, the subsequent failure of any Collateral Obligation to satisfy any of the Eligibility Criteria shall not prevent any obligation which would otherwise be a Collateral Obligation from being a Collateral Obligation so long as such obligation satisfied the Eligibility Criteria, when the Issuer or the Collateral Manager on behalf of the Issuer entered into a binding agreement to purchase such obligation.

For the avoidance of doubt, a security that is a Step-Up Coupon Security and that otherwise meets the Eligibility Criteria shall be eligible.

The Collateral Manager may, on behalf of the Issuer, take any of the following actions or any other action permitted by the Collateral Management and Administration Agreement (and for the avoidance of doubt, subject to the restrictions in relation to "*Amendments to Collateral Obligations*" set out herein) with respect to a Collateral Obligation or Equity Security as to which an Offer has been made or as to which any consent, waiver, vote or exercise has been requested: (i) exchange such instrument for other securities or a mixture of securities and other consideration pursuant to such Offer (and in making a determination whether or not to exchange any security, none of the restrictions set forth in "*Reinvestment of Collateral Obligations*" below shall be applicable); and (ii) give consent, grant a waiver, vote or exercise any or all other rights or remedies with respect to any such Collateral Obligation or Equity Security.

"**Project Finance Loan**" means a loan obligation under which the obligor is obliged to make payments that depend (except for rights or other assets designed to assure the servicing or timely distribution of payments) on revenues arising from infrastructure assets, including, without limitation:

(a) the sale of products, such as electricity, water, gas or oil, generated by one or more infrastructure assets in the utility industry by a special purpose entity; and

(b) fees charged in respect of one or more highways, bridges, tunnels, pipelines or other infrastructure assets by a special purpose entity, and

in each case, the sole activity of such special purpose entity is the ownership and/or management of such asset or assets and the acquisition and/or development of such asset by the special purpose entity was effected primarily with the proceeds of debt financing made available to it on a limited recourse basis.

"**Synthetic Security**" means a security or swap transaction (other than a Participation) that has payments of interest or principal on a reference obligation or the credit performance of a reference obligation.

"**Step-Down Coupon Security**" means a security, which by the terms of its Underlying Instruments, provides for a contractual interest rate of which decreases over a specified period of time. For the avoidance of doubt, a security will not be considered to be a Step-Down Coupon Security where interest payments decrease for non-contractual reasons due to unscheduled events such as a decrease in the index relating to a Floating Rate Collateral Obligation, the change from a default rate of interest to a non-default rate, or an improvement in the Obligor's financial condition.

"**Step-Up Coupon Security**" means a security which by the terms of its Underlying Instruments, provides for an increase in the *per annum* interest rate on such security, or an increase in the spread over the applicable index or benchmark rate, solely due to the passage of time (and for the avoidance of doubt, other than due to the increase of the floating rate index applicable to such security).

"**Zero Coupon Security**" means a security (other than a Step-Up Coupon Security) that, at the time of determination, does not provide for periodic payments of interest.

Restructured Obligations

The Collateral Manager may, on behalf of the Issuer, take any of the following actions or any other action contemplated or not prohibited hereby or by the Collateral Management and Administration Agreement with respect to a Collateral Obligation or Equity Security as to which an Offer has been made or as to which any consent, waiver, vote or exercise has been requested: (i) exchange such instrument for other securities or a mixture of securities and other consideration pursuant to such Offer (and in making a determination whether or not to exchange any security, none of the restrictions set forth in "*Reinvestment of Collateral Obligations*" below shall be applicable); and (ii) give consent, grant waiver, vote or exercise any or all other rights or remedies with respect to any such Collateral Obligation or Equity Security.

In the event a Collateral Obligation becomes (as determined by the Issuer, assisted by the Collateral Manager) the subject of a restructuring whether effected by way of an amendment to the terms of such Collateral Obligation (including but not limited to an amendment of its maturity date) or by way of substitution of new obligations and/or change of Obligor, such obligation shall only constitute a Restructured Obligation if such obligation satisfies each of the criteria comprising the Eligibility Criteria other than paragraphs (c), (g), (k), (l) and (w) thereof, it is not a pre-funded letter of credit and it has a S&P Rating (together, the "**Restructured Obligation Criteria**").

For the avoidance of doubt, a repayment of a Collateral Obligation in circumstances whereby the redemption proceeds are rolled as consideration for a new obligation (including by way of a "cashless roll") shall be treated as the acquisition by the Issuer of a new Collateral Obligation and not as the acquisition of a Restructured Obligation and accordingly, the Eligibility Criteria shall be applied to determine whether such obligation constitutes a Collateral Obligation.

Issuer Subsidiaries

Prior to the time that the Issuer would acquire or receive a letter of credit or an asset in connection with a workout or restructuring of a Collateral Obligation that could cause the Issuer to be treated as engaged in a trade or business in the United States for U.S. federal income tax purposes, and prior to the time that any Collateral Obligation is modified in a manner that could cause the Issuer to be treated as engaged in a trade or business in the United States for U.S. federal income tax purposes, the Issuer either will (i) organise an Issuer Subsidiary and contribute to the Issuer Subsidiary the right to receive such letter of credit or asset, or the Collateral Obligation that is the subject of the workout, restructuring or modification, (ii) sell the right to receive such letter of credit or asset or the Collateral Obligation that is the subject of the workout, restructuring, or modification, or (iii) contribute to an existing Issuer Subsidiary the right to receive such letter of credit or asset or Collateral Obligation that is the subject of the workout, restructuring, or modification. Notwithstanding the foregoing, the Issuer shall not acquire any Collateral Obligation if a restructuring or workout of such Collateral Obligation is in process and if such restructuring or workout could in the reasonable opinion of the Collateral

Manager result in the Issuer being treated as engaged in a trade or business in the United States or subject to U.S. federal tax on a net income basis. The Issuer (or the Collateral Manager on behalf of the Issuer) shall cause each Issuer Subsidiary (x) to give a guarantee in favour of the Trustee pursuant to which such Issuer Subsidiary absolutely and unconditionally guarantees, to the Trustee for the benefit of the Secured Parties, the Secured Obligations (subject to limited recourse and non-petition provisions equivalent (*mutatis mutandis*) to those contained in Condition 4(c) (*Limited Recourse and Non-Petition*) and limited to the assets held by such Issuer Subsidiary) and (y) to enter into a security agreement between such Issuer Subsidiary and the Trustee pursuant to which such Issuer Subsidiary grants a perfected, first priority continuing security interest in all of its property to secure its obligations under such guarantee.

Each Issuer Subsidiary will be required at all times to have at least one independent director meeting the requirements of an "Independent Director" as set forth in the Issuer Subsidiary's organisational documents. Each Issuer Subsidiary will not have any employees (other than its directors) and will not have any subsidiaries (other than any subsidiaries that are subject to the covenants applicable to Issuer Subsidiaries). The Issuer will cause the purposes and permitted activities of each Issuer Subsidiary to be restricted solely to the acquisition, receipt, holding, management and disposition of the assets and Collateral Obligations that are contributed to the Issuer Subsidiary and any assets, income and proceeds received in respect thereof (collectively, "**Issuer Subsidiary Assets**"), and will require the Issuer Subsidiary to distribute 100 per cent. of the net proceeds of any sale of such assets, net of any tax or other liabilities, to the Issuer. Prior to the formation of an Issuer Subsidiary, the Issuer (or Collateral Manager on its behalf) shall notify the Rating Agencies of such formation.

Each Issuer Subsidiary that holds a letter of credit generally will be required to reserve an amount equal to the highest U.S. marginal federal corporate tax rate (currently 21 per cent.) multiplied by any fees received on the letter of credit and any gain on the sale of the letter of credit, less any taxes withheld in respect of those amounts, in a non-interest bearing trust account (the "**Letter of Credit Reserve Account**"), and generally will not be able to withdraw funds from the Letter of Credit Reserve Account except to pay any taxes that may be imposed in respect of the fees or gain. Amounts held in a Letter of Credit Reserve Account generally will not be available to the Issuer to make payments on the Notes until the Maturity Date, an Optional Redemption (other than pursuant to a Refinancing), or upon a Collateral Tax Event or Note Tax Event.

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, at its discretion, Collateral Obligations and Exchanged Equity Securities and to reinvest the Sale Proceeds (other than accrued interest on such Collateral Obligations included in Interest Proceeds by the Collateral Manager) thereof in Substitute Collateral Obligations. The Collateral Manager may notify the Collateral Administrator of all necessary details of the Collateral Obligation or Exchanged Equity Security to be sold and the proposed Substitute Collateral Obligation to be purchased such that the Collateral Administrator (on behalf of the Issuer) shall determine, to the extent applicable and shall provide confirmation of whether the Portfolio Profile Tests and Reinvestment Criteria which are required to be satisfied, maintained or improved in connection with any such sale or reinvestment are satisfied, maintained or improved or, if any such criteria are not satisfied, maintained or improved, shall notify the Issuer and the Collateral Manager of the reasons and the extent to which such criteria are not so satisfied, maintained or improved.

The Collateral Manager will determine and use reasonable endeavours to cause to be purchased by the Issuer, Collateral Obligations (including all Substitute Collateral Obligations) taking into account the Eligibility Criteria, the guidelines in the Collateral Management and Administration Agreement and, where applicable, the Reinvestment Criteria and will monitor the performance of the Collateral Obligations on an ongoing basis to the extent practicable using sources of information reasonably available to it and provided that the Collateral Manager shall not be responsible for determining whether or not the terms of any individual Collateral Obligation have been observed.

The activities referred to below that the Collateral Manager may undertake on behalf of the Issuer are subject to the Issuer's monitoring of the performance of the Collateral Manager under the Collateral Management and Administration Agreement.

Sale of Issue Date Collateral Obligations

The Collateral Manager, acting on behalf of the Issuer, shall sell any Issue Date Collateral Obligations which do not comply with the Eligibility Criteria on the Issue Date (each a "**Non-Eligible Issue Date Collateral Obligation**"). Any Sale Proceeds received in connection therewith may be reinvested in Substitute Collateral Obligations satisfying the Eligibility Criteria or credited to the applicable Principal Account pending such reinvestment.

Terms and Conditions applicable to the Sale of Credit Risk Obligations, Credit Improved Obligations, Defaulted Obligations and Equity Securities

Credit Risk Obligations, Credit Improved Obligations and Defaulted Obligations may be sold at any time by the Collateral Manager (acting on behalf of the Issuer), subject to, (i) the Originator Requirement being satisfied immediately after giving effect to such sale, unless such sale is effected following the expiry of the Reinvestment Period, and (ii) within the Collateral Manager's knowledge (without the need for inquiry or investigation), no Note Event of Default having occurred which is continuing.

The Collateral Manager shall use commercially reasonable endeavours to effect the sale of any Equity Securities in the Portfolio, and may sell any Equity Security at any time in its discretion (acting on behalf of the Issuer) provided that the Collateral Manager shall not be required to have regard to the price it receives for such Equity Securities in committing to any such sale.

Terms and Conditions applicable to the Sale of Exchanged Equity Securities

Any Exchanged Equity Security may be sold at any time by the Collateral Manager in its discretion (acting on behalf of the Issuer), provided that the Collateral Manager shall not be required to have regard to the price it receives for such Exchanged Equity Securities in committing to any such sale.

Discretionary Sales

The Issuer or the Collateral Manager (acting on behalf of the Issuer) may dispose of any Collateral Obligation (other than a Credit Improved Obligation, a Credit Risk Obligation, a Defaulted Obligation or an Exchanged Equity Security, each of which may only be sold in the circumstances provided above) at any time ("**Discretionary Sales**") provided:

(a) no Note Event of Default has occurred which is continuing (in the case of the Collateral Manager, to its knowledge, without the need for inquiry or investigation);

(b) after giving effect to such sale, the Aggregate Principal Balance of all Collateral Obligations sold as described in this paragraph during the preceding 12 calendar months (or, for the first 12 calendar months after the Issue Date, during the period commencing on the Issue Date) is not greater than 30 per cent. of the Collateral Principal Amount as of the first day of such 12 calendar month period (or as of the Issue Date, as the case may be), provided that, for purposes of determining the percentage of Collateral Obligations sold during any such period, the amount of any Collateral Obligations sold will be reduced to the extent of any purchases of Collateral Obligations of the same Obligor (which are *pari passu* or senior to such sold Collateral Obligations) occurring within 30 days of such sale (determined based upon the date of any relevant trade confirmation or commitment letter) so long as any such Collateral Obligation was sold with the intention of purchasing a Collateral Obligation of the same Obligor (which would be *pari passu* or senior to such sold Collateral Obligation);

(c) either:

  (i) during the Reinvestment Period, the Collateral Manager reasonably believes prior to such sale that it will be able to enter into one or more binding commitments to reinvest all or a portion of the proceeds of such sale in one or more additional Collateral Obligations within 60 days after the settlement of such sale in accordance with the Reinvestment Criteria; or

  (ii) at any time either (1) the Sale Proceeds from such sale are at least equal to the Principal Balance of the Collateral Obligation sold; or (2) after giving effect to such sale, the Aggregate Principal Balance (for which purpose the Principal Balance of each Defaulted Obligation shall be multiplied by its Market Value) of all Collateral Obligations (excluding the Collateral Obligation being sold but including, without duplication, the expected Sale Proceeds of such

sale) plus, without duplication, the amounts on deposit in the Principal Accounts and the Unused Proceeds Accounts (to the extent such amounts have not and will not be designated as Interest Proceeds to be credited to the Interest Accounts and including Eligible Investments therein but save for any interest accrued on Eligible Investments) (with any such amounts not denominated in Euro being converted into Euro at the Applicable FX Rate) will be greater than (or equal to) the Reinvestment Target Par Balance; and

(d) if such disposal occurs during the Reinvestment Period, the Originator Requirement is satisfied immediately after giving effect to such disposal.

Restricted Trading Period

The Issuer or the Collateral Manager (acting on its behalf) shall promptly notify S&P and Moody's upon the occurrence of a Restricted Trading Period.

Sale of Collateral Prior to Maturity Date

In the event of: (i) any redemption of the Rated Notes in whole prior to the Maturity Date; (ii) receipt of notification from the Trustee of enforcement of the security over the Collateral; or (iii) the purchase of Notes of any Class by the Issuer, the Collateral Manager (acting on behalf of the Issuer) will (with regard to (ii), if requested by the Trustee following the enforcement of such security), as far as reasonably practicable, arrange for liquidation of the Collateral in order to procure that the proceeds thereof are in immediately available funds by the Business Day prior to the applicable Redemption Date or date of sale of all or part of the Portfolio, as applicable, in accordance with Condition 7 (*Redemption and Purchase*) and clause 23 (*Realisation of Collateral*) of the Collateral Management and Administration Agreement but without regard to the limitations set out in clause 19.4 (*Sale of Collateral Obligations*) of the Collateral Management and Administration Agreement (which will include any limitations or restrictions set out in the Conditions and the Trust Deed).

Sale of Assets which do not Constitute Collateral Obligations

In the event that an asset did not satisfy the Eligibility Criteria on the date it was required to do so in accordance with the Collateral Management and Administration Agreement, the Collateral Manager shall use commercially reasonable endeavours to sell such asset. Such proceeds shall constitute Sale Proceeds and may be reinvested in accordance with and subject to the Reinvestment Criteria.

Euro Principal Proceeds and USD Principal Proceeds

The Collateral Management and Administration Agreement shall provide that the Collateral Manager may, on behalf of the Issuer, only use Euro Principal Proceeds to acquire Euro Collateral Obligations and USD Principal Proceeds to acquire USD Collateral Obligations.

Notwithstanding the foregoing, so long as the FX Reinvestment Criteria has been met and will be met immediately after such acquisition, Euro Principal Proceeds may be used to acquire USD Collateral Obligations and USD Principal Proceeds may be used to acquire Euro Collateral Obligations, in each case up to an amount equal to the Excess Reinvestment Target Par Balance (where necessary, converted at the Initial Exchange Rate).

"**FX Reinvestment Criteria**" means each of the following criteria:

(a) the Excess Reinvestment Target Par Balance is equal to or greater than zero;

(b) the Aggregate Principal Balance of Euro Collateral Obligations and Euro denominated Eligible Investments constituting Euro Principal Proceeds is equal to or greater than an amount equal to 80 per cent. of the Reinvestment Target Par Balance; and

(c) the Aggregate Principal Balance of USD Collateral Obligations and USD denominated Eligible Investments constituting USD Principal Proceeds is equal to or greater than an amount equal to 20 per cent. of the Reinvestment Target Par Balance (converted into USD at the Initial Exchange Rate).

USD Collateral Obligations

The Collateral Manager, acting on behalf of the Issuer, may from time to time acquire Collateral Obligations which are denominated in USD (a "**USD Collateral Obligation**").

In determining the Coverage Tests and Reinvestment Overcollateralisation Test, the outstanding USD principal or interest amount in respect of a USD Collateral Obligation and the amount in USD standing to the credit of any of the Accounts will be converted into Euro at the Applicable FX Rate.

In determining the Collateral Quality Tests and Portfolio Profile Tests, the outstanding USD principal or interest amount in respect of the USD Collateral Obligation and the amount in USD standing to the credit of any of the Accounts will be converted into Euro at the Applicable FX Rate.

USD Collateral Obligations may only be acquired by the Issuer or the Collateral Manager acting on its behalf out of:

(a) the proceeds of issuance of the Class A-2 Notes, the Class A-3 Notes and the Class M-2 Subordinated Notes;

(b) USD Principal Proceeds; or

(c) so long as the FX Reinvestment Criteria has been met and will be met immediately after such acquisition, the Euro Principal Proceeds up to an amount equal to the Excess Reinvestment Target Par Balance (converted at the Initial Exchange Rate).

Reinvestment of Collateral Obligations

"**Reinvestment Criteria**" means, during the Reinvestment Period, the criteria set out under "*During the Reinvestment Period*" below and, following the expiry of the Reinvestment Period, the criteria set out below under "*Following the Expiry of the Reinvestment Period*". The Reinvestment Criteria shall not apply prior to the Effective Date or in the case of a Collateral Obligation which has been restructured where such restructuring has become binding on the holders thereof (and whether or not such obligation would constitute a Restructured Obligation).

During the Reinvestment Period

During the Reinvestment Period, the Collateral Manager (acting on behalf of the Issuer) may, at its discretion, reinvest any Principal Proceeds in the purchase of Substitute Collateral Obligations satisfying the Eligibility Criteria provided that immediately after entering into a binding commitment to acquire such Collateral Obligation and taking into account existing commitments, the criteria set out below must be satisfied:

(a) to the Collateral Manager's knowledge (without the need for inquiry or investigation), no Note Event of Default has occurred that is continuing at the time of such purchase;

(b) such obligation is a Collateral Obligation;

(c) on and after the Effective Date (or in the case of the Interest Coverage Tests, the second Payment Date) the Coverage Tests are satisfied or if (other than with respect to the reinvestment of any proceeds received upon the sale of, or as a recovery on, any Defaulted Obligation) as calculated immediately prior to any purchase of a Substitute Collateral Obligation any Coverage Test was not satisfied, the coverage ratio relating to such test will be maintained or improved after giving effect to such reinvestment;

(d) in the case of a Substitute Collateral Obligation purchased with Sale Proceeds of a Credit Risk Obligation or a Defaulted Obligation either:

  (i) the Aggregate Principal Balance of all Substitute Collateral Obligations purchased with such Sale Proceeds shall at least equal such Sale Proceeds;

  (ii) the Aggregate Principal Balance (for which purpose the Principal Balance of each Defaulted Obligation shall be multiplied by its Market Value) of all Collateral Obligations (after such sale) will be maintained or increased, when compared to the Aggregate Principal Balance (for which purpose the Principal Balance of each Defaulted Obligation shall be multiplied by its Market Value) of all Collateral Obligations immediately prior to such sale; or

  (iii) the sum of: (A) the Aggregate Principal Balance (for which purpose the Principal Balance of each Defaulted Obligation shall be multiplied by its Market Value) of all Collateral

Obligations (excluding all of the Collateral Obligations being sold but including, without duplication, the Collateral Obligations being purchased and the anticipated cash proceeds, if any, of such sale that are not applied to the purchase of such Substitute Collateral Obligations); and (B) amounts standing to the credit of the Principal Accounts and Unused Proceeds Accounts (to the extent such amounts have not and will not be designated as Interest Proceeds to be credited to the Interest Accounts and including any Eligible Investments therein but save for any interest accrued on Eligible Investments) (with any such amounts not denominated in Euro being converted into Euro at the Applicable FX Rate) is equal to or greater than the Reinvestment Target Par Balance;

(e) in the case of a Substitute Collateral Obligation purchased with Sale Proceeds of a Credit Improved Obligation or a Discretionary Sale either:

(i) the Aggregate Principal Balance of all Collateral Obligations shall be maintained or improved after giving effect to such reinvestment when compared with the Aggregate Principal Balance of all Collateral Obligations (for which purpose the Principal Balance of each Defaulted Obligation shall be multiplied by its Market Value) immediately prior to the sale that generates such Sale Proceeds; or

(ii) the sum of: (A) the Aggregate Principal Balance (for which purpose the Principal Balance of each Defaulted Obligation shall be multiplied by its Market Value) of all Collateral Obligations (excluding all of the Collateral Obligations being sold but including, without duplication, the Collateral Obligations being purchased and the anticipated cash proceeds, if any, of such sale that are not applied to the purchase of such Substitute Collateral Obligations); and (B) amounts standing to the credit of the Principal Accounts and the Unused Proceeds Accounts (to the extent such amounts have not and will not be designated as Interest Proceeds to be credited to the Interest Accounts and including any Eligible Investments therein but save for any interest accrued on Eligible Investments) (with any such amounts not denominated in Euro being converted into Euro at the Applicable FX Rate) is greater than or equal to the Reinvestment Target Par Balance;

(f) after the Effective Date, either (A) each of the Portfolio Profile Tests and the Collateral Quality Tests will be satisfied; or (B) as calculated immediately prior to any purchase of a Substitute Collateral Obligation, if any of the Portfolio Profile Tests or Collateral Quality Tests are not satisfied such tests will be maintained or improved after giving effect to such reinvestment save that this paragraph (f) shall not apply in respect of the S&P CDO Monitor Test in the case of the reinvestment of Sale Proceeds from Credit Risk Obligations or Defaulted Obligations;

(g) no EU Retention Deficiency shall occur as a direct result of, and immediately after giving effect to, any such reinvestment;

(h) in the case of a Substitute Collateral Obligation that is an Unhedged Collateral Obligation, the sum of: (A) the Aggregate Principal Balance (for which purpose the Principal Balance of each Defaulted Obligation shall be multiplied by its Market Value) of all Collateral Obligations (excluding all of the Collateral Obligations being sold but including, without duplication, the Collateral Obligations being purchased and the anticipated cash proceeds, if any, of such sale that are not applied to the purchase of such Substitute Collateral Obligation); and (B) amounts standing to the credit of the Principal Accounts and Unused Proceeds Accounts (including any Eligible Investments (save for interest accrued on Eligible Investments) but excluding amounts that will be applied to purchase such Substitute Collateral Obligations) (with any such amounts not denominated in Euro being converted into Euro at the Applicable FX Rate) is greater than or equal to the Reinvestment Target Par Balance;

(i) amounts standing to the credit of the Euro Principal Account shall be applied in the acquisition of Euro Collateral Obligations only and amounts standing to the credit of the USD Principal Account shall be applied in the acquisitions of USD Collateral Obligations only (provided that if and for so long as the FX Reinvestment Criteria are satisfied and will be satisfied immediately after such acquisition, Euro Principal Proceeds may be applied in the acquisition of USD Collateral Obligations and USD Principal Proceeds may be applied in the acquisition of Euro Collateral Obligations, in each case up to an amount equal to the Excess Reinvestment Target Par Balance (where necessary, converted at the Initial Exchange Rate)); and

(j) either (i) the Originator Requirement is satisfied immediately after giving effect to such reinvestment, or (ii) in connection with a reinvestment following which the Originator Requirement would not be satisfied, such Collateral Obligation is acquired from the Originator pursuant to the Purchase and Sale Agreement, in each case unless and to the extent the Originator Requirement is determined (in accordance with the definition thereof) no longer to apply,

provided that, for the avoidance of doubt, with respect to any Collateral Obligations for which the trade date has occurred during the Reinvestment Period but which settle after such date, the purchase of such Collateral Obligations shall be treated as a purchase made during the Reinvestment Period for purposes of the Trust Deed.

Following the Expiry of the Reinvestment Period

Following the expiry of the Reinvestment Period, Sale Proceeds from the sale of Credit Risk Obligations and Credit Improved Obligations, and Unscheduled Principal Proceeds of Collateral Obligations, only, may be reinvested by the Collateral Manager (acting on behalf of the Issuer) in one or more Substitute Collateral Obligations satisfying the Eligibility Criteria, in each case provided that:

(a) the Aggregate Principal Balance of Substitute Collateral Obligations equals or exceeds (i) the Aggregate Principal Balance of the related Collateral Obligations that produced such Unscheduled Principal Proceeds or Sale Proceeds or (ii) the amount of Sale Proceeds of any such Credit Risk Obligations, as the case may be;

(b) a Restricted Trading Period is not currently in effect;

(c) each of the Portfolio Profile Tests (except paragraphs (l) and (m) thereof) are satisfied after giving effect to such reinvestment or if not so satisfied, are maintained or improved immediately after giving effect to such reinvestment;

(d) each of the Coverage Tests are satisfied immediately before and after giving effect to such reinvestment;

(e) each of the Collateral Quality Tests (other than the S&P CDO Monitor Test, the Weighted Average Life Test and the Moody's Maximum Weighted Average Rating Factor Test) are satisfied or if not so satisfied, are maintained or improved immediately after giving effect to such reinvestment;

(f) the Moody's Maximum Weighted Average Rating Factor Test and the Weighted Average Life Test are satisfied immediately after giving effect to such reinvestment;

(g) to the Collateral Manager's knowledge (without the need for inquiry or investigation), no Note Event of Default has occurred that is continuing at the time of such purchase;

(h) the maturity date of any Substitute Collateral Obligation is not later than the maturity date of the Collateral Obligation being sold or in respect of which Unscheduled Principal Proceeds are received;

(i) no EU Retention Deficiency shall occur as a direct result of and immediately after giving effect to, such reinvestment;

(j) (i) the S&P Rating of each Substitute Collateral Obligation is equal to or better than the S&P Rating of the Collateral Obligation that gave rise to the Principal Proceeds and (ii) if the Moody's Maximum Weighted Average Rating Factor Test is not satisfied, the Moody's Rating of each Substitute Collateral Obligation is equal to or better than the Moody's Rating of the Collateral Obligation that gave rise to the Principal Proceeds;

(k) in the case of a Substitute Collateral Obligation that is an Unhedged Collateral Obligation, the sum of: (A) the Aggregate Principal Balance (for which purpose the Principal Balance of each Defaulted Obligation shall be multiplied by its Market Value) of all Collateral Obligations (excluding all of the Collateral Obligations being sold but including, without duplication, the Collateral Obligations being purchased and the anticipated cash proceeds, if any, of such sale that are not applied to the purchase of such Substitute Collateral Obligation); and (B) amounts standing to the credit of the Principal Accounts and Unused Proceeds Accounts (including any Eligible Investments (save for interest accrued on Eligible Investments) but excluding amounts that will be applied to purchase such Substitute Collateral

Obligations) (with any such amounts not denominated in Euro being converted into Euro at the Applicable FX Rate) is greater than or equal to the Reinvestment Target Par Balance;

(l) after giving effect to such reinvestment, not more than 7.5 per cent. of the Collateral Principal Amount shall consist of obligations which are CCC Obligations; and

(m) after giving effect to such reinvestment, not more than 7.5 per cent. of the Collateral Principal Amount shall consist of obligations which are Caa Obligations.

Following the expiry of the Reinvestment Period, any Unscheduled Principal Proceeds and any Sale Proceeds from the sale of Credit Improved Obligations and Credit Risk Obligations that have not been reinvested as provided above prior to the end of the Due Period in which such proceeds were received (or, prior to the occurrence of a Frequency Switch Event, by the end of the immediately following Due Period), shall be paid into the applicable Principal Account and disbursed in accordance with the Principal Priority of Payment on the Payment Date following the end of such Due Period (or immediately following the Due Period prior to the occurrence of a Frequency Switch Event), 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 Improved Obligations and Credit Risk Obligations are paid into the applicable Principal Account and designated for reinvestment in Substitute Collateral Obligations, in which case such Principal Proceeds shall not be so disbursed in accordance with the Principal Priority of Payments for so long as they remain so designated for reinvestment but for no longer than 20 Business Days following their receipt by the Issuer; *provided that*, in each case where any of the applicable Reinvestment Criteria are not satisfied as of the Payment Date next following receipt of such Sale Proceeds or Unscheduled Principal Proceeds (or prior to the occurrence of a Frequency Switch Event, on the Payment Date immediately following such Payment Date), all such funds shall (except to the extent the related funds have been designated to pay the purchase price owed by the Issuer under any existing binding commitment to purchase a Collateral Obligation) be paid into the applicable Principal Account and disbursed in accordance with the Principal Priority of Payments set out in Condition 3(c)(ii) (*Application of Principal Proceeds*) and such funds shall be applied only in redemption of the Notes in accordance with the Priorities of Payment.

Unsaleable Assets

Notwithstanding the other requirements set forth herein and in the Trust Deed, on any Business Day after the Reinvestment Period, the Collateral Manager, acting in a commercially reasonable manner, may conduct an auction on behalf of the Issuer of Unsaleable Assets in accordance with the procedures described in this paragraph provided that no such auction shall take place unless a redemption of the Rated Notes in full in accordance with the Conditions is contemplated or scheduled to occur within three months of such auction. Promptly after receipt of written notice from the Collateral Manager of such auction, the Principal Paying Agent will provide notice (in such form as is prepared by the Collateral Manager) to the Noteholders of an auction, setting forth in reasonable detail a description of each Unsaleable Asset and the following auction procedures: (i) any Noteholder may submit a written bid within 10 Business Days after the date of such notice to purchase one or more Unsaleable Assets no later than the date specified in the auction notice (which will be at least 15 Business Days after the date of such notice); (ii) each bid must include an offer to purchase for a specified amount of cash on a proposed settlement date no later than 20 Business Days after the date of the auction notice; (iii) if no Noteholder submits such a bid within the time period specified under paragraph (i) above, unless the Collateral Manager determines that delivery in kind is not legally or commercially practicable and provides written notice thereof to the Principal Paying Agent, the Principal Paying Agent will provide notice (in a form to be prepared by the Collateral Manager) 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 of Notes that provide delivery instructions in writing to the Collateral Administrator on or before the date specified in such notice, subject to minimum denominations; provided that, to the extent that minimum denominations do not permit a *pro rata* distribution, the Collateral Administrator will distribute the Unsaleable Assets on a *pro rata* basis to the extent possible and the Collateral Manager will select by lottery the Noteholder or beneficial owner to whom the remaining amount will be delivered and deliver written notice thereof to the Collateral Administrator; provided**,** further**,** that the Collateral Administrator will use commercially reasonable efforts to effect delivery of such interests; and (iv) if no such Noteholder or beneficial owner provides delivery instructions to the Collateral Administrator, the Collateral Administrator will promptly notify the Collateral Manager and offer to deliver (at the cost of the Collateral Manager) the Unsaleable Asset to the Collateral Manager. If the Collateral Manager declines such offer, the Collateral Administrator will take such action as directed by the Collateral Manager (on behalf of the Issuer) in writing to dispose of the

Unsaleable Asset, which may be by donation to a charity, abandonment or other means. For the avoidance of doubt, any sale or delivery or other transfer or disposal of an Unsaleable Asset in the circumstances contemplated in this paragraph shall not affect the Principal Amount Outstanding of any Notes.

Amendments to Collateral Obligations

The Issuer (or the Collateral Manager on the Issuer's behalf) may not vote in favour of a Maturity Amendment to a Collateral Obligation that the Issuer will retain after the effectiveness of such Maturity Amendment unless, as determined by the Collateral Manager, after giving effect to such Maturity Amendment, (i) either (1) the Weighted Average Life Test is satisfied or (2) if the Weighted Average Life Test was not satisfied immediately prior to the effectiveness of such Maturity Amendment, then the Weighted Average Life Test will be maintained or improved after giving effect to such Maturity Amendment and (ii) the Collateral Obligation Stated Maturity that is the subject of such Maturity Amendment is not later than the Maturity Date of the Notes. If the Issuer or the Collateral Manager (on behalf of the Issuer) has not voted in favour of a Maturity Amendment which would contravene the requirements of this paragraph but by way of scheme of arrangement or otherwise, the Collateral Obligation Stated Maturity has been extended, the Issuer or the Collateral Manager acting on its behalf may but shall not be required to sell such Collateral Obligation provided that in any event the Collateral Manager shall dispose of such Collateral Obligation prior to the Maturity Date. Such proceeds shall constitute Sale Proceeds and may be reinvested in accordance with and subject to the Reinvestment Criteria.

Expiry of the Reinvestment Criteria Certification

Immediately preceding the end of the Reinvestment Period, the Collateral Manager will deliver to the Trustee and the Collateral Administrator a schedule of Collateral Obligations purchased by the Issuer with respect to which purchases the trade date has occurred but the settlement date has not yet occurred and will certify to the Trustee that sufficient Principal Proceeds are available (including, for this purpose, cash on deposit in the Principal Accounts, any scheduled distributions of Principal Proceeds, as well as any Principal Proceeds that will be received by the Issuer from the sale of Collateral Obligations for which the trade date has already occurred but the settlement date has not yet occurred) to effect the settlement of such Collateral Obligations.

Reinvestment Overcollateralisation Test

During the Reinvestment Period, if, on any Payment Date during such period after giving effect to the payment of all amounts payable in respect of paragraphs (A) through (V) (inclusive) of the Interest Priority of Payments, the Reinvestment Overcollateralisation Test has not been satisfied, then on the related Payment Date, Interest Proceeds in an amount (such amount, the "**Required Diversion Amount**") equal to the lesser of (1) 50 per cent. of all remaining Interest Proceeds available for payment pursuant to paragraph (W) of the Interest Priority of Payments and (2) the amount which, after giving effect to the payment of all amounts payable in respect of paragraphs (A) through (V) (inclusive) of the Interest Priority of Payments would be sufficient to cause the Reinvestment Overcollateralisation Test to be satisfied (for the avoidance of doubt taking into account the application of both Euro Interest Proceeds and USD Interest Proceeds in accordance with the Interest Priority of Payments) shall be paid, at the discretion of the Collateral Manager (acting on behalf of the Issuer) (i) into the applicable Principal Account or Principal Accounts as Principal Proceeds; or (ii) in redemption of the Notes in accordance with the Note Payment Sequence.

Designation for Reinvestment

After the expiry of the Reinvestment Period, the Collateral Manager shall, two Business Days prior to the relevant Payment Date, notify the Issuer and the Collateral Administrator in writing of all Principal Proceeds which the Collateral Manager determines in its discretion (acting on behalf of the Issuer, and subject to the terms of Collateral Management and Administration Agreement as described above) shall remain designated for reinvestment in accordance with the Reinvestment Criteria, on or after the following Payment Date in which event such Principal Proceeds shall not constitute Principal Proceeds which are to be paid into the applicable Payment Account and disbursed on such Payment Date in accordance with the Priorities of Payment.

The Collateral Manager (acting on behalf of the Issuer) may direct that the proceeds of sale of any Collateral Obligation which represents accrued interest be designated as Interest Proceeds and paid into the applicable Interest Account save for: (i) Purchased Accrued Interest; (ii) any interest received in respect of any Mezzanine Obligation for so long as it is a Defaulted Deferring Mezzanine Obligation other than Defaulted Mezzanine Excess Amounts; and (iii) any interest received in respect of a Defaulted Obligation for so long as it is a Defaulted Obligation other than Defaulted Obligation Excess Amounts.

Accrued Interest

Amounts included in the purchase price of any Collateral Obligation comprising accrued interest thereon may be paid from the applicable Interest Account, Principal Account or Unused Proceeds Account at the discretion of the Collateral Manager (acting on behalf of the Issuer) but subject to the terms of the Collateral Management and Administration Agreement and Condition 3(m) (*Payments to and from the Accounts*). Notwithstanding the foregoing, in any Due Period, all payments of interest and proceeds of sale received during such Due Period in relation to any Collateral Obligation, in each case, to the extent that such amounts represent accrued and/or capitalised interest in respect of such Collateral Obligation (including, in respect of a Mezzanine Obligation, any accrued interest which, as at the time of purchase, had been capitalised and added to the principal amount of such Mezzanine Obligation in accordance with its terms), which was purchased at the time of acquisition thereof with Principal Proceeds and/or principal amounts from the applicable Unused Proceeds Account shall constitute "**Purchased Accrued Interest**" and shall be deposited into the applicable Principal Account as Principal Proceeds.

Block Trades

The requirements described herein with respect to the Portfolio shall be deemed to be satisfied upon any sale and/or purchase of Collateral Obligations on any day in the event that such Collateral Obligations satisfy such requirements in aggregate rather than on an individual basis.

For the purpose of calculating compliance with the Reinvestment Criteria at the election of the Collateral Manager acting in a commercially reasonable manner, any proposed investment (whether a single Collateral Obligation or a group of Collateral Obligations) identified by the Collateral Manager as such at the time (the "**Initial Trading Plan Calculation Date**") when compliance with the Reinvestment Criteria is required to be calculated (a "**Trading Plan**") may be evaluated after giving effect to all sales and reinvestments proposed to be entered into within the 20 Business Days following the date of determination of such compliance (such period, the "**Trading Plan Period**"); *provided that*: (i) no Trading Plan may result in the purchase of Collateral Obligations having an Aggregate Principal Balance (for which purpose the Principal Balance of each Defaulted Obligation shall be multiplied by its Market Value) that exceeds 5 per cent. of the Collateral Principal Amount as of the first day of the Trading Plan Period; (ii) no more than one Trading Plan may be in effect at any time during a Trading Plan Period; (iii) no Trading Plan Period may include a Payment Date; (iv) for any Trading Plan, the difference between the Collateral Obligation included in such Trading Plan that has the longest Average Life and the Collateral Obligation included in such Trading Plan that has the shortest Average Life, shall not exceed 2 years; (v) no Collateral Obligation may be included in a Trading Plan that has a Collateral Obligation Stated Maturity earlier than 12 months from the date of such Trading Plan; (vi) following the expiry of the Reinvestment Period, no Trading Plan may be used for the purposes of determining compliance with the criterion referred to in paragraph (i) of the Reinvestment Criteria; and (vii) if the Reinvestment Criteria are satisfied prospectively after giving effect to a Trading Plan but are not satisfied upon the expiry of the relevant Trading Plan Period, the Reinvestment Criteria shall not at any time thereafter be evaluated by giving effect to a Trading Plan, unless Rating Agency Confirmation with respect to the immediately subsequent Trading Plan is received. No further Rating Agency Confirmation shall thereafter be required unless a Trading Plan subsequently fails, in which case Rating Agency Confirmation will be required with respect to the immediately subsequent Trading Plan.

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 the Counterparty Downgrade Collateral Account(s), the Unfunded Revolver Reserve Accounts, the Collection Accounts and the Payment Accounts). 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.

Exchange Transactions

Notwithstanding anything to the contrary contained in the Transaction Documents, unless a Note Event of Default has occurred and is continuing, the Collateral Manager may direct the Trustee in writing to sell, purchase and/or exchange any Collateral Obligation in connection with an Exchange Transaction at any time.

Collateral Enhancement Obligations

The Collateral Manager (acting on behalf of the Issuer) may, from time to time, purchase Collateral Enhancement Obligations independently or as part of a unit with the Collateral Obligations being so purchased.

All funds required in respect of the purchase price of any Collateral Enhancement Obligations, and all funds required in respect of the exercise price of any rights or options thereunder, may only be paid out of the balance standing to the credit of the Supplemental Reserve Accounts at the relevant time or by means of a Collateral Manager Advance. Pursuant to Condition 3(m)(vi) (*Supplemental Reserve Accounts*), such Balance shall be comprised of all sums deposited therein from time to time which will comprise amounts which the Collateral Manager acting on behalf of the Issuer determines shall be paid into the Supplemental Reserve Accounts pursuant to the Priorities of Payment.

Collateral Enhancement Obligations may be sold at any time and all Collateral Enhancement Obligation Proceeds received by the Issuer shall be deposited into the Principal Accounts for allocation in accordance with the Principal Priority of Payments.

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

Exercise of Warrants and Options

The Collateral Manager acting on behalf of the Issuer may at any time exercise a warrant or option attached to a Collateral Obligation or comprised in a Collateral Enhancement Obligation and shall on behalf of the Issuer instruct the Account Bank to make any necessary payment pursuant to a duly completed form of instruction.

Margin Stock

The Issuer may hold Margin Stock, provided that the Collateral Manager will use commercially reasonable efforts to sell Margin Stock at any time that Margin Stock holdings have an aggregate market value (as determined by the Collateral Manager) in excess of 5.0 per cent. of the Target Par Amount, no later than 45 days after such excess occurs.

"**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.

Currency Hedge Obligations

The Collateral Manager shall be authorised to purchase, on behalf of the Issuer, Non-Euro Obligations from time to time denominated in a currency other than an Available Currency provided that any such Non-Euro Obligation shall only constitute a Collateral Obligation that satisfies paragraph (b) of the Eligibility Criteria if either (a)(i) for any Non-Euro Obligation denominated in a Qualifying Unhedged Obligation Currency within 90 calendar days of the settlement of the purchase by the Issuer of such Collateral Obligation or otherwise (ii) not later than the settlement of the purchase by the Issuer of such Collateral Obligation, the Collateral Manager procures entry by the Issuer into a Currency Hedge Transaction pursuant to which the currency risk arising from receipt of cash flows from such Non-Euro Obligations, including interest and principal payments, is hedged through the swapping of such cash flows for Euro payments to be made by a Currency Hedge Counterparty. The Portfolio Profile Tests provide that (x) not more than 30 per cent. of the Collateral Principal Amount may comprise Currency Hedge Obligations and (y) not more than 2.5 per cent. of the Collateral Principal Amount may comprise Unhedged Collateral Obligations. The Principal Balance of each Unhedged Collateral Obligation shall be deemed to be zero if, before and immediately after such purchase (after calculating the principal balance thereof in accordance with the provisions of the Principal Balance for Unhedged Collateral Obligations), the Collateral Principal Amount is lower than the Reinvestment Target Par Balance. 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 the "*Hedging Arrangements*" section of this Offering Circular.

Revolving Obligations and Delayed Drawdown Collateral Obligations

The Collateral Manager acting on behalf of the Issuer may acquire Collateral Obligations which are Revolving Obligations or Delayed Drawdown Collateral Obligations from time to time.

Such Revolving Obligations and Delayed Drawdown Collateral Obligations may only be acquired if they are capable of being drawn in a single currency only (being an Available Currency) and are not payable in or convertible into another currency.

Each Revolving Obligation and Delayed Drawdown Collateral Obligation will, pursuant to its terms, require the Issuer to make one or more future advances or other extensions of credit (including extensions of credit made on an unfunded basis pursuant to which the Issuer may be required to reimburse the provider of a guarantee or other ancillary facilities made available to the Obligor thereof in the event of any default by the Obligor thereof in respect of its reimbursement obligations in connection therewith). Such Revolving Obligations and Delayed Drawdown Collateral Obligations may or may not provide that they may be repaid and reborrowed from time to time by the Obligor thereunder. Upon acquisition of any Revolving Obligations and Delayed Drawdown Collateral Obligations, the Issuer shall deposit into the applicable Unfunded Revolver Reserve Account amounts equal to the combined aggregate principal amounts of the Unfunded Amounts under each of the Revolving Obligations and Delayed Drawdown Collateral Obligations. To the extent required, the Issuer, or the Collateral Manager acting on its behalf, may direct that amounts standing to the credit of the applicable Unfunded Revolver Reserve Account be deposited with a third party from time to time as collateral for any reimbursement or indemnification obligations owed by the Issuer to any other lender in connection with a Revolving Obligation or a Delayed Drawdown Collateral Obligation, as applicable and upon receipt by the Collateral Administrator (with a copy to the Trustee) of an Issuer Order (as defined in the Collateral Management and Administration Agreement) the security granted thereover shall be released pursuant to the Trust Deed.

