

# Aviva Investors European Secondary Infrastructure Credit SV S.A.

(a securitisation undertaking (organisme de titrisation) in the form of a public limited liability company (société anonyme) incorporated under the laws of Luxembourg)

€25,000,000 Secured Revolving Profit Participating Notes due 2039 (the "PPNs")

Secured by a Portfolio (as defined herein) managed by  
Aviva Investors Global Services Limited

Aviva Investors European Secondary Infrastructure Credit SV S.A. (the "**Issuer**") will issue the above PPNs in accordance with Condition 19 (*Further Issues*) of the €425,000,000 Secured Revolving Profit Participating Notes due 2039 (the "**Original PPNs**") issued on 25 July 2013 (the "**Original Issue Date**"). The PPNs will be issued and secured pursuant to a deed to be dated on or about 9 September 2014 (the "**Issue Date**") that is supplemental (the "**Supplemental Trust Deed**") to the trust deed in respect of the Original PPNs dated 25 July 2013 made between (amongst others) the Issuer and Deutsche Trustee Company Limited, in its capacity as trustee for holders of the PPNs (the "**Trustee**") (the "**Original Trust Deed**" and together with the Supplemental Trust Deed, the "**Trust Deed**").

The PPNs will be issued partly paid up on the Issue Date with a Principal Amount of €25,000,000 and a Drawn Amount of €72,500, representing 0.29 per cent. of the Principal Amount of the PPNs. The Drawn Amount of the PPNs may be increased or decreased after the Issue Date to reflect the payments from and to the Noteholders under the Notes and the redemption of the Notes as set out in the Conditions. The issue price of the PPNs equals 100 per cent. of the Drawn Amount of the PPNs.

Interest on the PPNs will accrue from the first Note Advance Date and payments on the PPNs will be made quarterly in arrear on 15 April, 15 July, 15 October and 15 January (or, if such day is not a Business Day (as defined herein), then on the next succeeding Business Day) in each year, commencing on the first Payment Date following the first Determination Date following the first Note Advance Date, and ending on the Maturity Date (as defined below) in accordance with the Priorities of Payments described in this Prospectus.

The PPNs will be subject to optional redemption as described in this Prospectus. See Condition 7 (*Redemption*).

There is no established trading market for the PPNs. This Prospectus (the "**Prospectus**") has been approved by the Central Bank of Ireland (the "**Central Bank**"), as competent authority under Directive 2003/71/EC (the "**Prospectus Directive**"). The Central Bank only approves this Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. Application has been made to the Irish Stock Exchange for the PPNs to be admitted to the Official List (the "**Official List**") and trading on its regulated market. Such approval relates only to the PPNs which are to be admitted to trading on a regulated market for the purposes of Directive 2004/39/EC or which are to be offered to the public in any member state of the European Economic Area. There can be no assurance that such listing and admission to trading will be granted. This Prospectus constitutes the Prospectus for the purposes of the Prospectus Directive. The credit ratings included in this Prospectus have been issued, for the purposes of Regulation (EC) No 1060/2009 as amended by Regulation (EU) No 513/2011 (the "**CRA Regulation**"), by Standard & Poor's Credit Market Services Europe Limited ("**S&P**"), Moody's Investors Service Limited ("**Moody's**") and Fitch Ratings Limited ("**Fitch**" and together with S&P and Moody's, the "**Rating Agencies**"), which are established in the European Union and registered under the CRA Regulation, as set out in the list of registered credit rating agencies published on the website of the European Securities and Markets Authority ("**ESMA**").

See "*Risk Factors*" for a description of certain factors which should be considered by prospective investors in connection with an investment in the PPNs offered hereby.

**THE PPNs HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER JURISDICTION. THE PPNs WILL BE OFFERED OUTSIDE THE UNITED STATES TO NON-U.S. PERSONS IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATION S UNDER THE SECURITIES ACT ("REGULATION S"). THE PPNs MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S). THERE WILL BE NO OFFER OF THE PPNs IN THE UNITED STATES. NEITHER THE ISSUER NOR THE COLLATERAL HAS BEEN OR WILL BE REGISTERED UNDER THE INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "INVESTMENT COMPANY ACT"), AND INVESTORS WILL NOT BE ENTITLED TO THE BENEFIT OF THE INVESTMENT COMPANY ACT. THE PPNs WILL BE SUBJECT TO CERTAIN RESTRICTIONS ON TRANSFER. SEE "PLAN OF DISTRIBUTION" AND "TRANSFER RESTRICTIONS". EACH PURCHASER OF THE PPNs OFFERED HEREBY, IN MAKING ITS PURCHASE, WILL BE DEEMED TO HAVE MADE, OR IN LIMITED CIRCUMSTANCES BE REQUIRED TO EXPRESSLY MAKE, CERTAIN ACKNOWLEDGEMENTS, REPRESENTATIONS AND AGREEMENTS AS SET OUT HEREIN UNDER "PLAN OF DISTRIBUTION" AND "TRANSFER RESTRICTIONS".**

The PPNs are being offered by the Issuer subject to certain conditions. It is expected that delivery of the PPNs will be made on or about the Issue Date.

The date of this Prospectus is 9 September 2014.

The purchaser of any PPN, by such purchase, agrees that such PPN is being acquired for its own account and not with a view to distribution and may be resold, pledged or otherwise transferred only (1) to the Issuer (upon redemption thereof or otherwise), or (2) 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.