Participations

The Collateral Manager acting on behalf of the Issuer may from time to time acquire Collateral Obligations from Selling Institutions by way of Participation provided that at the time such Participation is taken:

(a) the percentage of the Collateral Principal Amount that represents Participations entered into by the Issuer with a single Selling Institution will not exceed the percentages set forth in the Bivariate Risk Table determined by reference to the credit rating of such third party (or any guarantor thereof); and

(b) the percentage of the Collateral Principal Amount that represents Participations entered into by the Issuer with Selling Institutions (or any guarantor thereof), each having the same credit rating (taking the lowest rating assigned thereto by any Rating Agency), will not exceed the aggregate third party credit exposure limit set forth in the Bivariate Risk Table for such credit rating,

and, for the purpose of determining the foregoing, account shall be taken of each sub-participation from which the Issuer, directly or indirectly, derives its interest in the relevant Collateral Obligation.

Each Participation entered into pursuant to a sub-participation agreement shall be substantially in the form of:

(a) the LSTA Model Participation Agreement for par/near par trades or for distressed trades (as published by the Loan Syndications and Trading Association Inc. from time to time);

(b) the LMA Funded Participation (Par) or LMA Funded Participation (Distressed) (as published by the Loan Market Association from time to time); or

(c) such other documentation provided such agreement contains limited recourse and non-petition language substantially the same as that set out in the Trust Deed.

Assignments

The Collateral Manager acting on behalf of the Issuer may from time to time acquire Collateral Obligations from Selling Institutions by way of Assignment provided that at the time such Assignment is acquired the Collateral Manager acting on behalf of the Issuer shall have complied, to the extent within their control, with

any requirements relating to such Assignment set out in the relevant loan documentation for such Collateral Obligation (including, without limitation, with respect to the form of such Assignment and obtaining the consent of any person specified in the relevant loan documentation).

"**Assignment**" means an interest in a loan acquired directly by way of novation or assignment.

Bivariate Risk Table

The following is the bivariate risk table (the "**Bivariate Risk Table**") and as referred to in "*Portfolio Profile Tests*" below and "*Participations*" above. For the purposes of the limits specified in the Bivariate Risk Table, the individual third party credit exposure limit shall be determined by reference to the Aggregate Principal Balance of all Participations (excluding any Defaulted Obligations) entered into by the Issuer with the same counterparty (such amount in respect of such entity, the "**Third Party Exposure**") and the applicable percentage limits shall be determined by reference to the lower of the S&P ratings or Moody's ratings applicable to such counterparty and the aggregate third party credit exposure limit shall be determined by reference to the aggregate of Third Party Exposure of all such counterparties which share the same rating level or have a lower rating level, as indicated in the Bivariate Risk Table.

Bivariate Risk Table

Issuer Credit Rating of Selling Institution	Individual Third Party Credit Exposure Limit*	Aggregate Third Party Credit Exposure Limit*
S&P		
AAA	5%	5%
AA+	5%	5%
AA	5%	5%
AA-	5%	5%
A+	5%	5%
A	5%	5%
A- or below	0%	0%

Long-Term/Short Term Senior Unsecured Debt Rating of Selling Institution	Individual Third Party Credit Exposure Limit*	Aggregate Third Party Credit Exposure Limit*
Moody's		
Aaa	20.0%	20.0%
Aa1	10.0%	20.0%
Aa2	10.0%	20.0%
Aa3	10.0%	15.0%
A1	5%	10.0%
A2 and P-1	5%	5%
A2 (without a Moody's short-term rating of at least P-1) or below	0%	0%

* As a percentage of the Collateral Principal Amount (excluding any Defaulted Obligations) the aggregate third party credit exposure limit shall be determined by reference to the aggregate of the third party credit exposure of all such counterparties which share the same rating level or have a lower rating level, as indicated in the Bivariate Risk Table.

Portfolio Profile Tests and Collateral Quality Tests

Measurement of Tests

The Portfolio Profile Tests and the Collateral Quality Tests will be used as criteria for purchasing Collateral Obligations. The Collateral Administrator will measure the Portfolio Profile Tests and the Collateral Quality Tests on each Measurement Date (save as otherwise provided herein).

Substitute Collateral Obligations in respect of which a binding commitment has been made to purchase such Substitute Collateral Obligations but such purchase has not been settled shall nonetheless be deemed to have been purchased for the purposes of the Portfolio Profile Tests, the Collateral Quality Tests and the Coverage Tests. Collateral Obligations in respect of which a binding commitment has been made to sell such Collateral Obligations, but such sale has not been settled, shall be deemed to have been sold for the purposes of the Portfolio Profile Tests, the Collateral Quality Tests and the Coverage Tests. See "*Reinvestment of Collateral Obligations*" above.

Notwithstanding the foregoing, the failure of the Portfolio to meet the requirements of the Portfolio Profile Tests at any time shall not prevent any obligation which would otherwise be a Collateral Obligation from being a Collateral Obligation.

Portfolio Profile Tests

The Portfolio Profile Tests will consist of each of the following:

(a) not less than 90.0 per cent. of the Collateral Principal Amount shall consist of obligations which are Secured Senior Obligations (which term, for the purposes of this paragraph (a), shall comprise the aggregate of the Aggregate Principal Balance of the Secured Senior Obligations and the Balances standing to the credit of the Principal Accounts and the Unused Proceeds Accounts, in each case as at the relevant Measurement Date);

(b) not more than 10.0 per cent. of the Collateral Principal Amount shall consist of Unsecured Senior Obligations, Second Lien Loans, Mezzanine Obligations and High Yield Bonds in aggregate;

(c) in the case of Collateral Obligations which are not Secured Senior Obligations, not more than 1.0 per cent. of the Collateral Principal Amount shall be the obligations of any one Obligor;

(d) not more than 2.0 per cent. of the Collateral Principal Amount shall be the obligations of any one Obligor provided that the obligations of five Obligors may each represent up to 2.5 per cent. of the Collateral Principal Amount;

(e) not more than 30.0 per cent. of the Collateral Principal Amount shall consist of Currency Hedge Obligations;

(f) not more than 2.5 per cent. of the Collateral Principal Amount shall consist of obligations which are Unhedged Collateral Obligations;

(g) not more than 30.0 per cent. of the Collateral Principal Amount (consisting of Collateral Obligations other than USD Collateral Obligations and Balances other than Balances denominated in USD) shall consist of obligations which are Cov-Lite Loans denominated in currencies other than USD;

(h) not more than 50.0 per cent. of the Collateral Principal Amount (consisting of USD Collateral Obligations and Balances denominated in USD) shall consist of obligations which are Cov-Lite Loans denominated in USD;

(i) not more than 5.0 per cent. of the Collateral Principal Amount shall consist of Participations;

(j) not more than 2.5 per cent. of the Collateral Principal Amount shall consist of Current Pay Obligations;

(k) not more than 10.0 per cent. of the Collateral Principal Amount shall consist of obligations which are Revolving Obligations or Delayed Drawdown Collateral Obligations;

(l) not more than 7.5 per cent. of the Collateral Principal Amount shall consist of obligations which are CCC Obligations;

(m) not more than 7.5 per cent. of the Collateral Principal Amount shall consist of obligations which are Caa Obligations;

(n) not more than 3.0 per cent. of the Collateral Principal Amount shall consist of Bridge Loans;

(o) not more than 5.0 per cent. of the Collateral Principal Amount shall consist of Corporate Rescue Loans;

(p) not more than 5.0 per cent. of the Collateral Principal Amount shall consist of obligations which are PIK Securities;

(q) not more than 10.0 per cent. of the Collateral Principal Amount shall consist of obligations which are Fixed Rate Collateral Obligations; *provided that* not more than 5.0 per cent. of the Collateral Principal Amount may comprise Fixed Rate Collateral Obligations that are denominated in USD;

(r) not more than 10.0 per cent. of the Collateral Principal Amount shall consist of obligations whose Moody's Rating is derived from a S&P Rating;

(s) not more than 10.0 per cent. of the Collateral Principal Amount shall consist of obligations whose S&P Rating is derived from a Moody's Rating;

(t) not more than 11.0 per cent. of the Collateral Principal Amount shall consist of Collateral Obligations that were issued by Obligors that belong to a single S&P Industry Classification except that (x) two S&P Industry Classifications may each represent up to 13.0 per cent. of the Collateral Principal Amount; and (y) one S&P Industry Classification may represent up to 17.0 per cent. of the Collateral Principal Amount;

(u) not more than 11.0 per cent. of the Collateral Principal Amount shall be Collateral Obligations that were issued by Obligors that belong to any single Moody's industry classification except that (x) two Moody's industry classifications may each represent up to 13.0 per cent. of the Collateral Principal Amount; and (y) one additional Moody's industry classification may represent up to 17.0 per cent. of the Collateral Principal Amount;

(v) not more than 10.0 per cent. of the Collateral Principal Amount shall consist of Obligors who are Domiciled in countries or jurisdictions rated below "A-" by S&P;

(w) not more than 10.0 per cent. of the Collateral Principal Amount shall consist of Obligors who are Domiciled in countries with a Moody's local currency country risk ceiling rated below "Aa3" by Moody's;

(x) not more than 5.0 per cent. of the Collateral Principal Amount may consist of Collateral Obligations where, at the time of purchase, the total potential indebtedness of each relevant Obligor under all underlying instruments governing each such Obligor's indebtedness has an aggregate principal amount (whether drawn or undrawn) of (i) greater than or equal to EUR150,000,000 and less than EUR200,000,000 for all Collateral Obligations denominated in Euro; (ii) greater than or equal to USD150,000,000 and less than USD200,000,000 for all Collateral Obligations denominated in USD and (iii) greater than or equal to the equivalent of EUR150,000,000 in the relevant currency, and less than the equivalent of EUR200,000,000 in the relevant currency, in each case determined at the Applicable FX Rate for Collateral Obligations denominated in any other currency;

(y) not more than 2.5 per cent. of the Collateral Principal Amount shall consist of Project Finance Loans;

(z) not more than 2.0 per cent. of the Collateral Principal Amount shall consist of Obligors that are Affiliated with the Collateral Manager or have the Collateral Manager or its Affiliates as sponsors; and

(aa) the limits set forth in the Bivariate Risk Table determined by reference to the ratings of Selling Institutions shall be satisfied.

"**Bridge Loan**" shall mean any Collateral Obligation that: (i) is incurred in connection with a merger, acquisition, consolidation, sale of all or substantially all of the assets of a person, restructuring or similar transaction; (ii) by its terms, is required to be repaid within one year of the incurrence thereof with proceeds from additional borrowings or other refinancings; and (iii) prior to its purchase by the Issuer, has a Moody's Rating and an S&P Rating; provided that, (a) 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 such additional borrowings or other refinancings; and (b) any loan or debt security that has a nominal maturity date of one year or less from the incurrence thereof but has a term-out or other provision whereby (automatically or at the sole option of the obligor thereof) the maturity of the indebtedness thereunder may be extended to a later date, shall not be a Bridge Loan.

The percentage requirements applicable to different types of Collateral Obligations specified in the Portfolio Profile Tests shall be determined by reference to the Aggregate Principal Balance of such type of Collateral Obligations excluding Defaulted Obligations, as a proportion of the Collateral Principal Amount. The Collateral Principal Amount for the purposes of each Portfolio Profile Test shall be calculated in accordance with the definition thereof (where for such purpose, the Principal Balance of each Defaulted Obligation shall be multiplied by its Market Value). 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.

Further, for the purposes of calculating compliance with the Portfolio Profile Tests:

(i) in the case of paragraphs (b) to (aa) (inclusive) thereof, each relevant percentage shall be rounded down to the nearest 0.1 per cent.; and

(ii) in the case of paragraph (a) thereof, the relevant percentage shall be rounded up to the nearest 0.1 per cent.

"**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:

Asset Type Code	Description	Geographic Scope
1020000	Energy Equipment and Services	G
1030000	Oil, Gas and Consumable Fuels	G
1033403	Mortgage Real Estate Investment Trusts (REITs)	R
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
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 Catalog 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

Asset Type Code	Description	Geographic Scope
7110000	Diversified Financial Services	G
7120000	Consumer Finance	R
7130000	Capital Markets	G
7210000	Insurance	G
7310000	Real Estate Management and Development	L
7311000	Equity Real Estate Investment Trusts (REITs)	R
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

Collateral Quality Tests

The Collateral Quality Tests will consist of each of the following:

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

(i) the Moody's Minimum Diversity Test;

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

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

(iv) the Minimum Weighted Average Spread Test;

(b) 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; and

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

each as defined in the Collateral Management and Administration Agreement.

Moody's Test Matrix

Subject to the provisions provided below, on or after the Effective Date, the Collateral Manager will have the option to elect which of the cases set forth in the matrix to be set out in the Collateral Management and Administration Agreement (the "**Moody's Test Matrix**") shall be applicable for purposes of the Moody's Maximum Weighted Average Rating Factor Test, the Moody's Minimum Diversity Test and the Minimum Weighted Average 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 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 Diversity Score

Minimum Weighted Average Spread	**28**	**32**	**36**	**40**	**44**	**48**	**52**	**55**	**58**	**60**	**64**
2.40%	1490	1550	1565	1590	1600	1620	1625	1650	1680	1680	1695
2.60%	1765	1790	1805	1861	1871	1890	1900	1925	1935	1945	1955
2.80%	1990	2001	2040	2070	2090	2124	2130	2161	2165	2175	2186
3.00%	2168	2232	2269	2289	2301	2329	2364	2369	2385	2388	2395
3.20%	2246	2305	2397	2456	2477	2501	2532	2559	2595	2600	2618
3.40%	2260	2409	2511	2578	2621	2671	2695	2731	2746	2756	2766
3.60%	2328	2439	2583	2650	2705	2744	2790	2809	2828	2848	2886
3.80%	2389	2506	2624	2715	2781	2825	2862	2900	2910	2920	2939
4.00%	2444	2549	2684	2771	2856	2900	2934	2977	2991	3007	3053
4.20%	2490	2598	2732	2832	2915	2946	2977	3030	3051	3078	3134
4.40%	2527	2688	2793	2881	2966	3025	3070	3118	3137	3156	3195
4.60%	2579	2737	2833	2925	3011	3078	3145	3184	3208	3220	3230
4.80%	2641	2766	2862	2977	3064	3127	3194	3242	3261	3286	3336
5.00%	2694	2800	2940	3005	3106	3169	3236	3294	3313	3329	3359
5.50%	2771	2912	3004	3120	3186	3285	3333	3399	3415	3449	3516
6.00%	2887	3020	3128	3204	3279	3391	3446	3499	3541	3559	3596

The S&P CDO Monitor Test

The "**S&P CDO Monitor Test**" means a test which will be satisfied on any date from the Effective Date until the end of the Reinvestment Period if, after giving effect to the purchase or sale of a Collateral Obligation, the AAA Default Differential of the Proposed Portfolio is positive. The S&P CDO Monitor Test will be considered to be improved if the AAA Default Differential of the Proposed Portfolio is greater than the AAA Default Differential of the Current Portfolio.

"**S&P CDO Monitor BDR**" means the value calculated for the S&P CDO Monitor Test using the formula provided by S&P to the Collateral Manager in the S&P CDO Monitor Formula Input File, which may be updated by S&P from time to time either in writing directly to the Collateral Manager or by way of publication of updated methodology. The S&P CDO Monitor BDR represents an estimate of the level of gross defaults that

the Class A Notes can withstand without missing principal or interest payments, based on the cash flow analysis done by S&P in connection with its new-issue rating process.

"**AAA Default Differential**" means, with respect to the Class A Notes, at any time, the rate calculated by subtracting the S&P CDO Monitor SDR at such time from the S&P CDO Monitor Adjusted BDR at such time.

"**S&P CDO Monitor SDR**" means the value for the S&P CDO Monitor Test calculated based upon six portfolio benchmarks used by S&P to inform its view of CLO collateral credit quality. The S&P CDO Monitor SDR is the value derived from the following formula (or such other published formula by S&P that the Collateral Manager provides to the Collateral Administrator):

0.247621 + (SPWARF/9162.65) – (DRD/16757.2) – (ODM/7677.8) – (IDM/2177.56) – (RDM/34.0948) + (WAL/27.3896)

Where SPWARF = S&P Weighted Average Rating Factor; DRD = S&P Default Rate Dispersion; ODM = S&P Obligor Diversity Measure; IDM = S&P Industry Diversity Measure; RDM = S&P Regional Diversity Measure; and WAL = S&P Weighted Average Life. The above coefficients are constants that will not change unless S&P provides an updated formula for the S&P CDO Monitor SDR. The above formula may be modified to include other portfolio parameters as notified to the Collateral Manager at S&P's discretion.

"**S&P CLO Specified Assets**" means the Collateral Obligations with a S&P Rating equal to or higher than "CCC- ".

The "**Current Portfolio**" means, as of any date of determination, the portfolio of Collateral Obligations (included at their Principal Balance provided that in respect of Mezzanine Obligations the Principal Balance shall exclude all accrued interest other than any interest accrued as at the date of acquisition thereof and purchased with Principal Proceeds) and Eligible Investments existing prior to the sale, maturity or other disposition of a Collateral Obligation or a proposed reinvestment of Principal Proceeds in a Substitute Collateral Obligation, as the case may be.

The "**Proposed Portfolio**" means, as of any date of determination, the portfolio of Collateral Obligations (included at their Principal Balance provided that in respect of Mezzanine Obligations the Principal Balance shall exclude all accrued interest following the date of acquisition thereof) and Eligible Investments resulting from the sale, maturity or other disposition of a Collateral Obligation or a proposed reinvestment of Principal Proceeds in a Substitute Collateral Obligation, as the case may be.

"**S&P CDO Monitor Adjusted BDR**" means the threshold value for the S&P CDO Monitor Test, calculated by adjusting the S&P CDO Monitor BDR for changes in the par value of the Portfolio relative to the Target Par Amount. The S&P CDO Monitor Adjusted BDR is the percentage derived from the following equation (or such other published equation by S&P that the Collateral Manager provides to the Collateral Administrator):

BDR*(OP / NP) + (NP - OP) / NP*(1 - WARR),

where BDR = S&P CDO Monitor BDR; OP = Target Par Amount; NP = sum of (a) Aggregate Principal Balance of all S&P CLO Specified Assets, (b) without duplication, amounts (including Eligible Investments) on deposit in the (i) Collection Accounts representing Principal Proceeds and (ii) Principal Accounts, and (c) sum of the S&P Collateral Values for all Collateral Obligations that are not S&P CLO Specified Assets; and WARR = S&P Weighted Average Recovery Rate.

"**S&P CDO Monitor Formula Input File**" means the file provided to the Collateral Manager by S&P that contains the CLO-specific formula used to calculate the S&P CDO Monitor BDR (or such other published CLO-specific formula by S&P that the Collateral Manager provides to the Collateral Administrator). The formula takes the following form:

S&P CDO Monitor BDR = 0.212889047220262 + 3.452696190302260*WAS + 0.845402274823737*WARR,

where WAS = the sum of (a) the Weighted Average Spread and (b) the Weighted Average Coupon Adjustment Percentage; and WARR = S&P Weighted Average Recovery Rate. The above coefficients provided in the file are constants that will not change unless S&P provides an updated S&P CDO Monitor Formula Input File. The above formula may be modified to include other portfolio parameters as notified to the Collateral Manager at S&P's discretion.

"**S&P Default Rate Dispersion**" means the value calculated by multiplying the Principal Balance for each S&P CLO Specified Asset by the absolute value of the difference between the S&P Global Ratings Factor for such S&P CLO Specified Asset and the S&P Weighted Average Rating Factor, then summing the results for all S&P CLO Specified Assets, and dividing this amount by the Aggregate Principal Balance of the S&P CLO Specified Assets.

"**S&P Global Ratings Factor**" means, for each S&P CLO Specified Asset, the five year asset default rate given the S&P CLO Specified Asset's S&P Rating and the default table in S&P's Corporate CDO Criteria (see below as currently published by S&P on 21 June 2019 in "Global Methodology And Assumptions For CLOs And Corporate CDOs", or such other published table by S&P that the Collateral Manager provides to the Collateral Administrator) multiplied by 10,000.

S&P Rating	S&P Global Ratings Factor
AAA	13.51
AA+	26.75
AA	46.36
AA-	63.90
A+	99.50
A	146.35
A-	199.83
BBB+	271.01
BBB	361.17
BBB-	540.42
BB+	784.92
BB	1233.63
BB-	1565.44
B+	1982.00
B	2859.50
B-	3610.11
CCC+	4641.40
CCC	5293.00
CCC-	5751.10

"**S&P Industry Diversity Measure**" means the value calculated by determining the Aggregate Principal Balance of the S&P CLO Specified Assets within each S&P Industry Classification, then dividing each of these amounts by the Aggregate Principal Balance of the S&P CLO Specified Assets from all the industries, then squaring the result for each industry, and then taking the reciprocal of the sum of these squares.

"**S&P Obligor Diversity Measure**" means the value calculated by determining the Aggregate Principal Balance of the S&P CLO Specified Assets from each Obligor and its affiliates, then dividing each of these amounts by the Aggregate Principal Balance of all S&P CLO Specified Assets from all the Obligors in the Portfolio, then squaring the result for each Obligor, then taking the reciprocal of the sum of these squares.

"**S&P Recovery Rate**" means, in respect of each Collateral Obligation, an S&P Recovery Rate determined in accordance with the Collateral Management and Administration Agreement or as advised by S&P. Extracts of the S&P Recovery Rates commensurate with a "AAA" rating applicable under the Collateral Management and Administration Agreement are set out in Annex A (*S&P Recovery Rates*) of this Offering Circular.

"**S&P Regional Diversity Measure**" means the value calculated by determining the Aggregate Principal Balance of the S&P CLO Specified Assets within each S&P's region categorisation (set out in the "*CDO Evaluator Country Codes, Regions and Recovery Groups*" table in Annex A (*S&P Recovery Rates*)), or such other published table by S&P that the Collateral Manager provides to the Collateral Administrator), then dividing each of these amounts by the Aggregate Principal Balance of the S&P CLO Specified Assets from all regions in the portfolio, then squaring the result for each region, then taking the reciprocal of the sum of these squares.

"**S&P Weighted Average Life**" means the value calculated by determining the number of years between the current date and the maturity date of each S&P CLO Specified Asset, then multiplying each S&P CLO Specified Asset's Principal Balance by such number of years, and then summing this amount of all S&P CLO Specified Assets, and dividing this amount by the Aggregate Principal Balance of all S&P CLO Specified Assets.

"**S&P Weighted Average Rating Factor**" means the value calculated by multiplying the Principal Balance for each S&P CLO Specified Asset by its S&P Global Ratings Factor, then summing the results of all S&P CLO Specified Assets, and then dividing this result by the Aggregate Principal Balance of the S&P CLO Specified Assets.

"**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) of each Collateral Obligation by its S&P Recovery Rate, dividing such sum by the Aggregate Principal Balance of all Collateral Obligations and rounding up to the nearest 0.1 per cent. For purposes of this rate, the Principal Balance of any Defaulted Obligation shall be deemed to be zero.

Moody's Minimum Diversity Test

The "**Moody's Minimum Diversity Test**" is a test which 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**" means a single number that indicates collateral concentration and correlation in terms of both issuer and industry concentration and correlation. It is similar to a score that Moody's uses to measure concentration and correlation for the purposes of its ratings. A higher Diversity Score reflects a more diverse portfolio in terms of the issuer and industry concentration. The Diversity Score for the Collateral Obligations is calculated by summing each of the Industry Diversity Scores which are calculated as follows and rounding the result 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 Obligors represented;

(b) an "**Obligor Principal Balance**" is calculated for each Obligor represented in the Collateral Obligations by summing the Principal Balances of all Collateral Obligations (excluding Defaulted Obligations) issued by such Obligor;

(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; provided, that, the term affiliate as used in the calculation of the Diversity Score will not include any affiliate relationship which may exist solely as a result of direct or indirect ownership of, or control by, a common owner which is a financial institution, fund, holding company, or other investment vehicle which is in the business of making diversified investments.

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

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
0.1500	0.2000	5.2500	2.7667	10.3500	4.0400	15.4500	4.5500
0.2500	0.3000	5.3500	2.8000	10.4500	4.0500	15.5500	4.5600
0.3500	0.4000	5.4500	2.8333	10.5500	4.0600	15.6500	4.5700
0.4500	0.5000	5.5500	2.8667	10.6500	4.0700	15.7500	4.5800
0.5500	0.6000	5.6500	2.9000	10.7500	4.0800	15.8500	4.5900
0.6500	0.7000	5.7500	2.9333	10.8500	4.0900	15.9500	4.6000
0.7500	0.8000	5.8500	2.9667	10.9500	4.1000	16.0500	4.6100
0.8500	0.9000	5.9500	3.0000	11.0500	4.1100	16.1500	4.6200
0.9500	1.0000	6.0500	3.0250	11.1500	4.1200	16.2500	4.6300
1.0500	1.0500	6.1500	3.0500	11.2500	4.1300	16.3500	4.6400
1.1500	1.1000	6.2500	3.0750	11.3500	4.1400	16.4500	4.6500
1.2500	1.1500	6.3500	3.1000	11.4500	4.1500	16.5500	4.6600
1.3500	1.2000	6.4500	3.1250	11.5500	4.1600	16.6500	4.6700
1.4500	1.2500	6.5500	3.1500	11.6500	4.1700	16.7500	4.6800
1.5500	1.3000	6.6500	3.1750	11.7500	4.1800	16.8500	4.6900
1.6500	1.3500	6.7500	3.2000	11.8500	4.1900	16.9500	4.7000
1.7500	1.4000	6.8500	3.2250	11.9500	4.2000	17.0500	4.7100
1.8500	1.4500	6.9500	3.2500	12.0500	4.2100	17.1500	4.7200
1.9500	1.5000	7.0500	3.2750	12.1500	4.2200	17.2500	4.7300
2.0500	1.5500	7.1500	3.3000	12.2500	4.2300	17.3500	4.7400
2.1500	1.6000	7.2500	3.3250	12.3500	4.2400	17.4500	4.7500
2.2500	1.6500	7.3500	3.3500	12.4500	4.2500	17.5500	4.7600
2.3500	1.7000	7.4500	3.3750	12.5500	4.2600	17.6500	4.7700
2.4500	1.7500	7.5500	3.4000	12.6500	4.2700	17.7500	4.7800
2.5500	1.8000	7.6500	3.4250	12.7500	4.2800	17.8500	4.7900
2.6500	1.8500	7.7500	3.4500	12.8500	4.2900	17.9500	4.8000
2.7500	1.9000	7.8500	3.4750	12.9500	4.3000	18.0500	4.8100
2.8500	1.9500	7.9500	3.5000	13.0500	4.3100	18.1500	4.8200
2.9500	2.0000	8.0500	3.5250	13.1500	4.3200	18.2500	4.8300
3.0500	2.0333	8.1500	3.5500	13.2500	4.3300	18.3500	4.8400
3.1500	2.0667	8.2500	3.5750	13.3500	4.3400	18.4500	4.8500
3.2500	2.1000	8.3500	3.6000	13.4500	4.3500	18.5500	4.8600
3.3500	2.1333	8.4500	3.6250	13.5500	4.3600	18.6500	4.8700
3.4500	2.1667	8.5500	3.6500	13.6500	4.3700	18.7500	4.8800
3.5500	2.2000	8.6500	3.6750	13.7500	4.3800	18.8500	4.8900
3.6500	2.2333	8.7500	3.7000	13.8500	4.3900	18.9500	4.9000
3.7500	2.2667	8.8500	3.7250	13.9500	4.4000	19.0500	4.9100
3.8500	2.3000	8.9500	3.7500	14.0500	4.4100	19.1500	4.9200
3.9500	2.3333	9.0500	3.7750	14.1500	4.4200	19.2500	4.9300
4.0500	2.3667	9.1500	3.8000	14.2500	4.4300	19.3500	4.9400
4.1500	2.4000	9.2500	3.8250	14.3500	4.4400	19.4500	4.9500
4.2500	2.4333	9.3500	3.8500	14.4500	4.4500	19.5500	4.9600
4.3500	2.4667	9.4500	3.8750	14.5500	4.4600	19.6500	4.9700
4.4500	2.5000	9.5500	3.9000	14.6500	4.4700	19.7500	4.9800
4.5500	2.5333	9.6500	3.9250	14.7500	4.4800	19.8500	4.9900
4.6500	2.5667	9.7500	3.9500	14.8500	4.4900	19.9500	5.0000
4.7500	2.6000	9.8500	3.9750	14.9500	4.5000		
4.8500	2.6333	9.9500	4.0000	15.0500	4.5100		
4.9500	2.6667	10.0500	4.0100	15.1500	4.5200		

Moody's Maximum Weighted Average Rating Factor Test

The "**Moody's Maximum Weighted Average Rating Factor Test**" is a test which 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 that* the sum of (i) and (ii) above may not exceed 3300.

The "**Moody's Weighted Average Rating Factor**" is determined by summing the products obtained by multiplying the Principal Balance of each Collateral Obligation, excluding Defaulted Obligations, by its Moody's Rating Factor, dividing such sum by the Aggregate Principal Balances of all such Collateral Obligations, excluding Defaulted Obligations, and rounding the result down to the nearest whole number.

The "**Moody's Rating Factor**" means, with respect to any Collateral Obligation, the number set forth in the table below opposite the Moody's Default Probability Rating of such Collateral Obligation.

Moody's Default Probability Rating	Moody's Rating Factor	Moody's Default Probability Rating	Moody's Rating Factor
Aaa	1	Ba1	940
Aa1	10	Ba2	1,350
Aa2	20	Ba3	1,766
Aa2	40	B1	2,220
A1	70	B2	2,720
A2	120	B3	3,490
A3	180	Caa1	4,770
Baa1	260	Caa2	6,500
Baa2	360	Caa3	8,070
Baa3	610	Ca or lower	10,000

The "**Moody's Weighted Average Recovery Adjustment**" means, as of any Measurement Date, the greater of:

(a) zero; and

(b) the product of:

(i) (A) the Weighted Average Moody's Recovery Rate as of such Measurement Date multiplied by 100 minus (B) 45; and

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

(1) if the Weighted Average Spread is less than 3.20 per cent., 25; and

(2) if the Weighted Average Spread is equal to or greater than 3.20 per cent. but less than 3.40 per cent., 42;

(3) if the Weighted Average Spread is equal to or greater than 3.40 per cent. but less than 5.00 per cent., 70; and

(4) if the Weighted Average Spread is equal to or greater than 5.00 per cent., 75;

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

(1) if the Weighted Average Spread is less than 2.80 per cent., 0.015 per cent.;

(2) if the Weighted Average Spread is equal to or greater than 2.80 per cent. but less than 3.45 per cent., 0.025 per cent.;

(3) if the Weighted Average Spread is equal to or greater than 3.45 per cent. but less than 4.00 per cent., 0.070 per cent.; and

(4) if the Weighted Average Spread is equal to or greater than 4.00 per cent., 0.120 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 the Rating Agency Confirmation from

Moody's is received; *provided further that* the amount specified in clause (b)(i) above may only be allocated once on any Measurement Date and the Collateral Manager shall designate to the Collateral Administrator in writing on each such date the portion of such amount that shall be allocated to clause (b)(ii)(A) and the portion of such amount that shall be allocated to clause (b)(ii)(B) (it being understood that, absent an express designation by the Collateral Manager, all such amounts shall be allocated to clause (b)(ii)(A)).

"**Adjusted Weighted Average Moody's Rating Factor**" means, as of any Measurement Date for the 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, a number equal to the Moody's Weighted Average Rating Factor adjusted by disregarding the last paragraph of the definition of each of "Moody's Default Probability Rating", "Moody's Rating" and "Moody's Derived Rating", and instead each applicable rating on credit watch by Moody's that is on (a) positive watch will be treated as having been upgraded by one rating subcategory, (b) negative watch will be treated as having been downgraded by two rating subcategories and (c) negative outlook will be treated as having been downgraded by one rating subcategory and rounding the result down to the nearest whole number.

Moody's Minimum Weighted Average Recovery Rate Test

The "**Moody's Minimum Weighted Average Recovery Rate Test**" is a test which 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) 45 per cent. minus (ii) the Moody's Weighted Average Rating Factor Adjustment, provided**,** however that the sum of (i) and (ii) may not be less than 30 per cent.

The "**Weighted Average Moody's Recovery Rate**" means, as of any Measurement Date, the number, expressed as a percentage, obtained by summing the products obtained by multiplying the Principal Balance of each Collateral Obligation (excluding Defaulted Obligations) by its corresponding Moody's Recovery Rate and dividing such sum by the Aggregate Principal Balance (excluding Defaulted Obligations) and rounding the result up to the nearest 0.1 per cent.

The "**Moody's Recovery Rate**" means, in respect of each Collateral Obligation, the Moody's recovery rate determined in accordance with the Collateral Management and Administration Agreement or as so advised by Moody's (either in writing directly to the Collateral Manager or by way of publication of updated criteria). A summary of the Moody's Recovery Rate applicable under the Collateral Management and Administration Agreement are set out in Annex B of this Offering Circular.

The "**Moody's Weighted Average Rating Factor Adjustment**" means an amount, expressed as a percentage, as of any Measurement Date equal to the greater of:

(a) zero; and

(b) the number obtained by dividing:

(i) (A) the number set forth in the 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) 70 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 3.4 per cent.;

(B) 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 equal or higher than 3.4 per cent. but less than 4.0 per cent.;

(C) 60 if the weighted average spread (expressed as a percentage) applicable to the current Moody's Test Matrix based upon the option chosen by the Collateral Manager (or interpolating between two adjacent rows, as applicable) is equal or higher than 4.0 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 or equal to the number of years (rounded up to the nearest one hundredth thereof) during the period from such Measurement Date to 1 February 2028.

"**Weighted Average Life**" means, as of any Measurement Date with respect to all Collateral Obligations other than Defaulted Obligations and Deferring Obligations, the number of years (rounded down to the nearest one tenth thereof) following such date obtained by summing the products obtained by multiplying (a) the Average Life at such time of each such Collateral Obligation by (b) the Principal Balance of such Collateral Obligation and dividing such sum by the Aggregate Principal Balance at such time of all Collateral Obligations other than Defaulted Obligations and Deferring Obligations.

"**Average Life**" is, on any Measurement Date with respect to any Collateral Obligation, the quotient obtained by dividing (i) the sum of the products of (a) the number of years (rounded to the nearest one-hundredth thereof) from such Measurement Date to the respective dates of each successive scheduled distribution of principal of such Collateral Obligation and (b) the respective amounts of principal of such scheduled distributions by (ii) the sum of all successive scheduled distributions of principal on such Collateral Obligation (in each case converted, as applicable, into Euro at the Applicable FX Rate).

The Minimum Weighted Average Spread Test

The "**Minimum Weighted Average Spread Test**" is a test which will be satisfied if, as at any Measurement Date from (and including) the Effective Date, the Weighted Average Spread 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**" means, as of any Measurement Date, 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 2.40 per cent.

The "**Weighted Average Spread**", means as of any Measurement Date, is the number (expressed as a percentage and rounded up to the next 0.01 per cent.) obtained by dividing:

(a) the amount equal to (A) the Aggregate Funded Spread plus (B) the Aggregate Unfunded Spread plus (C) (other than in respect of the S&P CDO Monitor Test) the Aggregate Excess Funded Spread; by

(b) an amount equal to the Aggregate Principal Balance of all Floating Rate Collateral Obligations as of such Measurement Date (excluding Defaulted Obligations, Deferring Obligations and the unfunded portion of any Delayed Drawdown Collateral Obligation or Revolving Obligation),

in each case for the purposes of calculating the Weighted Average Spread, the spread of any Collateral Obligation shall exclude (i) any amount which the Issuer or the Collateral Manager has actual knowledge that payment of interest on such Collateral Obligation which is due and payable will not be paid by the Obligor thereof and (ii) any interest that will be withheld because of tax reasons and 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.

"**Aggregate Funded Spread**" means, as of any Measurement Date, the sum of:

(a) in the case of each Floating Rate Collateral Obligation (including, for any Collateral Obligation, only the required current cash pay interest required by the Underlying Instruments thereon, and excluding Currency Hedge Obligations, Unhedged Collateral Obligations, Defaulted Obligations, Deferring Obligations and the unfunded portion of any Delayed Drawdown Collateral Obligation and Revolving Obligation) that bears interest at a spread over EURIBOR, (i) the stated interest rate spread on such Collateral Obligation above EURIBOR multiplied by (ii) the outstanding Principal Balance of such

Collateral Obligation (excluding the unfunded portion of any Delayed Drawdown Collateral Obligation or Revolving Obligation);

(b) in the case of each Floating Rate Collateral Obligation (including, for any Collateral Obligation, only the required current cash pay interest required by the Underlying Instruments thereon, and excluding Currency Hedge Obligations, Unhedged Collateral Obligations, Defaulted Obligations, Deferring Obligations and the unfunded portion of any Delayed Drawdown Collateral Obligation and Revolving Obligation) that bears interest at a spread over an index other than EURIBOR-based index, (i) the excess of the sum of such spread and such index over EURIBOR with respect to the Rated Notes as of the immediately preceding Interest Determination Date (which spread or excess may be expressed as a negative percentage) multiplied by (ii) the outstanding Principal Balance of each such Collateral Obligation (excluding the unfunded portion of any Delayed Drawdown Collateral Obligation or Revolving Obligation);

(c) in the case of each Floating Rate Collateral Obligation which is a Currency Hedge Obligation (including, for any Collateral Obligation, only the required current cash pay interest required by the Underlying Instruments thereon, and excluding Defaulted Obligations, Deferring Obligations and the unfunded portion of any Delayed Drawdown Collateral Obligation and Revolving Obligation) and subject to a Currency Hedge Transaction, (i) the stated interest rate spread over EURIBOR payable by the applicable Currency Hedge Counterparty to the Issuer under the related Currency Hedge Transaction multiplied by (ii) the outstanding principal balance of such Non-Euro Obligation, converted into Euro at the applicable Currency Hedge Transaction Exchange Rate; and

(d) in the case of each Floating Rate Collateral Obligation which is an Unhedged Collateral Obligation (including, for any Collateral Obligation, only the required current cash pay interest required by the Underlying Instruments thereon, and excluding Defaulted Obligations, Deferring Obligations and the unfunded portion of any Delayed Drawdown Collateral Obligation and Revolving Obligation):

(x) if such Unhedged Collateral Obligation is denominated in a Qualifying Unhedged Obligation Currency and has been an Unhedged Collateral Obligation for less than 90 calendar days since the settlement of the purchase by the Issuer of such Collateral Obligation:

(i) in respect of Unhedged Collateral Obligations denominated in GBP, 85 per cent.; and

(ii) in respect of Unhedged Collateral Obligations denominated in a Qualifying Unhedged Obligation Currency other than GBP, 50 per cent.,

in each case, of the current per annum rate at which the Unhedged Collateral Obligation pays interest over LIBOR or such other floating rate index upon which the Unhedged Collateral Obligation pays interest, multiplied by the outstanding principal balance of such Unhedged Collateral Obligation converted into Euro at the Applicable FX Rate (*provided that* (A) if the Aggregate Principal Balance of Unhedged Collateral Obligations is greater than 2.5 per cent. of the Collateral Principal Amount, such amount shall be multiplied by 2.5 per cent. of the Collateral Principal Amount and divided by the Aggregate Principal Balance of Unhedged Collateral Obligations; and (B) such current per annum rate in respect of each Unhedged Collateral Obligation shall be deemed to be zero if the Collateral Principal Amount is lower than the Reinvestment Target Par Balance), with the Aggregate Principal Balance of Unhedged Collateral Obligations and the Collateral Principal Amount determined after giving effect to the purchase of any unsettled Unhedged Collateral Obligation; and

(y) otherwise zero.

If a Collateral Obligation is subject to a floor, the margin shall include, if positive: (x) the EURIBOR (or such other floating rate of interest) floor value minus (y) the EURIBOR (or such other floating rate of interest) applicable in respect of such Collateral Obligation on such Measurement Date.

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.

"**Aggregate Unfunded Spread**" means, as of any Measurement Date, the sum of the products obtained by multiplying (i) for each Delayed Drawdown Collateral Obligation and Revolving Obligation (other than

Defaulted Obligations and Deferring Obligations), the current per annum rate payable by way of such commitment fee then in effect as of such date and (ii) the undrawn commitments of each such Delayed Drawdown Collateral Obligation and Revolving Obligation as of such date (converted, as applicable into Euro at the Applicable FX Rate).

"**Aggregate Excess Funded Spread**" means, as of any Measurement Date, the amount obtained by multiplying (a) the Weighted Average Portfolio Base Rate, by (b) the Excess Portfolio.

"**Weighted Average Portfolio Base Rate**" means, on any date, the weighted average of the index or benchmark rates applicable to all Floating Rate Collateral Obligations contained in the Portfolio on such date, in each case weighted by the Principal Balance of the applicable Collateral Obligation (excluding (x) from the Principal Balance of each Deferring Obligation, any interest that has been deferred and capitalised thereon, and (y) each base rate applicable to a Defaulted Obligation).

"**Excess Portfolio**" means, on any date, an amount equal to the greater of zero and (i) the Aggregate Principal Balance (excluding (x) for any Deferring Obligation, any interest that has been deferred and capitalised thereon, and (y) the Principal Balance of each Defaulted Obligation), minus (ii) the Reinvestment Target Par Balance.

The "**Weighted Average Coupon Adjustment Percentage**" means a percentage, equal as of any Measurement Date, to the sum of:

(a) the product obtained by multiplying (i) the result of the Weighted Average Fixed Coupon minus the EUR Reference Weighted Average Fixed Coupon, by (ii) the number obtained by dividing the Aggregate Principal Balance of all Fixed Rate Collateral Obligations denominated in EUR by the Aggregate Principal Balance of all Floating Rate Collateral Obligations; and

(b) the product obtained by multiplying (i) the result of the Weighted Average Fixed Coupon minus the USD Reference Weighted Average Fixed Coupon, by (ii) the number obtained by dividing the Aggregate Principal Balance of all Fixed Rate Collateral Obligations denominated in USD by the Aggregate Principal Balance of all Floating Rate Collateral Obligations,

in each case excluding Defaulted Obligations, Deferring Obligations and the unfunded portion of any Delayed Drawdown Collateral Obligations and Revolving Obligations. For the avoidance of doubt, either product may be negative.

The "**EUR Reference Weighted Average Fixed Coupon**" means, if any of the Collateral Obligations denominated in Euro are Fixed Rate Collateral Obligations 6 per cent. and otherwise zero per cent.

The "**USD Reference Weighted Average Fixed Coupon**" means, if any of the USD Collateral Obligations are Fixed Rate Collateral Obligations 7 per cent. and otherwise zero per cent.

The "**Weighted Average Fixed Coupon**", means as of any Measurement Date, is the number expressed as a percentage obtained by dividing:

(a) the amount equal to the Aggregate Coupon; by

(b) an amount equal to the Aggregate Principal Balance of all Fixed Rate Collateral Obligations as of such Measurement Date (excluding Defaulted Obligations, Deferring Obligations and the unfunded portion of any Delayed Drawdown Collateral Obligations and Revolving Obligations),

in each case excluding, for any Mezzanine Obligation, any interest that has been deferred and capitalised thereon (other than any such interest capitalised pursuant to the terms thereof which is paid for on the date of acquisition of such Mezzanine Obligation) and excluding Defaulted Obligations, Deferring Obligations and the unfunded portion of any Delayed Drawdown Collateral Obligations and Revolving Obligations and in each case adjusted for any withholding tax deducted in respect of the relevant obligation which is neither grossed up nor recoverable under any applicable double tax treaty or otherwise and rounding the result up to the nearest 0.01 per cent.

"**Aggregate Coupon**" means, as of any Measurement Date, the sum of:

(a) with respect to any Fixed Rate Collateral Obligation which is a Currency Hedge Obligation, including only the current cash pay interest required by the Underlying Instruments thereon, and excluding

Defaulted Obligations, Deferring Obligations and the unfunded portion of any Delayed Drawdown Collateral Obligations and Revolving Obligations, the sum of the products obtained by multiplying (x) the stated coupon payable by the applicable Currency Hedge Counterparty to the Issuer under the related Currency Hedge Transaction expressed as a percentage and (y) the outstanding Principal Balance of such Currency Hedge Obligation, converted into Euro at the applicable Currency Hedge Transaction Exchange Rate;

(b) with respect to any Fixed Rate Collateral Obligation which is an Unhedged Collateral Obligation, including only the current cash pay interest required by the Underlying Instruments thereon, and excluding Defaulted Obligations, Deferring Obligations and the unfunded portion of any Delayed Drawdown Collateral Obligations and Revolving Obligations:

(i) if such Unhedged Collateral Obligation is denominated in a Qualifying Unhedged Obligation Currency and has been an Unhedged Collateral Obligation for less than 90 calendar days since the settlement of the purchase by the Issuer of such Collateral Obligation:

(A) in respect of Unhedged Collateral Obligations denominated in GBP, 85 per cent.; and

(B) in respect of Unhedged Collateral Obligations denominated in a Qualifying Unhedged Obligation Currency other than GBP, 50 per cent.,

in each case, of the current per annum coupon at which such Collateral Obligation pays interest, multiplied by the outstanding principal balance of such Non-Euro Obligation, converted into Euro at the Applicable FX Rate,

provided that:

(I) if the Aggregate Principal Balance of Unhedged Collateral Obligations is greater than 2.5 per cent. of the Collateral Principal Amount, such amount shall be multiplied by 2.5 per cent. of the Collateral Principal Amount and divided by the Aggregate Principal Balance of Unhedged Collateral Obligations; and

(II) such current per annum coupon shall be deemed to be zero if the Collateral Principal Amount is lower than the Reinvestment Target Par Balance,

with the Aggregate Principal Balance of Unhedged Collateral Obligations and the Collateral Principal Amount determined after giving effect to the purchase of any unsettled Unhedged Collateral Obligation; and

(ii) otherwise, zero;

(c) with respect to USD Collateral Obligations (including, for any Collateral Obligation, only the current cash pay interest required by the Underlying Instruments thereon and excluding Defaulted Obligations, Deferring Obligations and the unfunded portion of Delayed Drawdown Collateral Obligations and Revolving Obligations), the sum of the products obtained by multiplying (x) the stated coupon on such USD Collateral Obligation expressed as a percentage and (y) the outstanding Principal Balance of such USD Collateral Obligation, converted into Euro at the Applicable FX Rate; and

(d) with respect to all other Fixed Rate Collateral Obligations (including, for any Collateral Obligation, only the current cash pay interest required by the Underlying Instruments thereon and excluding Defaulted Obligations, Deferring Obligations and the unfunded portion of any Delayed Drawdown Collateral Obligations and Revolving Obligations), the sum of the products obtained by multiplying, in the case of each Fixed Rate Collateral Obligation, (x) the stated coupon on such Collateral Obligation expressed as a percentage and (y) the outstanding Principal Balance of such Collateral 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

S&P Ratings Definitions

"**Information**" means S&P's "Credit Estimate Information Requirements" dated April 2011 and any other available information S&P reasonably requests in order to produce a credit estimate for a particular asset.

"**S&P Rating**" means, with respect to any Collateral Obligation, as of any date of determination, the rating determined in accordance with the following methodology:

(a) if there is an S&P Issuer Credit Rating of the issuer of such Collateral Obligation by S&P as published by S&P, or the guarantor which unconditionally and irrevocably guarantees such Collateral Obligation, then the S&P Rating shall be such rating (regardless of whether there is a published rating by S&P on the Collateral Obligations of such issuer held by the Issuer, provided that private ratings (that is, ratings provided at the request of the Obligor) may be used for purposes of this definition if the related Obligor has consented to the disclosure thereof and a copy of such consent has been provided to S&P);

(b) if there is no S&P Issuer Credit Rating of the issuer or guarantor by S&P but:

(i) there is a senior secured rating on any obligation or security of the issuer, then the S&P Rating of such Collateral Obligation shall be one sub-category below such rating;

(ii) if clause (i) above does not apply, but there is a senior unsecured rating on any obligation or security of the issuer, the S&P Rating of such Collateral Obligation shall equal such rating; and

(iii) if neither clause (i) nor clause (ii) above applies, but there is a subordinated rating on any obligation or security of the issuer, then the S&P Rating of such Collateral Obligation shall be one sub-category above such rating;

(c) with respect to any Collateral Obligation that is a Current Pay Obligation, the S&P Rating applicable to such obligation shall be the issue level rating thereof and if there is no such issue level rating, the S&P Rating applicable to such Current Pay Obligation shall be "CCC-";

(d) with respect to any Collateral Obligation that is a Corporate Rescue Loan:

(i) falling within paragraph (a) of the definition of Corporate Rescue Loan, and if (x) S&P has assigned a public rating to such Corporate Rescue Loan, the S&P Rating for such Corporate Rescue Loan shall be such public rating;

(ii) falling within paragraph (b) of the definition of Corporate Rescue Loan, and if S&P has assigned an S&P Issuer Credit Rating or credit estimate to such Corporate Rescue Loan, the S&P Rating for such Corporate Rescue Loan shall be such S&P Issuer Credit Rating or credit estimate; or

(iii) upon application by the Issuer (or the Collateral Manager on behalf of the Issuer) to S&P for a credit estimate, the applicable Corporate Rescue Loan shall be deemed to have an S&P Rating of "D"; and

(e) if there is not a rating by S&P on the issuer or on an obligation of the issuer, then the S&P Rating may be determined (other than in the case of Corporate Rescue Loans) pursuant to paragraphs (i), (ii) and (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 methodologies for establishing the S&P Rating set forth above except that the S&P Rating of such obligation will be (1) one sub-category below the S&P equivalent of the Moody's rating if such Moody's rating is "Baa3" or higher and (2) two sub-categories below the S&P equivalent of the Moody's rating if such Moody's rating is "Ba1" or lower; *provided that* the S&P Rating shall not be determined pursuant to this paragraph (e)(i) in respect of any Collateral Obligation if doing so would result in the Aggregate Principal Balance of Collateral Obligations for which S&P Ratings have been determined pursuant to this paragraph (e)(i) exceeding 15 per cent. of the

Collateral Principal Amount at the relevant time (where, for the purpose of determining the Collateral Principal Amount, the Principal Balance of each Defaulted Obligation shall be equal to its S&P Collateral Value);

(ii) the S&P Rating may be based on a credit estimate provided by S&P, and in connection therewith, the Issuer, the Collateral Manager on behalf of the Issuer or the issuer of such Collateral Obligation shall, prior to or within 30 days after the acquisition of such Collateral Obligation, apply (and concurrently submit all available information in respect of such application) to S&P for a credit estimate which shall be its S&P Rating; provided that, if such information is submitted within such 30 day period, then, for a period of up to 90 days after acquisition of such Collateral Obligation by the Issuer and pending receipt from S&P of such estimate, such Collateral Obligation shall have an S&P Rating as determined by the Collateral Manager in its sole discretion if (A) the Collateral Manager certifies to the Trustee and the Collateral Administrator that it believes that such S&P Rating determined by the Collateral Manager is commercially reasonable and that the S&P Rating, will be at least equal to such rating and (B) the Aggregate Principal Balance of the Collateral Obligations subject to a S&P Rating determined by the Collateral Manager in accordance with (A) does not exceed 10 per cent. of the Collateral Principal Amount (for such purpose the Principal Balance of all Defaulted Obligations shall be their S&P Collateral Value); provided further that (x) if such information is not submitted within such 30 day period and (y) following the end of the 90-day period set forth above, pending receipt from S&P of such estimate, the Collateral Obligation shall have an S&P Rating of "CCC-"; unless, in the case of clause (y) above, during such 90-day period, the Collateral Manager has requested the extension of such period and S&P, in its sole discretion, has granted such request; provided further that if the Collateral Obligation has had a public rating by S&P that S&P has withdrawn or suspended within six months prior to the date of such application for a credit estimate in respect of such Collateral Obligation, the S&P Rating in respect thereof shall be "CCC-" pending receipt from S&P of such estimate, and S&P may elect not to provide such estimate until a period of six months have elapsed after the withdrawal or suspension of the public rating; provided further that such credit estimate shall expire 12 months after the acquisition of such Collateral Obligation, following which such Collateral Obligation shall have an S&P Rating of "CCC-" unless, during such 12 month period, the Issuer (or the Collateral Manager acting on behalf of the Issuer) applies for renewal thereof in accordance with the Collateral Management and Administration Agreement in which case such credit estimate shall continue to be the S&P Rating of such Collateral Obligation until S&P has confirmed or revised such credit estimate, upon which such confirmed or revised credit estimate shall be the S&P Rating of such Collateral Obligation; provided further that such confirmed or revised credit estimate shall expire on the next succeeding 12-month anniversary of the date of the acquisition of such Collateral Obligation and (when renewed annually in accordance with the Collateral Management and Administration Agreement) on each 12-month anniversary thereafter; and

(iii) with respect to a Collateral Obligation that is not a Defaulted Obligation, the S&P Rating of such Collateral 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 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; (iii) the Collateral Obligation is current and the Collateral Manager reasonably expects it to remain current; and (iv) the Collateral Manager will use commercially reasonable efforts to submit all available information to S&P in respect of such Collateral Obligation,

provided that for purposes of the determination of the S&P Rating, (x) if the applicable rating assigned by S&P to an Obligor or its obligations is on "credit watch positive" by S&P, such rating will be treated as being one sub-category above such assigned rating, (y) if the applicable rating assigned by S&P to an Obligor or its obligations is on "credit watch negative" by S&P, such rating will be treated as being one sub-category below such assigned rating and (z) only ratings assigned on the basis of ongoing surveillance will be applicable for the purposes of this definition.

Moody's Ratings Definitions

"**Moody's Default Probability Rating**" means, with respect to any Collateral Obligation, as of any date of determination, the rating determined in accordance with the following methodology:

(a) if the Obligor of such Collateral Obligation has a CFR, then such CFR;

(b) if not determined pursuant to clause (a) above, if the Obligor of such Collateral Obligation has one or more senior unsecured obligations with an Assigned Moody's Rating, then the Assigned Moody's Rating on such obligation as selected by the Collateral Manager in its sole discretion;

(c) if not determined pursuant to clauses (a) or (b) above, if the Obligor of such Collateral Obligation has one or more senior secured obligations with an Assigned Moody's Rating, then the Moody's rating that is one subcategory lower than the Assigned Moody's Rating on any such senior secured obligation as selected by the Collateral Manager in its sole discretion;

(d) if not determined pursuant to clauses (a), (b), or (c) above, if a rating estimate has been assigned to such Collateral Obligation by Moody's upon the request of the Issuer, the Collateral Manager or an Affiliate of the Collateral Manager, then the Moody's Default Probability Rating is such rating estimate as long as such rating estimate or a renewal for such rating estimate has been issued or provided by Moody's in each case within the 15 month period preceding the date on which the Moody's Default Probability Rating is being determined; provided, that if such rating estimate has been issued or provided by Moody's for a period (x) longer than 13 months but not beyond 15 months, the Moody's Default Probability Rating will be one subcategory lower than such rating estimate and (y) beyond 15 months, the Moody's Default Probability Rating will be deemed to be "Caa3";

(e) if not determined pursuant to clauses (a), (b), (c) or (d) above, the Moody's Derived Rating; and

(f) if not determined pursuant to clause (a), (b), (c), (d) or (e) above, the Collateral Obligation will be deemed to have a Moody's Default Probability Rating of "Caa3".

For purposes of calculating a Moody's Default Probability Rating, each applicable rating on credit watch by Moody's with positive or negative implication at the time of calculation will be treated, respectively, as having been upgraded or downgraded by one rating subcategory, as the case may be.

"**Assigned Moody's Rating**" means the monitored publicly available rating or the monitored estimated rating or the unpublished monitored loan rating, in each case expressly assigned to a debt obligation (or facility) by Moody's that addresses the full amount of the principal and interest promised.

"**CFR**" means, with respect to an obligor of a Collateral Obligation, if such obligor has a corporate family rating by Moody's, then such corporate family rating; provided, if such obligor does not have a corporate family rating by Moody's but any entity in the obligor's corporate family does have a corporate family rating, then the CFR is such corporate family rating.

"**Moody's Derived Rating**" means, with respect to a Collateral Obligation whose Moody's Rating or Moody's Default Probability Rating is determined as the Moody's Derived Rating, the rating as determined in the manner set forth below:

(a) with respect to any Corporate Rescue Loan, the Moody's Rating or Moody's Default Probability Rating of such Collateral Obligation shall be the rating which is one subcategory below the facility rating (whether public or private) of such Corporate Rescue Loan, rated by Moody's;

(b) if not determined pursuant to clause (a) above, then by using any one of the methods provided below:

(i) pursuant to the table below:

Type of Collateral Obligation	Assigned S&P Rating (Public and Monitored)	Collateral Obligation Rated by S&P	Number of Subcategories Relative to Moody's Equivalent of Assigned S&P Rating
Not Structured Finance Obligation	≥ "BBB"	Not a Loan or Participation Interest in Loan	-1
Not Structured Finance Obligation	≤ "BB+"	Not a Loan or Participation Interest in Loan	-2
Not Structured Finance Obligation		Loan or Participation Interest in Loan	-2

(ii) if such Collateral Obligation is not rated by S&P but another security or obligation of the obligor has a public rating by S&P (a "**parallel security**"), then the rating of such parallel security will at the election of the Collateral Manager be determined in accordance with the table set forth in sub-clause (b)(i) above, and the Moody's Derived Rating for purposes of the definitions of Moody's Rating and Moody's Default Probability Rating (as applicable) of such Collateral Obligation will be determined in accordance with the methodology set forth in the following table (for such purposes treating the parallel security as if it were rated by Moody's at the rating determined pursuant to this sub-clause (b)(ii)):

Obligation Category of parallel security	Rating of parallel security	Number of subcategories relative to rated security rating
Senior secured obligation	greater than or equal to B2	-1
Senior secured obligation	less than B2	-2
Subordinated obligation	greater than or equal to B3	+1
Subordinated obligation	less than B3	0

(iii) or, if such Collateral Obligation is a Corporate Rescue Loan, no Moody's Derived Rating may be determined based on a rating by S&P or any other rating agency; provided, that the Aggregate Principal Balance of the Collateral Obligations that may have a Moody's Rating derived from an Assigned S&P Rating as set forth in sub-clauses (i) or (ii) of this clause (b) may not exceed 10 per cent. of the Collateral Principal Amount; and

(c) if not determined pursuant to clauses (a) or (b) above and such Collateral Obligation is not rated by Moody's or S&P and no other security or obligation of the issuer of such Collateral Obligation is rated by Moody's or S&P, and if Moody's has been requested by the Issuer, the Collateral Manager or the issuer of such Collateral Obligation to assign a rating or rating estimate with respect to such Collateral Obligation but such rating or rating estimate has not been received, pending receipt of such estimate, the Moody's Derived Rating of such Collateral Obligation for purposes of the definitions of Moody's Rating or Moody's Default Probability Rating shall be (i) "B3" if the Collateral Manager certifies to the Collateral Administrator that the Collateral Manager believes that such estimate shall be at least "B3" and if the Aggregate Principal Balance of Collateral Obligations determined pursuant to this clause (c) and clause (a) above does not exceed 5 per cent. of the Collateral Principal Amount or (ii) otherwise, "Caa1".

"**Assigned S&P Rating**" means the monitored publicly available facility rating or the credit estimate expressly assigned to a Collateral Obligation (or facility) by S&P that addresses the full amount of principal and interest promised.

"**Moody's Rating**" means:

(a) with respect to a Collateral Obligation that is a Secured Senior Loan or a Secured Senior Bond:

(i) if such Collateral Obligation has an Assigned Moody's Rating, such Assigned Moody's Rating;

(ii) if such Collateral Obligation does not have an Assigned Moody's Rating but the Obligor of such Collateral Obligation has a CFR, then the Moody's rating that is one subcategory higher than such CFR;

(iii) if neither clause (i) nor (ii) above apply, if such Collateral Obligation does not have an Assigned Moody's Rating but the obligor of such Collateral Obligation has one or more senior unsecured obligations with an Assigned Moody's Rating, then the Moody's rating that is two subcategories higher than the Assigned Moody's Rating on any such obligation as selected by the Collateral Manager in its sole discretion;

(iv) if none of clauses (i) through (iii) above apply, at the election of the Collateral Manager, the Moody's Derived Rating; and

(v) if none of clauses (i) through (iv) above apply, the Collateral Obligation will be deemed to have a Moody's Rating of "Caa3"; and

(b) with respect to a Collateral Obligation other than a Secured Senior Loan or a Secured Senior Bond:

(i) if such Collateral Obligation has an Assigned Moody's Rating, such Assigned Moody's Rating;

(ii) if such Collateral Obligation does not have an Assigned Moody's Rating but the obligor of such Collateral Obligation has one or more senior unsecured obligations with an Assigned Moody's Rating, then the Assigned Moody's Rating on any such obligation as selected by the Collateral Manager in its sole discretion;

(iii) if neither clause (i) nor (ii) above apply, if such Collateral Obligation does not have an Assigned Moody's Rating but the obligor of such Collateral Obligation has a CFR, then the Moody's rating that is one subcategory lower than such CFR;

(iv) if none of clauses (i), (ii) or (iii) above apply, if such Collateral Obligation does not have an Assigned Moody's Rating but the obligor of such Collateral Obligation has one or more subordinated debt obligations with an Assigned Moody's Rating, then the Moody's rating that is one subcategory higher than the Assigned Moody's Rating on any such obligation as selected by the Collateral Manager in its sole discretion;

(v) if none of clauses (i) through (iv) above apply, at the election of the Collateral Manager, the Moody's Derived Rating; and

(vi) if none of clauses (i) through (v) above apply, the Collateral Obligation will be deemed to have a Moody's Rating of "Caa3".

The Coverage Tests

The Coverage Tests will consist of the Class A/B Par Value Test, the Class C Par Value Test, the Class D Par Value Test, the Class E Par Value Test, the Class F Par Value Test, the Class A/B Interest Coverage Test, the Class C Interest Coverage Test, the Class D Interest Coverage Test and the Class E Interest Coverage Test. The Coverage Tests will be used primarily to determine whether interest may be paid on the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class M Subordinated Notes, whether Principal Proceeds may be reinvested in Substitute Collateral Obligations, or whether Interest Proceeds which would otherwise be used to pay interest on the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class M Subordinated Notes must instead be used to pay principal on the Notes in accordance with the Note Payment Sequence, in each case to the extent necessary to cause the Coverage Tests relating to the relevant Class of Notes to be met.

Each of the Class A/B Par Value Test, the Class A/B Interest Coverage Test, the Class C Par Value Test, the Class C Interest Coverage Test, the Class D Par Value Test, the Class D Interest Coverage Test, the Class E Par Value Test, the Class E Interest Coverage Test and the Class F Par Value Test shall apply on a Measurement Date (i) on and after the Effective Date in respect of the Par Value Tests and (ii) on and after the Determination Date immediately preceding the second Payment Date in the case of each Interest Coverage Test and shall be satisfied on a Measurement Date if the corresponding Par Value Ratio or Interest Coverage Ratio (as the case may be) is at least equal to the percentage specified in the table below in relation to that Coverage Test.

Coverage Test and Ratio	Percentage at Which Test is Satisfied
Class A/B Par Value	126.99%
Class A/B Interest Coverage	120.0%
Class C Par Value	119.39%
Class C Interest Coverage	110.0%
Class D Par Value	111.49%
Class D Interest Coverage	105.0%
Class E Par Value	105.30%
Class E Interest Coverage	101.0%
Class F Par Value	103.03%

The Reinvestment Overcollateralisation Test

If the Reinvestment Overcollateralisation Test is not satisfied as of any Determination Date on and after the Effective Date and during the Reinvestment Period, on the related Payment Date, Interest Proceeds shall be paid to the applicable Principal Account or Principal Accounts to be applied, at the election of the Collateral Manager, for the purpose of the acquisition of additional Collateral Obligations or the redemption of the Rated Notes in an amount equal to the lesser of (1) 50 per cent. of all remaining Interest Proceeds available for payment pursuant to paragraph (W) of the Interest Priority of Payments and (2) the amount which, after giving effect to payment of all amounts payable in respect of paragraphs (A) through (V) (inclusive) of the Interest Priority of Payments, would be sufficient to cause the Reinvestment Overcollateralisation Test to be satisfied (for the avoidance of doubt, taking into account the application of both Euro Interest Proceeds and USD Interest Proceeds in accordance with the Interest Priority of Payments) as of such Payment Date after giving effect to any payments made pursuant to paragraph (W) of the Interest Priority of Payments.

	Percentage at Which Test Is Satisfied
Reinvestment Overcollateralisation Test	104.03%

CREDIT RISK RETENTION

THE INFORMATION CONTAINED IN THIS SECTION "CREDIT RISK RETENTION" IS CALCULATED AND PRESENTED AS OF 30 MAY 2019, HAS NOT BEEN UPDATED AND, EXCEPT TO THE EXTENT REQUIRED BY THE U.S. RISK RETENTION RULES (AS DESCRIBED UNDER "—POST-CLOSING UPDATE" BELOW), WILL NOT BE UPDATED.

Each person receiving this Offering Circular is advised that certain information in this section contains forward-looking statements. There can be no assurance that forward-looking statements will materialise or that actual results will not differ materially from those presented in this section. See "Risk Factors—Projections, forecasts and estimates are forward looking statements and are inherently uncertain". Except to the limited extent set forth under "—Post-Closing Update", neither the Collateral Manager, including as "sponsor," nor any of its affiliates has undertaken, and none of them is under any obligation, to update, revise, reaffirm or withdraw the information in this section. Although certain U.S. regulators may be entitled to take enforcement or other action against a sponsor that fails to comply with its obligations under the U.S. Risk Retention Rules, such rules do not appear to establish any rights of investors or other parties against the sponsor or any person for any failure to comply with such rules, and each of the Initial Purchaser, the Arranger, the Co-Placement Agents, the Trustee, the Collateral Manager, the Retention Holder, the Originator and their respective affiliates expressly disclaims any responsibility to investors and such other parties with respect to compliance with the U.S. Risk Retention Rules or any other risk retention laws or rules. In the event that the Collateral Manager at any time is determined not to be in compliance with the U.S. Risk Retention Rules, such determination may materially adversely affect the Collateral Manager, the Issuer and the Notes.

None of the Initial Purchaser, the Arranger, the Co-Placement Agents, the Trustee, the Agents, the Issuer or any of their respective affiliates (i) has participated in the calculation of the fair value of the Retention Interest included in the disclosure in this section, (ii) has independently verified any of the statements in this section, (iii) is responsible for or making any representation concerning (A) the accuracy or completeness of the fair value of the Notes or the Retention Interest, (B) the fair value of the Retention Interest that the Retention Holder expects to hold or (C) any inputs, assumptions, discount factors or other variables used to determine any such fair value, and (iv) assumes responsibility for or has liability for the contents of this section or any of the statements under this section. Accordingly, none of the Issuer, the Initial Purchaser, the Arranger, the Co-Placement Agents, the Trustee, the Agents or their respective Affiliates has assumed liability for such calculations of fair value and each of them expressly disclaims any liability to any investor therefor.

In preparing the information in this section, the Collateral Manager has relied upon and assumed, without independent verification, the accuracy and completeness of all information available to it from public sources or which was provided to it by its affiliates and unaffiliated third parties, including estimated pricing for the Notes available on or prior to the pricing date. The fair value determinations provided herein are provided solely for purposes of satisfying the disclosure requirements under the U.S. Risk Retention Rules and are not intended to advise any investor as to the appropriate price or prices of any Notes or how the investors should consider the fair value of their investment. To the maximum extent permitted by applicable law, neither the Collateral Manager nor the Retention Holder has assumed liability for such calculations of fair value and each of them expressly disclaims any liability to the Issuer and any investor or any other person therefor. No assurance can be made that actual prices paid for the Notes will fall within the range of fair values or correspond to the fair value of the Notes and any projections, forward-looking statements and analyses made herein, which include the amount of the estimated fair value of the Notes and the Retention Interest, the amount of the Retention Interest that the Retention Holder expects to retain on the Issue Date, and certain information appearing in this section (including the pricing estimates used to determine the fair value of the Notes), inherently are subject to a variety of risks and uncertainties that could cause actual results to differ materially from those projected, intended, assumed and/or described herein. See "Risk Factors—Projections, forecasts and estimates are forward looking statements and are inherently uncertain".

By purchasing any Notes, each Noteholder will be deemed to have represented that, as a sophisticated investor, it has reviewed the disclosures under the section "Credit Risk Retention" and understands the limitations of the methodologies set forth therein and will make its own determination with respect to the fair value of any Notes it purchases.

For important information about the U.S. Risk Retention Rules, see "Risk Factors—Regulatory Initiatives—U.S. Risk Retention Rules".

General

The Retention Holder, a majority-owned affiliate of the Collateral Manager, is expected to acquire Class M Subordinated Notes on the Issue Date which are expected to have a fair value of between €19,950,000 and €21,250,000 (the "**Retention Interest**") and to retain such Retention Interest in accordance with the requirements of the U.S. Risk Retention Rules. The Retention Interest is expected to represent between 5.01% and 5.25%, respectively, of the aggregate fair value of the Notes, and to constitute an "eligible horizontal residual interest" under the U.S. Risk Retention Rules.

The Collateral Manager has determined that in connection with the U.S. Risk Retention Rules, one appropriate methodology to determine fair market value of a security is a determination of the price at which the security would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of relevant facts. For newly issued securities, such as the Notes, the Collateral Manager believes that for purposes of the related U.S. Risk Retention Rules, an appropriate determination is using the expected issuance price to be paid for such securities to represent the fair value of the securities, and has thus used the pricing estimates described in the next paragraph to determine the fair value of the Class X Notes, Class A Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes and Class F Notes. In the case of the Class M Subordinated Notes, the issuance price is expected to vary based on the size of position acquired, the amount of control represented by such position, and various discounts. For purposes of determining the fair value of the Retention Interest, the Collateral Manager estimated the initial prices for the Class M Subordinated Notes to be paid by the Collateral Manager's affiliates (including the Retention Holder) and third parties unaffiliated with the Collateral Manager, the Issuer and the Initial Purchaser.

For purposes of determining the range of fair values of the Notes, the Collateral Manager estimates that each Class of Rated Notes will have a price between 90.0% and 102.0% of its face amount and that the exchange rate for exchanging USD for Euro for the Notes denominated in USD is 0.895. Moreover, the Collateral Manager and the Issuer have agreed the Class M Subordinated Notes will have a price between 85.0% and 95.0% of their face amount and the purchase price to be paid for the Retention Interest, which may reflect customary discounts, will equal at least 5% of the net proceeds on the Issue Date for all of the Notes (as described herein). The material terms of the Class M Subordinated Notes are described under the heading "*Terms and Conditions*" in this Offering Circular.

Key inputs and assumptions:

The framework used by the Collateral Manager in its calculation of fair value reflects certain key inputs, limiting factors, assumptions, conditions and other qualifications such as the estimated prices, sizes and rates of each Class of Notes and the other key inputs and assumptions described below. The Collateral Manager considered inputs in its possession and data derived from its affiliates (with respect to the inputs and data described below), its own experience in valuing CLO equity, public sources and generally accepted market resources (which data the Collateral Manager did not independently verify) in making its determination of fair value for each Class of Notes. Recently priced collateralised loan obligation transactions, implied discount rates or yield, and secondary trading market valuations, as well as customary cash flow models using assumptions believed to be commonly used in the market with regard to the underlying collateral, were taken into account and were not found to be inconsistent with the Collateral Manager's determination based on estimated pricing information. In particular, in considering such market data, the assumed interest rate spread ranges for the Notes were not found to be inconsistent with recent new-issue spreads of similarly rated CLO note classes in comparably structured deals, with similar assumed pool and asset quality, experienced collateral managers, payment priority and weighted average lives to the related Class of Notes as of the calculation date. In addition to estimated pricing information obtained from its affiliates and unaffiliated third parties, the Collateral Manager relied upon certain publicly available market data and/or information provided by third party sources (which data the Collateral Manager did not independently verify) in using the key inputs and assumptions described above. Changes in market conditions, among other factors, may result in differences between the fair value of the Retention Interest as estimated herein and the actual fair value of the Retention Interest on the Issue Date.

The Collateral Manager has assumed (without any independent verification) the following with regard to estimated purchase prices for the Notes that it has used to determine fair value:

(a) Market participants:

(i) neither the Issuer nor the Initial Purchaser is a "related party" (as defined under GAAP) with respect to the potential investor of any such Note;

(ii) each acquiror is knowledgeable, having a reasonable understanding about the Note and this transaction using all available information, including information that might be obtained through due diligence efforts that are usual and customary;

(iii) each potential investor is able to enter into the transaction with regards to such Note;

(iv) each potential investor is willing to enter into the transaction with regards to such Note, that is, they are motivated but not forced or otherwise compelled to do so;

(v) the transaction will not take place under duress and the seller will not be forced to accept the price in the transaction;

(vi) such purchase price accurately reflects the potential investor's assumptions about risk;

(b) neither the estimated nor actual price included any material transaction costs that are not customary for a transaction of this type; and

(c) the market in which the transaction took place included fair systems for establishing price.

Additionally and solely with regards to the fair value of the Retention Interest, the Collateral Manager's fair value determination of the Class M Subordinated Notes (including the Retention Interest) considered the price to be paid by the Retention Holder and by third parties unaffiliated with the Retention Holder with respect to the Class M Subordinated Notes. In addition to the assumptions listed in the immediately preceding paragraph, the determination of fair value was based in part on the following assumptions:

(a) the price to be paid by a third-party minority equity purchaser represents the "most advantageous market" (as defined under GAAP) for the Class M Subordinated Notes;

(b) as an Affiliate of the Collateral Manager, the Retention Holder would be a "related party" (as defined under GAAP) of the Issuer; and

(c) the purchase price of the Retention Interest reflects the characteristics of the Retention Interest, in particular as a result of (i) it representing at least a majority of the Class M Subordinated Notes and (ii) the restrictions set forth in the U.S. Risk Retention Rules limiting the transfer and hedging of such Class M Subordinated Notes.

Because indicative pricing information is available with respect to the Notes at the time the Collateral Manager determines fair value as of the calculation date, the Collateral Manager does not believe that a methodology using anticipated discount rates, loss given default (recovery), prepayment rates, default rates, lag time between default and recovery and the basis of forward interest rates used in connection with the Collateral Obligations, Eligible Investments and other assets of the Issuer (which will change over time) is a preferred approach to a determination of the fair value of the Retention Interest, and therefore, no quantitative information regarding, nor any summary description of, any reference data set or other historical information regarding such items, are included in this "*Credit Risk Retention*" section.

Post-Closing Update

Unless such information has been provided to the Noteholders earlier, the first Monthly Report delivered to the Noteholders after the Issue Date is expected to include the following additional information provided by the Collateral Manager (determined by the Collateral Manager as of the Issue Date): (i) the fair value (expressed as a percentage of the fair value of all Notes) and the dollar amount of the Class M Subordinated Notes purchased by the Retention Holder as of the Issue Date (based on actual sale prices and finalized Class sizes); (ii) the fair value (expressed as a percentage of the fair value of all Notes) and the dollar amount of the Notes that the Retention Holder is required to retain pursuant to the U.S. Risk Retention Rules; and (iii) to the extent that the valuation methodology or any of the key inputs and assumptions as of the Issue Date are materially different than those disclosed above, a description of any such material differences. Following the closing of the purchase of the Notes, to the extent the Notes are not actively traded, the fair value of such Notes may be determined in accordance with cash flow models rather than pricing information.

DESCRIPTION OF THE ORIGINATOR AND THE EU SECURITISATION REGULATION

The information appearing in this section consists of a summary of certain provisions of the Retention Undertaking Letter and the business activities of the Originator which does not purport to be complete and in particular is qualified by reference to the detailed provisions of the Retention Undertaking Letter.

Originator

Black Diamond Commercial Finance, L.L.C. of 100 North Field Drive, One Conway Park, Suite 170, Lake Forest, IL 60045, U.S.A., a Delaware limited liability company, is an Affiliate of BDCM established in October 2003. Black Diamond Commercial Finance originates, administers and arranges various types of debt facilities. Since inception, the Originator has originated, administered and/or arranged over $3 billion of senior secured loans, unsecured loans and other types of debt facilities across numerous industries, including healthcare, food products, cosmetics/toiletries, surface transport, forest products, containers & glass products and steel.

Black Diamond Commercial Finance, in its capacity as originator (the "**Originator**"), is expected to purchase and retain certain Notes and has acquired and expects to acquire certain Collateral Obligations to be sold to the Issuer pursuant to the Purchase and Sale Agreement as described in this Offering Circular. Black Diamond Commercial Finance also currently acts as retention holder and purchases assets for sale to other collateralised loan obligation vehicles managed by Affiliates of the Collateral Manager and may do so for others.

The Originator was a Warehouse Equity Provider under the Warehouse Arrangements. See "*Acquisition of Collateral Obligations Prior to the Issue Date*" above.

Retention

On the Issue Date, the Originator will execute the Retention Undertaking Letter as Originator, addressed to the Issuer, the Initial Purchaser and the Arranger and in respect of paragraph (d) and (f) below for the benefit of the Trustee, the Collateral Administrator, the Issuer, the Initial Purchaser and the Arranger.

The Originator will hold the Retention Notes as described below, in its capacity as an "originator" (or following a Retention Guidance Event and Retention Guidance Action taken by the Originator, as "sponsor") for the purposes of the EU Risk Retention Requirement. Pursuant to the Eligibility Criteria, the Issuer may only acquire a Collateral Obligation, if either (i) the Originator Requirement is satisfied immediately after giving effect to such acquisition, or (ii) in connection with an acquisition following which the Originator Requirement would not be satisfied, such Collateral Obligation is acquired from the Originator pursuant to the Purchase and Sale Agreement, in each case unless and to the extent the Originator Requirement is determined (in accordance with the definition thereof) no longer to apply.

Pursuant to the Retention Undertaking Letter and subject to the terms and limitations thereof, the Originator will:

(a) undertake to acquire on the Issue Date and hold on an ongoing basis for so long as any Class of Notes remains Outstanding, (i) Class M-1 Subordinated Notes with an original Principal Amount Outstanding on the Issue Date at least equal to 5 per cent. of the Collateral Principal Amount consisting of Collateral Obligations and Balances in each case denominated in currencies other than USD and (ii) Class M-2 Subordinated Notes with an original Principal Amount Outstanding on the Issue Date at least equal to 5 per cent. of the Collateral Principal Amount consisting of USD Collateral Obligations and Balances denominated in USD (the "**Retention Notes**");

(b) agree not to sell, hedge or otherwise mitigate its credit risk under or associated with the Retention Notes or the Portfolio, except to the extent permitted by the EU Risk Retention Requirement;

(c) subject to any regulatory requirements, agree to provide to the Issuer, on a confidential basis on reasonable request, information in the possession of the Originator relating to its holding of the Retention Notes, at the cost and expense of the party seeking such information, and to the extent such information is not subject to a duty of confidentiality at any time prior to the Maturity Date,

in each case of paragraphs (a) to (c) (inclusive) above , at any time prior to maturity of the Notes;

(d) agree to:

(i) confirm in writing promptly upon the reasonable written request of the Trustee, the Collateral Administrator, the Initial Purchaser, the Arranger or the Issuer, in each case, to such party making such request; and

(ii) confirm in writing to the Collateral Administrator on or before the twentieth calendar day of each month commencing in November 2019 for the purposes of inclusion of such confirmation in each Monthly Report,

its continued compliance with the covenants set out at paragraphs (a) and (b) above;

(e) undertake and agree that in relation to every Collateral Obligation it sells or transfers to the Issuer, that it either:

(i) purchased or will purchase such obligation for its own account prior to selling or transferring such obligation to the Issuer; or

(ii) either itself or through related entities, directly or indirectly, was involved or will be involved in the original agreement which created or will create such obligation; and

(f) agree that it shall promptly notify the Issuer, the Trustee, the Initial Purchaser, the Arranger and the Collateral Administrator if for any reason it:

(i) ceases to hold the Retention Notes in accordance with (a) above;

(ii) fails to comply with the agreements and covenants (as applicable) set out in (b), (c) or (e) above in any material way; or

(iii) any of the representations made by the Originator in the Retention Undertaking Letter fail to be true on any date.

The Originator will be permitted to transfer the Retention Notes to the extent such transfer (i) would not cause the transaction described in this Offering Circular to not be compliant with the EU Risk Retention Requirement; and (ii) is to a person who will commit to retain the Retention Notes subject to and in accordance with the EU Risk Retention Requirement and such person enters into an agreement on substantially the same terms as the Retention Undertaking Letter.

In addition to this section, prospective investors should consider the discussion in "*Risk Factors - Regulatory Initiatives – EU Securitisation Regulation*" above in relation to the EU Risk Retention Requirement.

Retention Guidance Event and Retention Guidance Action

The Originator may in its sole discretion, having determined that a Retention Guidance Event has occurred (or, with the passage of time, is reasonably likely to occur), take any Retention Guidance Action subject to (i) internal approval of the Retention Guidance Action in accordance with the Originator's internal policies and procedures and (ii) receipt of legal advice from a reputable legal counsel as selected in the Collateral Manager's sole discretion that such Retention Guidance Action does not cause the transactions contemplated herein to cease to be compliant with the EU Risk Retention Requirement.

Origination

The Originator may serve and is serving as an originator and holder of risk retention interests for other CLOs and has other businesses, and nothing in this transaction restricts or impairs such other activities or businesses in any way whatsoever.

The majority of assets in the portfolio of the relevant CLOs are expected to be acquired from the Originator. In relation to every asset that the Originator securitises by way of sale into a CLO, it is expected that the Originator:

(a) either itself or through related entities, directly or indirectly, will have been involved in the original agreement which created or will create such asset; or

(b) will have purchased such asset for its own account prior to selling such asset to the CLO.

The Originator expects to acquire and hold every Collateral Obligation that it sells or transfers to the Issuer ("**Originator Assets**") on its books and records for its own account for a period of time and then subsequently transfer each such asset to the Issuer (provided that in respect of the majority of assets, and in respect of all assets following the Issue Date, the relevant asset has been on its books and records and held for its own account for at least two Business Days prior to the applicable transfer of such asset to the Issuer). Each Originator Asset will be sold to the Issuer at the lesser of (a) the purchase price paid by the Originator, and (b) the market value thereof, as determined by the Collateral Manager on the date the Issuer enters into the commitment to purchase such Originator Asset. In connection with such purchases, the Originator will be entitled to receive an origination fee from the Issuer. The Originator will be exposed to default, credit and market value risk on such assets for the period between its purchase and the relevant onward sale in the manner described above. Without prejudice to the foregoing, for administrative and operational convenience, any assignment or transfer agreement required to be executed and delivered in connection with any transfer described in this paragraph and in accordance with the terms of the related Underlying Instruments may reflect that the relevant market seller is assigning or transferring the applicable asset directly to the Issuer (provided that settlement of the purchase prices for each Originator Asset will be effected through the Originator).

Credit Granting Criteria

The Originator, as an entity established in a country outside the European Union and in its capacity as an "originator" for the purposes of the EU Risk Retention Requirement, has taken the steps which it deems necessary or appropriate to verify, in light of the information available to it, that it has granted all credits giving rise to each Collateral Obligation it sells or transfer to the Issuer 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 to ensure that credit-granting is based on a thorough assessment of the obligors' creditworthiness.

Securitisation Regulation

In accordance with Article 7(2) of the Securitisation Regulation, each of the originator, the sponsor and the issuer are required to designate amongst themselves one entity to fulfil the reporting obligations of Article 7(1) of the Securitisation Regulation. The Issuer has agreed to be the designated entity.

The Collateral Manager and the Collateral Administrator shall, in accordance with the terms of the Collateral Management and Administration Agreement and on behalf of and at the expense of the Issuer, assist the Issuer with the delivery of the information or reports required to be delivered by it pursuant to Article 7 of the Securitisation Regulation (and prior to the adoption of final disclosure templates in respect of the EU Transparency Requirements, the Issuer intends to fulfil those requirements contained in subparagraphs (a) and (e) of Article 7(l) of the Securitisation Regulation through the Monthly Reports and the Payment Date Reports, see "*Description of the Reports*"). Following the adoption of the final disclosure templates in respect of the EU Transparency Requirements, the Issuer (with the consent of the Collateral Manager, such consent not to be unreasonably withheld or delayed) will propose in writing to the Collateral Administrator the form, content, method of distribution and timing of such reports and information. If the Collateral Administrator agrees, it shall, at the expense of the Issuer, provide certain assistance to the Issuer in relation to the preceding two sentences pursuant to the Collateral Management and Administration Agreement. See "*Description of the Reports*" below as to how the relevant information and reports can be accessed. If the Collateral Administrator fails or does not agree to assist the Issuer in conducting such reporting, the Issuer will appoint (with the consent and assistance of the Collateral Manager) another entity to make such information available to the competent authorities, any Noteholder and any potential investor in the Notes.

DESCRIPTION OF THE COLLATERAL MANAGEMENT AND ADMINISTRATION AGREEMENT

The following description of the Collateral Management and Administration Agreement consists of a summary of certain provisions of the Collateral Management and Administration Agreement which does not purport to be complete and is qualified by reference to the detailed provisions of such agreement. Capitalised terms used in this section and not defined in this Offering Circular shall have the meaning given to them in the Collateral Management and Administration Agreement.

General

The Collateral Manager will perform certain investment management functions for the Issuer, including, without limitation, supervising and directing the investment and reinvestment of the Collateral Obligations and Eligible Investments, and perform certain administrative and advisory functions on behalf of the Issuer in accordance with the applicable provisions of the Collateral Management and Administration Agreement. Under the Collateral Management and Administration Agreement the Collateral Manager agrees, and will be authorised to, among other things, in accordance with the Collateral Management and Administration Agreement and the applicable provisions of the Trust Deed, (i) select the Collateral Obligations and Eligible Investments to be acquired, sold, terminated or otherwise disposed of by the Issuer or any Issuer Subsidiary (including, without limitation, causing the Issuer to purchase or sell, or commit to purchase or sell, Collateral Obligations), (ii) invest and reinvest the Portfolio, participate in tenders of Collateral Obligations, Equity Securities, Eligible Investments or other assets received in respect thereof, (iii) advise the Issuer with respect to entering into and administering Hedge Agreements, including whether and when the Issuer should exercise any rights available thereunder, (iv) perform all other tasks that the Collateral Management and Administration Agreement specify be taken by the Collateral Manager and (v) take any other action as the Collateral Manager determines appropriate and not inconsistent with the Collateral Management and Administration Agreement with respect to the Collateral Obligations, Equity Securities, Eligible Investments and Hedge Agreements, and with respect to exercising the rights and discretion, and undertaking the activities, of the Collateral Manager contemplated by the Collateral Management and Administration Agreement and the Trust Deed.

Standard of Care of the Collateral Manager

The Collateral Manager will, in rendering its services as Collateral Manager, use a degree of skill and attention no less than that which the Collateral Manager exercises with respect to comparable assets that it manages for itself and for others in accordance with its practices and procedures relating to assets of the nature and character of the Collateral Obligations, and in a manner which the Collateral Manager reasonably believes to be consistent with practices followed by comparable managers of national standing investing in assets of the nature and character of the Collateral Obligations, except as expressly provided otherwise in the Collateral Management and Administration Agreement. Subject to the immediately preceding sentence, the Collateral Manager will follow its customary standards, policies and procedures in performing its duties under the Collateral Management and Administration Agreement. In accordance with the foregoing standard of care, the Collateral Manager will comply with and perform all the duties and functions that have been specifically delegated to it under the Collateral Management and Administration Agreement.