The PPNs will be subject to certain transfer restrictions set out in the legend of the certificate representing such PPNs and each transferee of a PPN or a beneficial interest therein will be required to represent that it is a non-U.S. Person and will only transfer its beneficial interest in such PPN upon receipt of any certificate of transfer required by the Trust Deed. See "*Transfer Restrictions*".

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The Issuer accepts responsibility for the information contained in this Prospectus (the "**Prospectus**") and, at the date of this Prospectus, to the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information. The delivery of this Prospectus at any time does not imply that the information herein is correct at any time subsequent to the date of this Prospectus.

The Collateral Administrator accepts responsibility only for the information contained in the section of this Prospectus headed "*Description of the Collateral Administrator*" (and any other information concerning the Collateral Administrator contained in this Prospectus) and, at the date of this Prospectus, to the best of the knowledge and belief of the Collateral Administrator (which has taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Investment Manager accepts responsibility only for the information contained in the section of this Prospectus headed "*Description of the Investment Manager*" (and any other information concerning the Investment Manager contained in this Prospectus) and, at the date of this Prospectus, to the best of the knowledge and belief of the Investment Manager (which has taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information.

None of the Trustee, the Collateral Administrator (save in respect of the section headed "*Description of the Collateral Administrator*"), the Agents or the Investment Manager (save in respect of the section headed "*Description of the Investment Manager*") has separately verified the information contained in this Prospectus and, accordingly, none of the Trustee, the Collateral Administrator (save in respect of the section headed "*Description of the Collateral Administrator*"), the Agents or the Investment Manager (save in respect of the section headed "*Description of the Investment Manager*") makes any representation, recommendation or warranty, express or implied, regarding the accuracy, adequacy, reasonableness or completeness of the information contained in this Prospectus or in any further notice or other document which may at any time be supplied in connection with the PPNs or their distribution or accepts any responsibility or liability therefor. None of the Trustee, the Investment Manager, the Collateral Administrator or the Agents undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Prospectus or to advise any investor or potential investor in the PPNs of any information coming to the attention of the Trustee, the Investment Manager, the Collateral Administrator or the Agents which is not included in this Prospectus.

An investment in the PPNs is only suitable for financially sophisticated investors who are capable of evaluating the merits and risks of such investment and who have sufficient resources to be able to bear any losses which may result from such investment.

Any individual intending to invest in any investment described in this document should consult his or her professional adviser(s) and ensure that he or she fully understands all the risks associated with making such an investment and has sufficient financial resources to sustain any loss that may arise from it.

In connection with the issue and sale of the PPNs, no Person is authorised to give any information or to make any representation not contained in this Prospectus and, if given or made, such information or representation must not be relied upon as having been authorised by or on behalf of the Issuer. The delivery of this Prospectus at any time does not imply that the information contained in it is correct as at any time subsequent to its date.

The language of the Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

Unless otherwise specified or the context requires, references to "**Euro**", "**euro**", "**EUR**" and "**€**" are to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended. See "*Index of Defined Terms*" for details of the pages on which capitalised terms used herein are defined.

## Information as to the United States

The PPNs will be sold outside the United States to non-U.S. Persons in reliance on Regulation S under the Securities Act and will be represented on issue by beneficial interests in a permanent global certificate (the "**Global Certificate**") in fully registered form, without interest coupons or principal receipts, which will be deposited on, or about 9 September 2014 (the "**Issue Date**") with Euroclear Bank S.A./N.V. as operator of the Euroclear system ("**Euroclear**") and Clearstream Banking, Société Anonyme ("**Clearstream, Luxembourg**"). Ownership interests in the Global Certificate will be shown on, and transfer thereof will only be effected through, records maintained by Euroclear and Clearstream, Luxembourg and their participants. In each case, purchasers and transferees of the PPNs will be deemed to have made certain representations and agreements. See "Form of the PPNs", "Book Entry Clearance Procedures" and "Transfer Restrictions". 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 the Global Certificate.

Neither the Issuer nor the Collateral has been or will be registered under the Investment Company Act, and investors will not be entitled to the benefit of the Investment Company Act.

The purchaser of any PPN, by such purchase, agrees that such PPN is being acquired for its own account and not with a view to distribution and may be resold, pledged or otherwise transferred only (1) to the Issuer (upon redemption thereof or otherwise), or (2) 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.

Each purchaser of the PPNs offered hereby in making its purchase will be required to make certain acknowledgements, representations and agreements as set out herein under "*Plan of Distribution*" and "*Transfer Restrictions*". The PPNs may not be offered or sold, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. Persons. Interests in the PPNs will be subject to certain transfer restrictions set out in the legend of the certificate representing such PPNs and each transferee of a PPN or a beneficial interest therein will be required to represent that it is a non-U.S. Person and will only transfer its beneficial interest in such PPN upon receipt of a certificate of transfer in the form provided in the Trust Deed. See "*Transfer Restrictions*" below.

This Prospectus has been prepared by the Issuer solely for use in connection with the offering of the PPNs described in this Prospectus (the "**Offering**"). The Issuer reserves the right to reject any offer to purchase the PPNs in whole or in part for any reason, or to sell less than the stated initial principal amount of any PPN offered hereby. This Prospectus is personal to each offeree to whom it has been delivered by the Issuer or representative thereof and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire the PPNs. Distribution of this Prospectus to any persons other than the offeree and those persons, if any, retained to advise such offeree with respect thereto is unauthorised and any disclosure of any of its contents, without the prior written consent of the Issuer, is prohibited.