Liability of the Collateral Manager

The Collateral Manager will not be responsible for any action of the Issuer or the Trustee in declining to follow any advice, recommendation or direction of the Collateral Manager. The Collateral Manager's duties and functions under the Collateral Management and Administration Agreement will be subject to certain materiality standards set out in the Collateral Management and Administration Agreement. The Collateral Manager will perform its duties and functions under the Collateral Management and Administration Agreement in good faith; provided, however, that none of the Collateral Manager, its Affiliates or any of their respective principals, managing principal, members, directors, officers, agents, stockholders, personnel or employees will be liable to the Issuer, the Trustee or the Noteholders (or any other Person) for any loss incurred as a result of the actions taken (or omitted) or recommended by the Collateral Manager under the Collateral Management and Administration Agreement except for liability of the Collateral Manager to the Issuer (i) by reason of acts or omissions constituting bad faith, fraud, wilful misconduct, gross negligence or reckless disregard in the performance of the Collateral Manager's duties under the Collateral Management and Administration Agreement or (ii) with respect to the Collateral Manager Information (as defined in the Collateral Management and Administration Agreement), as of its date, as of the date of any amendment or supplement (to the extent approved in writing by the Collateral Manager for such purpose at such time), and as of the Issue Date, such information containing any untrue statement of a material fact or omitting to state a material fact necessary in

order to make the statements therein, in light of the circumstances under which they were made, not misleading (the preceding clauses (i) and (ii) collectively referred to as "**Collateral Manager Breaches**"), in the case of preceding clauses (i) and (ii), as determined by a final non-appealable judgment of a court of competent jurisdiction. In no event will the Collateral Manager, its Affiliates or any of their respective principals, managing principal, members, directors, officers, agent, stockholders, personnel or employees be liable to the Issuer, the Trustee or the Noteholders or any other Persons for any consequential (including loss of profit), indirect, special or punitive damages.

Pursuant to the terms of the Collateral Management and Administration Agreement, the Issuer will reimburse, indemnify and hold harmless the Collateral Manager, its principals, managing principal, directors, officers, members, agents, stockholders, personnel and employees and any affiliate of the Collateral Manager and its principals, managing principal, directors, officers, agents, members, stockholders, personnel and employees (together, the "**Indemnified Parties**") from any and all costs, expenses, losses, damages, liabilities, demands, charges and claims of any nature whatsoever (including reasonable legal fees and expenses) (collectively, "**Losses**"), as are incurred in connection with its performance under the Collateral Management and Administration Agreement and under the Trust Deed and serving as Collateral Manager, including, without limitation, in investigating, preparing, issuing or defending any claim, action, proceeding or investigation with respect to any pending or threatened litigation caused by, or arising out of or in connection with, any acts or omissions of the Indemnified Parties made in good faith in the performance of the Collateral Manager's duties under or in connection with the Collateral Management and Administration Agreement or the Trust Deed, except where such Losses are incurred as a result of (a) any Collateral Manager Breach as determined by a final non-appealable judgment of a court of competent jurisdiction or (b) any negligent breach of the Collateral Manager's obligations under the Collateral Management and Administration Agreement with respect to the reporting obligations of Article 7 of the Securitisation Regulation resulting in a regulatory fine or penalty against the Collateral Manager. The obligations to the Issuer to indemnify any Indemnified Party for any Loss will be payable solely out of the Collateral in accordance with the Priorities of Payment.

Compensation of the Collateral Manager

As compensation for the performance of its obligations under the Collateral Management and Administration Agreement, the Collateral Manager will be entitled to receive from the Issuer on each Payment Date a senior collateral management fee equal to 0.15 per cent. per annum (calculated semi-annually in respect of each semi-annual Due Period and quarterly at all other times, and, in each case, on the basis of a 360 day year and the actual number of days elapsed in such Due Period) of the Fee Basis Amount measured as of the first day of the Due Period relating to the applicable Payment Date (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 Notes, but subordinated to certain fees and expenses of the Issuer in accordance with the Priorities of Payment (such fee, the "**Senior Management Fee**").

The Collateral Management and Administration Agreement also provides that the Collateral Manager will receive from the Issuer on each Payment Date a subordinated collateral management fee equal to 0.35 per cent. per annum (calculated semi-annually in respect of each semi-annual Due Period and quarterly at all other times, and, in each case, on the basis of a 360 day year and the actual number of days elapsed in such Due Period) of the Fee Basis Amount measured as of the first day of the Due Period relating to the applicable Payment Date (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 Class M Subordinated Notes, but subordinated to the Rated Notes (such fee, the "**Subordinated Management Fee**").

Each of the Senior Management Fee and the Subordinated Management Fee shall be calculated based upon the actual number of days elapsed in the applicable Due Period divided by 360 and (subject as provided below), shall not include any VAT payable on such Senior Management Fee and the Subordinated Management Fee. In the event that any supply to which the Senior Management Fee or the Subordinated 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 Senior Management Fee or Subordinated Management Fee against delivery of a valid VAT invoice, provided that the Collateral Manager may, in its sole discretion, agree to bear and (x) where the Collateral Manager is the person required to account to the relevant tax authority for the VAT (without prejudice to the requirement to provide a valid invoice) not receive additional amounts in respect of such VAT (so that the Senior Management Fee or the Subordinated Management Fee is paid inclusive of VAT) or, (y) where the Issuer is the person required to account to the relevant tax authority for the VAT, receive a reduced amount in respect of the Senior Management Fee or the Subordinated Management Fee equal to the VAT exclusive amount of such fee expressed to be payable pursuant

to the Collateral Management and Administration Agreement less an amount equal to the VAT chargeable with respect thereto.

If amounts distributable on any Payment Date in accordance with the Priorities of Payment are insufficient to pay the Senior Management Fee or the Subordinated Management Fee in full, then a portion of the Senior Management Fee or Subordinated Management Fee, as applicable, equal to the shortfall will be deferred and will accrue interest at a rate of EURIBOR for the applicable Accrual Period plus 3.00 per cent. and will be payable on subsequent Payment Dates on which funds are available therefor according to the Priorities of Payment. In addition, the Collateral Manager may, in its sole discretion, waive or defer all or any portion of the Collateral Management Fees. Any funds that would have been used to pay Collateral Management Fees absent any such waiver or deferral will be distributed on the Payment Date with respect to which such fees were waived or deferred as either Interest Proceeds or Principal Proceeds (as determined by the Collateral Manager) in accordance with the terms of the Priorities of Payment. Any Collateral Management Fees that are deferred will be payable on the next succeeding Payment Date to the extent funds are available therefor, in accordance with the Priorities of Payment, unless the Collateral Manager in its sole discretion elects to waive such fees or again elects to defer such fees. Any interest due on the amounts so deferred will constitute part of the Collateral Management Fees and such accrued interest will be paid in accordance with the Priorities of Payment.

The Collateral Management and Administration Agreement also provides that the Collateral Manager will be entitled to an Incentive Collateral Management Fee on each Payment Date on and after the Payment Date on which the Incentive Collateral Management Fee IRR Threshold has been first met or surpassed, such fee being in an amount equal to and payable from 20 per cent. of any Interest Proceeds and Principal Proceeds that would otherwise be available to distribute to the Class M Subordinated Noteholders in accordance with the Priorities of Payment (after any such USD Interest Proceeds or USD Principal Proceeds are converted into Euro at the Applicable FX Rate) and (subject as provided below) shall not include any VAT payable on such Incentive Collateral Management Fee. In the event that any supply to which the Incentive Collateral Management Fee relates is or becomes subject to VAT payable by the Collateral Manager, then an amount equal to such VAT will be paid by the Issuer to the Collateral Manager in addition to such Incentive Collateral Management Fee against delivery of a valid VAT invoice, provided that the Collateral Manager may, in its sole discretion, agree to bear and (x) where the Collateral Manager is the person required to account to the relevant tax authority for the VAT (without prejudice to the requirement to provide a valid invoice) not receive additional amounts in respect of such VAT (so that the Incentive Collateral Management Fee is paid inclusive of VAT) or, (y) where the Issuer is the person required to account to the relevant tax authority for the VAT, receive a reduced amount in respect of the Incentive Collateral Management Fee equal to the VAT exclusive amount of such fee expressed to be payable pursuant to the Collateral Management and Administration Agreement less an amount equal to the VAT chargeable with respect thereto.

The Collateral Manager may pay to any Affiliate of the Collateral Manager that is the beneficial owner of any Notes, a *pro rata* portion (based on the percentage of Notes then held by such Affiliate) of any Collateral Management Fee received by the Collateral Manager. In addition, the Collateral Manager may, in its sole discretion, at any time agree to pay a portion of such Collateral Management Fees to one or more investors in the Notes or to any other person. Such arrangements could provide further incentive for the Collateral Manager to make more speculative investments in the Collateral Obligations on behalf of the Issuer than would otherwise be the case. In addition, such payments (if made to a Noteholder) may also affect the actions of the such Noteholders in taking actions they may be permitted to take in respect of the Notes, including votes concerning amendments.

If the Collateral Manager resigns or is removed for any reason, the resigning or removed Collateral Manager will be entitled to receive (i) if such resignation or removal is effective on a Payment Date, the full amount of the Senior Management Fee and the Subordinated Management Fee (including all such fees accrued and unpaid for prior periods and interest thereon) payable on such Payment Date, or (ii) if such resignation or removal is effective on any date other than a Payment Date, a pro-rated portion of the Senior Management Fee and Subordinated Management Fee (including all such fees accrued and unpaid for prior periods and interest thereon) payable for such partial period, in each case, when payable in accordance with the Priorities of Payment (and to the extent not paid on the applicable Payment Date, on the next Payment Date on which amounts are available for such payments). If the initial Collateral Manager has resigned or is removed as the Collateral Manager for any reason, the Incentive Collateral Management Fee will be payable on each Payment Date (on and after the Incentive Collateral Management Fee IRR Threshold has first been met or surpassed) after such resignation or removal to the initial Collateral Manager and the successor collateral manager(s) appointed under the Collateral Management and Administration Agreement *pro rata* calculated based on the duration of service as collateral manager for the Issuer calculated from the Issue Date to and including such

Payment Date. No subsequent collateral manager shall have the right to modify or waive any such payment or distribution under the Priorities of Payment owing to the initial Collateral Manager or its Affiliates without the consent of the initial Collateral Manager.

If the Collateral Manager determines in its sole discretion that any Collateral Management Fees payable to the Collateral Manager would be deemed to conflict with law or regulations then applicable to the Collateral Manager, the Collateral Manager may at its election in its sole discretion modify the calculation thereof as it determines so as to comply therewith so long as such modification does not increase the Senior Management Fee, the Subordinated Management Fee or the Incentive Collateral Management Fee payable to the Collateral Manager, and any such modification shall be automatically applicable to the Collateral Management and Administration Agreement and the Trust Deed.

The Collateral Management and Administration Agreement provides that expenses incurred by the Collateral Manager in the performance of the obligations under the Collateral Management and Administration Agreement will be reimbursed by the Issuer as Administrative Expenses to the extent funds are available therefor in accordance with and subject to the limitations contained in the Collateral Management and Administration Agreement and the Priorities of Payment, including, without limitation, any and all (i) rating agency expenses, (ii) reasonable fees of legal counsel, (iii) expenses attributable to evaluating, acquiring, holding, managing and disposing of the Issuer's investments and proposed but unconsummated investments, including, without limitation, travel expenses, legal, tax, accounting, auditing, appraisal, third-party research, third-party research services, due diligence, consulting, and other fees and expenses, charges of quotation services, computer software expenses, filing fees and extraordinary expenses, brokerage commissions, spreads, mark-ups, interest expense or other transactional charges, custody costs and expenses, and expenses associated with amendments, enforcement, defaults, restructuring and bankruptcies associated with any investment of the Issuer, and any extraordinary expenses of any nature or other unusual matters (excluding any overhead expenses (including wages and salaries of personnel rent and office expenses) for operating the Collateral Manager or any Affiliate thereof providing services under the Collateral Management and Administration Agreement); *provided*, *however*, that any expenses (including without limitation indemnification obligations) set forth in clauses (i), (ii) or this clause (iii) that are related to a proposed investment that is under consideration for the Issuer and for one or more other entities (including separate accounts) managed by the Collateral Manager or its Affiliates, or that is owned by the Issuer and by one or more such other entities, will be borne pro rata by the Issuer and such other entities (based on their respective investment amount or contemplated investment amount as estimated at the time to which such expense relates), unless (A) the Collateral Manager or the Affiliate providing such services determines that it is not practical to clearly identify the investment or other matter to which such expense relates, in which case the Collateral Manager or such Affiliate may allocate based on the relative size of the Issuer and the size of such other entities (by aggregate principal balance of each such entity's assets under management) managed by the Collateral Manager or its Affiliates, (B) the Issuer or a particular entity is the sole cause of such expense, in which case the Collateral Manager or the Affiliate providing such services may allocate such expense to the Issuer or to such particular entity, or (C) the Collateral Manager or the Affiliate providing such services believes another method of allocating such expenses is appropriate and fair in its good faith judgment, in which case such expenses will be allocated to the Issuer according to such method, (iv) direct expenses, such as organisational expenses, fee and expenses incurred in connection with investments on behalf of the Issuer in other funds, expenses associated with the preparations of the Issuer's financial statements and tax returns, printing and mailing costs, the charges of quotation services, computer software expenses and filing fees, and (v) any taxes, fees and other governmental charges levied against the Issuer (it being understood and agreed that the Collateral Manager will have no obligation to pay any such taxes, fees or governmental charges) all of which will be paid and/or reimbursed by the Issuer, upon request of the Collateral Manager and on each Payment Date (or other relevant date if before a Payment Date) to the extent funds are available therefor in accordance with and subject to the limitations and Priorities of Payment.

The Collateral Manager or personnel servicing the Collateral Manager may utilize travel related and other services provided by Affiliates of the Collateral Manager or related entities, including the use of any aircraft which is owned or leased by Affiliates of the Collateral Manager or related entities, in order to conduct due diligence related to the assessment, purchase, management or sale of investments, and for any other purposes related to the investment activities of the Issuer. The Collateral Manager intends only to utilize such services or products where the Collateral Manager believes that the cost is reasonable and equal to or less than market rates and that the use is in the best interest of the Issuer.

Termination of the Collateral Management and Administration Agreement

Subject to the paragraph below, the Collateral Management and Administration Agreement may be terminated, and the Collateral Manager may be removed, upon the occurrence of a Collateral Manager Event of Default (other than pursuant to paragraph (vii) of the definition thereof) (i) at the Issuer's discretion; (ii) at the direction of the holders of each Class of Rated Notes, (acting separately) by Extraordinary Resolution or (iii) by holders of the Class M Subordinated Notes acting by Extraordinary Resolution (in each case, excluding CM Non-Voting Exchangeable Notes, CM Non-Voting Notes and Notes held by the Collateral Manager, the Originator or any Collateral Manager Related Person) upon 30 Business Days' prior written notice to the Collateral Manager, the Trustee and the Collateral Administrator.

The Collateral Management and Administration Agreement will automatically terminate upon the earliest to occur of (i) the payment in full of the Notes, in accordance with their terms, (ii) the liquidation of the Portfolio and the final distribution of the proceeds of such liquidation as provided in the Transaction Documents, and (iii) the determination in good faith by the Issuer that the Issuer or the Portfolio has become required to be registered under the Investment Company Act, and the Issuer notifies the Collateral Manager thereof.

Any rights of the Collateral Manager stated to survive the termination of the Collateral Management and Administration Agreement shall remain vested in the Collateral Manager after such termination in accordance with the terms of the Collateral Management and Administration Agreement.

Resignation

The Collateral Manager may resign, upon at least 90 days' written notice to the Issuer, the Trustee, the Collateral Administrator, and each Rating Agency (or upon such shorter notice as may be agreed between the Issuer and the Collateral Manager).

Appointment of Successor

Upon any removal or resignation of the Collateral Manager (except in the circumstances where it has become illegal for the Collateral Manager to carry on its duties under the Collateral Management and Administration Agreement), the Collateral Manager will continue to act in such capacity (and such removal or resignation shall not be effective) until the appointment by the Issuer, at the direction of the holders of the Class M Subordinated Notes, acting by Extraordinary Resolution, of an Eligible Successor in accordance with the terms of the Collateral Management and Administration Agreement, provided that the Controlling Class (acting by Extraordinary Resolution) does not object in writing to such successor within 30 days after receipt of notice of such appointment. The Issuer shall use its commercially reasonable efforts to appoint an Eligible Successor to assume the duties and obligations of the Collateral Manager under the Collateral Management and Administration Agreement. If within 60 days following a notice of resignation or removal, the holders of the Class M Subordinated Notes (acting by Extraordinary Resolution) do not direct the Issuer to appoint an Eligible Successor or no Eligible Successor has been appointed and accepted such appointment, then the holders of the Controlling Class, (acting by Extraordinary Resolution) may direct the Issuer to appoint an Eligible Successor and the Issuer shall appoint such successor unless the holders of all Rated Notes (voting as a single class) object to such appointment (acting by way of Extraordinary Resolution). If within 90 days following a notice of resignation or removal no Eligible Successor has been appointed and accepted such appointment, the Collateral Manager may petition a court of competent jurisdiction for the appointment of an Eligible Successor. For the avoidance of doubt, no Notes held in the form of CM Non-Voting Exchangeable Notes or CM Non-Voting Notes shall have any voting rights with respect to and shall not be counted for the purposes of determining a quorum and the results of voting any CM Replacement Resolution or with respect to the selection or appointment of the successor Collateral Manager following a CM Removal Resolution.

"**Eligible Successor**" means an established institution which (1) has demonstrated an ability to professionally and competently perform duties similar to those imposed upon the Collateral Manager, (2) is legally qualified and has the capacity to act as collateral manager, (3) does not cause or result in the Issuer or the pool of Collateral becoming required to be registered as an investment company under the Investment Company Act, (4) receives Rating Agency Confirmation (provided that Rating Agency Confirmation from Moody's shall not be required so long as Moody's is notified by or on behalf of the Issuer of such appointment), (5) will not cause the Issuer to be subject to net income taxation outside its jurisdiction of incorporation or to be treated as engaged in a trade or business in the U.S. for U.S. federal income tax purposes or cause any other material adverse tax consequences to the Issuer, and (6) has been identified in a prior written notice to each Rating Agency.

Upon notice of removal or resignation of the Collateral Manager

In the event that the Collateral Manager has received notice that it will be removed or has given notice of its resignation, until a successor Collateral Manager has been appointed and has accepted such appointment in accordance with the terms specified in the Collateral Management and Administration Agreement, purchases and sales of Collateral Obligations shall be only made in relation to sale of Margin Stock, Credit Risk Obligations and Defaulted Obligations (in addition to any purchase or sale trades initiated prior to such removal, termination or resignation).

Delegation

The Collateral Manager may employ third parties (including BDCM or any of its Affiliates) to render advice (including investment advice) and assistance to the Issuer and to perform any of its duties under the Collateral Management and Administration Agreement; provided, however, that the Collateral Manager will not be relieved of any of its duties under the Collateral Management and Administration Agreement regardless of the performance of any services by third parties; and provided that without the prior written consent of the Issuer such appointment will not cause the Issuer to be subject to net income taxation outside its jurisdiction of incorporation, be treated as engaged in a trade or business in the United States for U.S. federal income tax purposes, result in the Collateral Management Fees becoming subject to VAT or otherwise cause any other material adverse tax consequences to the Issuer

Assignments and Transfers

The Collateral Manager may assign or transfer its rights or obligations under the Collateral Management and Administration Agreement upon notice of such assignment or transfer being given by the Collateral Manager to the Issuer, the Collateral Administrator and the Trustee, subject to the prior written consent of the Issuer and receipt of Rating Agency Confirmation in respect thereof and provided that the holders of the Class M Subordinated Notes (acting by Ordinary Resolution) have not objected to such assignment or transfer within 30 calendar days of receipt of notice thereof, in each case excluding any Notes held in the form of CM Non-Voting Exchangeable Notes or CM Non-Voting Notes, and subject to such assignee having the requisite regulatory capacity; provided**,** that, to the extent permitted by the Collateral Management and Administration Agreement, such consent and Rating Agency Confirmation and where such assignment and/or transfer is in respect of a Retention Guidance Action, the right of the Class M Subordinated Noteholders to object (acting by Ordinary Resolution) shall not be required or, as the case may be, shall not apply, in the case of a Permitted Assignee. A "**Permitted Assignee**", for the purposes of the Collateral Management and Administration Agreement, means an Affiliate of the Collateral Manager (i) that is legally qualified and has the regulatory capacity to act as Collateral Manager under the Collateral Management and Administration Agreement; (ii) that has the ability to professionally and competently perform duties similar to those imposed upon the Collateral Manager under the Collateral Management and Administration Agreement with a substantially similar (or better) level of expertise; (iii) the appointment of which will not cause either of the Issuer or the Collateral to become required to register under the provisions of the Investment Company Act; and (iv) the appointment of which will not cause the Issuer to be subject to net income taxation outside its jurisdiction of incorporation, be treated as engaged in a trade or business in the United States for U.S. federal income tax purposes, result in the Collateral Management Fees becoming subject to VAT or cause any other material adverse tax consequences to the Issuer.

The Issuer may not assign its rights under the Collateral Management and Administration Agreement without the prior written consent of the Collateral Manager, the holders of each Class of Notes acting by Ordinary Resolution, each voting as a separate Class, and subject to Rating Agency Confirmation, except in the case of an assignment by the Issuer (i) to an entity that is a successor to the Issuer permitted under the Trust Deed or (ii) to the Trustee.

Notwithstanding the immediately preceding paragraph, any Person into which the Collateral Manager may be merged or converted or with which it may be consolidated, or any Person resulting from any merger, conversion or consolidation to which the Collateral Manager is a party, or any Person otherwise acquiring or succeeding to all or substantially all of the collateral management business of the Collateral Manager, will be the successor to the Collateral Manager under the Collateral Management and Administration Agreement (and entitled to all its rights, and subject to all its obligations, thereunder) without any further action by the Issuer, the Trustee, the Noteholders or any other Person, except for the consent of the Issuer if required by applicable law. The Collateral Manager will give prompt written notice to the Rating Agency upon any such occurrence.

In the event of any assignment or transfer by a party to the Collateral Management and Administration Agreement, the assignee or transferee shall execute and deliver such documents as may be reasonably necessary to effect fully such assignment or transfer and the assignee or transferee shall be required to make all the representations, mutatis mutandis, as set out therein as on the date of assignment or transfer, provided that the assignor or transferor will not thereby be relieved of any of its duties or obligations unless the assignee or transferee agrees in writing with all other parties to the Collateral Management and Administration Agreement to assume such duties or obligations. Any transfer of obligations made in accordance with the Collateral Management and Administration Agreement shall bind the transferee in the same manner as the transferor is bound. In addition, in the case of an assignment or transfer by the Collateral Manager, the assignee or transferee shall execute and deliver to the Trustee, the Collateral Administrator and the Rating Agencies then rating the Notes a counterpart of the Collateral Management and Administration Agreement naming such assignee or transferee as the Collateral Manager. In the case of a transfer of obligations, upon the execution and delivery of such a counterpart by the relevant transferee, the Collateral Manager shall be released from further obligations pursuant to the Collateral Management and Administration Agreement, except with respect to its agreements and obligations arising under various sections of the Collateral Management and Administration Agreement in respect of acts or omissions occurring prior to such transfer and except with respect to its obligations under certain provisions relating to confidentiality, limited recourse and non-petition.

No Voting Rights

Notes held in the form of CM Non-Voting Exchangeable Notes or CM Non-Voting Notes shall not have any voting rights in respect of, and shall not be counted for the purposes of determining a quorum and the result of voting on any CM Removal Resolutions 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 Voting Notes have a right to vote and be counted).

Any Notes (including Class M Subordinated Notes) held by or on behalf of the Collateral Manager, the Originator, or any Collateral Manager Related Person shall have no voting rights with respect to, and shall not be counted for the purposes of determining a quorum and the results of, voting on any CM Removal Resolution or any Optional Redemption pursuant to Condition 7(b)(vi) (*Optional Redemption effected through Liquidation only*).

The Class X Notes shall not carry any rights in respect of, or be counted for the purposes of determining a quorum and the result of voting on, any CM Removal Resolution or CM Replacement Resolution.

Conflicts of Interest

Collateral Manager Related Persons will have no voting rights with respect to any vote on the removal of the Collateral Manager due to a Collateral Manager Event of Default or the waiver of any event constituting a Collateral Manager Event of Default and will be deemed not to be Outstanding in connection with any such vote; provided, however that Collateral Manager Related Persons will have voting rights with respect to all other matters as to which the holders of Notes are entitled to vote including, without limitation, any vote in connection with the appointment of a replacement collateral manager in accordance with the Collateral Management and Administration Agreement. Members of the BDCM Group may purchase a majority of the Class M Subordinated Notes, on the Issue Date and may also hold, trade, buy or sell Notes of any Class from time to time. Further, the Originator, an Affiliate of the Collateral Manager, will purchase certain assets and sell them to the Issuer and will receive a fee therefor in accordance with the Purchase and Sale Agreement.

The Collateral Management and Administration Agreement places significant restrictions on the Collateral Manager's ability to advise the Issuer to buy and sell loans and securities for inclusion in the Collateral, and the Collateral Manager is subject to compliance with such document. Accordingly, during certain periods or in certain specified circumstances, the Issuer may be unable to buy or sell loans or securities or to take other actions which the Collateral Manager might consider in the best interests of the Issuer, its creditors and the Noteholders, as a result of the restrictions contained in the Collateral Management and Administration Agreement. In connection with the Collateral Manager's investment management services to the Issuer, the Collateral Manager will agree to certain investment restrictions and procedures applicable from and after the Issue Date designed, among other things, to maintain independence among the Collateral Manager and its Affiliates, where such Affiliates were involved in the origination of Collateral Obligations or performed certain other activities with respect to such Collateral Obligations ("**Affiliate Collateral**"). Any Affiliate Collateral acquired by the Issuer from and after the Issue Date will be subject to, among other things, the approval of an Advisory Committee pursuant to certain specified procedures to the extent described in the Collateral Management and Administration Agreement, which Advisory Committee will be comprised of one or more

persons who are not Affiliates of the Collateral Manager. The Issuer has agreed that it will not receive or accept any origination or equivalent fees with respect to any Collateral Obligation (including Affiliate Collateral).

The Collateral Management and Administration Agreement generally permits the Collateral Manager or any of its various Affiliates to acquire or sell loans and securities, for its own account or for the accounts of its customers, without either requiring or precluding the purchase or sale of such loans and securities for the account of the Issuer. The Collateral Management and Administration Agreement does not limit such sales or acquisitions. In the event that, in light of market conditions and investment objectives, the Collateral Manager determines that it would be advisable to purchase or sell the same Collateral both for the Issuer and either the proprietary account of the Collateral Manager or any Affiliate of the Collateral Manager or another client of the Collateral Manager, as part of any aggregate sales or purchase orders, the objective of the Collateral Manager will be to make allocations in a manner that the Collateral Manager considers to be equitable under the facts and circumstances as set forth in the Collateral Management and Administration Agreement.

Nothing in the Collateral Management and Administration Agreement prohibits the Collateral Manager or its Affiliates from acting as principal, agent or fiduciary for other clients in connection with loans and securities simultaneously held by the Issuer or of the type eligible for investment by the Issuer or limits any relationships the Collateral Manager or any of its Affiliates may have with any obligor of any Collateral. By purchasing Notes, investors will be deemed to have consented to the procedures for approval of principal transactions set forth therein which procedures include the approval by either the Advisory Committee or the board of directors of the Issuer prior to the purchase or sale thereof by the Issuer from and after the Issue Date and to purchases of assets from the Originator in accordance with the Purchase and Sale Agreement. The Collateral Management and Administration Agreement requires the Collateral Manager to covenant to the Issuer that the Collateral Manager will comply in all material respects with all laws and regulations material and applicable to it in connection with the performance of its duties under the Collateral Management and Administration Agreement.

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, the Co-Placement Agents or any other party. The Issuer has taken reasonable care to ensure that this information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from information provided by the Collateral Administrator, no facts have been omitted which would render the reproduced information inaccurate or misleading. None of the Initial Purchaser, the Arranger, the Co-Placement Agents or any other party other than the Collateral Administrator assumes any responsibility for the accuracy or completeness of such information.

U.S. Bank National Association ("**U.S. Bank**") is a national banking association. U.S. Bancorp, with total assets exceeding $467 billion as of December 31, 2018, is the parent company of U.S. Bank, the fifth largest commercial bank in the United States. As of December 31, 2018, U.S. Bancorp served approximately 18 million customers and operated over 3,000 branch offices in 25 states. A network of specialized U.S. Bancorp offices across the nation provides a comprehensive line of banking, brokerage, insurance, investment, mortgage, trust and payment services products to consumers, businesses, and institutions.

Pursuant to the terms of the Collateral Management and Administration Agreement, the Collateral Administrator may be removed: (a) without cause at any time upon at least 90 days' prior written notice; or (b) with cause upon at least 10 days' prior written notice by (i) the Issuer at its discretion, or (ii) the Trustee acting upon the written directions of the Class M Subordinated Noteholders 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 and Administration Agreement.

HEDGING ARRANGEMENTS

The following section consists of a summary of certain provisions which, pursuant to the Collateral Management and Administration Agreement, are required to be contained in each Hedge Agreement and Hedge Transaction. Such summary does not purport to be complete and is qualified by reference to the detailed provisions of each Hedge Agreement and Hedge Transaction. The terms of a Hedge Agreement or Hedge Transaction may differ from the description provided herein, subject to receipt of Rating Agency Confirmation in respect thereof or without Rating Agency Confirmation if such Hedge Transaction constitutes a Form Approved Hedge.

Hedge Agreements

The Issuer has entered into two Currency Call Options.

Thereafter, 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 or (Multicurrency – Cross Border) or 2002 Master Agreement or such other form published by the International Swaps and Derivatives Association, Inc. ("**ISDA**"). Each Hedge Transaction will be evidenced by a confirmation entered into pursuant to a Hedge Agreement.

Each Hedge Transaction will be 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 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 denominated in a currency other than an Available Currency for amounts denominated in Euros at the Currency Hedge Transaction Exchange Rate,

in each case subject to receipt of Rating Agency Confirmation in respect thereof (save in the case of a Form Approved Hedge) and provided that the Hedge Counterparty satisfies the applicable Rating Requirement (taking into account any guarantor thereof) and any applicable regulatory requirements.

The Issuer (or the Collateral Manager on behalf of the Issuer) may purchase Non-Euro Obligations denominated in currencies other than an Available Currency provided that, (a) such obligation is denominated in a Qualifying Currency and (x) if such obligation is denominated in a Qualifying Unhedged Obligation Currency within 90 calendar days of the settlement of the purchase by the Issuer of such obligation, and otherwise (y) no later than the settlement of the purchase by the Issuer of such obligation, the Issuer (or the Collateral Manager on its behalf) enters into a Currency Hedge Transaction with a notional amount in the relevant currency equal to the aggregate principal amount of such obligation and otherwise complies with the requirements in respect of Currency Hedge Obligations hereunder (and such obligation is not convertible into or payable in any other currency).

For the avoidance of doubt, the ability of the Issuer or the Collateral Manager on its behalf to enter into any Currency Hedge Transactions, and therefore the ability of the Issuer or the Collateral Manager on its behalf to acquire Non-Euro Obligations (other than obligations denominated in an Available Currency), is subject to the satisfaction of the Hedging Condition.

Replacement Hedge Transactions

Currency Hedge Transactions: In the event that any Currency Hedge Transaction terminates in whole at any time other than in circumstances where the Collateral Manager intends to sell the related Non-Euro Obligation on behalf of the Issuer or a Redemption Date has or is scheduled to occur, the Issuer (or the Collateral Manager on its behalf) shall use commercially reasonable endeavours to enable the Issuer to enter into a replacement Currency Hedge Transaction within 30 days of the termination thereof with a counterparty which (or whose guarantor) satisfies the applicable Rating Requirement and any applicable regulatory requirements.

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 enable the Issuer to enter into a replacement Interest Rate Hedge Transaction within 30 days of the

termination thereof with a counterparty which (or whose guarantor) satisfies the applicable Rating Requirement and any applicable regulatory requirements.

Currency Call Options

The Issuer has entered into two Currency Call Options. The Issuer shall pay the applicable premium in respect of each such transaction to the Currency Call Option Counterparty on the Issue Date in accordance with the Conditions (but shall have no other payment obligations in respect thereof).

Subject to the paragraphs below, the Collateral Manager shall (at no additional cost to the Issuer) exercise, on behalf of the Issuer, a Currency Call Option on the relevant Exercise Date.

The Collateral Manager may (on behalf of the Issuer) in its sole discretion sell any Currency Call Option at any time after the Rated Notes have been redeemed in full in accordance with the Conditions.

In the event of a Currency Call Option being exercised or sold by the Collateral Manager on behalf of the Issuer, USD proceeds received pursuant to such Currency Call Option shall be deposited promptly by the Issuer into the USD Principal Account for application in accordance with the Principal Priority of Payments on the next succeeding Payment Date.

The Collateral Manager may (on behalf of the Issuer) sell any Currency Call Option prior to the Rated Notes being redeemed in full in accordance with the Conditions if such sale is for the purposes of effecting an Optional Redemption pursuant to Condition 7(b) (*Optional Redemption*) (*provided* that with respect to an Optional Redemption pursuant to Condition 7(b)(ii) (*Optional Redemption in Part – Collateral Manager/Class M Subordinated Noteholders*) only, Rating Agency Confirmation from each Rating Agency has been obtained).

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 such Currency Hedge Transaction being a Form Approved Hedge):

(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 principal amount outstanding from time to time of the relevant Non-Euro Obligation (the "**Non-Euro Notional Amount**") and the Currency Hedge Counterparty will pay to the Issuer an amount based on the 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) following the sale of any Non-Euro Obligation, the Issuer shall pay to the Currency Hedge Counterparty an amount equal to the sale proceeds of such Non-Euro Obligation in the relevant currency (the "**Proceeds on Sale**") in exchange for payment by the Currency Hedge Counterparty of an amount denominated in Euros, such amount to be an amount equal to the Proceeds on Sale converted into Euros at the Currency Hedge Transaction Exchange Rate less any amounts payable to the Currency Hedge Counterparty in respect of the early termination of the relevant Currency Hedge Transaction (but, for the avoidance of doubt, no breakage or other costs will be payable to the Currency

Hedge Counterparty in connection with a prepayment, repayment or redemption of the related Non-Euro Obligation).

The Collateral Manager, acting on behalf of the Issuer, shall convert all amounts received by it in respect of any Non-Euro Obligation (other than an obligation denominated in an Available Currency) which is not the subject of a related Currency Hedge Transaction into Euros promptly upon receipt thereof at the Applicable FX Rate and shall procure that such amounts are paid into the Euro Principal Account or the Euro 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 (other than obligations denominated in an Available Currency) shall be paid into the appropriate Currency Account and all amounts payable by the Issuer under any related Currency Hedge Transaction (other than any initial exchange amounts payable in Euros by the Issuer, any Hedge Replacement Payments and any Currency Hedge Issuer Termination Payments save to the extent otherwise provided in Condition 3(m)(ix) (*Currency Accounts*)), will be paid out of the appropriate Currency Account, in each case to the extent amounts are available therein.

The Issuer shall only be obliged to pay Scheduled Periodic Currency Hedge Issuer Payments to a Currency Hedge Counterparty if and to the extent it actually receives the corresponding amount in respect of the relevant Non-Euro Obligation.

Upon the acceleration of the Notes in accordance with Condition 10(b) (*Acceleration*), and upon the Trustee (or any agent or appointee thereof), the Collateral Manager or any other agent of the Issuer (including any insolvency practitioner, receiver or equivalent such person in any relevant jurisdiction), selling the relevant Non-Euro Obligation, the Currency Hedge Counterparty shall receive the proceeds of the sale of the Non-Euro Obligation from the Currency Account of the Issuer, outside of the Post-Acceleration Priority of Payments and return the Euro equivalent amount owing, less any amount payable to the Currency Hedge Counterparty in respect of the early termination of the Currency Hedge Transaction in connection with such sale and the Currency Hedge Transaction shall terminate in accordance with its terms.

Notwithstanding the above, upon the insolvency of the Issuer and/or the acceleration of the Notes in accordance with Condition 10(b) (*Acceleration*), the Currency Hedge Counterparty may, but shall not be obliged to, terminate any or all Currency Hedge Transactions in which case any Currency Hedge Issuer Termination Payment would be paid (following acceleration of the Notes) in accordance with Condition 10(b) (*Acceleration*) and the Post-Acceleration Priority of Payments.

Standard Terms of Hedge Agreements

Each Hedge Agreement entered into by or on behalf of the Issuer shall contain the following standard provisions, save to the extent that any change thereto is agreed by the applicable Hedge Counterparty and subject to receipt of Rating Agency Confirmation in respect thereof (other than in respect of any Form Approved Hedges).

Gross up

Under each Hedge Agreement, each of the Issuer and the applicable Hedge Counterparty shall represent that payments made by it under such Hedge Agreement (other than default interest) will not be subject to withholding tax imposed by its relevant jurisdiction. Neither the Issuer nor the applicable Hedge Counterparty will be obliged to gross up any payments thereunder in the event of any withholding or deduction for or on account of tax required to be paid on such payments. Any such event may however result in a "**Tax Event**" which is a "**Termination Event**" for the purposes of the relevant Hedge Agreement. In the event of the occurrence of a Tax Event (as defined in such Hedge Agreement), each Hedge Agreement will include provision for the relevant Affected Party (as defined therein) to use reasonable endeavours to (i) (in the case of the Hedge Counterparty) arrange for a transfer of all of its interests and obligations under the Hedge Agreement and all Transactions (as defined in the Hedge Agreement) thereunder to an Affiliate that is incorporated in another jurisdiction so as to avoid the requirement to withhold or deduct for or on account of tax; or (ii) (in the case of the Issuer) 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(m)(v) (*Counterparty Downgrade Collateral Accounts*). The Issuer will have the benefit of non-petition language similar to the language set out in Condition 4(c) (*Limited Recourse and Non-Petition*).

Termination Provisions

Each Hedge Agreement may terminate by its terms, whether or not the Notes have been paid in full prior to such termination, upon the earlier to occur of certain events, which may include but are 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) a change in the regulatory status of the Issuer which cannot be remedied by a modification of the relevant Hedge Agreement, 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 would have a material adverse effect on its rights thereunder, or as further described in 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.

Hedge Agreements relating to Currency Hedge Transactions 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 Obligation would not constitute a Defaulted Obligation.

A termination of a Hedge Agreement or Hedge Transaction does not constitute a Note Event of Default under the Notes though the repayment in full of the Notes may be an additional termination event under a Hedge Agreement.

Upon the occurrence of any "event of default" or "termination event" (each as defined in the applicable Hedge Agreement), a Hedge 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. Depending on the terms of the applicable Hedge Agreement, such Termination Payment may 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 a replacement swap(s) on the same terms as that terminated or as otherwise described in the applicable Hedge Agreement or any loss suffered by a party, subject to and in accordance with the relevant Hedge Agreement.

Rating Downgrade Requirements

Each Hedge Agreement will contain provisions requiring certain remedial action to be taken in the event that the Hedge Counterparty (or, as relevant, its guarantor) is subject to a rating withdrawal or downgrade, such

provisions being in accordance with the rating methodology of the Rating Agencies at the time of entry into such Hedge Agreements. Such provisions may include a requirement that a Hedge Counterparty must post collateral or transfer the Hedge Agreement to another entity (or, as relevant, its guarantor) meeting the applicable Rating Requirement or procure that a guarantor meeting the applicable Rating Requirement guarantees its obligations under the Hedge Agreement or take other actions subject to Rating Agency Confirmation.

Transfer and Modification

The 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 as a matter of Irish law 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 English Law.

Reporting of Specified Hedging Data

The Collateral Manager, on behalf of the Issuer, may from time to time enter into agreements (each a "**Reporting Delegation Agreement**") for the delegation of certain derivative reporting obligations to one or more Hedge Counterparties or third parties (each, in such capacity, a "**Reporting Delegate**").

DESCRIPTION OF THE REPORTS

Terms used and not otherwise defined herein or in this Offering Circular as specifically referenced herein shall have the meaning given to them in Condition 1 (*Definitions*) of the Conditions.

Monthly Reports

The Collateral Administrator, not later than the eighth Business Day after the twelfth 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 November 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 twelfth 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 and made available via a website currently located at https://pivot.usbank.com (or other such website as may be notified in writing by the Collateral Administrator to the Trustee, the Issuer, the Collateral Manager, the Arranger, the Initial Purchaser, the Co-Placement Agents, the Hedge Counterparties, the Rating Agencies and the holders of a beneficial interest in any Note from time to time) which shall be accessible to any person who certifies to the Collateral Administrator (such certification to be in the form set out in a schedule to the Agency and Account Bank Agreement, which may be given electronically and upon which certification the Collateral Administrator may rely absolutely and without enquiry or liability) that it is: (i) the Trustee, (ii) the Issuer, (iii) the Collateral Manager, (iv) the Arranger, (v) the Initial Purchaser, (vi) a Co-Placement Agent, (vii) a Hedge Counterparty, (viii) a Rating Agency, (ix) the holder of a beneficial interest in any Note from time to time, (x) a competent authority, (xi) a potential investor in the Notes, (xii) Bloomberg Finance L.P., (xiii) Intex Solutions Inc. or (xiv) Refinitiv LPC.

Portfolio

(a) the Aggregate Principal Balance of the Collateral Obligations and Eligible Investments representing Principal Proceeds;

(b) the Collateral Principal Amount of the Collateral Obligations;

(c) the Adjusted Collateral Principal Amount of the Collateral Obligations;

(d) subject to any confidentiality obligations binding on the Issuer or the Collateral Manager, in respect of each Collateral Obligation, its Principal Balance (in the case of Deferring Obligations, both including and excluding capitalised or deferring interest), LoanX ID, CUSIP number, ISIN or identification thereof, annual interest rate or spread (and EURIBOR floor if any), facility, Collateral Obligation Stated Maturity, Obligor, the Domicile of the Obligor, Moody's Rating, Moody's Default Probability Rating, S&P Rating (other than any confidential credit estimate), S&P Recovery Rating (but excluding any confidential credit estimates in relation thereto), and any other public rating (other than any confidential credit estimate), its S&P Industry Classification and whether it is a Cov-Lite Loan (i) for the purposes of determining the S&P Recovery Rate, and (ii) for all other purposes, Moody's industrial classification group, Moody's Recovery Rate and S&P Recovery Rate;

(e) subject to any confidentiality obligations binding on the Issuer or the Collateral Manager, in respect of each Collateral Obligation, whether such Collateral Obligation is a Secured Senior Obligation, Unsecured Senior Obligation, Second Lien Loan, Mezzanine Obligation or High Yield Bond, Fixed Rate Collateral Obligation, Semi-Annual Obligation, Corporate Rescue Loan, PIK Security, Current Pay Obligation, Revolving Obligation, Delayed Drawdown Collateral Obligation, Bridge Loan, Discount Obligation, Swapped Non-Discount Obligation or Deferring Obligation;

(f) subject to any confidentiality obligations binding on the Issuer or the Collateral Manager, in respect of each Collateral Enhancement Obligation, Equity Security and Exchanged Equity Security (to the extent applicable), its Principal Balance, face amount, annual interest rate, Collateral Obligation Stated Maturity and Obligor, details of the type of instrument it represents and details of any amounts payable thereunder or other rights accruing pursuant thereto;

(g) subject to any confidentiality obligations binding on the Issuer or the Collateral Manager, the number, identity and, if applicable, Principal Balance of, respectively, any Collateral Obligations, Collateral

Enhancement Obligations, Equity Securities or Exchanged Equity Securities that were released for sale or other disposition since the date of determination of the last Monthly Report and the sale price thereof (specifying the reason for such sale or other disposition);

(h) subject to any confidentiality obligations binding on the Issuer or the Collateral Manager, the purchase price of each Collateral Obligation and Collateral Enhancement Obligation acquired by the Issuer and in which the Issuer has granted a security interest to the Trustee since the date of determination of the last Monthly Report;

(i) subject to any confidentiality obligations binding on the Issuer or the Collateral Manager, the identity of each Collateral Obligation which became a Defaulted Obligation or Deferring Obligation or in respect of which an Exchanged Equity Security has been received since the date of determination of the last Monthly Report and the identity and Principal Balance of each Caa Obligation, CCC Obligation and Current Pay Obligation;

(j) subject to any confidentiality obligations binding on the Issuer or the Collateral Manager, the identity of each Collateral Obligation which became a Restructured Obligation and its Obligor, as well as, where applicable, the name of the Obligor prior to the restructuring and the Obligor's new name after the Restructuring Date;

(k) the approximate Market Value of, respectively, the Collateral Obligations and the Collateral Enhancement Obligations as provided by the Collateral Manager where such Market Values have been used (during the period covered by such Report for the purposes of the Coverage Tests, Portfolio Profile Tests, Collateral Quality Tests or Reinvestment Overcollateralisation Test;

(l) for each Moody's Rating category and S&P Rating category, the percentage of Collateral Obligations contained in Portfolio with such Moody's Rating and S&P Rating as at the date of the current Monthly Report;

(m) the Aggregate Principal Balance of Collateral Obligations comprising Participations in respect of which the Selling Institutions are not the lenders of record;

(n) a statement identifying each Collateral Obligation falling within paragraph (x) of the Portfolio Profile Tests;

(o) the identity of each obligation that is transferred to or from an Issuer Subsidiary; and

(p) a confirmation in writing from the Collateral Manager to the Collateral Administrator that the Portfolio is in compliance with the Originator Requirement, together with supporting calculations.

Accounts

(a) the Balances standing to the credit of each of the Accounts; and

(b) the purchase price, principal amount, redemption price, annual interest rate, maturity date and Obligor under each Eligible Investment purchased from funds in the Accounts.

Hedge Transactions and Counterparty Rating Requirements

(a) the outstanding notional amount of each Hedge Transaction and the current rate of EURIBOR;

(b) the amount scheduled to be received and paid by the Issuer pursuant to each Hedge Transaction on or before the next Payment Date;

(c) as notified to the Collateral Administrator in writing by the relevant party, the then current S&P rating and, if applicable, Moody's rating in respect of each Hedge Counterparty, Account Bank and Custodian and the current Moody's rating in respect of the Principal Paying Agent and whether such Hedge Counterparty, Account Bank, Custodian and Principal Paying Agent satisfies the Rating Requirements (and, for the avoidance of doubt, the entity name for each Hedge Counterparty, the Account Bank, the Custodian, the Collateral Administrator and the Principal Paying Agent for the time being); and

(d) the maturity date, the strike price and the underlying currency notional amount of each currency option (including the Currency Call Options), the upfront premium paid or payable by the Issuer thereunder and, in relation to each currency option exercised, the date of exercise, the spot foreign exchange rate at the time of exercise, the notional amount of the optional exercised, the aggregate notional amount of the option which remains unexercised and the aggregate premium received.

Coverage Tests and Collateral Quality Tests

(a) so long as the Rated Notes are Outstanding, a statement as to whether each of the Par Value Tests is satisfied and details of the relevant Par Value Ratios;

(b) so long as the Rated Notes are Outstanding, a statement as to whether each of the Interest Coverage Tests is satisfied and details of the relevant Interest Coverage Ratios;

(c) so long as the Rated Notes are Outstanding, during the Reinvestment Period, a statement as to whether the Reinvestment Overcollateralisation Test is satisfied;

(d) so long as any Notes rated by Moody's are Outstanding, the Weighted Average Moody's Recovery Rate and a statement as to whether the Moody's Minimum Weighted Average Recovery Rate Test is satisfied;

(e) so long as any Notes rated by Moody's or S&P remain Outstanding, the Weighted Average Life and a statement as to whether the Weighted Average Life Test is satisfied;

(f) so long as any Notes rated by Moody's or S&P remain Outstanding, the Weighted Average Spread and a statement as to whether the Minimum Weighted Average Spread Test is satisfied;

(g) so long as any Notes rated by S&P are Outstanding and the Reinvestment Period has not expired, the S&P Weighted Average Recovery Rate and a statement as to whether the S&P CDO Monitor Test is satisfied (and as to the results of each of the portfolio "benchmarks" included in the S&P CDO Monitor Adjusted BDR);

(h) so long as any Notes rated by Moody's are Outstanding, the Moody's Weighted Average Rating Factor and a statement as to whether the Moody's Maximum Weighted Average Rating Factor Test is satisfied;

(i) so long as any Notes rated by Moody's are Outstanding, the Diversity Score and a statement as to whether the Moody's Minimum Diversity Test is satisfied; and

(j) the Weighted Average Spread and (separately) the Weighted Average Spread disregarding any EURIBOR or USD-LIBOR floor (as applicable) or floors applicable to any Collateral Obligation.

Portfolio Profile Tests

So long as the Rated Notes are Outstanding:

(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 S&P Rating and Moody's Rating of each Selling Institution, together with any changes in the identity of such entities since the date of determination of the last Monthly Report and details of the aggregate amount of Participations entered into with each such entity; and

(c) a statement as to whether the limits specified in the Bivariate Risk Table are met by reference to the S&P Ratings and Moody's Ratings of Selling Institutions and, if such limits are not met, a statement as to the nature of the non-compliance.

Frequency Switch Event

A statement indicating whether a Frequency Switch Event has occurred on the relevant Frequency Switch Measurement Date.

Risk Retention

Confirmation that the Collateral Administrator has received written confirmation (and upon which confirmation the Collateral Administrator shall be entitled to rely without further enquiry and without liability for so relying) from the Retention Holder that:

(a) it continues to retain 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 Obligations, except to the extent permitted in accordance with the EU Risk Retention Requirement.

USD Collateral Obligations

(a) the Principal Balance of each USD Collateral Obligation; and

(b) the applicable Spot Rate on the date the Issuer acquired each such USD Collateral Obligation.

CM Voting Notes / CM Non-Voting Notes

In respect of each Class of Rated Notes (other than the Class E Notes and the Class F Notes):

(a) the aggregate Principal Amount Outstanding of CM Voting Notes;

(b) the aggregate Principal Amount Outstanding of CM Non-Voting Exchangeable Notes; and

(c) the aggregate Principal Amount Outstanding of CM Non-Voting Notes.

Collateral Manager Advances

The amounts of any Collateral Manager Advances made and repaid since the last Monthly Report including identification of all amounts of Principal Proceeds used to make any such repayment on dates other than Payment Dates pursuant to Condition 3(m)(i)(6) (*Principal Accounts*).

Payment Date Reports

The Collateral Administrator, on behalf, and at the expense, of the Issuer and in consultation with the Collateral Manager, shall render a report on the Business Day preceding the related Payment Date (the "**Payment Date Report**"), prepared and determined as of each Determination Date, and made available via a website currently located at https://pivot.usbank.com (or other such website as may be notified in writing by the Collateral Administrator to the Trustee, the Issuer, the Collateral Manager, the Arranger, the Initial Purchaser, the Co-Placement Agents, the Hedge Counterparties, the Rating Agencies and the holders of a beneficial interest in any Note from time to time) which shall be accessible to any person who certifies to the Collateral Administrator (such certification to be in the form set out in a schedule to the Agency and Account Bank Agreement, which may be given electronically and upon which certification the Collateral Administrator may rely absolutely and without enquiry or liability) that it is: (i) the Trustee, (ii) the Issuer, (iii) the Collateral Manager, (iv) the Arranger, (v) the Initial Purchaser, (vi) a Co-Placement Agent, (vii) a Hedge Counterparty, (viii) a Rating Agency, (ix) the holder of a beneficial interest in any Note from time to time, (x) a competent authority, (xi) a potential investor in the Notes , (xii) Bloomberg Finance L.P., (xiii) Intex Solutions Inc. or (xiv) Refinitiv LPC. Upon issue of each Payment Date Report, the Collateral Administrator, in the name and at the expense of the Issuer, shall notify Euronext Dublin of the Principal Amount Outstanding of each Class of Notes after giving effect to the principal payments, if any, on the next Payment Date. The Payment Date Report shall contain the following information:

Portfolio

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

(b) subject to any confidentiality obligations binding on the Issuer or the Collateral Manager, a list of, respectively, the Collateral Obligations and Collateral Enhancement Obligations indicating the Principal Balance and Obligor of each; and

(c) the information required pursuant to "*Monthly Reports - Portfolio*" above.

Notes

(a) the Principal Amount Outstanding of the Notes of each Class and such aggregate amount as a percentage of the original aggregate Principal Amount Outstanding of the Notes of such Class at the beginning of the Accrual Period, the amount of principal payments to be made on the Notes of each Class on the related Payment Date, and the aggregate amount of the Notes of each Class Outstanding and such aggregate amount as a percentage of the original aggregate amount of the Notes of such Class Outstanding after giving effect to the principal payments, if any, on the next Payment Date;

(b) the interest payable in respect of each Class of Notes (as applicable), including the amount of any Deferred Interest payable on the related Payment Date (in the aggregate and by Class);

(c) the Interest Amount payable in respect of each Class of Rated Notes on the next Payment Date; and

(d) EURIBOR and USD-LIBOR for the related Due Period and the Rate of Interest applicable to each Class of Rated Notes during the related Due Period.

Payment Date Payments

(a) the amounts payable pursuant to the Interest Priority of Payments, the Principal Priority of Payments and the Post-Acceleration Priority of Payments;

(b) the Trustee Fees and Expenses, the amount of any Collateral Management Fees and Administrative Expenses payable on the related Payment Date, in each case, on an itemised basis; and

(c) any Defaulted Currency Hedge Termination Payments and Defaulted Interest Rate Hedge Termination Payments.

Accounts

(a) the Balances standing to the credit of each of the Interest Accounts at the end of the related Due Period;

(b) the Balances standing to the credit of each of the Principal Accounts at the end of the related Due Period;

(c) the Balances standing to the credit of each of the Interest Accounts immediately after all payments and deposits to be made on the next Payment Date;

(d) the Balances standing to the credit of each of the Principal Accounts immediately after all payments and deposits to be made on the next Payment Date;

(e) the amounts payable from each of the Interest Accounts through a transfer to the Payment Accounts pursuant to the Priorities of Payment on such Payment Date;

(f) the amounts payable from each of the Principal Accounts through a transfer to the Payment Accounts pursuant to the Priorities of Payment on such Payment Date;

(g) the amounts payable from any other Accounts (through a transfer to the Payment Accounts) pursuant to the Priorities of Payment on such Payment Date, together with details of whether such amounts constitute Interest Proceeds or Principal Proceeds;

(h) the Balance standing to the credit of each of the other Accounts at the end of the related Due Period;

(i) the purchase price, principal amount, redemption price, annual interest rate, maturity date of and Obligor of each Eligible Investment purchased from funds in the Accounts;

(j) the Principal Proceeds received during the related Due Period;

(k) the Interest Proceeds received during the related Due Period; and

(l) the Collateral Enhancement Obligation Proceeds received during the related Due Period.

Coverage Tests, Collateral Quality Tests and Portfolio Profile Tests

(a) the information required pursuant to "*Monthly Reports - Coverage Tests and Collateral Quality Tests*" above; and

(b) the information required pursuant to "*Monthly Reports - Portfolio Profile Tests*" above.

Hedge Transactions

The information required pursuant to "*Monthly Reports - Hedge Transactions and Counterparty Rating Requirements*" above.

Risk Retention

The information required pursuant to "*Monthly Reports – Risk Retention*" above.

USD Collateral Obligations

The information required pursuant to "*Monthly Reports – USD Collateral Obligations*" above.

CM Voting Notes / CM Non-Voting Notes

The information required pursuant to "*Monthly Reports – CM Voting Notes / CM Non-Voting Notes*" above.

Frequency Switch Event

The information required pursuant to "*Frequency Switch Event*" above.

Collateral Manager Advances

The information required pursuant to "*Collateral Manager Advances*" above.

Summary of Transaction Parties

Details of all the entity names of all current transaction parties, their roles and, where subject to a Rating Requirement, their credit ratings.

Details of the Issuer and Collateral Manager LEIs and Note ISINs and Common Codes.

Details of any ratings downgrades and/or replacements of transaction parties.

A statement that each of the defined terms set out in Condition 1 (*Definitions*) are incorporated by reference into the Reports together with the definitions of any technical terms which are used in the Reports and not so defined in the Trust Deed (including the Conditions).

Contact details of the Issuer and the Collateral Administrator.

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

General

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

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

Irish Taxation

The following is a summary based on the laws and practices currently in force in Ireland at the date of this offering circular of certain Irish tax consequences for investors on the purchase, ownership, transfer, disposal, redemption or sale of the Notes. Such laws and practices are subject to change, which changes may apply with retrospective effect. This summary does not purport to be a comprehensive description of all of the tax considerations that may be relevant. The summary only relates to the tax position of investors beneficially owning the Notes. Particular rules may apply to certain classes of taxpayers holding the Notes (for example, dealers in Notes etc.). The summary does not constitute tax or legal advice and the comments below are of a general nature only. Prospective investors in the Notes should consult their professional advisers on the tax implications of the purchase, holding, transfer, redemption, disposal or sale of the Notes and the receipt of interest thereon under the laws of Ireland as well as under the laws of their country of residence, citizenship and/or domicile.

Withholding Tax

Generally, Irish tax legislation provides that tax at the standard rate of income tax (currently 20 per cent) is required to be withheld from payments of Irish source interest (Section 246 (as amended) of the TCA).

However, the Issuer can pay interest on the Notes free of withholding tax provided it is a "qualifying company" (within the meaning of section 110 of the TCA) and provided the interest is paid to a person resident in a "relevant territory" (a Member State of the European Union (other than Ireland) or in a territory with which Ireland has signed a double taxation agreement). For this purpose, residence is determined by reference to the law of the country in which the recipient claims to be resident. This exemption will not apply, however, to a company, if the interest is paid to a company in connection with a trade or business carried on by that company in Ireland through a branch or agency.

A further exemption from the requirement to withhold tax on interest payments exists under section 64 of the TCA for certain securities (known as "quoted Eurobonds") issued by a company (such as the Issuer) which are quoted on a recognized stock exchange (which term is not defined but is understood to mean an exchange recognized in the jurisdiction where it is established, which would include Euronext Dublin) and carry a right to interest.

Any interest paid on such quoted Eurobonds can be paid free of withholding tax provided:

(a) the person by or through whom the payment is made is not in Ireland; or

(b) the payment is made by or through a person in Ireland, and either:

  (i) the quoted Eurobond is held in a clearing system recognised by the Revenue Commissioners of Ireland (Euroclear and Clearstream, Luxembourg and are so recognised); or

(ii) the person who is the beneficial owner of the quoted Eurobond and who is beneficially entitled to the interest is not resident in Ireland and has made an appropriate declaration to the relevant person (such as an Irish paying agent) in the prescribed form.

Taxation of Noteholders

Notwithstanding that a Noteholder may receive interest on the Notes free of withholding tax in accordance with the summary outlined above, the Noteholder may still be liable to pay Irish income tax in respect of that interest. Interest paid on the Notes may have an Irish source and therefore be within the charge to Irish income tax, the universal social charge and/or PRSI. A Note issued by the Issuer may be regarded as property situated in Ireland (and be treated as Irish source income) on the grounds that the debt is deemed to be situate where the debtor resides. Ireland operates a self-assessment system in respect of income tax.

Any person, including a person who is neither resident nor ordinarily resident in Ireland, with Irish source income comes within the scope of Irish income tax and levies. Persons who are resident in Ireland are liable to Irish tax on their world-wide income.

However, interest on the Notes will be exempt from Irish income tax if:

(a) the Notes are quoted Eurobonds, are exempt from withholding tax, as set out above and:

(i) the recipient of the interest is not resident in Ireland and is regarded as being a resident of a relevant territory; or

(ii) the recipient is a company:

(A) which is controlled, whether directly or indirectly by persons who are resident in a relevant territory who are not, themselves controlled by persons who are not resident in a relevant territory; or

(B) the principal class of shares of which are substantially or regularly traded on a stock exchange in Ireland or in a relevant territory, or a 75 per cent. subsidiary of such company, or a company wholly owned by 2 or more such companies; or

(b) the recipient of the interest is resident in a relevant territory and either:

(i) the Issuer is a qualifying company and the interest is paid out of the assets of the Issuer; or

(ii) if the Issuer has ceased to be a qualifying company, the recipient of the interest is a company and the relevant territory in which the company is resident imposes a tax that generally applies to interest receivable in that territory by companies from sources outside it, or the interest is exempt from income tax under the provisions of a double taxation agreement that was then in force when the interest was paid or would have been exempt had a double taxation agreement that was signed at the date the interest was paid been in force at that date.

For the purposes of the exemptions described at (a) and (b) above, the residence of the recipient in a relevant territory is determined by reference to:

(i) the relevant treaty between Ireland and the relevant territory, where such treaty has been entered into and has the force of law;

(ii) under the laws of that territory, where there is no relevant treaty which has the force of law.

Interest on the Notes which does not fall within the above exemptions may be within the charge to Irish income tax.

Notwithstanding these exemptions from income tax, a corporate recipient that carries on a trade in Ireland through a branch or agency in respect of which the Notes are held or attributed may have a liability to Irish corporation tax on the interest.

Encashment Tax

Irish tax will be required to be withheld at the standard rate of income tax (currently 20%) from interest on any Notes 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.

Capital Gains Tax

A holder of Notes will be subject to Irish tax on capital gains on a disposal of Notes unless such holder is neither resident nor ordinarily resident in Ireland and does not carry on a trade in Ireland through a branch or agency in respect of which the Notes are used or held or to which or to whom the Notes are attributable.

Capital Acquisitions Tax

A gift or inheritance comprising Notes will be within the charge to capital acquisitions tax if either (i) the disponer or the donee/successor in relation to the gift or inheritance is resident or ordinarily resident in Ireland (or, in certain circumstances, if the disponer is domiciled in Ireland irrespective of his residence or that of the donee/successor) or (ii) if the Notes are regarded as property situated in Ireland. Bearer notes are generally regarded as situated where they are physically located at any particular time and registered notes are generally regarded as situated where the principal register is maintained or obliged to be maintained. The Notes may be regarded as situated in Ireland regardless of their physical location or the location of the register as they are secured over Irish property, and they themselves secure a debt due by an Irish resident debtor. Accordingly, if such Notes are comprised in a gift or inheritance, the gift or inheritance may be within the charge to tax regardless of the residence status of the disponer or the donee/successor.

Stamp Duty

No stamp duty is imposed in Ireland on the issue or transfer of the Notes (on the basis of an exemption provided for in Section 85(2)(c) to the Stamp Duties Consolidation Act, 1999) for so long as the Noteholder is a qualifying company within the meaning of Section 110 of the TCA provided the money raised on the issue of the Notes is used in the course of the Noteholder's business.

Deductibility of Interest by Qualifying Companies Holding Irish Specified Mortgages

Section 110(5) TCA applies to qualifying companies which carry on a business of holding, managing or both holding and managing "specified mortgages", units in an IREF (as defined in section 739K TCA) or shares that derive their value or the greater part of their value from Irish land.

A "**specified mortgage**" for this purpose is:

(a) a loan which is secured on, and which derives its value from, or the greater part of its value from, directly or indirectly, land in Ireland;

(b) a specified agreement which derives all of its value, or the greater part of its value, directly or indirectly, from land in Ireland or a loan to which paragraph (a) applies. A specified agreement is defined in Section 110 TCA and includes certain derivatives, swaps or similar arrangements. A specified mortgage does not include a specified agreement which derives its value or the greater part of its value from a CLO transaction, a CMBS/RMBS transaction, a loan origination business or a sub-participation transaction (as defined in Section 110 TCA); or

(c) any portion of a security issued by another qualifying company which carries on the business of holding or managing specified mortgages and which carries a right to results dependent or non-commercial interest.

The holding of specified mortgages, units in an IREF or shares that derives their value or the greater part of their value from, directly or indirectly, Ireland is defined as a "specified property business". Where the qualifying company carries on a specified property business in addition to other activities, it must treat the specified property business as a separate business and apportion its expenses on a just and reasonable basis between the separate businesses.

Where the qualifying company has financed itself with loans carrying interest which is dependent on the results of that company's business or interest which represents more than a reasonable commercial return for the use of the principal, or has entered into specified agreements (such as swaps) then the interest or return payable will not be deductible for Irish tax purposes to the extent it exceeds a reasonable commercial return which is not dependent on the results of the qualifying company.

This restriction is subject to a number of exceptions. Transactions which qualify as "CLO transactions" should not be subject to the restrictions described above. A CLO transaction is defined as a securitisation transaction carried out in conformity with:

(a) a prospectus, within the meaning of the European Prospectus Regulation;

(b) listing particulars, where any securities issued by the qualifying company are listed on an exchange, other than the main exchange, of Ireland or a relevant EU member state; or

(c) where the securities issued by the qualifying company will not be listed on an exchange in Ireland or a relevant EU member state, legally binding documents. In addition, the transaction

    (i) may provide for a warehousing period, which means a period not exceeding 3 years during which time the qualifying company is preparing to issue securities; and

    (ii) provide for investment eligibility criteria that govern the type and quality of assets to be acquired.

Finally, based on the documents referred to in paragraphs (a) to (c) and the activities of the qualifying company, in order for a transaction to be a CLO transaction it must not be reasonable to consider that the main purpose, or one of the main purposes, of the qualifying company was to acquire specified mortgages.

In order to benefit from the exception, the qualifying company must not carry out any activities, other than activities which are incidental or preparatory to the transaction or business of a CLO transaction.

As such, the restrictions on deductibility should not apply if either:

(a) the Issuer does not hold or manage specified mortgages; or

(b) the Issuer's activities fall within the definition of a CLO transaction.

In addition, the legislation does contain other provisions which could limit or eliminate the restrictions on deductibility depending on the structuring of the transaction.

FATCA Implementation in Ireland

On 21 December 2012, the Governments of Ireland and the United States signed the Ireland IGA. The Ireland IGA is of a type commonly known as a "model 1 agreement". In July 2014, Ireland enacted Financial Accounts Reporting (United States of America) Regulations 2014 (the "**Irish FATCA Regulations**").

The Ireland IGA and Irish FATCA Regulations provide for the automatic reporting and exchange of information in relation to accounts held in Irish "financial institutions" by U.S. persons and the reciprocal exchange of information regarding U.S. financial accounts held by Irish residents.

The Issuer intends to carry on its business in such a way as to ensure that it is treated as complying with FATCA pursuant to the terms of the Ireland IGA and the Irish FATCA Regulations. The Issuer expects to be treated as a "financial institution". The Issuer shall be required to register with the US Internal Revenue Service as a "reporting financial institution" for FATCA purposes. In order for the Issuer to comply with its FATCA obligations it will be required to report certain information to the Irish Revenue Commissioners relating to Noteholders who, for FATCA purposes, are specified US persons, non-participating financial institutions or passive non-financial foreign entities ("**NFFEs**") that are controlled by specified US persons. Any information reported by the Issuer to the Irish Revenue Commissioners will be communicated to the US Internal Revenue Service pursuant to the IGA. It is possible that the Irish Revenue Commissioners may also communicate this information to other tax authorities pursuant to the terms of any applicable double tax treaty, intergovernmental agreement or exchange of information regime.

The Issuer shall be entitled to require Noteholders to provide any information regarding their FATCA status, identity or residency required by the Issuer to satisfy its FATCA obligations. Noteholders will be deemed, by their subscription for or holding of the Notes to have authorised the automatic disclosure of such information by the Issuer or any other authorised person to the relevant tax authorities.

The Issuer should not generally be subject to FATCA withholding tax in respect of its US source income for so long as it complies with its FATCA obligations. However, FATCA withholding tax may arise on US source payments to the Issuer if the Issuer does not comply with its FATCA registration and reporting obligations and the US Internal Revenue Service has specifically identified the Issuer as being a 'non-participating financial institution' for FATCA purposes. In addition, the Issuer may be unable to comply with its FATCA obligations if Noteholders do not provide the required certifications or information. If an amount in respect of FATCA withholding tax were to be deducted or withheld either from amounts due to the Issuer or from interest, principal or other payments made in respect of the Notes, neither the Issuer nor any paying agent nor any other person would, pursuant to the conditions of the Notes, be required to pay additional amounts as a result of the deduction or withholding. As a result, investors may receive less interest or principal than expected. Noteholders should consult their own tax advisors as to the potential implication of the reporting requirements imposed on the Issuer by FATCA before investing.

The Common Reporting Standard in Ireland

On 21 July 2014, the Standard for Automatic Exchange of Financial Account Information in Tax Matters was published by the OECD and this includes the Common Reporting Standard ("**CRS**"). The CRS provides that certain entities (known as Financial Institutions) shall identify "Accounts" (as defined, broadly equity and debt interests in the Financial Institution) held by persons who are tax resident in another CRS participating jurisdiction. That information is then subject to annual automatic exchange between governments in CRS participating jurisdictions.

Directive 2014/107/EU on Administrative Cooperation in the Field of Taxation ("**DAC II**") implements CRS in a European context and creates a mandatory obligation for all EU Member States to exchange financial account information in respect of residents in other EU Member States on an annual basis commencing in 2017 in respect of the 2016 calendar year. Ireland has provided for the implementation of CRS through section 891F of the TCA and the enactment of the Returns of Certain Information by Reporting Financial Institutions Regulations 2015 (the "**CRS Regulations**"). The Irish Revenue Commissioners have indicated that Irish Financial Institutions will be obliged to make a single return in respect of CRS and DAC II. CRS applies in Ireland from 1 January 2016.

The Issuer is expected to constitute a Financial Institution for CRS purposes. In order to comply with its obligations under CRS and DAC II, the Issuer shall be entitled to require Noteholders to provide certain information in respect of the Noteholder's and, in certain circumstances, their controlling persons' tax status, identity or residence. Noteholders will be deemed, by their holding of the Notes, to have authorised the automatic disclosure of such information by the Issuer (or any nominated service provider) to the Irish Revenue Commissioners. The information will be reported by the Issuer to the Irish Revenue Commissioners who will then exchange the information with the tax or governmental authorities of other participating jurisdictions, as applicable. To the extent that the Notes are held within a recognised clearing system, the Issuer should have no reportable accounts in a tax year.

Provided the Issuer complies with these obligations, it should be deemed compliant for CRS and DAC II purposes. Failure by the Issuer to comply with its CRS and DAC II obligations may result in it being deemed to be non-compliant in respect of its CRS obligations and monetary penalties may be imposed pursuant to the Irish implementing legislation.

Certain U.S. Federal Income Tax Considerations

General

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

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

- an individual who is a citizen or a resident of the United States, for U.S. federal income tax purposes;

- a corporation (or other entity that is treated as a corporation for U.S. federal tax purposes) that is created or organised in or under the laws of the United States, any State thereof, or the District of Columbia;

- an estate whose income is subject to U.S. federal income taxation regardless of its source; or

- a trust if a court within the United States is able to exercise primary supervision over its administration, and one or more United States Persons have the authority to control all of its substantial decisions.

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

- a nonresident alien individual for U.S. federal income tax purposes;

- a foreign corporation for U.S. federal income tax purposes;

- an estate whose income is not subject to U.S. federal income tax on a net income basis; or

- a trust if no court within the United States is able to exercise primary jurisdiction over its administration or if no United States Persons have the authority to control all of its substantial decisions.

An individual may, subject to certain exceptions, be deemed to be a resident of the United States for U.S. federal income tax purposes by reason of being present in the United States for at least 31 days in the calendar year and for an aggregate of at least 183 days during a three-year period ending in the current calendar year (counting for such purposes all of the days present in the current year, one-third of the days present in the immediately preceding year, and one-sixth of the days present in the second preceding year).

This summary is based on interpretations of the Internal Revenue Code of 1986, as amended (the "**Code**"), regulations issued thereunder, and rulings and decisions currently in effect (or in some cases proposed), all of which are subject to change. Any such change may be applied retroactively and may adversely affect the federal income tax consequences described herein. This summary addresses only holders that purchase Notes for cash at initial issuance (and, in the case of Rated Notes, at their issue price (which is the first price at which a substantial amount of Rated Notes within the applicable Class was sold to investors)) and beneficially own such Notes as capital assets and not as part of a "straddle", "hedge", "synthetic security" or a "conversion transaction" for U.S. federal income tax purposes, or as part of some other integrated investment. This summary does not discuss all of the tax consequences that may be relevant to particular investors (such as any alternative minimum tax consequences) or to investors subject to special treatment under the 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.

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

U.S. Federal Tax Treatment of the Issuer

The Issuer will be treated as a foreign corporation for U.S. federal income tax purposes. The Issuer intends to operate so as not to be subject to U.S. federal income tax on its net income. In this regard, upon the issuance of the Notes, the Issuer will receive an opinion of Winston & Strawn LLP, counsel to the Issuer, generally to the effect that, although no activity closely comparable to that contemplated by the Issuer has been the subject of any Treasury regulation, revenue ruling or judicial decision, assuming compliance with the Trust Deed and the Collateral Management and Administration 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, 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. The opinion of Winston & Strawn LLP will not address any other issue. This opinion will be based on certain assumptions and certain representations 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 opinion is based. In complying with such assumptions, representations and agreements, the Issuer (or the Collateral Manager acting on its behalf) is permitted to take certain actions prohibited under the Tax Guidelines if it obtains written advice from Cadwalader, Wickersham & Taft LLP, Latham & Watkins LLP or Winston & Strawn LLP or an opinion of other tax counsel of nationally recognised standing in the United States experienced in such matters, that the departure will not cause the Issuer to be treated as engaged in a trade or business in the United States for U.S. federal income tax purposes. The opinion of Winston & Strawn LLP will assume the correctness of any such advice. In addition, the opinion of Winston & Strawn LLP 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 and Administration Agreement may result in the Issuer being subject to U.S. federal income tax, but may not give rise to a default or a Note Event of Default under the Trust Deed or the Collateral Management and Administration Agreement and may not give rise to a claim against the Issuer or the Collateral Manager. In the event of such a failure, the Issuer could be treated as engaged in a U.S. trade or business for U.S. federal income tax purposes. 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 (notwithstanding that the Collateral Manager is acting in accordance with the Tax Guidelines). 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 were determined that the Issuer is engaged in a trade or business in the United States for U.S. federal income tax purposes, and the Issuer has taxable income that is effectively connected with such U.S. trade or business, the Issuer would be subject under the Code to the regular U.S. federal corporate income tax on its effectively connected taxable income (computed, possibly without any allowance for deductions), and possibly to a 30 per cent. branch profits tax and state and local taxes as well. The imposition of such taxes on the Issuer would materially adversely affect the Issuer's ability to make payments on the Notes. The balance of this summary assumes that the Issuer is not subject to U.S. federal income tax on its net income.

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 X Notes, 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, the Class E Notes or Class F Notes are equity in the Issuer. If any Rated Notes were treated as equity in, rather than debt of, the Issuer for U.S. federal income tax purposes, then the Noteholders of those Notes would be subject to the special and potentially adverse U.S. tax rules applicable to U.S. equity owners in PFICs. See "*Possible Treatment of Class E Notes and Class F Notes as Equity for U.S. Federal Tax Purposes*" below. Except as otherwise indicated, the balance of this summary assumes that all of the Rated Notes are treated as indebtedness of the Issuer for U.S. federal, state and local income and franchise tax purposes. Prospective investors in the Rated Notes should consult their tax advisors regarding the U.S. federal, state and local income and franchise tax consequences to the investors in the event their Rated Notes are treated as equity in the Issuer.

The Issuer intends to treat the Class M Subordinated Notes as equity in the Issuer for U.S. federal income tax purposes, and each holder by its purchase of a Class M Subordinated Note agrees to treat the Class M 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.

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

Class X Notes, Class A Notes and Class B Notes.

Stated Interest. U.S. Holders of Class X Notes, 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 X Notes, Class A-1 Notes, Class B-1 Notes or Class B-2 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 X Notes, Class A-1 Notes, Class B-1 Notes or Class B-2 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 X Notes, Class A-1 Notes, Class B-1 Notes or Class B-2 Notes can elect to calculate the U.S. dollar value of accrued interest based on the euro-to-U.S. dollar spot exchange rate on the last day of the applicable Accrual Period (or, with respect to an Accrual Period that spans two taxable years, at the euro-to-U.S. dollar spot exchange rate on the last day of the U.S. Holder's taxable year) or, if the last day of the Accrual Period is within five business days of the U.S. Holder's receipt of the payment, the spot exchange rate on the date of receipt. Any such election must be applied to all debt instruments held by the U.S. Holder and is irrevocable without the consent of the IRS.

Accrual basis U.S. Holders of Class X Notes, Class A-1 Notes, Class B-1 Notes or Class B-2 Notes also will recognise foreign currency exchange gain or loss on the receipt of interest payments on their Class X Notes, Class A-1 Notes, Class B-1 Notes or Class B-2 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 X Notes, Class A-1 Notes, Class A-2 Notes, Class A-3 Notes, Class B-1 Notes or Class B-2 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 X Notes, Class A-1 Notes, Class B-1 Notes or Class B-2 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 X Notes, Class A-1 Notes, Class B-1 Notes or Class B-2 Notes can elect to calculate the U.S. dollar value of OID based on the euro-to U.S. dollar spot exchange rate on the last day of the applicable Accrual Period (or, with respect to an Accrual Period that spans two taxable years, at the euro-to-U.S. dollar spot exchange rate on the last day of the U.S. Holder's taxable year) or, if the last day of the Accrual Period is within five business days of the U.S. Holder's receipt of the payment of accrued OID, the spot exchange rate on the date of receipt. Any such election must be applied to all debt instruments held by the U.S. Holder and is irrevocable without the consent of the IRS.

A U.S. Holder generally will be required to include OID in income as it accrues (regardless of the U.S. Holder's method of accounting). Accruals of any such OID generally will be made using a constant yield method, based on the weighted average life of the applicable Class rather than its stated maturity, possibly with periodic adjustments to reflect the difference between (x) the prepayment assumption under which the weighted average life was calculated and (y) actual prepayments on the Collateral Obligations. It is possible, however, that the

IRS could assert and a court could ultimately hold that some other method of accruing OID should apply. Accruals of OID on the Class X Notes, the Class A-1 Notes, the Class A-2 Notes and the Class B-1 Notes will be calculated by assuming that interest will be paid over the life of the applicable Class based on the value of USD-LIBOR or EURIBOR (as applicable) used in setting the interest rate for the first Accrual Period, and then adjusting the accrual for each subsequent Accrual Period based on the difference between the value of USD-LIBOR or EURIBOR (as applicable) used in setting interest for that subsequent Accrual Period and the assumed rate. Moreover, a U.S. Holder that uses the accrual method of accounting generally will be required to include OID in ordinary income no later than the taxable year in which the U.S. Holder takes the OID into account as revenue in an "applicable financial statement," even if the U.S. Holder would otherwise have included the OID in income during a later year under the constant yield method.

U.S. Holders of Class X Notes, Class A-1 Notes, Class B-1 Notes or Class B-2 Notes that are issued with OID also will recognise foreign currency exchange gain or loss on the receipt of euro on their Class X Notes, Class A-1 Notes, Class B-1 Notes or Class B-2 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 X Note, a Class A-1 Note, a Class B-1 Note or a Class B-2 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 X Note, a Class A-1 Note, a Class B-1 Note or a Class B-2 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 X Note, Class A-1 Note, Class B-1 Note or Class B-2 Note prior to a sale, exchange, or retirement of such Note to the extent that the U.S. dollar value of each such principal payment (based on the euro-to-U.S. dollar spot exchange rate on the date any such payment was received) differs from the U.S. dollar value of the equivalent principal amount of the Note on the date that the Note was acquired (based on the euro-to-U.S. dollar spot exchange rate on such date). Any such foreign currency exchange gain or loss generally will be treated as ordinary income or loss.

Upon a sale, exchange, or retirement of a Class X Note, 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 X Note, Class A-1 Note, Class B-1 Note or Class B-2 Note, any such gain or loss will be foreign currency exchange gain or loss to the extent that the U.S. dollar value of the principal amount of the Note on the date of the sale, exchange, or retirement (based on the euro-to-U.S. dollar spot exchange rate on such date) differs from the U.S. dollar value of the equivalent principal amount of the Note (based on the euro-to-U.S. dollar spot exchange rate on the date the Note was acquired). The U.S. dollar value of the amount realised generally is based on the euro-to-U.S. dollar spot exchange rate on the date of the disposition. However, if the Notes are treated under applicable Treasury regulations as stock or securities traded on an established securities market and the U.S. Holder uses the cash method of accounting, then the U.S. dollar value of the amount realised is based instead on the euro-to-U.S. dollar spot exchange rate on the settlement date for the disposition. U.S. Holders that use the accrual method of accounting also may elect to use the settlement date valuation, provided that they apply it consistently from year to year. Any such foreign currency exchange gain or loss generally will be treated as ordinary income or loss. Any gain or loss in excess of foreign currency exchange gain or loss will be capital gain or loss, and generally will be treated as long-term capital gain or loss if the U.S. Holder held the Note for more than one year at the time of disposition. In certain circumstances, U.S. Holders who are individuals may be entitled to preferential tax rates for net long-term capital gains; however, the ability of U.S. Holders to offset capital losses against ordinary income is limited.

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

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

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

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

Sale, Exchange or Retirement. In general, a U.S. Holder of a Class C Note, Class D Note, Class E Note or Class F Note will have a basis in such Note equal to the U.S. dollar value of the cost of such Note (based on the euro-to-U.S. dollar spot exchange rate on the date the Note was acquired, or the settlement date for the purchase of the Note if the Note is treated under applicable Treasury regulations as a security traded on an established securities market and the U.S. Holder either uses the cash method of accounting, or uses the accrual method of accounting and so elects (which election must be applied consistently from year to year)), (i) increased by any amount includable in income by such U.S. Holder as OID (as described above), and (ii) reduced by the U.S. dollar value of any payments received on such Note (based on the euro-to-U.S. dollar spot exchange rate on the date any such payments were received). A U.S. Holder will generally recognise foreign currency exchange gain or loss on the receipt of any principal payments on a Class C Note, Class D Note, Class E Note or Class F Note prior to a sale, exchange, or retirement of such Note to the extent that the U.S. dollar value of each such principal payment (based on the euro-to-U.S. dollar spot exchange rate on the date any such payment was received) differs from the U.S. dollar value of the equivalent principal amount of the Note on the date that the Note was acquired (based on the euro-to-U.S. dollar spot exchange rate on such date). Any such foreign currency exchange gain or loss generally will be treated as ordinary income or loss.

Upon a sale, exchange, or retirement of a Class C Note, Class D Note, Class E Note, or Class F Note, a U.S. Holder will generally recognise gain or loss equal to the difference between the U.S. dollar value of the amount

realised on the sale, exchange, or retirement and the holder's tax basis in such Note. Any such gain or loss will be foreign currency exchange gain or loss to the extent that the U.S. dollar value of the principal amount of the Note on the date of the sale, exchange, or retirement (based on the euro-to-U.S. dollar spot exchange rate on such date) differs from the U.S. Holder's basis in such Note. Any such foreign currency exchange gain or loss generally will be treated as ordinary income or loss. Any gain or loss in excess of foreign currency exchange gain or loss will be capital gain or loss, and generally will be treated as long-term capital gain or loss if the U.S. Holder held the Note for more than one year at the time of disposition. In certain circumstances, U.S. Holders who are individuals may be entitled to preferential tax rates for net long-term capital gains; however, the ability of U.S. Holders to offset capital losses against ordinary income is limited.

Alternative Characterisation.

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

Receipt of Euro.

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

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

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

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

Alternatively, if the Class E Notes or Class F Notes are treated as equity in the Issuer, the Issuer is a controlled foreign corporation ("**CFC**"), and a U.S. Holder of such Notes also is treated as a 10 per cent. United States shareholder with respect to the Issuer, then the U.S. Holder generally would be subject to the rules discussed below under "*U.S. Federal Tax Treatment of U.S. Holders of Class M Subordinated Notes – Investment in a Controlled Foreign Corporation*" with respect to its Class E Notes and Class F Notes.

If the Issuer holds any Collateral Obligations (or any interest in an Issuer Subsidiary) that are treated as equity in a foreign corporation for U.S. federal income tax purposes, and if the Class E Notes or Class F Notes are treated as equity in the Issuer, U.S. Holders of Class E Notes or Class F Notes could be treated as owning an indirect equity interest in a PFIC or a CFC and could be subject to certain adverse tax consequences. In particular, a U.S. Holder of an indirect equity interest in a PFIC is treated as owning the PFIC directly. The U.S. Holder, and not the Issuer, would be required to make a QEF election with respect to each indirect interest in a PFIC. However, certain PFIC information statements are necessary for U.S. Holders that have made QEF elections, and there can

be no assurance that the Issuer can obtain such statements from a PFIC. Thus, there can be no assurance that a U.S. Holder would be able to make the election with respect to any indirectly held PFIC.

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

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

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

U.S. Federal Tax Treatment of U.S. Holders of Class M Subordinated Notes

Investment in a Passive Foreign Investment Company. The Issuer will be a PFIC for U.S. federal income tax purposes, and, U.S. Holders of Class M Subordinated Notes will be subject to the PFIC rules, except for certain U.S. Holders that are subject to the rules relating to a CFC (as described below under "Investment in a Controlled Foreign Corporation"), U.S. Holders of Class M Subordinated Notes 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 Class M Subordinated Notes. If a U.S. Holder makes a timely QEF election with respect to the Issuer, the electing U.S. Holder will be required in each taxable year to include in gross income (i) as ordinary income, the U.S. dollar value of the U.S. Holder's pro rata share of the Issuer's ordinary earnings and (ii) as long-term capital gain, the U.S. dollar value of the U.S. Holder's pro rata share of the Issuer's net capital gain, whether or not distributed. Because there is more than one class of Class M Subordinated Notes, a U.S. Holder's pro rata share of the Issuer's ordinary earnings and net capital gain may exceed the amounts payable to the U.S. Holder on the Class M Subordinated Notes during one or more taxable years. A U.S. Holder will not be eligible for the dividends received deduction in respect of such income or gain. In addition, any losses of the Issuer in a taxable year will not be available to the U.S. Holder and may not be carried back or forward in computing the Issuer's ordinary earnings and net capital gain in other taxable years. If applicable, the rules relating to a CFC, discussed below generally override those relating 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 an interest charge (which is non-deductible to individuals) on the deferred amount. In this respect, prospective purchasers of Class M Subordinated Notes should be aware that it is expected that the Collateral Obligations will include high-yield debt obligations and such instruments may have substantial OID, the cash payment of which may be deferred, perhaps for a substantial period of time. In addition, the Issuer may use proceeds from the sale of Collateral Obligations to retire other classes of Notes. As a result, in any given year, the Issuer may have substantial amounts of earnings for U.S. federal income tax purposes that are not distributed on the Class M Subordinated Notes. Thus, absent an election to defer payment of taxes, U.S. Holders that make a QEF election with respect to the Issuer may owe tax on significant "phantom" income.

The Issuer will provide, upon request and at the Issuer's expense, all information and documentation that a U.S. Holder making a QEF election with respect to the Issuer is required to obtain for U.S. federal income tax purposes.

A U.S. Holder of Class M 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 Class M 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 Class M Subordinated Notes as if such items had been earned ratably over each day in the U.S. Holder's holding period (or a certain portion thereof) for the Class M 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 an interest charge (which is non-deductible to individuals) as if such income tax liabilities had been due with respect to each such year. For purposes of these rules, gifts, exchanges pursuant to corporate reorganisations and use of the Class M Subordinated Notes as security for a loan may be treated as taxable dispositions of such Class M Subordinated Notes. In addition, a stepped-up basis in the Class M 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 CLASS M 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 or value of all classes of equity in the Issuer. Thus, a U.S. Holder of Class M Subordinated Notes (and/or any Rated Notes that are treated as equity in the Issuer for U.S. federal income tax purposes) possessing directly, indirectly, or constructively 10 per cent. or more of the sum of the aggregate outstanding principal amount of the Class M Subordinated Notes would be treated as a 10 per cent. United States shareholder. If more than 50 per cent. of the Class M Subordinated Notes (and any Rated Notes that are treated as equity in the Issuer for U.S. federal income tax purposes), determined with respect to aggregate value or aggregate outstanding principal amount, are owned directly, indirectly, or constructively by such 10 per cent. United States shareholders, the Issuer will be treated as a CFC. If, for any given taxable year, the Issuer is treated as a CFC, a 10 per cent. United States shareholder of the Issuer will be required to include as ordinary income an amount equal to the U.S. dollar value of that person's *pro rata* share of the Issuer's "subpart F income" at the end of such taxable year. Among other items, and subject to certain exceptions, "subpart F income" includes dividends, interest, annuities, gains from the sale of shares and securities, certain gains from commodities transactions, certain types of insurance income and income from certain transactions with related parties. It is likely that, if the Issuer were to constitute a CFC, all of its income would be subpart F income. In general, for purposes of determining a 10 per cent. United States shareholder's pro rata share of the Issuer's subpart F income, the amount of the Issuer's subpart F income attributable to each class of Class M Subordinated Notes will be the amount that bears the same ratio to the Issuer's total subpart F income as (1) the earnings and profits that would be distributed with respect to that class if all of the Issuer's earnings and profits were distributed on the last day of the Issuer's taxable year on which the Issuer is a CFC bear to (2) the Issuer's total earnings and profits for that taxable year.