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## GENERAL NOTICE

THE PURCHASER OF THE PPNS MUST COMPLY WITH ALL APPLICABLE LAWS AND REGULATIONS IN FORCE IN EACH JURISDICTION IN WHICH IT PURCHASES, OFFERS OR SELLS THE PPNS OR POSSESSES OR DISTRIBUTES THIS PROSPECTUS AND MUST OBTAIN ANY CONSENT, APPROVAL OR PERMISSION REQUIRED FOR THE PURCHASE, OFFER OR SALE BY IT OF THE PPNS 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 COLLATERAL ADMINISTRATOR OR THE TRUSTEE (OR ANY OF THEIR AFFILIATES) SPECIFIED HEREIN SHALL HAVE ANY RESPONSIBILITY THEREFOR.

INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

## GENERAL

NO ACTION HAS BEEN OR WILL BE TAKEN IN ANY JURISDICTION THAT WOULD PERMIT A PUBLIC OFFERING OF THE PPNS, OR THE POSSESSION, CIRCULATION OR DISTRIBUTION OF THIS PROSPECTUS OR ANY OTHER MATERIAL RELATING TO THE ISSUER OR THE PPNS IN ANY JURISDICTION WHERE ACTION FOR SUCH PURPOSE IS REQUIRED. ACCORDINGLY, THE PPNS MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, AND NEITHER THIS PROSPECTUS NOR ANY OTHER OFFERING MATERIAL OR ADVERTISEMENTS IN CONNECTION WITH THE PPNS MAY BE DISTRIBUTED OR PUBLISHED, IN OR FROM ANY COUNTRY OR JURISDICTION EXCEPT UNDER CIRCUMSTANCES THAT WILL RESULT IN COMPLIANCE WITH ANY APPLICABLE RULES AND REGULATIONS OF ANY SUCH COUNTRY OR JURISDICTION.

THE ISSUER HAS REPRESENTED AND AGREED THAT IT HAS NOT, DIRECTLY OR INDIRECTLY, OFFERED, SOLD, TRANSFERRED OR DELIVERED AND WILL NOT, DIRECTLY OR INDIRECTLY, OFFER, SELL, TRANSFER OR DELIVER ANY PPNS IN DENOMINATIONS (OR, IN THE CASE OF PPNS ISSUED AT A DISCOUNT, ISSUE PRICES) LESS THAN €125,000 (OR THE EQUIVALENT THEREOF IN OTHER CURRENCIES) TO ANYONE ANYWHERE IN THE WORLD.

## BELGIUM

OTHER THAN IN CIRCUMSTANCES WHICH DO NOT REQUIRE THE PUBLICATION OF A PROSPECTUS PURSUANT TO THE BELGIAN LAW OF 16TH JUNE, 2006 ON THE PUBLIC OFFERING OF FINANCIAL INSTRUMENTS AND THE ADMISSION OF FINANCIAL INSTRUMENTS TO TRADING ON REGULATED MARKETS (THE "**LAW ON PUBLIC OFFERINGS**"), PRIOR TO AN OFFER OF THE PPNS TO THE PUBLIC IN BELGIUM, THE OFFER WOULD NEED TO BE NOTIFIED TO THE BELGIAN FINANCIAL SERVICES AND MARKETS AUTHORITY BY THE COMPETENT AUTHORITY OF THE HOME MEMBER STATE OF THE ISSUER PURSUANT TO ARTICLE 38 OF THE LAW ON PUBLIC OFFERINGS.

ANY OFFEROR OF THE PPNS AND THE ISSUER WILL REPRESENT AND AGREE THAT IT WILL NOT OFFER FOR SALE, SELL OR MARKET THE PPNS TO ANY PERSON QUALIFYING AS A CONSUMER WITHIN THE MEANING OF ARTICLE I-1 OF THE BELGIAN CODE OF ECONOMIC LAW, AS AMENDED FROM TIME TO TIME, UNLESS SUCH OFFER, SALE OR MARKETING IS MADE IN COMPLIANCE WITH THIS CODE AND ITS IMPLEMENTING REGULATION.

## FRANCE

ANY OFFEROR OF THE PPNS AND THE ISSUER WILL BE REQUIRED TO REPRESENT AND AGREE THAT (I) IT HAS NOT OFFERED OR SOLD AND WILL NOT OFFER OR SELL, DIRECTLY OR INDIRECTLY, ANY PPNS TO THE PUBLIC IN THE REPUBLIC OF FRANCE AND (II) OFFERS AND SALES OF PPNS IN THE REPUBLIC OF FRANCE WILL BE MADE ONLY TO (A) PERSONS PROVIDING THE INVESTMENT SERVICE OF PORTFOLIO MANAGEMENT FOR THE ACCOUNT OF THIRD PARTIES AND (B) QUALIFIED INVESTORS (*INVESTISSEURS QUALIFIÉS*) ACTING FOR THEIR OWN ACCOUNT OTHER THAN INDIVIDUALS AS DEFINED IN AND IN ACCORDANCE WITH ARTICLES L.411-2 AND D.411-1, D.744-1, D.754-1 AND D.764-1 OF THE FRENCH *CODE MONÉTAIRE ET FINANCIER*.

PROSPECTIVE PURCHASERS OF THE PPNS ARE INFORMED THAT:

- (i) THIS PROSPECTUS HAS NOT BEEN SUBMITTED TO THE CLEARANCE PROCEDURES OF THE *AUTORITÉ DES MARCHÉS FINANCIERS*;
- (ii) IN COMPLIANCE WITH ARTICLES L.411-2, D.411-1, D.744-1, D.754-1 AND D.764-1 OF THE FRENCH *CODE MONÉTAIRE ET FINANCIER* ANY QUALIFIED INVESTORS SUBSCRIBING THE PPNS SHALL BE REQUIRED TO ACT FOR THEIR OWN ACCOUNT; AND
- (iii) THE DIRECT OR INDIRECT DISTRIBUTION BY INVESTORS OF THE PPNS ACQUIRED BY THEM TO THE PUBLIC SHALL ONLY BE MADE IN COMPLIANCE

WITH ARTICLES L.411-1, L.411-2, L.412-1 AND L.621-8 TO L.621-8-3 OF THE FRENCH *CODE MONÉTAIRE ET FINANCIER*.

IN ADDITION, ANY OFFEROR OF THE PPNS AND THE ISSUER WILL BE REQUIRED TO REPRESENT AND AGREE THAT IT HAS NOT DISTRIBUTED OR CAUSED TO BE DISTRIBUTED AND WILL NOT DISTRIBUTE OR CAUSE TO BE DISTRIBUTED IN THE REPUBLIC OF FRANCE, THIS PROSPECTUS OR ANY OTHER OFFERING MATERIAL RELATING TO THE PPNS OTHER THAN TO INVESTORS TO WHOM OFFERS AND SALES OF PPNS IN THE REPUBLIC OF FRANCE MAY BE MADE AS DESCRIBED ABOVE.

## ITALY

THE OFFERING OF THE PPNS HAS NOT BEEN REGISTERED PURSUANT TO THE ITALIAN SECURITIES LEGISLATION AND, ACCORDINGLY, NO PPNS MAY BE OFFERED, SOLD OR DELIVERED, NOR MAY COPIES OF THIS PROSPECTUS OR ANY OTHER DOCUMENT RELATING TO THE PPNS IN THE REPUBLIC OF ITALY, EXCEPT:

- (I) TO QUALIFIED INVESTORS (*INVESTITORI QUALIFICATI*), AS DEFINED IN ARTICLE 34-TER, FIRST PARAGRAPH, LETTER B), OF CONSOB REGULATION NO. 11971 OF MAY 14, 1999, AS AMENDED FROM TIME TO TIME (THE "**REGULATION NO. 11971**") PURSUANT TO ARTICLE 100 OF LEGISLATIVE DECREE NO. 58 OF 24 FEBRUARY 1998, AS AMENDED (THE "**FINANCIAL SERVICES ACT**"); OR
- (II) IN ANY OTHER CIRCUMSTANCES WHICH ARE EXEMPTED FROM THE RULES ON PUBLIC OFFERINGS PURSUANT TO ARTICLE 100 OF THE FINANCIAL SERVICES ACT AND ARTICLE 34-TER, FIRST PARAGRAPH, OF REGULATION NO. 11971.

ANY OFFER, SALE OR DELIVERY OF THE SECURITIES OR DISTRIBUTION OF COPIES OF THIS PROSPECTUS OR ANY OTHER DOCUMENT RELATING TO THE SECURITIES IN THE REPUBLIC OF ITALY UNDER (I) OR (II) ABOVE MUST BE:

- (A) MADE BY AN INVESTMENT FIRM, BANK, OR FINANCIAL INTERMEDIARY PERMITTED TO CONDUCT SUCH ACTIVITIES IN THE REPUBLIC OF ITALY IN ACCORDANCE WITH THE FINANCIAL SERVICES ACT, CONSOB REGULATION NO. 16190 OF 29 OCTOBER 2007 (AS AMENDED FROM TIME TO TIME) AND LEGISLATIVE DECREE NO. 385 OF 1 SEPTEMBER 1993, AS AMENDED (THE "**BANKING ACT**");
- (B) IN COMPLIANCE WITH ARTICLE 129 OF THE BANKING ACT, AS AMENDED, AND THE IMPLEMENTING GUIDELINES OF THE BANK OF ITALY, AS AMENDED FROM TIME TO TIME, PURSUANT TO WHICH THE BANK OF ITALY MAY REQUEST INFORMATION ON THE ISSUE OR THE OFFER OF SECURITIES IN THE REPUBLIC OF ITALY; AND
- (C) IN COMPLIANCE WITH ANY OTHER APPLICABLE LAWS AND REGULATIONS IMPOSED BY CONSOB OR OTHER ITALIAN AUTHORITY.