If the Issuer is treated as a CFC and a U.S. Holder is treated as a 10 per cent. United States shareholder of the Issuer, the Issuer will not be treated as a PFIC with respect to the U.S. Holder for the period during which the Issuer remains a CFC and the U.S. Holder remains a 10 per cent. United States shareholder of the Issuer (the "qualified portion" of the U.S. Holder's holding period for the Class M 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 Class M 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 Class M 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 Class M 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 Class M Subordinated Notes will continue to be the date upon which the U.S. Holder acquired the Class M Subordinated Notes, unless the U.S. Holder makes an election to recognise gain with respect to the Class M Subordinated Notes and a QEF election with respect to the Issuer. In the event that the Issuer is a CFC, then, at the request and expense of any U.S. Holder that is a 10 per cent. United States shareholder with respect to the Issuer, the Issuer will provide the information necessary for the U.S. Holder to comply with any filing requirements that arise as a result of the Issuer's classification as a CFC.

Indirect Interests in PFICs and CFCs. If the Issuer owns a Collateral Obligation that is treated as equity in a foreign corporation for U.S. federal income tax purposes, U.S. Holders of Class M 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 Class M 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 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 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 or value 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 Class M 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 Class M 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, (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) and (iii) the use of interest proceeds to make payments on the Class X Principal Amortisation Amount. U.S. Holders should consult their tax advisors regarding the timing of income and gain on the Class M Subordinated Notes.

Distributions. The treatment of actual distributions of cash on the Class M Subordinated Notes will vary depending on whether a U.S. Holder has made a timely QEF election with respect to the Issuer (as described above). See "*Investment in a Passive Foreign Investment Company*". If a timely QEF election has been made,

distributions should be allocated first to amounts previously taxed pursuant to the QEF election (or pursuant to the CFC rules, if applicable) and to this extent will not be taxable to such U.S. Holder. Distributions in excess of such previously taxed amounts will be treated first as a nontaxable return of capital, to the extent of the U.S. Holder's adjusted tax basis in the Class M Subordinated Notes (as described below under "*—Sale, Redemption, or Other Disposition*"), and then as a disposition of a portion of the Class M 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 may be attributable to amounts previously taxed pursuant to the CFC rules, some or all of any distributions with respect to the Class M Subordinated Notes may constitute Excess Distributions, taxable as described above under the heading "*Investment in a Passive Foreign Investment Company*." In addition, distributions in excess of a U.S. Holder's adjusted tax basis in the Class M Subordinated Notes would be treated as a disposition of a portion of the Class M 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 Class M 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 Class M Subordinated Notes will recognise gain or loss upon the sale, redemption, or other disposition of the Class M Subordinated Notes (including a distribution that is treated as a disposition of the Class M 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 Class M Subordinated Notes. In the case of the Class M-1 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 Class M-1 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 disposition. U.S. Holders that use the accrual method of accounting also may elect to use the settlement date valuation, provided that they apply it consistently from year to year.

A U.S. Holder's tax basis in its Class M Subordinated Notes initially will equal the U.S. dollar value of the amount paid by the U.S. Holder for the Class M Subordinated Notes determined (in the case of the Class M-1 Subordinated Notes) 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 Class M Subordinated Notes will be increased by amounts taxable to the U.S. Holder by reason of any QEF election, or by reason of the CFC rules, as applicable, and decreased by the U.S. dollar value of actual distributions by the Issuer that are deemed to consist of such previously taxed amounts or are treated as a nontaxable return of capital, as described above under "*Distributions*".

If the U.S. Holder has made a timely QEF election with respect to the Issuer, then, except to the extent that the Issuer is treated as a CFC and the U.S. Holder is treated as a 10 per cent. United States shareholder of the Issuer, gain or loss upon the sale, redemption, or other disposition of the Class M 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, in the case of the Class M-1 Subordinated Notes, 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 Class M 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 Class M Subordinated Note (or any gain deemed to accrue prior to the time a non-timely QEF election is made) will be taxed as ordinary income and subject to an additional tax reflecting a deemed interest charge under the special tax rules described above. See "*Investment in a Passive Foreign Investment Company.*"

If the Issuer is treated as a CFC and a U.S. Holder is treated as a 10 per cent. United States shareholder of the Issuer, then any gain or loss realised by the U.S. Holder upon a sale, redemption, or other disposition of the Class M 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, in the case of the Class M-1 Subordinated Notes, 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 Class M 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 Class M Subordinated Notes will be required to file an IRS Form 926 with the IRS if (i) such person is treated as owning, directly or by attribution, immediately after the U.S. Holder's purchase of Notes, at least 10 per cent. by vote or value of the Issuer or (ii) the amount of cash transferred by such person (or any related person) to the Issuer during the 12-month period ending on the date of such 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 will be required to file an information return on IRS Form 5471, and may be required to 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 Class M Subordinated Notes.

Specified Foreign Financial Asset Reporting

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

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

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

FBAR Reporting

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

Reportable Transactions

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

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

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

Information Reporting and Backup Withholding

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

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

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

Backup withholding is not an additional tax and may be refunded (or credited against the holder's U.S. federal income tax liability, if any), provided that certain required information is furnished. The information reporting requirements may apply regardless of whether withholding is required. Copies of the information returns also may be made available to the tax authorities in the country in which a Non-U.S. Holder is a resident under the provisions of an applicable income tax treaty or agreement.

FATCA

Under FATCA, the Issuer may be subject to a 30 per cent. withholding tax on certain income. 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 implementing regulations that require the Issuer to provide the name, address, and taxpayer identification number of, and certain other information with respect to, certain holders of Notes to the Office of Revenue Commissioners of Ireland, which would then provide this information to the IRS. The Issuer shall use reasonable best efforts to comply with the intergovernmental agreement and these regulations. However, there can be no assurance that the Issuer will be able to do so. Moreover, the intergovernmental agreement or the implementing Irish regulations 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 CRS and to prevent the imposition of tax under FATCA on payments to or for the benefit of the Issuer, or if the Noteholder's ownership of any Notes would otherwise cause the Issuer to be subject to tax under FATCA, the Issuer is authorised to withhold amounts otherwise distributable to the Noteholder, to compel the Noteholder to sell its Notes, and, if the Noteholder does not sell its Notes within 10 business days after notice from the Issuer, to sell the Noteholder's Notes on behalf of the Noteholder.

Taxation in Respect of Issuer Subsidiaries

The Issuer may hold certain assets in one or more Issuer Subsidiaries, which will be treated as either U.S. or foreign corporations for U.S. federal income tax purposes. Any foreign Issuer Subsidiary may be treated as engaged in a trade or business in the United States and subject to U.S. federal income tax (and possibly a 30% branch profits tax) on a net income basis at regular corporate tax rates, may file U.S. tax returns and reports (or protective U.S. tax returns and reports), and/or may be subject to a 30% U.S. withholding tax on some or all of its income. Any U.S. Issuer Subsidiary would be subject to U.S. federal income tax on a net income basis at regular corporate tax rates, and would be required to file U.S. tax returns and reports. In addition, distributions from a U.S. Issuer Subsidiary to the Issuer may be subject to a 30% U.S. withholding tax. U.S. Holders of Class M Subordinated Notes will not be permitted to use losses recognised by an Issuer Subsidiary to offset gains recognised by the Issuer, and U.S. Holders of Class M Subordinated Notes may be subject to adverse PFIC or CFC rules with respect to the Issuer Subsidiary, as described above. Prospective investors should consult their tax advisors regarding their consequences if the Issuer organises an Issuer Subsidiary.

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.

CERTAIN ERISA CONSIDERATIONS

ERISA imposes certain requirements on "employee benefit plans" subject thereto including entities (such as collective investment funds, insurance company separate accounts and some insurance company general accounts) the underlying assets of which include the assets of such plans (collectively, "**ERISA Plans**"), and on those persons who are fiduciaries with respect to ERISA Plans. Investments by ERISA Plans are subject to ERISA's general fiduciary requirements, including the requirement of prudence, diversification, and that investments be made in accordance with the documents governing the plan. The prudence of a particular investment must be determined by the responsible fiduciary of an ERISA Plan by taking into account the ERISA Plan's particular circumstances and all of the facts and circumstances of the investment.

Section 406 of ERISA and Section 4975 of the Code prohibit certain transactions involving the assets of an ERISA Plan, as well as assets of those plans that are not subject to ERISA but which are subject to Section 4975 of the Code, such as individual retirement accounts and Keogh plans, and entities the underlying assets of which include the assets of such plans (together with ERISA Plans, "**Plans**") and certain persons (referred to as "parties in interest" under ERISA or "disqualified persons" under the Code (collectively, "**Parties in Interest**")) having certain relationships to such Plans, unless a statutory or administrative exception or exemption is applicable to the transaction. A Party in Interest who engages in a prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and the Code and the transaction may have to be rescinded at significant cost to the Issuer.

Governmental plans (as defined in Section 3(32) of ERISA), certain church plans (as defined in Section 3(33) of ERISA) and certain non-U.S. plans (as described in Section 4(b)(4) of ERISA), while not subject to the fiduciary responsibility or prohibited transaction provisions of ERISA or the provisions of Section 4975 of the Code, may nevertheless be subject to substantially similar rules under federal, state, local or non-U.S. laws, and may be subject to the prohibited transaction rules of Section 503 of the Code.

Under ERISA and regulations issued by the United States Department of Labor (29 C.F.R. Section 2510.3-101, as modified by Section 3(42) of ERISA, and applicable guidance (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 Issuer, and any other parties with authority or control with respect to the Issuer, could be deemed to be Plan fiduciaries or otherwise parties in interest or disqualified persons by virtue of their provision of such services (and there could be an improper delegation of authority to such providers).

The Plan Asset Regulation defines an "equity interest" as any interest in an entity other than an instrument that is treated as indebtedness under applicable local law and that has no substantial equity features. Although it is not free from doubt, the Class X Notes, the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes offered hereby will be treated by the Issuer as indebtedness with no substantial equity features for purposes of ERISA. The treatment of the Class X Notes, the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes as not being equity interests in the Issuer could, however, be affected, subsequent to their issuance, by certain changes in the structure or financial condition of the Issuer. However, the characteristics of the Class E Notes and, to a greater extent, the Class F Notes, the Class M-1 Subordinated Notes and the Class M-2 Subordinated Notes for purposes of the Plan Asset Regulation are less certain. The Class E Notes and the Class F Notes may, and the Class M-1 Subordinated Notes and the Class M-2 Subordinated Notes will likely, be considered "equity interests" for purposes of the Plan Asset Regulation.

Accordingly, the Issuer intends to limit investments by Benefit Plan Investors and Controlling Persons in such Class E Notes, Class F Notes, Class M-1 Subordinated Notes and Class M-2 Subordinated Notes. In reliance on representations made by investors in the Class E Notes, the Class F Notes, the Class M-1 Subordinated Notes and the Class M-2 Subordinated Notes, the Issuer intends to limit investment by Benefit Plan Investors in each of the Class E Notes, the Class F Notes, the Class M-1 Subordinated Notes and the Class M-2 Subordinated Notes to less than 25 per cent. of the total value of the Class E Notes, the Class F Notes, the Class M-1 Subordinated Notes and the Class M-2 Subordinated Notes (determined separately by each class) at all times (excluding for purposes of such calculation the Class E Notes, the Class F Notes, the Class M-1 Subordinated Notes and the Class M-2 Subordinated Notes held by a Controlling Person). Each prospective purchaser (including a transferee) of a Class E Note, Class F Note or Class M 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 Notes, Class F Notes, Class M-1 Subordinated Notes or Class M-2 Subordinated Notes will be sold or transferred to purchasers that have represented that they are Benefit Plan Investors or Controlling Persons to the extent that such sale may result in Benefit Plan Investors owning 25 per cent. or more of the total value of the Class E Notes, the Class F Notes, the Class M-1 Subordinated Notes or the Class M-2 Subordinated Notes (determined separately by each class and in accordance with the Plan Asset Regulation and the Trust Deed). Each Class E Note, Class F Note, Class M-1 Subordinated Note and Class M-2 Subordinated Note held by persons that have represented that they are Controlling Persons will be disregarded and will not be treated as outstanding for purposes of determining compliance with such 25 per cent. Limitation.

Even assuming the Class X Notes, Class A Notes, Class B Notes, Class C Notes and Class D Notes are not treated as equity interests in the Issuer for purposes of ERISA, these Notes are subject to other restrictions and, it is possible that an investment in such Notes by a Benefit Plan Investor (or with the use of the assets of a Benefit Plan Investor) could be treated as a prohibited transaction under ERISA and/or Section 4975 of the Code. Such a prohibited transaction, however, may be subject to a statutory or administrative exemption. Even if an exemption (as described below) were to apply, such exemption may not, however, apply to all of the transactions that could be deemed prohibited transactions in connection with an investment in the Notes by a Benefit Plan Investor.

Each of the Issuer, the Initial Purchaser, the Arranger, the Co-Placement Agents, the Collateral Manager, a Collateral Manager Related Person or their respective Affiliates may be the sponsor of, or investment adviser with respect to one, or more, Plans. Because such parties may receive certain benefits in connection with the sale of the Notes to such Plans, whether or not the Notes are treated as equity interests in the Issuer, the purchase of such Notes using the assets of a Plan over which any of such parties has investment authority might be deemed to be a violation of the prohibited transaction rules of ERISA and/or Section 4975 of the Code for which no exemption may be available. Accordingly, the Notes may not be acquired using the assets of any Plan if any of the Issuer, the Initial Purchaser, the Arranger, the Co-Placement Agents, the Collateral Manager, a Collateral Manager Related Person or their respective Affiliates has investment authority with respect to such assets (except to the extent (if any) that a favourable statutory or administrative exemption or exception applies or the transaction is not otherwise prohibited).

Certain exemptions from the prohibited transaction provisions of Section 406 of ERISA and Section 4975 of the Code may be applicable, however, in certain cases, depending in part on the type of fiduciary making the decision to acquire any Notes and the circumstances under which such decision is made. 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 independent "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"). 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.

It should be noted that an insurance company's general account may be deemed to include assets of Plans under certain circumstances, e.g., where a Plan purchases an annuity contract issued by such an insurance company, based on the reasoning of the United States Supreme Court in John Hancock Mutual Life Ins. Co. v. Harris Trust and Savings Bank, 510 U.S. 86 (1993). An insurance company considering the purchase of Notes with assets of its general account should consider such purchase and the insurance company's ability to make the representations described above in light of John Hancock Mutual Life Ins. Co. v. Harris Trust and Savings

Bank, Section 401(c) of ERISA and a regulation promulgated by the U.S. Department of Labor under that Section of ERISA, 29 C.F.R. Section 2550.401c-1.

Each purchaser and transferee of a Class X Note, Class A Note, Class B Note, Class C Note or Class D Note or any interest in such Note will be deemed to have represented, warranted and agreed that (i) either (A) it is not, and is not acting on behalf of (and for so long as it holds any such Note or interest therein will not be, and will not be acting on behalf of), a Benefit Plan Investor or a governmental, church, non-U.S. or other plan which is subject to any federal, state, local or non-U.S. law or regulation that is substantially similar to the prohibited transaction provisions of Section 406 of ERISA and/or Section 4975 of the Code ("**Other Plan Law**"), and no part of the assets to be used by it to acquire or hold such Notes or any interest therein constitutes the assets of any Benefit Plan Investor or such governmental, church, non-U.S. or other plan, or (B) its acquisition, holding and disposition of such Notes (or interests therein) will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code, or, in the case of a governmental, church, non-U.S. or other plan, a non-exempt violation of any Other Plan Law, and (ii) it will not sell or transfer such Notes (or interests therein) to a transferee acquiring such Notes (or interests therein) unless the transferee makes the foregoing representations, warranties and agreements described in clause (i) hereof.

On the Issue Date, each purchaser of a Class E Note, Class F Note or Class M 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 it is not acting on behalf of (and for so long as it holds any such Note or interest therein will not be, and will not be acting on behalf of), a Benefit Plan Investor or Controlling Person unless it receives the written consent of the Issuer and provide an ERISA certificate (in or substantially in the form of Annex C (*Form of ERISA Certificate*) and as set out in the Trust Deed) to the Issuer and a Transfer Agent as to its status as a Benefit Plan Investor or Controlling Person; (ii) (A) if it is, or is acting on behalf of, a Benefit Plan Investor, its acquisition, holding and disposition of such Note or interest therein will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code, and (B) if it is a governmental, church, non-U.S. or other plan, (1) it is not, and for so long as it holds such Note or interest therein will not be, subject to any federal, state, local or non-U.S. law or regulation that could cause the underlying assets of the Issuer to be treated as assets of the investor in any Note (or any interest therein) by virtue of its interest and thereby subject the Issuer or the Collateral Manager (or other persons responsible for the investment and operation of the Issuer's assets) to Other Plan Law ("**Similar Law**") and (2) its acquisition, holding and disposition of such Note or interest therein will not constitute or result in a non-exempt violation of any Other Plan Law; and (iii) it will agree to certain transfer restrictions regarding its interest in such Note. Other than on the Issue Date, if it is a purchaser or transferee of a Class E Note, Class F Note or Class M Subordinated Note in the form of a Regulation S Global Certificate or a Rule 144A Global Certificate it 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, it will not be and will not be acting on behalf of), a Benefit Plan Investor or Controlling Person unless it receives the written consent of the Issuer, provides an ERISA certificate to the Issuer as to its status as a Benefit Plan Investor or Controlling Person and exchanges and holds such Note in the form of a Definitive Certificate; and (ii) (A) if it is, or is acting on behalf of, a Benefit Plan Investor, its acquisition, holding and disposition of such Note will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code, and (B) if it is a governmental, church, non-U.S. or other plan, (1) it is not, and for so long as it holds such Note or interest therein will not be, subject to any Similar Law and (2) its acquisition, holding and disposition of such Note will not constitute or result in a non-exempt violation of any Other Plan Law and (iii) it will agree to certain transfer restrictions regarding its interest in such Note.

If it is a purchaser or transferee of a Class E Note, Class F Note or Class M Subordinated Note in the form of a Definitive Certificate, it will be required to (i) represent and warrant in writing to the Issuer (1) whether or not, for so long as it holds such Note or interest therein, it is, or are acting on behalf of, a Benefit Plan Investor, (2) whether or not, for so long as it holds such Note or interest therein, it is a Controlling Person and (3) that (a) if it is, or is acting on behalf of, a Benefit Plan Investor, its acquisition, holding and disposition of such Note will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code and (b) if it is a governmental, church, non-U.S. plan or other plan, (x) it is not, and for so long as it holds such Note or interest therein will not be, subject to any Similar Law and (y) its acquisition, holding and disposition of such Note will not constitute or result in a non-exempt violation of any Other Plan Law, and (ii) agree to certain transfer restrictions regarding its interest in such Note.

No transfer of an interest in Class E Notes, Class F Notes, Class M-1 Subordinated Notes or Class M-2 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, Class M-1 Subordinated Notes or Class M-2 Subordinated Notes (determined separately by each class).

If the purchaser or transferee of any Notes or beneficial interest therein is a Benefit Plan Investor, it will be deemed to represent, warrant and agree that (i) none of the Issuer, the Initial Purchaser, the Arranger, the Co-Placement Agents, the Collateral Manager, a Collateral Manager Related Person, the Trustee or any of their Affiliates, has provided any investment advice within the meaning of Section 3(21) of ERISA to the Benefit Plan Investor, or to any fiduciary or other person investing the assets of the Benefit Plan Investor (the "**Fiduciary**"), in connection with its acquisition of Notes, and (ii) the Fiduciary is exercising its own independent judgment in evaluating the investment in the Notes.

Any Plan fiduciary considering whether to acquire a Note on behalf of a Plan or an employee benefit plan whether or 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 an employee benefit plan not subject to ERISA or Section 4975 of the Code is in no respect a representation or warranty by the Issuer, or any other person, that this investment meets all relevant legal requirements with respect to investments by Plans or such other plans generally or any particular plan, that any prohibited transaction exemption would apply to the acquisition, holding, or disposition of this investment by such plans in general or any particular plan, or that this investment is appropriate for such plans generally or any particular plan.

PLAN OF DISTRIBUTION

The following section consists of a summary of certain provisions of the Subscription and Placement Agency Agreement which does not purport to be complete and is qualified by reference to the detailed provisions of such agreements.

NATIXIS (in its capacity as initial purchaser, the "**Initial Purchaser**") has agreed with the Issuer, subject to the satisfaction of certain conditions, to subscribe and pay for each Class of the Notes other than the Retention Notes (the "**Subscribed Notes**") and each of NATIXIS and, in respect of a portion of the Class A-1 Notes only, SMBC Nikko Capital Markets Limited (each in its capacity as co-placement agent, each a "**Co-Placement Agent**", and together the "**Co-Placement Agents**") has agreed with the Issuer to use all reasonable efforts to place (on a several basis) the Subscribed Notes with investors, pursuant to the Subscription and Placement Agency Agreement. The Subscription and Placement Agency Agreement entitles the Initial Purchaser and the Co-Placement Agents to terminate it in certain circumstances prior to payment being made to the Issuer. The Initial Purchaser and the Co-Placement Agents may offer the Subscribed Notes at other prices in privately negotiated transactions at the time of sale and Subscribed Notes of the same Class may be sold to different investors at different prices.

The Retention Holder has agreed with the Issuer, subject to the satisfaction of certain conditions, to subscribe and pay for the Retention Notes pursuant to a purchase deed to be entered into on or about the Issue Date (the "**Retention Note Purchase Deed**"). The Retention Note Purchase Deed entitles the Retention Holder to terminate it in certain circumstances prior to payment being made to the Issuer.

It is a condition of the issue of the Notes of each Class that the Notes of each other Class be issued in the following principal amounts: Class X Notes: €3,000,000, Class A-1 Notes: €187,000,000, Class A-2 Notes: $34,360,000, Class A-3 Notes: $25,000,000, Class B-1 Notes: €27,000,000, Class B-2 Notes: €25,000,000, Class C Notes: €22,000,000, Class D Notes: €25,000,000, Class E Notes: €22,000,000, Class F Notes: €11,000,000, Class M-1 Subordinated Notes: €24,500,000 and Class M-2 Subordinated Notes: $8,512,000.

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

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

No action has been or will be taken by the Issuer, the Initial Purchaser, the Co-Placement Agents, the Collateral Manager or the Originator that would permit a public offering of the Notes or possession or distribution of this Offering Circular or any other offering material in relation to the Notes in any jurisdiction where action for the purpose is required. No offers, sales or deliveries of any Notes, or distribution of this Offering Circular or any other offering material relating to the Notes, may be made in or from any jurisdiction, except in circumstances which will result in compliance with any applicable laws and regulations and will not impose any obligations on the Issuer, the Initial Purchaser or the Co-Placement Agents.

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 (as determined for the purposes of the Investment Company Act) ("**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 (a) the Initial Purchaser proposes to resell the Subscribed Notes (i) outside the United States to non-U.S. Persons in offshore transactions in reliance on Regulation S and in accordance with applicable law and (ii) in the United States to U.S. Persons (directly or through its U.S. broker dealer Affiliate, Natixis Securities Americas LLC) in reliance on Rule 144A (and, in respect of the IAI Class M Subordinated Notes, Section 4(a)(2)) only to or for their own account or for the accounts of, in each case, QIBs (or, in relation

to the IAI Class M Subordinated Notes, IAIs) and QPs and (b) the Co-Placement Agents propose to (on a several basis) use all reasonable efforts to place the Subscribed Notes with investors. NATIXIS, SMBC Nikko Capital Markets Limited and/or their respective Affiliates may purchase and/or retain a certain proportion of the Notes in their portfolios with an intention to hold to maturity or to trade. The holding or any sale of the Notes by these parties may adversely affect the liquidity of the Notes and may also affect the prices of the Notes in the primary or secondary market.

The Notes sold in reliance on Rule 144A will be issued in minimum denominations of €250,000 and integral multiples of €1,000 in excess thereof (or in the case of such Class A-2 Notes, Class A-3 Notes and Class M-2 Subordinated Notes, $250,000 and $1,000). 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. The Class M Subordinated Notes sold in reliance on Section 4(a)(2) will be issued in minimum denominations of €500,000 and integral multiples of €1,000 in excess thereof (or in the case of such Class M-2 Subordinated Notes, $500,000 and integral multiples of $1,000 in excess thereof). After the Subscribed Notes are released for sale, the offering price and other selling terms may from time to time be varied by the Initial Purchaser and the Co-Placement Agents.

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

This Offering Circular has been prepared by the Issuer for use in connection with the offer and sale of the Notes and for the listing of the Notes of each Class on the Global Exchange Market of Euronext Dublin. The Issuer, the Initial Purchaser and each Co-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 Offering Circular does not constitute an offer to any person in the United States or to any U.S. Person. Distribution of this Offering Circular to any such U.S. Person or to any person within the United States, other than in accordance with the procedures described above, is unauthorised and any disclosure of any of its contents, without the prior written consent of the Issuer, is prohibited.

NATIXIS is supervised by the European Central Bank. Natixis is authorised in France by the *Autorité de contrôle prudentiel et de résolution* ("**ACPR**") as a Bank – Investment Services Provider and subject to its supervision. NATIXIS is regulated by the *Autorité de marchés financiers* in respect of its investment services activities. In the UK, NATIXIS is authorised by the ACPR and is subject to limited regulation by the Financial Conduct Authority and the Prudential Regulation Authority.

Each of the Initial Purchaser and the Co-Placement Agents has also agreed to comply with the following selling restrictions:

(a) *United Kingdom*: Each of NATIXIS, in its capacity as Initial Purchaser and a Co-Placement Agent, and SMBC Nikko Capital Markets Limited in its capacity as a Co-Placement Agent, 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 ("**FSMA**") received by it in connection with the issue or sale of the Subscribed 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 Subscribed Notes in, from or otherwise involving the United Kingdom.

(b) *Prohibition of Sales to EEA Retail Investors*: Each of the Initial Purchaser and the Co-Placement Agents has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Subscribed 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 (EU) 2016/97 (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

(C) not a qualified investor as defined in the European Prospectus Regulation; 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 Subscribed Notes to be offered so as to enable an investor to decide to purchase or subscribe the Subscribed Notes.

(c) *Australia*: Neither this Offering Circular nor any other prospectus or disclosure document in relation to the Subscribed Notes has been lodged with, or registered by, the Australian Securities and Investments Commission ("**ASIC**") or ASX Limited ABN 98 008 624 691.

Each of the Initial Purchaser and the Co-Placement Agents has represented, warranted and agreed that no distribution or publication of this Offering Circular or any other offering material or advertisement relating to the Subscribed Notes in Australia, its territories or possessions ("**Australia**") has been made or will be made, and no offer for the issue or sale of Subscribed Notes, or invitations for applications for the issue, sale or purchase of Subscribed Notes, has been made or will be made, directly or indirectly by it, in Australia (regardless of where any resulting issue, sale, transfer or purchase occurs), unless:

(i) the minimum aggregate consideration payable by each offeree is at least A$500,000 (or its equivalent in another currency) (disregarding moneys lent by the offeror or its associates as determined for the purposes of the Corporations Act 2001 (Cth)) or the offer or invitation otherwise does not require disclosure to investors in accordance with Part 6D.2 or Part 7.9 (as applicable) of the Corporations Act;

(ii) the offer or invitation is not made to a person who is a "retail client" within the meaning of section 761G of the Corporations Act;

(iii) the offer or invitation and all conduct in connection with it complies with all applicable Australian laws, regulations and directives; and

(iv) the offer or invitation does not require any document to be lodged with ASIC or any other regulatory authority.

(d) *Denmark*: Each of the Initial Purchaser and the Co-Placement Agents has represented and agreed that it has not offered, delivered or sold and will not offer, deliver or sell, directly or indirectly, any of the Subscribed Notes to the public in Denmark unless in accordance with the Danish Capital Markets Act (in Danish: *Kapitalmarkedsloven*), as amended or replaced from time to time, and the Danish executive orders issued thereunder.

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

(e) *Finland*: This Offering Circular has not been reviewed or approved by or notified to the Finnish Financial Supervisory Authority (in Finnish: Finanssivalvonta, the "**FIN-FSA**"). No action has been or will be taken to authorise the offering of the Subscribed Notes to the public in Finland. Therefore, this Offering Circular shall not be distributed or made available to the public in Finland. This Offering Circular is strictly for private use by its holder and may not be passed on to third parties in Finland. Each of the Initial Purchaser and the Co-Placement Agents has represented and agreed that this Offering Circular shall only be furnished or transferred by it, and any marketing, advertising, offer, sale or solicitation relating to the Subscribed Notes shall only be made by it, in reliance on the exemptions applicable to offerings that do not require a prospectus to be published in Finland as provided in the Finnish Securities Markets Act (in Finnish: arvopaperimarkkinalaki, 746/2012, as amended, the "**SMA**") and other applicable regulations. Each of the Initial Purchaser and the Co-Placement Agents

has also represented and agreed that the Subscribed Notes will be offered in Finland by it exclusively to investors qualifying as "qualified investors" (in Finnish: kokenut sijoittaja) as defined in the SMA or otherwise in compliance with the selling restrictions included in paragraph (b) (*Prohibition of Sales to EEA Retail Investors*) above and only in circumstances which would not constitute an offer to the public in Finland.

(f) *France*: Neither this Offering Circular nor any other offering material relating to the Subscribed Notes has been submitted to the clearance procedures of the Autorité des marchés financiers ("**AMF**") or to the competent authority of another member state of the European Economic Area and subsequently notified to the AMF.

Each of the Initial Purchaser and the Co-Placement Agents has represented and agreed with the Issuer that it has not offered or sold and will not offer or sell directly or indirectly, any Subscribed Notes to the public in France and has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, this Offering Circular or any other offering material relating to the Subscribed Notes, and that such offers, sales and distributions have been and will be made by it in France only to (a) providers of investment services relating to portfolio management for the account of third parties *(personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*) and/or (b) qualified investors (*investisseurs qualifiés*) acting for their own account, other than individuals, all as defined in, and in accordance with, articles L.411-1, L.411-2, and D.411-1 of the French Code *monétaire et financier*.

(g) *Hong Kong*: The contents of this Offering Circular have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this Offering Circular, you should obtain independent professional advice. Each of the Initial Purchaser and the Co-Placement Agents has 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 Subscribed Notes (except for Subscribed Notes which are a 'structured product' as defined in the Securities and Futures Ordinance (cap. 571) of Hong Kong) other than (a) to 'professional investors' as defined in the Securities and Futures Ordinance and any rules made under that ordinance ("**professional investors**"); or (b) in other circumstances which do not result in the document being a 'prospectus' as defined in the Companies (Winding up and Miscellaneous Provisions) 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 Subscribed 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 Subscribed 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.

(h) *Ireland*: Each of the Initial Purchaser and the Co-Placement Agents 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 Subscribed Notes in Ireland otherwise than in conformity with:

(i) the provisions of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market or any delegated or implementing acts relating thereto, the European Union (Prospectus) Regulations 2019 of Ireland and any Central Bank rules issued and/or in force pursuant to Section 1363 of the Companies Act 2014 (as amended);

(ii) the Companies Act 2014 (as amended);

(iii) the European Union (Markets in Financial Instruments) Regulation 2017 (as amended, the "**MiFID Regulations**"), including, without limitation, Regulation 5 (Requirement for authorisation (and certain provisions concerning MTFs and OTFs)), and it will conduct itself

in accordance with any rules or codes of conduct and any conditions made under the MiFID Regulations and the provisions of the Investor Compensation Act 1998 (as amended);

(iv) the Market Abuse Regulation (EU 596/2014) (as amended), the European Union (Market Abuse) Regulations 2016 (as amended) and any Central Bank rules issued and/or in force pursuant to Section 1370 of the Companies Act 2014 (as amended), and will assist the Issuer in complying with its obligations thereunder; and

(v) 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 amended) or any regulations made pursuant to Part 8 of the Central Bank (Supervision and Enforcement) Act 2013 (as amended),

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

(i) *Israel*: This Offering Circular has not been approved by the Israeli Securities Authority and will only be distributed to Israeli residents in a manner that will not constitute 'an offer to the public' under sections 15 and 15a of the Israel Securities Law, 5728-1968 (the "**Securities Law**").

Each of the Initial Purchaser and the Co-Placement Agents has represented and agreed that the Subscribed Notes will be offered by it 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 Subscribed Notes for themselves or for clients who are Sophisticated Investors), portfolio managers (purchasing the Subscribed Notes for themselves or for clients who are Sophisticated Investors), investment advisors or investment marketers (purchasing the Subscribed Notes for themselves), members of the Tel-Aviv Stock Exchange (purchasing the Subscribed Notes for themselves or for clients who are Sophisticated Investors), underwriters (purchasing the Subscribed 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.

(j) *Italy*: The offering of the Subscribed Notes has not been registered pursuant to Italian securities legislation and, accordingly, each of the Initial Purchaser and the Co-Placement Agents has represented and agreed that it has not offered, sold or delivered, and will not offer, sell or deliver, and has not distributed and will not distribute and has not made and will not make available in the Republic of Italy any of the Subscribed Notes nor any copy of this Offering Circular or any other offering material relating to the Subscribed Notes other than to:

(i) qualified investors (*investitori qualificati*) as defined under Article 34, paragraph 1, letter b), of CONSOB Regulation No. 11971 of 14 May 1999, as amended ("**Regulation 11971/1999**") and article 100 of Legislative Decree No. 58 of 24 February 1998 ("**Financial Services Act**"); or

(ii) in any other circumstances where an express exemption from compliance with the restrictions on offers to the public applies, as provided under article 100 of the Financial Services Act and article 34-ter, first paragraph, of Regulation 11971/1999,

provided that, in any case, the offer or sale of the notes in Italy shall be effected in accordance with all relevant Italian securities, tax and other applicable laws and regulations.

Any offer, sale or delivery of the Subscribed Notes, distribution of copies of this Offering Circular or any offering material relating to the Subscribed Notes in the Republic of Italy under (i) and (ii) above must be:

(A) made by an investment firm (*impresa di investimento*), bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 20307 of 15 February 2018 and the Legislative Decree No. 385 of 1 September 1993 (the "**Banking Act**"), as amended from time to time, and any other applicable law and regulation;

(B) in compliance with Article 129 of the Banking Act, as amended from time to time, and the implementing guidelines of Bank of Italy, as amended from time to time, in relation to certain reporting obligations to the Bank of Italy on the issue or the offer of securities in Italy; and

(C) in accordance with all applicable Italian laws and regulations, including all relevant Italian securities and tax laws and regulations and any limitations as may be imposed from time to time by CONSOB, the Bank of Italy or any other Italian authority.

Investors should also note that, in accordance with Article 100-BIS of the Financial Services Act, where no exemption under paragraphs (i) or (ii) above applies, the subsequent distribution of the Subscribed Notes on the secondary market in Italy must be made in compliance with the rules on offers of securities to be made to the public provided under the Financial Services Act and the regulation 11971/1999. Failure to comply with such rules may result, inter alia, in the sale of the Subscribed Notes being declared null and void and in the liability of the intermediary transferring the Subscribed Notes for any damages suffered by the investors.

(k) *Japan*: The Subscribed 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 each of the Initial Purchaser and the Co-Placement Agents has represented and agreed that none of the Subscribed Notes nor any interest therein will be offered or sold, directly or indirectly, by it 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.

(l) *Netherlands*: Each of the Initial Purchaser and the Co-Placement Agents has acknowledged and agreed that it will not make an offer of the Subscribed Notes which are the subject of the offering contemplated by this Offering Circular to the public in The Netherlands save that the Subscribed 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).

(m) *Singapore*: This Offering Circular has not been registered as a prospectus 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 AMS as an authorised or recognised CIS under the SFA (whether as a restricted scheme or otherwise). Accordingly, each of the Initial Purchaser and the Co-Placement Agents has represented and agreed that it will not offer or sell the Subscribed Notes or make the Subscribed Notes the subject of an invitation for subscription or purchase nor will it circulate or distribute this Offering Circular or any other document or material in connection with the offer or sale or invitation for subscription or purchase of any Subscribed Notes, 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.

(n) *South Korea*: The Subscribed Notes have not been registered with the Financial Services Commission of Korea for a public offering in Korea. Each of the Initial Purchaser and the Co-Placement Agents has represented and agreed that the Subscribed Notes have not been and will not be offered, sold or delivered by it directly or indirectly, or offered, sold or delivered by it 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.

(o) *Spain*: Neither the Subscribed Notes nor this Offering Circular have been approved or registered with the Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores*, "**CNMV**"); this Offering Circular is not a prospectus (*folleto informativo*) approved and registered before the CNMV. The offering or sale of the Subscribed Notes does not constitute a public offering in accordance with the provisions of Article 35 of the Amended and Restated Text of the Securities Market Law, approved by Royal Legislative Decree 4/2015 of 23 October. Therefore, the Subscribed Notes must not be offered, distributed or sold in Spain, except in circumstances that do not constitute a public offering in accordance with the abovementioned regulation.

(p) *Sweden*: Each of the Initial Purchaser and the Co-Placement Agents has confirmed and agreed that it will not, directly or indirectly, offer for subscription or purchase or issue invitations to subscribe for or buy Subscribed Notes or distribute any draft or final document in relation to any such offer, invitation or sale except in circumstances that will not result in a requirement to prepare a prospectus pursuant to the provisions of the Swedish Financial Instruments Trading Act (*lag (1991:980) om handel med finansiella instrument*).

(q) *Switzerland*: The Subscribed Notes may not be offered in Switzerland, and neither this Offering Circular nor any other offering or marketing material relating to the Subscribed Notes shall be made available, to any investors other than qualified investors pursuant to Art. 10 para. 3 lit. a and b of the Collective Investment Schemes Act ("**CISA**") and its implementing Ordinance ("**CISO**"), i.e., (i) financial intermediaries subject to prudential supervision such as banks, securities dealers, fund management companies and asset managers of collective investment schemes, (ii) central banks, and (iii) insurance institutions subject to prudential supervision. The Subscribed Notes must not be publicly offered in Switzerland and will not be listed on SIX Swiss Exchange ("**SIX**") 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 Subscribed Notes (i) constitutes a prospectus as such term is understood pursuant to Art. 652a or Art. 1156 of the Swiss Code of Obligations or a listing prospectus within the meaning of the listing rules of SIX or any other regulated trading facility in Switzerland; (ii) have been or will be filed with or approved by the Swiss Financial Market Supervisory Authority ("**FINMA**") or any Swiss supervisory authority.

The Subscribed Notes are not subject to the supervision by FINMA or any other Swiss supervisory authority, and investors in the Subscribed Notes will not benefit from protection or supervision by such authority.

(r) *Taiwan*: The Subscribed Notes may be made available outside Taiwan for purchase by investors residing in Taiwan (either directly or through properly licensed Taiwan intermediaries) but may not be offered or sold in Taiwan.

TRANSFER RESTRICTIONS

Because of the following restrictions, purchasers are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of the Notes.

Rule 144A Notes and IAI Class M Subordinated Notes

Each prospective purchaser of Rule 144A Notes and IAI Class M Subordinated Notes, by accepting delivery of this Offering Circular, will be deemed to have represented and agreed that such person acknowledges that this Offering Circular is personal to it and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire Notes other than pursuant to Rule 144A (or Section 4(a)(2), as applicable) or in offshore transactions in accordance with Regulation S. Distribution of this Offering Circular, or disclosure of any of its contents to any person other than such offeree and those persons, if any, retained to advise it with respect thereto is unauthorised and any disclosure of any of its contents, without the prior written consent of the Issuer, is prohibited.

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

(1) The purchaser (a) is a QIB (or, in the case of the IAI Class M Subordinated Notes, an IAI), (b) is aware that the sale of such Rule 144A Notes (or IAI Class M Subordinated Notes, as applicable) to it is being made in reliance on Rule 144A (or Section 4(a)(2), as applicable), (c) is acquiring such Notes for its own account or for the account of a QIB (or an IAI, as applicable) as to which the purchaser exercises sole investment discretion, and in a principal amount of not less than €250,000 (or (A) $250,000 in the case of the Class A-2 Notes, Class A-3 Notes and Class M-2 Subordinated Notes that are Rule 144A Notes, or (B)(i) €500,000, in the case of the Class M-1 Subordinated Notes, or (ii) $500,000, in the case of the Class M-2 Subordinated Notes that in each case are IAI Class M Subordinated Notes) 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 (or IAI Class M Subordinated Notes, as applicable) 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 (or an IAI, as applicable) purchasing for its own account or for the account of a QIB (or an IAI, as applicable) as to which the purchaser exercises sole investment discretion in a transaction meeting the requirements of Rule 144A (or in the case of the IAI Class M Subordinated Notes, is a transaction exempt from registration under the Securities Act) 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 (or IAI Class M Subordinated Note, as applicable) 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 (or IAI Class M Subordinated Notes, as applicable) to a purchaser that does not comply with the requirements of this paragraph (2) will be of no force and effect, will be void *ab initio* and the Issuer will have the right to direct the purchaser to transfer its Rule 144A Notes (or IAI Class M Subordinated Notes, as applicable) to a Person who meets the foregoing criteria.

(3) The purchaser is not purchasing such Rule 144A Notes (or IAI Class M Subordinated Notes, as applicable) 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 (or IAI Class M Subordinated Notes, as applicable) involves certain risks, including the risk of loss of its entire investment in the Rule 144A Notes (or IAI Class M Subordinated Notes, as applicable) 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 (or IAI Class M Subordinated Notes, as applicable), including an opportunity to ask questions of, and request information from, the Issuer.

(4) In connection with the purchase of the Rule 144A Notes (or IAI Class M Subordinated Notes, as applicable) (a) none of the Issuer, the Initial Purchaser, the Arranger, the Co-Placement Agents, the Trustee, the Collateral Manager, the Collateral Manager Related Persons, the Originator or the Collateral Administrator is acting as a fiduciary or financial adviser for the purchaser; (b) the purchaser is not relying (for purposes of making any investment decision or otherwise) upon any advice, counsel or representations (whether written or oral) of the Issuer, the Initial Purchaser, the Arranger, the Co-Placement Agents, the Trustee, the Collateral Manager, the Collateral Manager Related Persons, the Originator 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 Arranger, the Co-Placement Agents, the Trustee, the Collateral Manager, the Collateral Manager Related Persons, the Originator 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 (or IAI Class M Subordinated Notes, as applicable); (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 Arranger, the Co-Placement Agents, the Trustee, the Collateral Manager, the Collateral Manager Related Persons, the Originator 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 (or IAI Class M Subordinated Notes, as applicable) with a full understanding of all of the risks thereof (economic and otherwise), and it is capable of assuming and willing to assume (financially and otherwise) those risks; and (f) the purchaser is a sophisticated investor.

(5) The purchaser and each account for which the purchaser is acquiring such Rule 144A Notes (or IAI Class M Subordinated Notes, as applicable) is a QP. The purchaser is acquiring the Rule 144A Notes (or IAI Class M Subordinated Notes, as applicable) in a principal amount of not less than €250,000 (or (A) $250,000 in the case of the Class A-2 Notes, Class A-3 Notes and Class M-2 Subordinated Notes that are Rule 144A Notes or (B)(i) €500,000 in the case of the Class M-1 Subordinated Notes, or (ii) $500,000, in the case of the Class M-2 Subordinated Notes that in each case are IAI Class M Subordinated Notes). The purchaser and each such account is acquiring the Rule 144A Notes (or IAI Class M Subordinated Notes, as applicable) 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 (or IAI Class M Subordinated Notes, as applicable) (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 (or IAI Class M Subordinated Notes, as applicable) 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 IAI Class M Subordinated Notes, as applicable) 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 (or IAI Class M Subordinated Notes, as applicable); and (z) that the Rule 144A Notes (or IAI Class M Subordinated Notes, as applicable) 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 (or IAI Class M Subordinated Notes, as applicable) 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 (or IAI Class M Subordinated Notes, as applicable) to a Person who meets the foregoing criteria.