*PLEASE NOTE THAT IN ACCORDANCE WITH ARTICLE 100-BIS OF THE FINANCIAL SERVICES ACT, WHERE NO EXEMPTION FROM THE RULES ON PUBLIC OFFERINGS APPLIES UNDER (I) AND (II) ABOVE, THE SUBSEQUENT DISTRIBUTION OF THE SECURITIES ON THE SECONDARY MARKET IN ITALY MUST BE MADE IN COMPLIANCE WITH THE PUBLIC OFFER AND THE PROSPECTUS REQUIREMENT RULES PROVIDED UNDER THE FINANCIAL SERVICES ACT AND REGULATION NO. 11971. FURTHERMORE, ARTICLE 100-BIS OF THE FINANCIAL SERVICES ACT AFFECTS THE TRANSFERABILITY OF THE SECURITIES IN THE REPUBLIC OF ITALY TO THE EXTENT THAT ANY PLACING OF THE SECURITIES IS MADE SOLELY WITH QUALIFIED INVESTORS AND SUCH SECURITIES ARE THEN SYSTEMATICALLY RESOLD TO NON-QUALIFIED INVESTORS ON THE SECONDARY MARKET AT ANY TIME IN THE 12 MONTHS FOLLOWING SUCH PLACING. WHERE THIS OCCURS, IF A PROSPECTUS HAS NOT BEEN PUBLISHED, PURCHASERS OF THE SECURITIES WHO ARE ACTING OUTSIDE OF THE COURSE OF THEIR BUSINESS OR PROFESSION MAY BE ENTITLED TO DECLARE SUCH PURCHASE VOID AND TO CLAIM DAMAGES FROM ANY AUTHORISED PERSON AT*

*WHOSE PREMISES THE SECURITIES WERE PURCHASED, UNLESS AN EXEMPTION PROVIDED FOR BY THE FINANCIAL SERVICES ACT APPLIES.*

## **LUXEMBOURG**

THE PPNS MAY NOT BE OFFERED OR SOLD WITHIN THE TERRITORY OF THE GRAND DUCHY OF LUXEMBOURG UNLESS:

- A PROSPECTUS HAS BEEN DULY APPROVED BY THE *COMMISSION DE SURVEILLANCE DU SECTEUR FINANCIER* (THE "**CSSF**") IF LUXEMBOURG IS THE HOME MEMBER STATE (AS DEFINED IN THE LAW OF 10 JULY 2005 ON PROSPECTUSES FOR SECURITIES AND IMPLEMENTING DIRECTIVE 2003/71/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL OF 4 NOVEMBER 2003 ON THE PROSPECTUS TO BE PUBLISHED WHEN SECURITIES ARE OFFERED TO THE PUBLIC OR ADMITTED TO TRADING; OR
- IF LUXEMBOURG IS NOT THE HOME MEMBER STATE, THE CSSF HAS BEEN NOTIFIED BY THE COMPETENT AUTHORITY IN THE HOME MEMBER STATE THAT THE PROSPECTUS HAS BEEN DULY APPROVED; OR
- THE OFFER BENEFITS FROM AN EXEMPTION TO OR CONSTITUTES A TRANSACTION NOT SUBJECT TO THE REQUIREMENT TO PUBLISH A PROSPECTUS.

## **THE NETHERLANDS**

THE PPNS ARE NOT AND WILL NOT BE OFFERED IN THE NETHERLANDS, AS PART OF THEIR INITIAL DISTRIBUTION OR AT ANY TIME THEREAFTER, UNLESS THE OFFER IS MADE ONLY TO QUALIFIED INVESTORS WITHIN THE MEANING OF THE DUTCH FINANCIAL MARKETS SUPERVISION ACT (THE "**FMSA**" (*WET OP HET FINANCIAL TOEZICHT*)). UNDER THE FMSA, THE ISSUER WITH RESPECT TO THE OFFERING AND THE OFFERING ARE NOT SUPERVISED BY THE NETHERLANDS AUTHORITY FOR THE FINANCIAL MARKETS (*STICHTING AUTORITEIT FINANCIËLE MARKTEN*).

## **NORWAY**

THIS PROSPECTUS IS NOT A PROSPECTUS WITHIN THE MEANING OF CHAPTER 7 OF THE NORWEGIAN SECURITIES TRADING ACT 2007, AND HAS NOT BEEN AND WILL NOT BE REVIEWED BY OR REGISTERED WITH THE FINANCIAL SUPERVISORY AUTHORITY OF NORWAY OR ANY OTHER NORWEGIAN REGULATORY BODY.

THE EXISTENCE AND CONTENTS OF THIS PROSPECTUS IS CONFIDENTIAL, AND IT IS PROVIDED TO RECIPIENTS ON A PERSONAL BASIS AND MUST NOT BE TRANSFERRED OR ASSIGNED TO OTHERS.

THE PPNS ARE NOT MARKETING OR OFFERED IN NORWAY OTHER THAN IN CIRCUMSTANCES WHERE NORWEGIAN LICENCE AND PROSPECTUS REQUIREMENTS DO NOT APPLY OR EXEMPTIONS FROM SUCH REQUIREMENTS APPLY.

THIS PROSPECTUS IS SOLELY DIRECTED TO AND INTENDED (I) FOR PERSONS OR ENTITIES BASED OUTSIDE NORWAY, (II) FOR PERSONS OR ENTITIES IN NORWAY WHO FALL WITHIN THE CATEGORY "PROFESSIONAL INVESTORS" AS DEFINED IN SECTION 7-4 NO. 8 OF THE NORWEGIAN SECURITIES TRADING ACT 2007 AND RELATED REGULATIONS AND (III) FOR OTHER INDIVIDUAL DISTRIBUTION BY THE INVESTMENT MANAGER IN A WAY THAT NORWEGIAN LICENCE AND PROSPECTUS REQUIREMENTS ARE COMPLIED WITH. THE PROSPECTUS SHOULD NOT BE ACTED UPON OR RELIED UPON BY OTHERS.