(6) (a) With respect to the purchase, holding and disposition of any Class X Note, Class A Note, Class B Note, Class C Note or Class D Note or any interest in such Note (i) either (A) it is not,

and is not acting on behalf of (and for so long as it holds any such Note or interest therein will not be, and will not be acting on behalf of), a Benefit Plan Investor or a governmental, church, non-U.S. or other plan which is subject to any Other Plan Law, and no part of the assets to be used by it to acquire or hold such Notes or any interest therein constitutes the assets of any Benefit Plan Investor or such governmental, church, non-U.S. or other plan, or (B) its acquisition, holding and disposition of such Notes (or interests therein) will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code, or, in the case of a governmental, church, non-U.S. or other plan, a non-exempt violation of any Other Plan Law, and (ii) it will not sell or transfer such Notes (or interests therein) to an acquiror acquiring such Notes (or interests therein) unless the acquiror makes 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 (6) in accordance with the terms of the Trust Deed.

(b) (i) With respect to the purchases of any Class E Note, Class F Note or Class M Subordinated Note on the Issue Date 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 Note or interest therein will not be, and will not be acting on behalf of), a Benefit Plan Investor or Controlling Person unless it receives the written consent of the Issuer and provides an ERISA certificate to the Issuer as to its status as a Benefit Plan Investor or Controlling Person; and (ii)(A) if it is, or is acting on behalf of, a Benefit Plan Investor, its acquisition, holding and disposition of such Note will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code, and (B) if it is a governmental, church, non-U.S. or other plan, (1) it is not, and for so long as it holds such Note or interests therein will not be, subject to any Similar Law and (2) its acquisition, holding and disposition of such Note will not constitute or result in a non-exempt violation of any Other Plan Law. With respect to the purchase of a Class E Note, Class F Note or Class M Subordinated Note other than on the Issue Date 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 Note or interest therein will not be, and will not be acting on behalf of), a Benefit Plan Investor or Controlling Person unless it receives the written consent of the Issuer, provides an ERISA certificate to the Issuer as to its status as a Benefit Plan Investor or Controlling Person and exchanges and holds such Note in the form of a Definitive Certificate; and (ii) (A) if it is, or is acting on behalf of, a Benefit Plan Investor, its acquisition, holding and disposition of such Note will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code, and (B) if it is a governmental, church, non-U.S. or other plan, (1) it is not, and for so long as it holds such Note or interests therein will not be, subject to any Similar Law and (2) its acquisition, holding and disposition of such Note will not constitute or result in a non-exempt violation of any Other Plan Law.

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

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

(c) If the purchaser or transferee of any Notes or beneficial interest therein is a Benefit Plan Investor, it will be deemed to represent, warrant and agree that (i) none of the Issuer, the Initial Purchaser, the Arranger, the Co-Placement Agents, the Collateral Manager, a Collateral Manager Related Person, the Trustee or any of their Affiliates, has provided any investment advice within the meaning of Section 3(21) of ERISA to the Benefit Plan Investor, or to any fiduciary or other person investing the assets of the Benefit Plan Investor (the "**Fiduciary**"), in connection with its acquisition of Notes, and (ii) the Fiduciary is exercising its own independent judgment in evaluating the investment in the Notes.

(d) The purchaser acknowledges that the Issuer, the Initial Purchaser, the Arranger, the Co-Placement Agents, the Trustee, the Collateral Manager, the Collateral Manager Related Persons, the Originator 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 Notes (or the IAI Class M Subordinated Notes, as applicable), as applicable, offered in reliance on Rule 144A (or Section 4(a)(2), as applicable) will bear the legend set forth below, and will be represented by one or more Rule 144A Global Certificates or Rule 144A Definitive Certificates (or IAI Definitive Certificates), as applicable. The Rule 144A Notes (or IAI Class M Subordinated Notes, as applicable) may not at any time be held by or on behalf of U.S. Persons that are not QIBs (or IAIs, as applicable) and QPs. Before any interest in a Rule 144A Global Certificate (or IAI Definitive Certificate, as applicable) 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 (or in the case of the IAI Class M Subordinated Notes, a Global Certificate), the transferor will be required to provide the Transfer Agent with a written certification (in the form provided in the Trust Deed) as to compliance with the transfer restrictions.

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), AND THE ISSUER HAS NOT BEEN REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "**INVESTMENT COMPANY ACT**"). THE HOLDER HEREOF, BY PURCHASING THE NOTES (OR INTERESTS THEREIN) IN RESPECT OF WHICH THIS NOTE HAS BEEN ISSUED, AGREES FOR THE BENEFIT OF THE ISSUER THAT THE NOTES (AND INTERESTS THEREIN) 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, (2) IN THE CASE OF THE CLASS M SUBORDINATED NOTES ONLY, TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS AN INSTITUTIONAL ACCREDITED INVESTOR WITHIN THE MEANING OF RULE 501(A) (1), (2), (3) AND (7) OF THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF AN INSTITUTIONAL ACCREDITED INVESTOR IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE SECURITIES ACT OR (3) 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 (OR $250,000 IN THE CASE OF THE CLASS A-2 NOTES, CLASS A-3 NOTES AND CLASS M-2 SUBORDINATED NOTES) FOR THE PURCHASER AND FOR EACH ACCOUNT FOR WHICH IT IS ACTING, IN THE CASE OF CLAUSE (2) IN A PRINCIPAL AMOUNT OF NOT LESS THAN €500,000 (OR $500,000 IN THE CASE OF THE CLASS M-2 SUBORDINATED NOTES) FOR THE PURCHASER AND FOR EACH ACCOUNT FOR WHICH IT IS ACTING; AND IN THE CASE OF CLAUSES (1) AND (2), TO A PURCHASER THAT (V) IS A QUALIFIED PURCHASER FOR THE PURPOSE OF

SECTION 3(c)(7) OF THE INVESTMENT COMPANY ACT, (W) WAS NOT FORMED FOR THE PURPOSE OF INVESTING IN THE ISSUER (EXCEPT WHEN EACH BENEFICIAL OWNER OF THE PURCHASER IS A QUALIFIED PURCHASER), (X) HAS RECEIVED THE NECESSARY CONSENT FROM ITS BENEFICIAL OWNERS WHEN THE PURCHASER IS A PRIVATE INVESTMENT COMPANY FORMED BEFORE APRIL 30, 1996, (Y) IS NOT A BROKER-DEALER THAT OWNS AND INVESTS ON A DISCRETIONARY BASIS LESS THAN U.S.$25,000,000 IN SECURITIES OF UNAFFILIATED ISSUERS AND (Z) IS NOT A PENSION, PROFIT SHARING OR OTHER RETIREMENT TRUST FUND OR PLAN IN WHICH THE PARTNERS, BENEFICIARIES OR PARTICIPANTS, AS APPLICABLE, MAY DESIGNATE THE PARTICULAR INVESTMENTS TO BE MADE, AND IN A TRANSACTION THAT MAY BE EFFECTED WITHOUT LOSS OF ANY APPLICABLE INVESTMENT COMPANY ACT EXEMPTION OR IN THE CASE OF CLAUSE (3), IN A PRINCIPAL AMOUNT OF NOT LESS THAN €100,000 (OR $150,000 IN THE CASE OF THE CLASS A-2 NOTES, CLASS A-3 NOTES AND CLASS M-2 SUBORDINATED NOTES) AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE UNITED STATES AND ANY APPLICABLE STATE IN WHICH AN OFFERING HAS BEEN MADE. ANY TRANSFER IN VIOLATION OF THE FOREGOING WILL BE OF NO FORCE AND EFFECT, WILL BE VOID *AB INITIO* AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO THE TRANSFEREE, NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE ISSUER, THE TRANSFER AGENT OR ANY INTERMEDIARY. IN ADDITION TO THE FOREGOING, IN THE EVENT OF A VIOLATION OF (V) THROUGH (Z), THE ISSUER MAINTAINS THE RIGHT TO DIRECT THE RESALE OF ANY NOTES (OR INTERESTS THEREIN) PREVIOUSLY TRANSFERRED TO NON-PERMITTED NOTEHOLDERS (AS DEFINED IN THE TRUST DEED) IN ACCORDANCE WITH AND SUBJECT TO THE TERMS OF THE TRUST DEED. EACH TRANSFEROR OF THIS NOTE (OR INTEREST THEREIN) WILL PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET FORTH HEREIN AND IN THE TRUST DEED TO ITS TRANSFEREE.

PRINCIPAL OF THIS NOTE IS PAYABLE AS SET FORTH HEREIN. ACCORDINGLY, THE OUTSTANDING PRINCIPAL OF THIS NOTE AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ON THE FACE HEREOF. ANY PERSON ACQUIRING THIS NOTE MAY ASCERTAIN ITS CURRENT PRINCIPAL AMOUNT BY INQUIRY OF THE COLLATERAL ADMINISTRATOR.

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS X NOTES, CLASS A NOTES, CLASS B NOTES, CLASS C NOTES AND CLASS D NOTES ONLY*] [EACH PERSON ACQUIRING OR HOLDING THIS NOTE OR AN INTEREST HEREIN SHALL BE DEEMED TO HAVE REPRESENTED, WARRANTED AND AGREED THAT (I) EITHER (A) IT IS NOT, AND IS NOT ACTING ON BEHALF OF (AND FOR SO LONG AS IT HOLDS THIS NOTE OR AN 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 SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE ("**OTHER PLAN LAW**"), AND NO PART OF THE ASSETS TO BE USED BY IT TO ACQUIRE OR HOLD THIS NOTE OR INTEREST HEREIN CONSTITUTES THE ASSETS OF ANY BENEFIT PLAN INVESTOR OR SUCH GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, OR (B) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE (OR INTEREST HEREIN) WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE, OR, IN THE CASE OF A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, A NON-EXEMPT VIOLATION OF ANY OTHER PLAN LAW, AND (II) IT WILL NOT SELL OR TRANSFER THIS NOTE (OR INTEREST HEREIN) TO AN ACQUIROR ACQUIRING THIS NOTE (OR INTEREST HEREIN) UNLESS THE ACQUIROR MAKES 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 THIS NOTE (OR INTEREST HEREIN) 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 CLASS M SUBORDINATED NOTES IN THE FORM OF RULE 144A GLOBAL CERTIFICATES ONLY*] [ON THE ISSUE DATE, EACH PURCHASER OR TRANSFEREE OF THIS CLASS E NOTE, CLASS F NOTE OR CLASS M SUBORDINATED NOTE OR 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 AN INTEREST HEREIN WILL NOT BE, AND WILL NOT BE ACTING ON BEHALF OF), A BENEFIT PLAN INVESTOR OR CONTROLLING PERSON UNLESS SUCH PURCHASER OR TRANSFEREE RECEIVES THE WRITTEN CONSENT OF THE ISSUER AND PROVIDES AN ERISA CERTIFICATE TO THE ISSUER AS TO ITS STATUS AS A BENEFIT PLAN INVESTOR OR CONTROLLING PERSON; AND (2) (A) IF IT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS 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, NON-U.S. OR OTHER LAW OR REGULATION THAT COULD CAUSE THE UNDERLYING ASSETS OF THE ISSUER TO BE TREATED AS ASSETS OF THE INVESTOR IN ANY NOTE (OR INTEREST THEREIN) BY VIRTUE OF ITS INTEREST AND THEREBY SUBJECT THE ISSUER OR THE COLLATERAL MANAGER (OR OTHER PERSONS RESPONSIBLE FOR THE INVESTMENT AND OPERATION OF THE ISSUER'S ASSETS) TO LAWS OR REGULATIONS THAT ARE SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**"), AND (II) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE OR AN INTEREST HEREIN WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT VIOLATION OF ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT IS SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE ("**OTHER PLAN LAW**"). OTHER THAN ON THE ISSUE DATE, EACH PURCHASER OR TRANSFEREE OF THIS CLASS E NOTE, CLASS F NOTE OR CLASS M SUBORDINATED NOTE OR 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 AN INTEREST HEREIN WILL NOT BE, AND WILL NOT BE ACTING ON BEHALF OF), A BENEFIT PLAN INVESTOR OR CONTROLLING PERSON UNLESS SUCH PURCHASER OR TRANSFEREE RECEIVES THE WRITTEN CONSENT OF THE ISSUER, PROVIDES AN ERISA CERTIFICATE TO THE ISSUER AS TO ITS STATUS AS A BENEFIT PLAN INVESTOR OR CONTROLLING PERSON AND EXCHANGES AND HOLDS THIS NOTE OR INTEREST HEREIN IN THE FORM OF A DEFINITIVE CERTIFICATE; AND (2) (A) IF IT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE 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, (I) IT IS NOT, AND FOR SO LONG AS IT HOLDS THIS NOTE OR AN INTEREST HEREIN IT WILL NOT BE, SUBJECT TO ANY SIMILAR LAW, AND (II) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE OR AN INTEREST HEREIN WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT VIOLATION OF ANY OTHER PLAN LAW. "**BENEFIT PLAN INVESTOR**" MEANS A BENEFIT PLAN INVESTOR, AS DEFINED IN SECTION 3(42) OF ERISA, AND INCLUDES (A) AN EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF TITLE I OF ERISA) THAT IS SUBJECT TO THE FIDUCIARY RESPONSIBILITY PROVISIONS OF TITLE I OF ERISA, (B) A PLAN THAT IS SUBJECT TO SECTION 4975 OF THE CODE OR (C) ANY ENTITY WHOSE UNDERLYING

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

THE ISSUER HAS THE RIGHT, UNDER THE TRUST DEED, TO COMPEL ANY BENEFICIAL OWNER OF A CLASS E NOTE, CLASS F NOTE, CLASS M-1 SUBORDINATED NOTE OR CLASS M-2 SUBORDINATED NOTE WHO HAS MADE OR HAS BEEN DEEMED TO MAKE A PROHIBITED TRANSACTION, BENEFIT PLAN INVESTOR, CONTROLLING PERSON, OTHER PLAN LAW, SIMILAR LAW OR OTHER ERISA REPRESENTATION THAT IS SUBSEQUENTLY SHOWN TO BE FALSE OR MISLEADING OR WHOSE OWNERSHIP OTHERWISE CAUSES A VIOLATION OF THE 25 PER CENT. LIMITATION TO SELL ITS INTEREST IN THE CLASS E NOTE, CLASS F NOTE, CLASS M-1 SUBORDINATED NOTE OR CLASS M-2 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 CLASS M SUBORDINATED NOTES IN THE FORM OF DEFINITIVE CERTIFICATES ONLY*] [EACH PURCHASER OR TRANSFEREE OF THIS CLASS E NOTE, CLASS F NOTE OR CLASS M 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 NOTE OR AN INTEREST HEREIN, IT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, (B) WHETHER OR NOT, FOR SO LONG AS IT HOLDS THIS NOTE OR AN INTEREST HEREIN, IT IS A CONTROLLING PERSON AND (C) THAT (1) IF IT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE OR AN INTEREST HEREIN WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**") OR SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**") AND (2) IF IT IS A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, (a) IT IS NOT, AND FOR SO LONG AS IT HOLDS THIS NOTE OR AN INTEREST HEREIN IT WILL NOT BE, SUBJECT TO ANY FEDERAL, STATE, LOCAL, NON-U.S. OR OTHER LAW OR REGULATION THAT COULD CAUSE THE UNDERLYING ASSETS OF THE ISSUER TO BE TREATED AS ASSETS OF THE INVESTOR IN ANY NOTE (OR INTEREST THEREIN) BY VIRTUE OF ITS INTEREST AND THEREBY SUBJECT THE ISSUER OR THE COLLATERAL MANAGER (OR OTHER PERSONS RESPONSIBLE FOR THE INVESTMENT AND OPERATION OF THE ISSUER'S ASSETS) TO LAWS OR REGULATIONS

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

THE ISSUER HAS THE RIGHT, UNDER THE TRUST DEED, TO COMPEL ANY BENEFICIAL OWNER OF A CLASS E NOTE, CLASS F NOTE, CLASS M-1 SUBORDINATED NOTE OR CLASS M-2 SUBORDINATED NOTE WHO HAS MADE OR HAS BEEN DEEMED TO MAKE A PROHIBITED TRANSACTION, BENEFIT PLAN INVESTOR, CONTROLLING PERSON, OTHER PLAN LAW, SIMILAR LAW OR OTHER ERISA REPRESENTATION THAT IS SUBSEQUENTLY SHOWN TO BE FALSE OR MISLEADING OR WHOSE OWNERSHIP OTHERWISE CAUSES A VIOLATION OF THE 25 PER CENT. LIMITATION TO SELL ITS INTEREST IN THE CLASS E NOTE, CLASS F NOTE, CLASS M-1 SUBORDINATED NOTE OR CLASS M-2 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 32 MOLESWORTH STREET, DUBLIN 2, IRELAND.]

[*LEGEND TO BE INCLUDED IN RELATION TO CLASS X NOTES AND RATED NOTES IN THE FORM OF CM NON-VOTING EXCHANGEABLE NOTES OR CM-NON-VOTING NOTES ONLY*] [EACH PERSON ACQUIRING OR HOLDING THIS NOTE OR ANY INTEREST HEREIN SHALL BE DEEMED TO HAVE ACKNOWLEDGED AND AGREED THAT THIS NOTE OR INTEREST HEREIN SHALL NOT CARRY ANY RIGHT TO VOTE IN RESPECT OF, OR BE COUNTED FOR THE PURPOSES OF DETERMINING A QUORUM AND THE RESULT OF VOTING ON A CM REMOVAL RESOLUTION OR A CM REPLACEMENT RESOLUTION.]

[*LEGEND TO BE INCLUDED IN RELATION TO RATED NOTES IN THE FORM OF CM VOTING NOTES ONLY*] [EACH PERSON ACQUIRING OR HOLDING THIS NOTE OR ANY INTEREST HEREIN SHALL BE DEEMED TO HAVE ACKNOWLEDGED AND AGREED THAT THIS NOTE OR INTEREST HEREIN SHALL CARRY A RIGHT TO VOTE IN RESPECT OF, AND BE COUNTED FOR THE PURPOSES OF DETERMINING A QUORUM AND THE RESULT OF VOTING ON A CM REMOVAL RESOLUTION OR A CM REPLACEMENT RESOLUTION.]

(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 (or, in the case of the IAI Class M Subordinated Notes, Section 4(a)(2)).

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

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

(12) The purchaser will provide the Issuer or its agents with any correct, complete and accurate information or documentation and will take any other actions that may be required for the Issuer to comply with FATCA and CRS and to prevent the imposition of tax under FATCA on payments to or for the benefit of the Issuer. In the event the purchaser fails to provide such information or take such actions, or to the extent that its ownership of Notes would otherwise cause the Issuer to be subject to any tax under FATCA, (A) the Issuer (and any agent acting on its behalf) is authorized to withhold amounts otherwise distributable to the purchaser as compensation for any amounts withheld from payments to or for the benefit of the Issuer as a result of such failure or such ownership, and (B) to the extent necessary to avoid an adverse effect on the Issuer as a result of such failure or such ownership, the Issuer will have the right to compel the purchaser to sell its Notes and, if such purchaser does not sell its Notes within 10 Business Days after notice from the Issuer or its agents, the Issuer will have the right to sell such Notes at a public or private sale called and conducted in any manner permitted by law, and to remit the net proceeds of such sale (taking into account any taxes incurred by the Issuer in

connection with such sale) to such person as payment in full for such Notes. The Issuer may also assign each such Note a separate ISIN in the Issuer's sole discretion. Each purchaser agrees that the Issuer, the Trustee or their agents or representatives may (1) provide any information and documentation concerning its investment in its Notes to the 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.

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

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

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

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

(14) Each purchaser of Class M Subordinated Notes, if it owns more than 50% of the Class M Subordinated Notes by value or if such purchaser, its beneficial owner, or a direct or indirect owner of the foregoing is otherwise treated as a member of the Issuer's "expanded affiliated group" (as defined in Treasury regulations section 1.1471-5T(i) (or any successor provision)), represents that it will (A) confirm that any member of such expanded affiliated group (assuming that each of the Issuer and any Issuer Subsidiary is a "registered deemed-compliant FFI" within the meaning of Treasury regulations section 1.1471-1(b)(111) (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 such purchaser with an express waiver of this requirement.

(15) No purchaser of Class M Subordinated Notes will treat any income with respect to its Class M Subordinated Notes as derived in connection with the Issuer's active conduct of a banking, financing, insurance, or other similar business for purposes of Section 954(h)(2) of the Code.

(16) No purchase or transfer of a Class E Note, Class F Note, Class M-1 Subordinated Note or Class M-2 Subordinated Note will be recorded or otherwise recognised unless the purchaser or transferee has provided the Issuer with a certificate substantially in the form of Annex C (*Form of ERISA Certificate*) hereto.

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

(18) The purchaser has carefully read and understood the Offering Circular relating to the Notes (including, without limitation, the "*Risk Factors*" herein), and acknowledges that the Offering Circular supersedes any preliminary offering circular furnished to the purchaser. Such purchaser acknowledges that by purchasing the Notes it is deemed to have acknowledged that the existence of the conflicts of interest as

described in "*Risk Factors*" herein, and to have waived any claim with respect to any liability arising from the existence thereof.

(19) Such purchaser agrees to provide the Issuer and the Collateral Manager with all information reasonably available to it that is reasonably requested by the Issuer or the Collateral Manager in connection with regulatory matters, including any information that is necessary or advisable in order for the Collateral Manager (or its parent or Affiliates) to complete its Form ADV, to file its reports on Form PF, to comply with any requirement of the Dodd-Frank Act, to establish an exemption from registration as a commodity pool operator under the Commodity Exchange Act, to comply with applicable anti-money laundering laws and to comply with any other laws or regulations applicable to the Collateral Manager from time to time.

(20) The purchaser (in the case of any IAI Class M Subordinated Notes only) is not resident in Ireland for the purposes of Irish taxation (and such purchaser has provided to the Issuer a declaration to that effect in the form set out in the Trust Deed).

Regulation S Notes

Each purchaser of Regulation S Notes will be deemed to have made the representations set forth in clauses (3), (4), (6) and (8) through (19) (inclusive) above (except that (i) references to Rule 144A Notes shall be deemed to be references to Regulation S Notes and references to Rule 144A shall be deemed to be references to Regulation S, and (ii) references to IAI Class M Subordinated Notes shall be deemed deleted) 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, the Arranger, the Co-Placement Agents 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 that either (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 (or $250,000 in the case of the Class A-2 Notes, Class A-3 Notes and Class M-2 Subordinated Notes) for it and each such account, in a transaction that meets the requirements of Rule 144A and takes delivery in the form of a Rule 144A Note or (B) in the case of the Class M Subordinated Notes only, it reasonably believes is an IAI purchasing for its own account or the account of an IAI in a nominal amount not less than €500,000 (or $500,000 in the case of the Class M-2 Subordinated Notes) for it and each such account in a transaction exempt from registration under the Securities Act and takes delivery in the form of an IAI Class M Subordinated Note; and (C) 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) of Regulation S.

(3) The purchaser understands that, unless the Issuer determines otherwise in compliance with applicable law, such Regulation S 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 OR INTERESTS THEREIN IN RESPECT OF WHICH THIS NOTE HAS BEEN ISSUED, AGREES FOR THE BENEFIT OF THE ISSUER THAT THE NOTES OR INTERESTS THEREIN 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, IN THE CASE OF THE CLASS M SUBORDINATED NOTES ONLY, TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS AN INSTITUTIONAL ACCREDITED INVESTOR WITHIN THE MEANING OF RULE 501(A) (1), (2), (3) AND (7) OF THE

SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF AN INSTITUTIONAL ACCREDITED INVESTOR IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE SECURITIES ACT, OR (3) 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 (OR $250,000 IN THE CASE OF THE CLASS A-2 NOTES, CLASS A-3 NOTES AND CLASS M-2 SUBORDINATED NOTES) FOR THE PURCHASER AND FOR EACH ACCOUNT FOR WHICH IT IS ACTING, IN THE CASE OF (2) IN A PRINCIPAL AMOUNT OF NOT LESS THAN €500,000 (OR $500,000 IN THE CASE OF THE CLASS M-2 SUBORDINATED NOTES) FOR THE PURCHASER AND FOR EACH ACCOUNT FOR WHICH IT IS ACTING; AND IN THE CASE OF CLAUSES (1) AND (2), TO A PURCHASER THAT (V) IS A QUALIFIED PURCHASER FOR THE PURPOSE OF SECTION 3(c)(7) OF THE INVESTMENT COMPANY ACT, (W) WAS NOT FORMED FOR THE PURPOSE OF INVESTING IN THE ISSUER (EXCEPT WHEN EACH BENEFICIAL OWNER OF THE PURCHASER IS A QUALIFIED PURCHASER), (X) HAS RECEIVED THE NECESSARY CONSENT FROM ITS BENEFICIAL OWNERS WHEN THE PURCHASER IS A PRIVATE INVESTMENT COMPANY FORMED BEFORE APRIL 30, 1996, (Y) IS NOT A BROKER-DEALER THAT OWNS AND INVESTS ON A DISCRETIONARY BASIS LESS THAN U.S.$25,000,000 IN NOTES OF UNAFFILIATED ISSUERS AND (Z) IS NOT A PENSION, PROFIT SHARING OR OTHER RETIREMENT TRUST FUND OR PLAN IN WHICH THE PARTNERS, BENEFICIARIES OR PARTICIPANTS, AS APPLICABLE, MAY DESIGNATE THE PARTICULAR INVESTMENTS TO BE MADE, AND IN A TRANSACTION THAT MAY BE EFFECTED WITHOUT LOSS OF ANY APPLICABLE INVESTMENT COMPANY ACT EXEMPTION OR IN THE CASE OF CLAUSE (3), IN A PRINCIPAL AMOUNT NOT LESS THAN €100,000 (OR $150,000 IN THE CASE OF THE CLASS A-2 NOTES, CLASS A-3 NOTES AND CLASS M-2 SUBORDINATED NOTES) AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE UNITED STATES AND ANY APPLICABLE STATE IN WHICH AN OFFERING HAS BEEN MADE. ANY TRANSFER IN VIOLATION OF THE FOREGOING WILL BE OF NO FORCE AND EFFECT, WILL BE VOID *AB INITIO* AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO THE TRANSFEREE, NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE ISSUER, THE TRANSFER AGENT OR ANY INTERMEDIARY. IN ADDITION TO THE FOREGOING, IN THE EVENT OF A VIOLATION OF (V) THROUGH (Z), THE ISSUER MAINTAINS THE RIGHT TO DIRECT THE RESALE OF ANY NOTES OR INTERESTS THEREIN PREVIOUSLY TRANSFERRED TO NON-PERMITTED NOTEHOLDERS (AS DEFINED IN THE TRUST DEED) IN ACCORDANCE WITH AND SUBJECT TO THE TERMS OF THE TRUST DEED. EACH TRANSFEROR OF THIS NOTE OR AN INTEREST HEREIN WILL PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET FORTH HEREIN AND IN THE TRUST DEED TO ITS TRANSFEREE.

TRANSFERS OF THIS NOTE OR OF PORTIONS OF THIS NOTE SHOULD BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE TRUST DEED REFERRED TO HEREIN.

PRINCIPAL OF THIS NOTE IS PAYABLE AS SET FORTH HEREIN. ACCORDINGLY, THE OUTSTANDING PRINCIPAL OF THIS NOTE AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ON THE FACE HEREOF. ANY PERSON ACQUIRING THIS NOTE MAY ASCERTAIN ITS CURRENT PRINCIPAL AMOUNT BY INQUIRY OF THE COLLATERAL ADMINISTRATOR.

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS X NOTES, CLASS A NOTES, CLASS B NOTES, CLASS C NOTES AND CLASS D NOTES ONLY*] [EACH PERSON ACQUIRING OR HOLDING THIS NOTE OR ANY INTEREST HEREIN SHALL BE 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 AN 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 SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE ("**OTHER PLAN LAW**"), AND NO PART OF THE ASSETS TO BE USED BY IT TO ACQUIRE OR HOLD THIS NOTE OR INTEREST HEREIN CONSTITUTES THE ASSETS OF ANY BENEFIT PLAN INVESTOR OR SUCH GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, OR (B) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE (OR INTEREST HEREIN) WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE, OR, IN THE CASE OF A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, A NON-EXEMPT VIOLATION OF ANY OTHER PLAN LAW, AND (II) IT WILL NOT SELL OR TRANSFER THIS NOTE (OR INTEREST HEREIN) TO AN ACQUIROR ACQUIRING THIS NOTE (OR INTEREST HEREIN) UNLESS THE ACQUIROR MAKES THE FOREGOING REPRESENTATIONS, WARRANTIES AND AGREEMENTS DESCRIBED IN CLAUSE (I) HEREOF. ANY PURPORTED TRANSFER OF THE NOTES OR INTERESTS THEREIN IN VIOLATION OF THE REQUIREMENTS SET FORTH IN THIS PARAGRAPH SHALL BE NULL AND VOID *AB INITIO* AND THE ACQUIROR UNDERSTANDS THAT THE ISSUER WILL HAVE THE RIGHT TO CAUSE THE SALE OF THIS NOTE OR INTEREST HEREIN 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 CLASS M SUBORDINATED NOTES IN THE FORM OF REGULATION S GLOBAL CERTIFICATES ONLY*] [ON THE ISSUE DATE, EACH PURCHASER OR TRANSFEREE OF THIS CLASS E NOTE, CLASS F NOTE OR CLASS M SUBORDINATED NOTE OR 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 AN INTEREST HEREIN WILL NOT BE, AND WILL NOT BE ACTING ON BEHALF OF), A BENEFIT PLAN INVESTOR OR CONTROLLING PERSON UNLESS SUCH PURCHASER OR TRANSFEREE RECEIVES THE WRITTEN CONSENT OF THE ISSUER AND PROVIDES AN ERISA CERTIFICATE TO THE ISSUER AS TO ITS STATUS AS A BENEFIT PLAN INVESTOR OR CONTROLLING PERSON; AND (2) (A) IF IT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS 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, NON-U.S. OR OTHER LAW OR REGULATION THAT COULD CAUSE THE UNDERLYING ASSETS OF THE ISSUER TO BE TREATED AS ASSETS OF THE INVESTOR IN ANY NOTE (OR INTEREST THEREIN) BY VIRTUE OF ITS INTEREST AND THEREBY SUBJECT THE ISSUER OR THE COLLATERAL MANAGER (OR OTHER PERSONS RESPONSIBLE FOR THE INVESTMENT AND OPERATION OF THE ISSUER'S ASSETS) TO LAWS OR REGULATIONS THAT ARE SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**"), AND (II) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE OR AN INTEREST HEREIN WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT VIOLATION OF ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT IS SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE ("**OTHER PLAN LAW**"). OTHER THAN ON THE ISSUE DATE, EACH PURCHASER OR TRANSFEREE OF THIS CLASS E NOTE, CLASS F NOTE OR CLASS M SUBORDINATED NOTE OR 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 AN INTEREST HEREIN WILL NOT BE, AND WILL NOT BE ACTING ON BEHALF OF), A BENEFIT PLAN INVESTOR OR CONTROLLING PERSON UNLESS SUCH PURCHASER OR TRANSFEREE RECEIVES THE WRITTEN CONSENT OF

THE ISSUER, PROVIDES AN ERISA CERTIFICATE TO THE ISSUER AS TO ITS STATUS AS A BENEFIT PLAN INVESTOR OR CONTROLLING PERSON AND EXCHANGES AND HOLDS THIS NOTE OR INTEREST HEREIN IN THE FORM OF A DEFINITIVE CERTIFICATE; AND (2) (A) IF IT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4075 OF 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 SIMILAR LAW, AND (II) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE OR AN INTEREST HEREIN WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT VIOLATION OF ANY OTHER PLAN LAW. "**BENEFIT PLAN INVESTOR**" MEANS A BENEFIT PLAN INVESTOR, AS DEFINED IN SECTION 3(42) OF ERISA, AND INCLUDES (A) AN EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF TITLE I OF ERISA) THAT IS SUBJECT TO THE FIDUCIARY RESPONSIBILITY PROVISIONS OF TITLE I OF ERISA, (B) A PLAN THAT IS SUBJECT TO SECTION 4975 OF THE CODE OR (C) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE "PLAN ASSETS" BY REASON OF ANY SUCH EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN THE ENTITY. "**CONTROLLING PERSON**" MEANS A PERSON (OTHER THAN A BENEFIT PLAN INVESTOR) WHO HAS DISCRETIONARY AUTHORITY OR CONTROL WITH RESPECT TO THE ASSETS OF THE ISSUER OR ANY PERSON WHO PROVIDES INVESTMENT ADVICE FOR A FEE (DIRECT OR INDIRECT) WITH RESPECT TO SUCH ASSETS, OR ANY AFFILIATE OF ANY SUCH PERSON. AN "**AFFILIATE**" OF A PERSON INCLUDES ANY PERSON, DIRECTLY OR INDIRECTLY THROUGH ONE OR MORE INTERMEDIARIES, CONTROLLING, CONTROLLED BY OR UNDER COMMON CONTROL WITH THE PERSON. "**CONTROL**" WITH RESPECT TO A PERSON OTHER THAN AN INDIVIDUAL MEANS THE POWER TO EXERCISE A CONTROLLING INFLUENCE OVER THE MANAGEMENT OR POLICIES OF SUCH PERSON. ANY PURPORTED TRANSFER OF THE CLASS E NOTES, CLASS F NOTES OR CLASS M SUBORDINATED NOTES (OR INTERESTS THEREIN) IN VIOLATION OF THE REQUIREMENTS SET FORTH IN THIS PARAGRAPH SHALL BE NULL AND VOID *AB INITIO* AND THE ACQUIROR UNDERSTANDS THAT THE ISSUER WILL HAVE THE RIGHT TO CAUSE THE SALE OF SUCH CLASS E NOTES, CLASS F NOTES OR CLASS M SUBORDINATED NOTES (OR INTERESTS 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, CLASS F NOTE, CLASS M-1 SUBORDINATED NOTE OR CLASS M-2 SUBORDINATED NOTE OR AN INTEREST THEREIN WILL BE PERMITTED, AND THE ISSUER WILL NOT RECOGNISE ANY SUCH TRANSFER, IF IT WOULD CAUSE 25 PER CENT. OR MORE OF THE TOTAL VALUE OF THE CLASS E NOTES, CLASS F NOTES, CLASS M-1 SUBORDINATED NOTES OR CLASS M-2 SUBORDINATED NOTES (DETERMINED SEPARATELY BY EACH CLASS) TO BE HELD BY BENEFIT PLAN INVESTORS, DISREGARDING CLASS E NOTES, CLASS F NOTES, CLASS M-1 SUBORDINATED NOTES OR CLASS M-2 SUBORDINATED NOTES (OR INTERESTS THEREIN) HELD BY CONTROLLING PERSONS ("**25 PER CENT. LIMITATION**").

THE ISSUER HAS THE RIGHT, UNDER THE TRUST DEED, TO COMPEL ANY BENEFICIAL OWNER OF A CLASS E NOTE, CLASS F NOTE, CLASS M-1 SUBORDINATED NOTE OR CLASS M-2 SUBORDINATED NOTE WHO HAS MADE OR HAS BEEN DEEMED TO MAKE A PROHIBITED TRANSACTION, BENEFIT PLAN INVESTOR, CONTROLLING PERSON, OTHER PLAN LAW, SIMILAR LAW OR OTHER ERISA REPRESENTATION THAT IS SUBSEQUENTLY SHOWN TO BE FALSE OR MISLEADING OR WHOSE OWNERSHIP OTHERWISE CAUSES A VIOLATION OF THE 25 PER CENT. LIMITATION TO SELL ITS INTEREST IN THE CLASS E NOTE, CLASS F NOTE, CLASS M-1 SUBORDINATED NOTE OR CLASS M-2 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 CLASS M SUBORDINATED NOTES IN THE FORM OF DEFINITIVE CERTIFICATES ONLY*] [EACH PURCHASER OR TRANSFEREE OF THIS CLASS E NOTE, CLASS F NOTE OR CLASS M 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 NOTE OR AN INTEREST HEREIN, IT IS, OR IS ACTING ON BEHALF OF A BENEFIT PLAN INVESTOR, (B) WHETHER OR NOT, FOR SO LONG AS IT HOLDS THIS NOTE OR AN INTEREST HEREIN, IT IS A CONTROLLING PERSON AND (C) THAT (1) IF IT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE OR AN INTEREST HEREIN WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**") OR SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**") AND (2) IF IT IS A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, (a) IT IS NOT, AND FOR SO LONG AS IT HOLDS THIS NOTE OR AN INTEREST HEREIN IT WILL NOT BE, SUBJECT TO ANY FEDERAL, STATE, LOCAL, NON-U.S. OR OTHER LAW OR REGULATION THAT COULD CAUSE THE UNDERLYING ASSETS OF THE ISSUER TO BE TREATED AS ASSETS OF THE INVESTOR IN ANY NOTE (OR INTEREST THEREIN) BY VIRTUE OF ITS INTEREST AND THEREBY SUBJECT THE ISSUER OR THE COLLATERAL MANAGER (OR OTHER PERSONS RESPONSIBLE FOR THE INVESTMENT AND OPERATION OF THE ISSUER'S ASSETS) TO LAWS OR REGULATIONS THAT ARE SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**"), AND (b) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE OR AN INTEREST HEREIN WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT VIOLATION OF ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT IS SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE ("**OTHER PLAN LAW**"). EACH PURCHASER OR SUBSEQUENT TRANSFEREE, AS APPLICABLE, OF CLASS E NOTES, CLASS F NOTES OR CLASS M SUBORDINATED NOTES IN THE FORM OF DEFINITIVE CERTIFICATES OR INTERESTS THEREIN WILL BE REQUIRED TO COMPLETE AN ERISA CERTIFICATE IDENTIFYING ITS STATUS AS A BENEFIT PLAN INVESTOR OR A CONTROLLING PERSON. "**BENEFIT PLAN INVESTOR**" MEANS A BENEFIT PLAN INVESTOR, AS DEFINED IN SECTION 3(42) OF ERISA, AND INCLUDES (A) AN EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF TITLE I OF ERISA) THAT IS SUBJECT TO THE FIDUCIARY RESPONSIBILITY PROVISIONS OF TITLE I OF ERISA, (B) A PLAN THAT IS SUBJECT TO SECTION 4975 OF THE CODE OR (C) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE "PLAN ASSETS" BY REASON OF ANY SUCH EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN THE ENTITY. "**CONTROLLING PERSON**" MEANS A PERSON (OTHER THAN A BENEFIT PLAN INVESTOR) WHO HAS DISCRETIONARY AUTHORITY OR CONTROL WITH RESPECT TO THE ASSETS OF THE ISSUER OR ANY PERSON WHO PROVIDES INVESTMENT ADVICE FOR A FEE (DIRECT OR INDIRECT) WITH RESPECT TO SUCH ASSETS, OR ANY AFFILIATE OF ANY SUCH PERSON. AN "**AFFILIATE**" OF A PERSON INCLUDES ANY PERSON, DIRECTLY OR INDIRECTLY THROUGH ONE OR MORE INTERMEDIARIES, CONTROLLING, CONTROLLED BY OR UNDER COMMON CONTROL WITH THE PERSON. "**CONTROL**" WITH RESPECT TO A PERSON OTHER THAN AN INDIVIDUAL MEANS THE POWER TO EXERCISE A CONTROLLING INFLUENCE OVER THE MANAGEMENT OR POLICIES OF SUCH PERSON. ANY PURPORTED TRANSFER OF THE CLASS E NOTES, THE CLASS F NOTES OR CLASS M SUBORDINATED NOTES OR INTERESTS THEREIN IN VIOLATION OF THE REQUIREMENTS SET FORTH IN THIS PARAGRAPH SHALL BE NULL AND VOID *AB INITIO* AND THE ACQUIROR UNDERSTANDS THAT THE ISSUER WILL HAVE THE RIGHT TO CAUSE THE SALE OF SUCH CLASS E NOTES, CLASS F NOTES OR CLASS M SUBORDINATED NOTES OR INTERESTS 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, CLASS F NOTE, CLASS M-1 SUBORDINATED NOTE OR CLASS M-2 SUBORDINATED NOTE OR AN INTEREST THEREIN WILL BE PERMITTED, AND THE ISSUER WILL NOT RECOGNISE ANY SUCH TRANSFER, IF IT WOULD CAUSE 25 PER CENT. OR MORE OF THE TOTAL VALUE OF THE CLASS E NOTES, CLASS F NOTES, CLASS M-1 SUBORDINATED NOTES OR CLASS M-2 SUBORDINATED NOTES (DETERMINED SEPARATELY BY EACH CLASS) TO BE HELD BY BENEFIT PLAN INVESTORS, DISREGARDING CLASS E NOTES, CLASS F NOTES, CLASS M-1

SUBORDINATED NOTES OR CLASS M-2 SUBORDINATED NOTES (OR INTERESTS THEREIN) HELD BY CONTROLLING PERSONS ("**25 PER CENT. LIMITATION**").

THE ISSUER HAS THE RIGHT, UNDER THE TRUST DEED, TO COMPEL ANY BENEFICIAL OWNER OF A CLASS E NOTE, CLASS F NOTE, CLASS M-1 SUBORDINATED NOTE OR CLASS M-2 SUBORDINATED NOTE WHO HAS MADE OR HAS BEEN DEEMED TO MAKE A PROHIBITED TRANSACTION, BENEFIT PLAN INVESTOR, CONTROLLING PERSON, OTHER PLAN LAW, SIMILAR LAW OR OTHER ERISA REPRESENTATION THAT IS SUBSEQUENTLY SHOWN TO BE FALSE OR MISLEADING OR WHOSE OWNERSHIP OTHERWISE CAUSES A VIOLATION OF THE 25 PER CENT. LIMITATION TO SELL ITS INTEREST IN THE CLASS E NOTE, CLASS F NOTE, CLASS M-1 SUBORDINATED NOTE OR CLASS M-2 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 32 MOLESWORTH STREET, DUBLIN 2, IRELAND.]

[*LEGEND TO BE INCLUDED IN RELATION TO CLASS X NOTES AND RATED NOTES IN THE FORM OF CM NON-VOTING EXCHANGEABLE NOTES OR CM-NON-VOTING NOTES ONLY*] [EACH PERSON ACQUIRING OR HOLDING THIS NOTE OR ANY INTEREST HEREIN SHALL BE DEEMED TO HAVE ACKNOWLEDGED AND AGREED THAT THIS NOTE OR INTEREST HEREIN SHALL NOT CARRY ANY RIGHT TO VOTE IN RESPECT OF, OR BE COUNTED FOR THE PURPOSES OF DETERMINING A QUORUM AND THE RESULT OF VOTING ON A CM REMOVAL RESOLUTION OR A CM REPLACEMENT RESOLUTION.]

[*LEGEND TO BE INCLUDED IN RELATION TO RATED NOTES IN THE FORM OF CM VOTING NOTES ONLY*] [EACH PERSON ACQUIRING OR HOLDING THIS NOTE OR ANY INTEREST HEREIN SHALL BE DEEMED TO HAVE ACKNOWLEDGED AND AGREED THAT THIS NOTE OR INTEREST HEREIN SHALL CARRY A RIGHT TO VOTE IN RESPECT OF, AND BE COUNTED FOR THE PURPOSES OF DETERMINING A QUORUM AND THE RESULT OF VOTING ON A CM REMOVAL RESOLUTION OR A CM REPLACEMENT RESOLUTION.]

(4) That neither the Issuer, its Affiliates (as defined in Rule 405 under the Securities Act) nor any persons (other than the Collateral Manager, as to whom no representation or warranty is made) acting on its or their behalf have engaged or will engage in any "directed selling efforts" (as defined in Regulation S under the Securities Act) in respect of the Notes.

(5) The Issuer, its Affiliates and any person (other than the Initial Purchaser and each Co-Placement Agent, as to whom no representation or warranty is made) acting on its or their behalf have complied with and will comply with the offering restrictions requirement of Regulation S under the Securities Act.

(6) The purchaser understands that the Regulation S Notes may not, at any time, be held by, or on behalf of, U.S. Persons.

(7) 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 (other than the Retention Notes) 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 are:

	Regulation S Notes		Rule 144A Notes	
	ISIN	**Common Code**	**ISIN**	**Common Code**
Class X Notes	XS2010613268	201061326	XS2010611304	201061130
Class A-1 CM Voting Notes	XS2010613342	201061334	XS2010613854	201061385
Class A-1 CM Non-Voting Exchangeable Notes	XS2010613771	201061377	XS2010615040	201061504
Class A-1 CM Non-Voting Notes	XS2010613425	201061342	XS2010614076	201061407
Class A-2 CM Voting Notes	XS2010615123	201061512	XS2010615552	201061555
Class A-2 CM Non-Voting Exchangeable Notes	XS2010615479	201061547	XS2010615719	201061571
Class A-2 CM Non-Voting Notes	XS2010615396	201061539	XS2010615636	201061563
Class A-3 CM Voting Notes	XS2010615800	201061580	XS2010616105	201061610
Class A-3 CM Non-Voting Exchangeable Notes	XS2010616014	201061601	XS2010631161	201063116
Class A-3 CM Non-Voting Notes	XS2010615982	201061598	XS2010616360	201061636
Class B-1 CM Voting Notes	XS2010631245	201063124	XS2010631757	201063175
Class B-1 CM Non-Voting Exchangeable Notes	XS2010631591	201063159	XS2010632052	201063205
Class B-1 CM Non-Voting Notes	XS2010631328	201063132	XS2010631831	201063183
Class B-2 CM Voting Notes	XS2010632136	201063213	XS2010632482	201063248
Class B-2 CM Non-Voting Exchangeable Notes	XS2010632300	201063230	XS2010632649	201063264
Class B-2 CM Non-Voting Notes	XS2010632219	201063221	XS2010632565	201063256
Class C CM Voting Notes	XS2010632722	201063272	XS2010633373	201063337
Class C CM Non-Voting Exchangeable Notes	XS2010633290	201063329	XS2010633530	201063353
Class C CM Non-Voting Notes	XS2010632995	201063299	XS2010633456	201063345
Class D CM Voting Notes	XS2010633613	201063361	XS2010633969	201063396
Class D CM Non-Voting Exchangeable Notes	XS2010633886	201063388	XS2010634181	201063418
Class D CM Non-Voting Notes	XS2010633704	201063370	XS2010634009	201063400
Class E Notes	XS2010634264	201063426	XS2010634421	201063442
Class F Notes	XS2010634694	201063469	XS2010634777	201063477
Class M-1 Subordinated Notes	XS2010634850	201063485	XS2010634934	201063493
Class M-2 Subordinated Notes	XS2010635071	201063507	XS2010635154	201063515

Definitive Notes

The Retention Notes will be issued in definitive certificated, fully registered form on the Issue Date.

Listing

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

Legal Entity Identifier (LEI)

The Issuer's LEI is 549300I3ISWDFTMO5713.

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 29 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 its incorporation on 15 May 2018 and there has been no material adverse change in the financial position or prospects of the Issuer since its incorporation on 15 May 2018.

No Litigation

The Issuer is not involved, and has not been involved, in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) which may have or have had since the date of its incorporation a significant effect on the Issuer's financial position or profitability.

Accounts

Since the date of its incorporation, other than entering into the Warehouse Arrangements and acquiring certain Collateral Obligations pursuant to those arrangements, the Issuer has not commenced operations and has not produced accounts.

So long as any Note remains outstanding, copies of the most recent annual audited financial statements of the Issuer can be obtained at the specified offices of the Issuer during normal business hours. The first financial statements of the Issuer will be in respect of the period from incorporation to 31 December 2018. The Issuer will not prepare interim financial statements.

The Trust Deed requires the Issuer to provide written confirmation to the Trustee on an annual basis and otherwise promptly on request that no Note Event of Default or Potential Note Event of Default (as defined in the Trust Deed) or other matter which is required to be brought to the Trustee's attention has occurred.

Listing Agent

Maples and Calder is acting solely in its capacity as listing agent for the Issuer in relation to the Notes and is not itself seeking admission of the Notes to the Official List of Euronext Dublin and to trading on the Global Exchange Market of Euronext Dublin.

Documents Available

During the term of the Notes, 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) or via a secured website currently located at https://pivot.usbank.com (or other such website as may be notified in writing by the Collateral Administrator to the Trustee, the Issuer, the Collateral Manager, the Arranger, the Initial Purchaser, the Co-Placement Agents, the Hedge Counterparties, the Rating Agencies and the holders of a beneficial interest in any Note from time to time).

(a) the constitution of the Issuer;

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

(c) the Agency and Account Bank Agreement;

(d) the Collateral Management and Administration Agreement;

(e) the Irish Deed of Charge;

(f) the Issuer Corporate Services Agreement;

(g) each Monthly Report;

(h) each Payment Date Report; and

(i) the Retention Undertaking Letter.

Post Issuance Reporting

The Issuer will provide post-issuance transaction information in relation to the issue of the Notes.

Foreign Language

The language of the Offering Circular is English. Certain legislative references and technical terms have been cited in their original language in order that the correct meaning may be ascribed to them under applicable law.

INDEX OF DEFINED TERMS

ANNEX A
S&P RECOVERY RATES

(a) (i) If a Collateral Obligation has an S&P Recovery Rating, or is *pari passu* with another obligation of the same Obligor that has an S&P Recovery Rating and is secured by the same collateral as such other obligation, the S&P Recovery Rate for such Collateral Obligation shall be determined as follows:

S&P Recovery Rating of Collateral Obligation		Initial Rated Note Rating						
	Range from published reports	"AAA"	"AA"	"A"	"BBB"	"BB"	"B/CCC"	"CCC"
1+	100	75.0%	85.0%	88.0%	90.0%	92.0%	95.0%	95.0%
1	95	70.0%	80.0%	84.0%	87.5%	91.0%	95.0%	95.0%
1	90	65.0%	75.0%	80.0%	85.0%	90.0%	95.0%	95.0%
2	85	62.5%	72.5%	77.5%	83.0%	88.0%	92.0%	92.0%
2	80	60.0%	70.0%	75.0%	81.0%	86.0%	89.0%	89.0%
2	75	55.0%	65.0%	70.5%	77.0%	82.5%	84.0%	84.0%
2	70	50.0%	60.0%	66.0%	73.0%	79.0%	79.0%	79.0%
3	65	45.0%	55.0%	61.0%	68.0%	73.0%	74.0%	74.0%
3	60	40.0%	50.0%	56.0%	63.0%	67.0%	69.0%	69.0%
3	55	35.0%	45.0%	51.0%	58.0%	63.0%	64.0%	64.0%
3	50	30.0%	40.0%	46.0%	53.0%	59.0%	59.0%	59.0%
4	45	28.5%	37.5%	44.0%	49.5%	53.5%	54.0%	54.0%
4	40	27.0%	35.0%	42.0%	46.0%	48.0%	49.0%	49.0%
4	35	23.5%	30.5%	37.5%	42.5%	43.5%	44.0%	44.0%
4	30	20.0%	26.0%	33.0%	39.0%	39.0%	39.0%	39.0%
5	25	17.5%	23.0%	28.5%	32.5%	33.5%	34.0%	34.0%
5	20	15.0%	20.0%	24.0%	26.0%	28.0%	29.0%	29.0%
5	15	10.0%	15.0%	19.5%	22.5%	23.5%	24.0%	24.0%
5	10	5.0%	10.0%	15.0%	19.0%	19.0%	19.0%	19.0%
6	5	3.5%	7.0%	10.5%	13.5%	14.0%	14.0%	14.0%
6	0	2.0%	4.0%	6.0%	8.0%	9.0%	9.0%	9.0%

* If a recovery range is not available for a given obligation with an S&P Recovery Rating of "2" through "5" (inclusive), the lower recovery range for the applicable S&P Recovery Rating shall apply.

S&P Recovery Rate

(ii) If (x) a Collateral Obligation does not have an S&P Recovery Rating and such Collateral Obligation is an Unsecured Senior Loan or a Second Lien Loan and (y) the Obligor or issuer of such Collateral Obligation has issued another debt instrument that is outstanding and senior to such Collateral Obligation that is a Secured Senior Loan, or Secured Senior Bond (a "**S&P Recovery Rate**") that has an S&P Recovery Rating, the S&P Recovery Rate for such Collateral Obligation shall be determined as follows:

For Obligors Domiciled in Group A

S&P Recovery Rating of the Secured Senior Obligation	Initial Rated Note Rating					
	"AAA"	"AA"	"A"	"BBB"	"BB"	"B/CCC"
1+	18.0%	20.0%	23.0%	26.0%	29.0%	31.0%

1	18.0%	20.0%	23.0%	26.0%	29.0%	31.0%
2	18.0%	20.0%	23.0%	26.0%	29.0%	31.0%
3	12.0%	15.0%	18.0%	21.0%	22.0%	23.0%
4	5.0%	8.0%	11.0%	13.0%	14.0%	15.0%
5	2.0%	4.0%	6.0%	8.0%	9.0%	10.0%
6	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

S&P Recovery Rate

For Obligors Domiciled in Group B

S&P Recovery Rating of the Secured Senior Obligation	**Initial Rated Note Rating**					
	"AAA"	**"AA"**	**"A"**	**"BBB"**	**"BB"**	**"B/CCC"**
1+	13.0%	16.0%	18.0%	21.0%	23.0%	25.0%
1	13.0%	16.0%	18.0%	21.0%	23.0%	25.0%
2	13.0%	16.0%	18.0%	21.0%	23.0%	25.0%
3	8.0%	11.0%	13.0%	15.0%	16.0%	17.0%
4	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
5	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
6	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

S&P Recovery Rate

For Obligors Domiciled in Group C

S&P Recovery Rating of the Secured Senior Obligation	**Initial Rated Note Rating**					
	"AAA"	**"AA"**	**"A"**	**"BBB"**	**"BB"**	**"B/CCC"**
1+	10.0%	12.0%	14.0%	16.0%	18.0%	20.0%
1	10.0%	12.0%	14.0%	16.0%	18.0%	20.0%
2	10.0%	12.0%	14.0%	16.0%	18.0%	20.0%
3	5.0%	7.0%	9.0%	10.0%	11.0%	12.0%
4	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
5	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
6	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

S&P Recovery Rate

(iii) If (x) a Collateral Obligation does not have an S&P Recovery Rating and such Collateral Obligation is not a Secured Senior Loan, a Second Lien Loan or an Unsecured Senior Loan and (y) the Obligor or issuer of such Collateral Obligation has issued another debt instrument that is outstanding and senior to such Collateral Obligation that is a Secured Senior Obligation that has an S&P Recovery Rating, the S&P Recovery Rate for such Collateral Obligation shall be determined as follows:

For Obligors Domiciled in Groups A and B

S&P Recovery Rating of the Secured Senior obligations	Initial Rated Note Rating					
	"AAA"	"AA"	"A"	"BBB"	"BB"	"B/CCC"
1+	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
1	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
2	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
3	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
4	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
5	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
6	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	S&P Recovery Rate					

For Obligors Domiciled in Group C

S&P Recovery Rating of the Secured Senior obligations	Initial Rated Note Rating					
	"AAA"	"AA"	"A"	"BBB"	"BB"	"B/CCC"
1+	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
1	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
2	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
3	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
4	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
5	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
6	0.0%	0.0%	0.0%	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 or C:

Priority Category	Initial Rated Note Rating					
	"AAA"	"AA"	"A"	"BBB"	"BB"	"B" and "CCC"
Secured Senior Loans (excluding Cov-Lite Loans)						
Group A	50.0%	55.0%	59.0%	63.0%	75.0%	79.0%
Group B	39.0%	42.0%	46.0%	49.0%	60.0%	63.0%
Group C	17.0%	19.0%	27.0%	29.0%	31.0%	34.0%
Secured Senior Loans that are Cov-Lite Loans and Secured Senior Bonds						
Group A	41.0%	46.0%	49.0%	53.0%	63.0%	67.0%
Group B	32.0%	35.0%	39.0%	41.0%	50.0%	53.0%
Group C	17.0%	19.0%	27.0%	29.0%	31.0%	34.0%
Unsecured Senior Loans, Mezzanine Obligations, Second Lien Loans and High Yield Bonds (if not a Subordinated Obligation)						
Group A	18.0%	20.0%	23.0%	26.0%	29.0%	31.0%
Group B	13.0%	16.0%	18.0%	21.0%	23.0%	25.0%

Group C	10.0%	12.0%	14.0%	14.0%	18.0%	20.0%
Subordinated Obligations						
Group A	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
Group B	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
Group C	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
			S&P Recovery Rate			

* The tables above (or any portions thereof) may be replaced or updated from time to time at the election of the Collateral Manager, in each case, to the extent necessary to reflect any revisions to such tables (or any portions thereof) published by S&P following the Issue Date.

CDO Evaluator Country Codes, Regions and Recovery Groups

Country Name	Country Code	Region	Recovery Group
Afghanistan	93	5 - Asia: India, Pakistan and Afghanistan	C
Albania	355	16 - Europe: Eastern	C
Algeria	213	11 - Middle East: MENA	C
Andorra	376	102 - Europe: Western	C
Angola	244	13 - Africa: Sub-Saharan	C
Anguilla	1264	2 - Americas: Other Central and Caribbean	C
Antigua	1268	2 - Americas: Other Central and Caribbean	C
Argentina	54	4 - Americas: Mercosur and Southern Cone	C
Armenia	374	14 - Europe: Russia & CIS	C
Aruba	297	2 - Americas: Other Central and Caribbean	C
Ascension	247	12 - Africa: Southern	C
Australia	61	105 - Asia-Pacific: Australia and New Zealand	A
Austria	43	102 - Europe: Western	A
Azerbaijan	994	14 - Europe: Russia & CIS	C
Bahamas	1242	2 - Americas: Other Central and Caribbean	C
Bahrain	973	10 - Middle East: Gulf States	C
Bangladesh	880	6 - Asia: Other South	C
Barbados	246	2 - Americas: Other Central and Caribbean	C
Belarus	375	14 - Europe: Russia & CIS	C
Belgium	32	102 - Europe: Western	A
Belize	501	2 - Americas: Other Central and Caribbean	C
Benin	229	13 - Africa: Sub-Saharan	C
Bermuda	441	2 - Americas: Other Central and Caribbean	C
Bhutan	975	6 - Asia: Other South	C
Bolivia	591	3 - Americas: Andean	C
Bosnia and Herzegovina	387	16 - Europe: Eastern	C
Botswana	267	12 - Africa: Southern	C
Brazil	55	4 - Americas: Mercosur and Southern Cone	B
British Virgin Islands	284	2 - Americas: Other Central and Caribbean	C
Brunei	673	8 - Asia: Southeast, Korea and Japan	C
Bulgaria	359	16 - Europe: Eastern	C
Burkina Faso	226	13 - Africa: Sub-Saharan	C
Burundi	257	13 - Africa: Sub-Saharan	C
Cambodia	855	8 - Asia: Southeast, Korea and Japan	C
Cameroon	237	13 - Africa: Sub-Saharan	C
Canada	2	101 - Americas: U.S. and Canada	A
Cape Verde Islands	238	13 - Africa: Sub-Saharan	C
Cayman Islands	345	2 - Americas: Other Central and Caribbean	C
Central African Republic	236	13 - Africa: Sub-Saharan	C
Chad	235	13 - Africa: Sub-Saharan	C
Chile	56	4 - Americas: Mercosur and Southern Cone	C
China	86	7 - Asia: China, Hong Kong, Taiwan	C
Colombia	57	3 - Americas: Andean	C
Comoros	269	13 - Africa: Sub-Saharan	C
Congo-Brazzaville	242	13 - Africa: Sub-Saharan	C
Congo-Kinshasa	243	13 - Africa: Sub-Saharan	C
Cook Islands	682	105 - Asia-Pacific: Australia and New Zealand	C
Costa Rica	506	2 - Americas: Other Central and Caribbean	C
Cote d'Ivoire	225	13 - Africa: Sub-Saharan	C
Croatia	385	16 - Europe: Eastern	C
Cuba	53	2 - Americas: Other Central and Caribbean	C
Curacao	599	2 - Americas: Other Central and Caribbean	C
Cyprus	357	102 - Europe: Western	C

Country Name	Country Code	Region	Recovery Group
Czech Republic	420	15 - Europe: Central	B
Denmark	45	102 - Europe: Western	A
Djibouti	253	17 - Africa: Eastern	C
Dominica	767	2 - Americas: Other Central and Caribbean	C
Dominican Republic	809	2 - Americas: Other Central and Caribbean	C
East Timor	670	8 - Asia: Southeast, Korea and Japan	C
Ecuador	593	3 - Americas: Andean	C
Egypt	20	11 - Middle East: MENA	C
El Salvador	503	2 - Americas: Other Central and Caribbean	C
Equatorial Guinea	240	13 - Africa: Sub-Saharan	C
Eritrea	291	17 - Africa: Eastern	C
Estonia	372	15 - Europe: Central	C
Ethiopia	251	17 - Africa: Eastern	C
Fiji	679	9 - Asia-Pacific: Islands	C
Finland	358	102 - Europe: Western	A
France	33	102 - Europe: Western	A
French Guiana	594	2 - Americas: Other Central and Caribbean	C
French Polynesia	689	9 - Asia-Pacific: Islands	C
Gabonese Republic	241	13 - Africa: Sub-Saharan	C
Gambia	220	13 - Africa: Sub-Saharan	C
Georgia	995	14 - Europe: Russia & CIS	C
Germany	49	102 - Europe: Western	A
Ghana	233	13 - Africa: Sub-Saharan	C
Greece	30	102 - Europe: Western	B
Grenada	473	2 - Americas: Other Central and Caribbean	C
Guadeloupe	590	2 - Americas: Other Central and Caribbean	C
Guatemala	502	2 - Americas: Other Central and Caribbean	C
Guinea	224	13 - Africa: Sub-Saharan	C
Guinea-Bissau	245	13 - Africa: Sub-Saharan	C
Guyana	592	2 - Americas: Other Central and Caribbean	C
Haiti	509	2 - Americas: Other Central and Caribbean	C
Honduras	504	2 - Americas: Other Central and Caribbean	C
Hong Kong	852	7 - Asia: China, Hong Kong, Taiwan	A
Hungary	36	15 - Europe: Central	C
Iceland	354	102 - Europe: Western	C
India	91	5 - Asia: India, Pakistan and Afghanistan	C
Indonesia	62	8 - Asia: Southeast, Korea and Japan	C
Iran	98	10 - Middle East: Gulf States	C
Iraq	964	10 - Middle East: Gulf States	C
Ireland	353	102 - Europe: Western	A
Isle of Man	101	102 - Europe: Western	C
Israel	972	11 - Middle East: MENA	A
Italy	39	102 - Europe: Western	B
Jamaica	876	2 - Americas: Other Central and Caribbean	C
Japan	81	8 - Asia: Southeast, Korea and Japan	A
Jordan	962	11 - Middle East: MENA	C
Kazakhstan	8	14 - Europe: Russia & CIS	C
Kenya	254	17 - Africa: Eastern	C
Kiribati	686	9 - Asia-Pacific: Islands	C
Kosovo	383	16 - Europe: Eastern	C
Kuwait	965	10 - Middle East: Gulf States	C
Kyrgyzstan	996	14 - Europe: Russia & CIS	C
Laos	856	8 - Asia: Southeast, Korea and Japan	C
Latvia	371	15 - Europe: Central	C
Lebanon	961	11 - Middle East: MENA	C
Lesotho	266	12 - Africa: Southern	C
Liberia	231	13 - Africa: Sub-Saharan	C
Libya	218	11 - Middle East: MENA	C
Liechtenstein	102	102 - Europe: Western	C
Lithuania	370	15 - Europe: Central	C
Luxembourg	352	102 - Europe: Western	A
Macedonia	389	16 - Europe: Eastern	C
Madagascar	261	13 - Africa: Sub-Saharan	C
Malawi	265	13 - Africa: Sub-Saharan	C
Malaysia	60	8 - Asia: Southeast, Korea and Japan	C
Maldives	960	6 - Asia: Other South	C

Country Name	Country Code	Region	Recovery Group
Mali	223	13 - Africa: Sub-Saharan	C
Malta	356	102 - Europe: Western	C
Martinique	596	2 - Americas: Other Central and Caribbean	C
Mauritania	222	13 - Africa: Sub-Saharan	C
Mauritius	230	12 - Africa: Southern	C
Mexico	52	1 - Americas: Mexico	B
Micronesia	691	9 - Asia-Pacific: Islands	C
Moldova	373	14 - Europe: Russia & CIS	C
Monaco	377	102 - Europe: Western	C
Mongolia	976	14 - Europe: Russia & CIS	C
Montenegro	382	16 - Europe: Eastern	C
Montserrat	664	2 - Americas: Other Central and Caribbean	C
Morocco	212	11 - Middle East: MENA	C
Mozambique	258	13 - Africa: Sub-Saharan	C
Myanmar	95	8 - Asia: Southeast, Korea and Japan	C
Namibia	264	12 - Africa: Southern	C
Nauru	674	9 - Asia-Pacific: Islands	C
Nepal	977	6 - Asia: Other South	C
Netherlands	31	102 - Europe: Western	A
New Caledonia	687	9 - Asia-Pacific: Islands	C
New Zealand	64	105 - Asia-Pacific: Australia and New Zealand	C
Nicaragua	505	2 - Americas: Other Central and Caribbean	C
Niger	227	13 - Africa: Sub-Saharan	C
Nigeria	234	13 - Africa: Sub-Saharan	C
North Korea	850	8 - Asia: Southeast, Korea and Japan	C
Norway	47	102 - Europe: Western	A
Oman	968	10 - Middle East: Gulf States	C
Pakistan	92	5 - Asia: India, Pakistan and Afghanistan	C
Palau	680	9 - Asia-Pacific: Islands	C
Palestinian Settlements	970	11 - Middle East: MENA	C
Panama	507	2 - Americas: Other Central and Caribbean	C
Papua New Guinea	675	9 - Asia-Pacific: Islands	C
Paraguay	595	4 - Americas: Mercosur and Southern Cone	C
Peru	51	3 - Americas: Andean	C
Philippines	63	8 - Asia: Southeast, Korea and Japan	C
Poland	48	15 - Europe: Central	A
Portugal	351	102 - Europe: Western	A
Qatar	974	10 - Middle East: Gulf States	C
Romania	40	16 - Europe: Eastern	C
Russia	7	14 - Europe: Russia & CIS	C
Rwanda	250	13 - Africa: Sub-Saharan	C
Samoa	685	9 - Asia-Pacific: Islands	C
Sao Tome & Principe	239	13 - Africa: Sub-Saharan	C
Saudi Arabia	966	10 - Middle East: Gulf States	C
Senegal	221	13 - Africa: Sub-Saharan	C
Serbia	381	16 - Europe: Eastern	C
Seychelles	248	12 - Africa: Southern	C
Sierra Leone	232	13 - Africa: Sub-Saharan	C
Singapore	65	8 - Asia: Southeast, Korea and Japan	A
Slovak Republic	421	15 - Europe: Central	C
Slovenia	386	102 - Europe: Western	C
Solomon Islands	677	9 - Asia-Pacific: Islands	C
Somalia	252	17 - Africa: Eastern	C
South Africa	27	12 - Africa: Southern	B
South Korea	82	8 - Asia: Southeast, Korea and Japan	C
Spain	34	102 - Europe: Western	A
Sri Lanka	94	6 - Asia: Other South	C
St. Helena	290	12 - Africa: Southern	C
St. Kitts/Nevis	869	2 - Americas: Other Central and Caribbean	C
St. Lucia	758	2 - Americas: Other Central and Caribbean	C
St. Vincent & Grenadines	784	2 - Americas: Other Central and Caribbean	C
Sudan	249	17 - Africa: Eastern	C
Suriname	597	2 - Americas: Other Central and Caribbean	C
Swaziland	268	12 - Africa: Southern	C
Sweden	46	102 - Europe: Western	A
Switzerland	41	102 - Europe: Western	A

Country Name	Country Code	Region	Recovery Group
Syrian Arab Republic	963	11 - Middle East: MENA	C
Taiwan	886	7 - Asia: China, Hong Kong, Taiwan	C
Tajikistan	992	14 - Europe: Russia & CIS	C
Tanzania/Zanzibar	255	13 - Africa: Sub-Saharan	C
Thailand	66	8 - Asia: Southeast, Korea and Japan	C
Togo	228	13 - Africa: Sub-Saharan	C
Tonga	676	9 - Asia-Pacific: Islands	C
Trinidad & Tobago	868	2 - Americas: Other Central and Caribbean	C
Tunisia	216	11 - Middle East: MENA	C
Turkey	90	16 - Europe: Eastern	B
Turkmenistan	993	14 - Europe: Russia & CIS	C
Turks & Caicos	649	2 - Americas: Other Central and Caribbean	C
Tuvalu	688	9 - Asia-Pacific: Islands	C
Uganda	256	13 - Africa: Sub-Saharan	C
Ukraine	380	14 - Europe: Russia & CIS	C
United Arab Emirates	971	10 - Middle East: Gulf States	B
United Kingdom	44	102 - Europe: Western	A
Uruguay	598	4 - Americas: Mercosur and Southern Cone	C
USA	1	101 - Americas: U.S. and Canada	A
Uzbekistan	998	14 - Europe: Russia & CIS	C
Vanuatu	678	9 - Asia-Pacific: Islands	C
Venezuela	58	3 - Americas: Andean	C
Vietnam	84	8 - Asia: Southeast, Korea and Japan	C
Western Sahara	1212	11 - Middle East: MENA	C
Yemen	967	10 - Middle East: Gulf States	C
Zambia	260	13 - Africa: Sub-Saharan	C
Zimbabwe	263	13 - Africa: Sub-Saharan	C

For the purposes of the above,

"**S&P Recovery Rate**" means in respect of each Collateral Obligation the recovery rate determined in accordance with the Collateral Management and Administration Agreement or advised by S&P; and

"**S&P Recovery Rating**" means, with respect to a Collateral Obligation for which an S&P Recovery Rate is being determined, the "Recovery Rating" assigned by S&P to such Collateral Obligation based upon the tables set forth in this Annex A.

ANNEX B
MOODY'S RECOVERY RATES

The "**Moody's Recovery Rate**" is, with respect to any Collateral Obligation, as of any date of determination, the recovery rate determined in accordance with the following, in the following order of priority:

(a) if the Collateral Obligation has been specifically assigned a recovery rate by Moody's (for example, in connection with the assignment by Moody's of an estimated rating), such recovery rate; or

(b) if the preceding clause does not apply to the Collateral Obligation, except with respect to Corporate Rescue Loans, the rate determined pursuant to the table below based on the number of rating subcategories difference between the Collateral Obligation's Moody's Rating and its Moody's Default Probability Rating (for purposes of clarification, if the Moody's Rating is higher than the Moody's Default Probability Rating, the rating subcategories difference will be positive and if it is lower, negative):

Number of Moody's Ratings Subcategories Difference Between the Moody's Rating and the Moody's Default Probability Rating	Moody's Senior Secured Loans	Second Lien Loans, Senior Secured Bonds, Senior Secured Floating Rate Notes *	Unsecured Senior Loans, Unsecured Bonds, Mezzanine Obligations, and High Yield Bonds
+2 or more	60.0%	55.0%	45.0%
+1	50.0%	45.0%	35.0%
0	45.0%	35.0%	30.0%
-1	40.0%	25.0%	25.0%
-2	30.0%	15.0%	15.0%
-3 or less	20.0%	5.0%	5.0%

or,

(c) if the Collateral Obligation is a Corporate Rescue Loan (other than a Corporate Rescue Loan which has been specifically assigned a recovery rate by Moody's), 50.0 per cent.

* If such Collateral Obligation does not have both a CFR and an Assigned Moody's Rating, such Collateral Obligation will be deemed to be an Unsecured Bond, Unsecured Senior Loan or High Yield Bond for the purposes of this table.

"**Moody's Senior Secured Loan**" means:

(a) a loan that:

(i) is not (and cannot by its terms become) subordinate in right of payment to any other debt obligation of the obligor of the loan; other than borrowed money, trade claims, capitalised leases or other similar obligations, or no other obligation of the Obligor has any higher priority security interest in such assets or stock, provided that a revolving loan of the Obligor that, pursuant to its terms, may require one or more advances to be made to the borrower may have a higher priority security interest in such assets or stock in the event of an enforcement in respect of such loan representing up to 15 per cent. of the Obligor's senior debt (or more if Rating Agency Confirmation from Moody's has been obtained);

(ii) (x) is secured by a valid first priority perfected security interest or lien in, to or on specified collateral securing the obligor's obligations under the loan and (y) such specified collateral does not consist entirely of equity securities or common stock; provided that any loan that would be considered a Moody's Senior Secured Loan but for clause (y) above shall be considered a Moody's Senior Secured Loan if it is a loan made to a parent entity and as to which the Collateral Manager determines in good faith that the value of the common stock of the subsidiary (or other equity interests in the subsidiary) securing such loan at or about the time of acquisition of such loan by the Issuer has a value that is at least equal to the outstanding principal balance of such loan and the outstanding principal balances of any other obligations of such parent entity that are *pari passu* with such loan, which value may include, among other things, the enterprise value of such subsidiary of such parent entity; and

(iii) the value of the collateral securing the loan together with other attributes of the obligor (including, without limitation, its general financial condition, ability to generate cash flow available for debt service and other demands for that cash flow) is adequate (in the commercially reasonable judgment of the Collateral Manager) to repay the loan in accordance with its terms and to repay all other loans of equal seniority secured by a first lien or security interest in the same collateral); and

(b) the loan is not:

(i) a Corporate Rescue Loan; or

(ii) a loan for which the security interest or lien (or the validity or effectiveness thereof) in substantially all of its collateral attaches, becomes effective, or otherwise "springs" into existence after the origination thereof.

"**Senior Secured Bond"** means any obligation that (a) constitutes borrowed money, (b) is in the form of, or represented by, a bond, note (other than any note evidencing a loan), certificated debt security or other debt security, (c) is expressly stated to bear interest based upon a fixed rate, (d) does not constitute and is not secured by, Margin Stock, (e) if it is subordinated by its terms, is subordinated only to indebtedness for borrowed money, trade claims, capitalised leases or other similar obligations, or no other obligation of the Obligor has any higher priority security interest in such assets or stock, provided that a revolving loan of the Obligor that, pursuant to its terms, may require one or more advances to be made to the borrower may have a higher priority security interest in such assets or stock in the event of an enforcement in respect of such loan representing up to 15 per cent. of the Obligor's senior debt (or more if Rating Agency Confirmation from Moody's has been obtained) and (f) is secured by a valid first priority perfected security interest or lien in, to or on specified collateral securing the obligor's obligations under such obligation.

"**Unsecured Bond**" means any of a senior unsecured obligation that (a) constitutes borrowed money, (b) is in the form of, or represented by, a bond, note, certificated debt security or other debt security (other than any of the foregoing that evidences an Unsecured Senior Loan) and (c) which is not (and by its terms is not permitted to become) subordinate in right of payment to any other debt for borrowed money incurred by the obligor under such obligation except for borrowed money, trade claims, capitalised leases or other similar obligations, or no other obligation of the Obligor has any higher priority security interest in such assets or stock, provided that a revolving loan of the Obligor that, pursuant to its terms, may require one or more future advances to be made to the borrower may have a higher priority security interest in such assets or stock in the event of an enforcement in respect of such loan representing up to 15 per cent. of the Obligor's senior debt (or more if Rating Agency Confirmation from Moody's has been obtained).

"**Senior Secured Floating Rate Note**" means any obligation that (a) constitutes borrowed money, (b) is in the form of, or represented by, a bond, note (other than any note evidencing a loan), certificated debt security or other debt security, (c) is expressly stated to bear interest based upon an interbank offered rate for deposits in the relevant currency and in the relevant location or a relevant reference bank's published base rate or prime rate for obligations denominated in the relevant currency and in the relevant location, (d) does not constitute and is not secured by, Margin Stock, (e) if it is subordinated by its terms, is subordinated only to indebtedness for borrowed money, trade claims, capitalised leases or other similar obligations, or no other obligation of the Obligor has any higher priority security interest in such assets or stock, provided that a revolving loan of the Obligor that, pursuant to its terms, may require one or more future advances to be made to the borrower may have a higher priority security interest in such assets or stock in the event of an enforcement in respect of such loan representing up to 15 per cent. of the Obligor's senior debt (or more if Rating Agency Confirmation from Moody's has been obtained) and (f) is secured by a valid first priority perfected security interest or lien in, to or on specified collateral securing the obligor's obligations under such obligation.

ANNEX C
FORM OF ERISA CERTIFICATE

The purpose of this ERISA Certificate (this "**Certificate**") is, among other things, to (i) endeavour to ensure that less than 25 per cent. of the total value of the Class E Notes, the Class F Notes, the Class M-1 Subordinated Notes and the Class M-2 Subordinated Notes (determined separately by each class) issued by Black Diamond CLO 2019-1 Designated Activity Company (the "**Issuer**") is held by (a) an employee benefit plan that is subject to the fiduciary responsibility provisions of Title I of the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), (b) a plan that is subject to Section 4975 of the Internal Revenue Code of 1986, as amended (the "**Code**") or (c) any entity whose underlying assets include "plan assets" by reason of any such employee benefit plan's or plan's investment in the entity (collectively, "**Benefit Plan Investors**"), (ii) obtain from you certain representations and agreements and (iii) provide you with certain related information with respect to your acquisition, holding and disposition of the Class E Notes, the Class F Notes, the Class M-1 Subordinated Notes and the Class M-2 Subordinated Notes. By signing this Certificate, you agree to be bound by its terms.

Please be aware that the information contained in this Certificate is not intended to constitute advice and the examples given below are not intended to be, and are not, comprehensive. You should contact your own counsel if you have any questions in completing this Certificate. Capitalised terms not defined in this Certificate shall have the meanings ascribed to them in the Trust Deed.

If a box is not checked, you are representing, warranting and agreeing that the applicable Section does not, and will not, apply to you.

1. ☐ Employee Benefit Plans Subject to ERISA or the Code. We, or the entity on whose behalf we are acting, are an "employee benefit plan" within the meaning of Section 3(3) of ERISA that is subject to the fiduciary responsibility provisions of Title I of ERISA or a "plan" within the meaning of Section 4975(e)(1) of the Code that is subject to Section 4975 of the Code.

   Examples: (i) tax qualified retirement plans such as pension, profit sharing and section 401(k) plans, (ii) welfare benefit plans such as accident, life and medical plans, (iii) individual retirement accounts or "IRAs" and "Keogh" plans and (iv) certain tax-qualified educational and savings trusts.

2. ☐ Entity Holding Plan Assets. We, or the entity on whose behalf we are acting, are an entity or fund whose underlying assets include "plan assets" by reason of a Benefit Plan Investor's investment in such entity.

   Examples: (i) an insurance company separate account, (ii) a bank collective trust fund and (iii) a hedge fund or other private investment vehicle where 25 per cent. or more of the total value of any class of its equity is held by Benefit Plan Investors.

If you check Box 2, please indicate the maximum percentage of the entity or fund that will constitute "plan assets" for purposes of Title I of ERISA or Section 4975 of the Code: _____per cent.

AN ENTITY OR FUND THAT CANNOT PROVIDE THE FOREGOING PERCENTAGE HEREBY ACKNOWLEDGES THAT FOR PURPOSES OF DETERMINING WHETHER BENEFIT PLAN INVESTORS OWN LESS THAN 25 PER CENT. OF THE TOTAL VALUE OF THE CLASS E NOTES, THE CLASS F NOTES, THE CLASS M-1 SUBORDINATED NOTES AND THE CLASS M-2 SUBORDINATED NOTES, 100 PER CENT. OF THE ASSETS OF THE ENTITY OR FUND WILL BE TREATED AS "PLAN ASSETS."

ERISA and the regulations promulgated thereunder are technical. Accordingly, if you have any questions regarding whether you may be an entity described in this Section 2, you should consult with your counsel.

3. ☐ Insurance Company General Account. We, or the entity on whose behalf we are acting, are an insurance company purchasing the Class E Notes, Class F Notes, Class M-1 Subordinated Notes or Class M-2 Subordinated Notes with funds from our or their general account (i.e., the insurance company's corporate investment portfolio), whose assets, in whole or in part,

constitute "plan assets" for purposes of 29 C.F.R. Section 2510.3-101 as modified by Section 3(42) of ERISA (the "**Plan Asset Regulations**").

If you check Box 3, please indicate the maximum percentage of the insurance company general account that will constitute "plan assets" for purposes of conducting the 25 per cent. test under the Plan Asset Regulations: ____per cent. IF YOU DO NOT INCLUDE ANY PERCENTAGE IN THE BLANK SPACE, YOU WILL BE COUNTED AS IF YOU FILLED IN 100 PER CENT. IN THE BLANK SPACE.

4. ☐ None of Sections (1) Through (3) Above Apply. We, or the entity on whose behalf we are acting, are a person that does not fall into any of the categories described in Sections (1) through (3) above. If, after the date hereof, any of the categories described in Sections (1) through (3) above would apply, we will promptly notify the Issuer of such change.

5. No Prohibited Transaction. If we checked any of the boxes in Sections (1) through (3) above, we represent, warrant and agree that our acquisition, holding and disposition of the Class E Notes, the Class F Notes, the Class M-1 Subordinated Notes or the Class M-2 Subordinated Notes do not and will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA and/or Section 4975 of the Code.

6. Not Subject to Similar Law and No Violation of Other Plan Law. If we are a governmental, church, non-U.S. or other plan, we represent, warrant and agree that (a) we are not subject to any federal, state, local, non-U.S. or other law or regulation that could cause the underlying assets of the Issuer to be treated as assets of the investor in any Note (or interest therein) by virtue of its interest and thereby subject the Issuer or the Collateral Manager (or other persons responsible for the investment and operation of the Issuer's assets) to laws or regulations that are substantially similar to the prohibited transaction provisions of Section 406 of ERISA and/or Section 4975 of the Code, and (b) our acquisition, holding and disposition of the Class E Notes, the Class F Notes, the Class M-1 Subordinated Notes or the Class M-2 Subordinated Notes do not and will not constitute or result in a non-exempt violation of any law or regulation that is substantially similar to the prohibited transaction provisions of Section 406 of ERISA and/or Section 4975 of the Code.

7. ☐ Controlling Person. We are, or we are acting on behalf of any of: (i) the Collateral Manager, (ii) any person that has discretionary authority or control with respect to the assets of the Issuer, (iii) any person who provides investment advice for a fee (direct or indirect) with respect to such assets or (iv) any "affiliate" of any of the above persons. "Affiliate" shall have the meaning set forth in the Plan Asset Regulations. Any of the persons described in the first sentence of this Section 7 is referred to in this Certificate as a "Controlling Person."

Note: We understand that, for purposes of determining whether Benefit Plan Investors hold less than 25 per cent. of the total value of the Class E Notes, the Class F Notes, the Class M-1 Subordinated Notes or the Class M-2 Subordinated Notes (determined separately by each class), the Class E Notes, the Class F Notes, the Class M-1 Subordinated Notes or the Class M-2 Subordinated Notes held by Controlling Persons (other than Benefit Plan Investors) are required to be disregarded.

8. Compelled Disposition. We acknowledge and agree that:

(i) if any representation that we made hereunder is subsequently shown to be false or misleading or our beneficial ownership otherwise causes a violation of the 25 per cent. Limitation, the Issuer shall, promptly after such discovery, send notice to us demanding that we transfer our interest to a person that is not a Non-Permitted ERISA Noteholder within 10 days after the date of such notice;

(ii) if we fail to transfer our Class E Notes, Class F Notes, Class M-1 Subordinated Notes or Class M-2 Subordinated Notes, the Issuer shall have the right, without further notice to us, to sell our Class E Notes, Class F Notes, Class M-1 Subordinated Notes or Class M-2 Subordinated Notes or our interest in the Class E Notes, Class F Notes, Class M-1 Subordinated Notes or Class M-2 Subordinated Notes to a purchaser selected by the Issuer that is not a Non-Permitted ERISA Noteholder on such terms as the Issuer may choose;

(iii) the Issuer may select the purchaser by soliciting one or more bids from one or more brokers or other market professionals that regularly deal in securities similar to the Class E Notes, Class F Notes, Class M-1 Subordinated Notes or the Class M-2 Subordinated Notes and selling such securities to the highest such bidder. However, the Issuer may select a purchaser by any other means determined by it in its sole discretion;

(iv) by our acceptance of an interest in the Class E Notes, the Class F Notes, the Class M-1 Subordinated Notes or the Class M-2 Subordinated Notes, we agree to cooperate with the Issuer to effect such transfers;

(v) the proceeds of such sale, net of any commissions, expenses and taxes due in connection with such sale, shall be remitted to us; and

(vi) the terms and conditions of any sale under this sub-section shall be determined in the sole discretion of the Issuer, and the Issuer shall not be liable to us as a result of any such sale or the exercise of such discretion.

9. Required Notification and Agreement. We hereby agree that we (a) will inform the Issuer of any proposed transfer by us of all or a specified portion of the Class E Notes, the Class F Notes, the Class M-1 Subordinated Notes or the Class M-2 Subordinated Notes and (b) will not initiate any such transfer after we have been informed by the Issuer in writing that such transfer would cause the 25 per cent. Limitation to be exceeded. We hereby agree and acknowledge that after the Issuer effects any permitted transfer of Class E Notes, Class F Notes, Class M-1 Subordinated Notes or Class M-2 Subordinated Notes owned by us to a Benefit Plan Investor or a Controlling Person or receives notice of any such permitted change of status, the Issuer shall include such Class E Notes, Class F Notes, Class M-1 Subordinated Notes or Class M-2 Subordinated Notes in future calculations of the 25 per cent. Limitation made pursuant hereto unless subsequently notified that such Class E Notes, Class F Notes, Class M-1 Subordinated Notes or Class M-2 Subordinated Notes (or such portion), as applicable, would no longer be deemed to be held by Benefit Plan Investors or Controlling Persons.

10. Continuing Representation; Reliance. We acknowledge and agree that the representations, warranties and agreements contained in this Certificate shall be deemed made on each day from the date we make such representations, warranties and agreements through and including the date on which we dispose of our interests in the Class E Notes, Class F Notes, Class M-1 Subordinated Notes or Class M-2 Subordinated Notes. We understand and agree that the information supplied in this Certificate will be used and relied upon by the Issuer to determine that Benefit Plan Investors own or hold less than 25 per cent. of the total value of the Class E Notes, the Class F Notes, the Class M-1 Subordinated Notes or the Class M-2 Subordinated Notes (determined separately by each class) upon any subsequent transfer of the Class E Notes, Class F Notes, Class M-1 Subordinated Notes or Class M-2 Subordinated Notes in accordance with the Trust Deed.

12. Further Acknowledgement and Agreement. We acknowledge and agree that (i) all of the representations, warranties, agreements and assurances contained in this Certificate are for the benefit of the Issuer, the Trustee, NATIXIS and the Collateral Manager as third party beneficiaries hereof, (ii) copies of this Certificate and any information contained herein may be provided to the Issuer, the Trustee, NATIXIS, the Collateral Manager, any Collateral Manager Related Person, Affiliates of any of the foregoing parties and to each of the foregoing parties' respective counsel for purposes of making the determinations described above and (iii) any acquisition or transfer of the Class E Notes, the Class F Notes, the Class M-1 Subordinated Notes or the Class M-2 Subordinated Notes by us that is not in accordance with the provisions of this Certificate shall be null and void from the beginning, and of no legal effect.

13. Future Transfer Requirements.

Transferee Letter and its Delivery. We acknowledge and confirm that we may not transfer any of the Class E Notes, the Class F Notes, the Class M-1 Subordinated Notes or the Class M-2 Subordinated Notes in the form of Definitive Certificates to any person unless the Issuer has received a certificate substantially in the form of this Certificate. Any attempt to transfer in violation of this section will be null and void from the beginning, and of no legal effect.

Note: Unless you are notified otherwise, the name and address of the Issuer is as follows: Black Diamond CLO 2019-1 Designated Activity Company, 32 Molesworth Street, Dublin 2, Ireland.

IN WITNESS WHEREOF, the undersigned has duly executed and delivered this Certificate.

_____

[Insert Purchaser's Name]

By: _____
Name:
Title:
Dated:

This Certificate relates to [€/$]_____ of [Class E Notes]/[Class F Notes]/[Class M-1 Subordinated Notes]/[Class M-2 Subordinated Notes]

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