## **SWEDEN**

THIS PROSPECTUS IS FOR THE RECIPIENT ONLY AND MAY NOT IN ANY WAY BE FORWARDED TO ANY OTHER PERSON OR TO THE PUBLIC IN SWEDEN. IT HAS NOT

AND WILL NOT BE REGISTERED WITH THE SWEDISH FINANCIAL SUPERVISORY AUTHORITY PURSUANT TO THE SWEDISH FINANCIAL INSTRUMENTS TRADING ACT (1991:980, AS AMENDED). ACCORDINGLY, THIS PROSPECTUS MAY NOT BE MADE AVAILABLE, NOR MAY THE PPNS OTHERWISE BE MARKETING AND OFFERED IN SWEDEN, OTHER THAN IN CIRCUMSTANCES WHICH ARE DEEMED NOT TO BE AN OFFER TO THE PUBLIC IN SWEDEN UNDER THE FINANCIAL INSTRUMENTS TRADING ACT.

## **SWITZERLAND**

THIS PROSPECTUS IS BEING COMMUNICATED IN OR FROM SWITZERLAND TO A SMALL NUMBER OF SELECTED INVESTORS ONLY. EACH COPY OF THIS PROSPECTUS IS ADDRESSED TO SPECIFICALLY NAMED RECIPIENTS AND MAY NOT BE PASSED ON TO THIRD PARTIES. THE PPNS ARE NOT BEING OFFERED TO THE PUBLIC IN OR FROM SWITZERLAND, AND NEITHER THIS PROSPECTUS, NOR ANY OTHER OFFERING MATERIALS RELATING TO THE PPNS MAY BE DISTRIBUTED IN CONNECTION WITH ANY SUCH PUBLIC OFFERING.

## **UNITED ARAB EMIRATES**

THE OFFERING OF THE PPNS HAS NOT BEEN APPROVED OR LICENSED BY THE UNITED ARAB EMIRATES CENTRAL BANK, THE UAE SECURITIES AND COMMODITIES AUTHORITY (SCA), THE DUBAI FINANCIAL SERVICES AUTHORITY (DFSA) OR ANY OTHER RELEVANT LICENSING AUTHORITIES IN THE UNITED ARAB EMIRATES (UAE), AND ACCORDINGLY DOES NOT CONSTITUTE A PUBLIC OFFER OF SECURITIES IN THE UAE IN ACCORDANCE WITH THE COMMERCIAL COMPANIES LAW, FEDERAL LAW NO. 8 OF 1984 (AS AMENDED), SCA RESOLUTION NO.(37) OF 2012 OR OTHERWISE. ACCORDINGLY, THE PPNS MAY NOT BE OFFERED TO THE PUBLIC IN THE UAE (INCLUDING THE DUBAI INTERNATIONAL FINANCIAL CENTRE).

THIS PROSPECTUS IS STRICTLY PRIVATE AND CONFIDENTIAL AND IS BEING ISSUED TO A LIMITED NUMBER OF INSTITUTIONAL AND INDIVIDUAL INVESTORS:

(A) WHO QUALIFY AS SOPHISTICATED INVESTORS;

(B) UPON THEIR REQUEST AND CONFIRMATION THAT THEY UNDERSTAND THAT THE PPNS HAVE NOT BEEN APPROVED OR LICENSED BY OR REGISTERED WITH THE UAE CENTRAL BANK, THE SCA, DFSA OR ANY OTHER RELEVANT LICENSING AUTHORITIES OR GOVERNMENTAL AGENCIES IN THE UAE; AND

(C) MUST NOT BE PROVIDED TO ANY PERSON OTHER THAN THE ORIGINAL RECIPIENT, AND MAY NOT BE REPRODUCED OR USED FOR ANY OTHER PURPOSE.

## **UNITED KINGDOM**

THIS PROSPECTUS HAS BEEN SENT TO YOU IN THE BELIEF THAT YOU ARE (A) A PERSON WHO FALLS WITHIN ARTICLE 14 (INVESTMENT PROFESSIONALS, PERSONS WHO HAVE PROFESSIONAL EXPERIENCE OF PARTICIPATING IN UNREGULATED SCHEMES) OR ARTICLE 22 (HIGH NET WORTH COMPANIES ETC. SUCH AS COMPANIES OR PARTNERSHIPS WITH NET ASSETS OF MORE THAN £5 MILLION) OF THE FSMA 2000 (PROMOTION OF COLLECTIVE INVESTMENT SCHEMES) (EXEMPTIONS) ORDER 2001 OR TO ANY OTHER PERSON TO WHOM SUCH PROMOTION WOULD BE LAWFUL AND (B) A PERSON TO WHOM THIS PROSPECTUS CAN BE SENT LAWFULLY IN ACCORDANCE WITH ALL OTHER APPLICABLE SECURITIES LAWS (TOGETHER "**PERMITTED PERSONS**"). INVESTMENT IN THE PPNS IS ONLY AVAILABLE TO PERMITTED PERSONS. **IF YOU ARE NOT A PERMITTED PERSON THEN YOU MUST RETURN THIS PROSPECTUS IMMEDIATELY AND YOU SHOULD NOT RELY UPON, READ OR ACT UPON THIS DOCUMENT.**

## UNITED STATES OF AMERICA

THE PPNS HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT AND MAY NOT BE OFFERED, SOLD OR DELIVERED, DIRECTLY OR INDIRECTLY, WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS. EACH PURCHASER OF A PPN AGREES TO BE BOUND BY THE FOREGOING RESTRICTION ON TRANSFERS. TERMS USED IN THIS PARAGRAPH HAVE THE MEANINGS GIVEN TO THEM BY REGULATION S.

THE ISSUER PROPOSES TO OFFER AND SELL THE PPNS OUTSIDE THE UNITED STATES TO NON-U.S. PERSONS IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATION S.

IN EACH SUBSCRIPTION AGREEMENT, THE ISSUER WILL REPRESENT AND AGREE THAT:

- (a) NEITHER IT NOR ANY OF ITS AFFILIATES NOR ANY PERSONS ACTING ON ITS OR THEIR BEHALF HAVE ENGAGED OR WILL ENGAGE IN ANY DIRECTED SELLING EFFORTS WITH RESPECT TO THE PPNS, AND IT AND THEY HAVE COMPLIED AND WILL COMPLY WITH THE OFFERING RESTRICTIONS REQUIREMENTS OF REGULATION S; AND
- (b) NEITHER IT, NOR ANY OF ITS AFFILIATES NOR ANY PERSONS ACTING ON ITS OR THEIR BEHALF HAS OFFERED, SOLD OR DELIVERED THE PPNS OR WILL OFFER, SELL OR DELIVER THE PPNS AS PART OF THEIR DISTRIBUTION EXCEPT OUTSIDE THE UNITED STATES TO NON-U.S. PERSONS IN OFFSHORE TRANSACTIONS IN ACCORDANCE WITH REGULATION S;

THIS PROSPECTUS HAS BEEN PREPARED BY THE ISSUER FOR USE IN CONNECTION WITH THE OFFER AND SALE OF THE PPNS OUTSIDE THE UNITED STATES TO NON-U.S. PERSONS IN OFFSHORE TRANSACTIONS AND FOR THE PROPOSED LISTING OF THE PPNS ON THE IRISH STOCK EXCHANGE. THE ISSUER RESERVES THE RIGHT TO REJECT ANY OFFER TO PURCHASE, IN WHOLE OR IN PART, FOR ANY REASON, OR TO SELL LESS THAN THE PRINCIPAL AMOUNT OF PPNS WHICH MAY BE OFFERED. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER TO ANY U.S. PERSON. DISTRIBUTION OF THIS PROSPECTUS TO ANY U.S. PERSON OR TO ANY PERSON WITHIN THE UNITED STATES IS UNAUTHORISED AND ANY DISCLOSURE OF ANY OF ITS CONTENTS, WITHOUT THE PRIOR WRITTEN CONSENT OF THE ISSUER, IS PROHIBITED.

## EEA

IN RELATION TO EACH MEMBER STATE OF THE EUROPEAN ECONOMIC AREA WHICH HAS IMPLEMENTED THE PROSPECTUS DIRECTIVE (EACH, A "**RELEVANT MEMBER STATE**"), ANY OFFEROR OF THE PPNS AND THE ISSUER WILL REPRESENT AND AGREE THAT WITH EFFECT FROM AND INCLUDING THE DATE ON WHICH THE PROSPECTUS DIRECTIVE IS IMPLEMENTED IN THAT RELEVANT MEMBER STATE (THE "**RELEVANT IMPLEMENTATION DATE**") IT HAS NOT MADE AND WILL NOT MAKE AN OFFER OF PPNS WHICH ARE THE SUBJECT OF THE OFFERING CONTEMPLATED BY THIS PROSPECTUS TO THE PUBLIC IN THAT RELEVANT MEMBER STATE OTHER THAN:

- (a) TO ANY LEGAL ENTITY WHICH IS A QUALIFIED INVESTOR AS DEFINED IN THE PROSPECTUS DIRECTIVE;
- (b) TO FEWER THAN 100 OR, IF THE RELEVANT MEMBER STATE HAS IMPLEMENTED THE RELEVANT PROVISION OF THE 2010 PD AMENDING DIRECTIVE, 150, NATURAL OR LEGAL PERSONS (OTHER THAN QUALIFIED INVESTORS AS DEFINED IN THE PROSPECTUS DIRECTIVE), AS PERMITTED UNDER THE PROSPECTUS DIRECTIVE, SUBJECT TO OBTAINING THE PRIOR CONSENT OF THE ISSUER FOR ANY SUCH OFFER; OR
- (c) IN ANY OTHER CIRCUMSTANCES FALLING WITHIN ARTICLE 3(2) OF THE PROSPECTUS DIRECTIVE,

PROVIDED THAT NO SUCH OFFER OF PPNS SHALL REQUIRE THE ISSUER TO PUBLISH A PROSPECTUS PURSUANT TO ARTICLE 3 OF THE PROSPECTUS DIRECTIVE OR SUPPLEMENT A PROSPECTUS PURSUANT TO ARTICLE 16 OF THE PROSPECTUS DIRECTIVE.

FOR THE PURPOSES OF THIS PROVISION, THE EXPRESSION AN **"OFFER OF PPNS TO THE PUBLIC"** IN RELATION TO ANY PPNS IN ANY RELEVANT MEMBER STATE MEANS THE COMMUNICATION IN ANY FORM AND BY ANY MEANS OF SUFFICIENT INFORMATION ON THE TERMS OF THE OFFER AND THE PPNS TO BE OFFERED SO AS TO ENABLE AN INVESTOR TO DECIDE TO PURCHASE OR SUBSCRIBE THE PPNS, AS THE SAME MAY BE VARIED IN THAT MEMBER STATE BY ANY MEASURE IMPLEMENTING THE PROSPECTUS DIRECTIVE IN THAT MEMBER STATE, THE EXPRESSION **"PROSPECTUS DIRECTIVE"** MEANS DIRECTIVE 2003/71/EC (AND AMENDMENTS THERETO, INCLUDING THE 2010 PD AMENDING DIRECTIVE, TO THE EXTENT IMPLEMENTED IN THE RELEVANT MEMBER STATE), AND INCLUDES ANY RELEVANT IMPLEMENTING MEASURE IN THE RELEVANT MEMBER STATE AND THE EXPRESSION **"2010 PD AMENDING DIRECTIVE"** MEANS DIRECTIVE 2010/73/EU.

THIS PROSPECTUS HAS BEEN PREPARED ON THE BASIS THAT ANY OFFER OF PPNS IN ANY MEMBER STATE OF THE EUROPEAN ECONOMIC AREA WHICH HAS IMPLEMENTED THE PROSPECTUS DIRECTIVE (EACH, A **"RELEVANT MEMBER STATE"**) WILL BE MADE PURSUANT TO AN EXEMPTION UNDER THE PROSPECTUS DIRECTIVE FROM THE REQUIREMENT TO PUBLISH A PROSPECTUS FOR OFFERS OF PPNS. ACCORDINGLY ANY PERSON MAKING OR INTENDING TO MAKE AN OFFER IN THAT RELEVANT MEMBER STATE OF PPNS WHICH ARE THE SUBJECT OF THE OFFERING CONTEMPLATED IN THIS PROSPECTUS MAY ONLY DO SO IN CIRCUMSTANCES IN WHICH NO OBLIGATION ARISES FOR THE ISSUER TO PUBLISH A PROSPECTUS PURSUANT TO ARTICLE 3 OF THE PROSPECTUS DIRECTIVE OR SUPPLEMENT A PROSPECTUS PURSUANT TO ARTICLE 16 OF THE PROSPECTUS DIRECTIVE, IN EACH CASE, IN RELATION TO SUCH OFFER. THE ISSUER HAS NOT AUTHORISED, NOR DOES IT AUTHORISE, THE MAKING OF ANY OFFER OF PPNS IN CIRCUMSTANCES IN WHICH AN OBLIGATION ARISES FOR THE ISSUER TO PUBLISH OR SUPPLEMENT A PROSPECTUS FOR SUCH OFFER.

## TABLE OF CONTENTS

	Page
OVERVIEW .....	1
RISK FACTORS .....	12
1. General .....	12
2. Taxation of the Issuer .....	16
3. Regulatory Risk .....	16
4. Foreign Account Tax Compliance Act .....	17
5. Investment Company Act .....	18
6. Conflicts Of Interest .....	18
7. Withholding Tax Considerations .....	20
8. Value Added Tax .....	20
9. German Investment Tax Act .....	20
10. German Banking Act .....	20
11. LIBOR and EURIBOR Reform .....	20
12. Relating to the PPNS .....	21
13. Relating to the Collateral .....	25
DOCUMENTS INCORPORATED BY REFERENCE .....	37
CONDITIONS OF THE PPNS .....	38
1. Definitions .....	39
2. PPNS .....	57
3. Form, Title and Transfer .....	59
4. Status and Priorities of Payments .....	60
5. Covenants of and Restrictions on the Issuer .....	70
6. Interest .....	72
7. Redemption .....	73
8. Payments .....	74
9. Taxation .....	75
10. Events of Default .....	76
11. Enforcement .....	77
12. Prescription .....	79
13. Replacement of the PPNS .....	79
14. Meetings of Noteholders, Modification, Waiver and Substitution .....	79
15. Indemnification of the Trustee .....	84
16. Notices .....	84
17. Third Party Rights .....	84
18. Governing Law and Jurisdiction .....	84
19. Further Issues .....	85
20. Restructuring Option .....	85
USE OF PROCEEDS .....	88
FORM OF THE PPNS .....	89
BOOK-ENTRY CLEARANCE PROCEDURES .....	92
DESCRIPTION OF THE ISSUER .....	94
DESCRIPTION OF THE PORTFOLIO .....	97
DESCRIPTION OF THE INVESTMENT MANAGER .....	104
DESCRIPTION OF THE INVESTMENT MANAGEMENT AGREEMENT .....	108
DESCRIPTION OF THE SUBSCRIPTION AGREEMENT .....	115
DESCRIPTION OF THE COLLATERAL ADMINISTRATOR .....	116
DESCRIPTION OF THE REPORTS .....	118
TAX CONSIDERATIONS .....	122
1. The Luxembourg Taxation .....	122
2. French Taxation .....	123
3. EU Directive on the Taxation of Savings Income (2003/48/EC) .....	125
4. UK Taxation .....	126
5. Foreign Account Tax Compliance Act .....	126
CERTAIN ERISA CONSIDERATIONS .....	128
PLAN OF DISTRIBUTION .....	129
TRANSFER RESTRICTIONS .....	134

GENERAL INFORMATION .....	138
1. Clearing Systems.....	138
2. Listing .....	138
3. Consents and Authorisations.....	138
4. No Significant or Material Change .....	138
5. Accounts.....	138
6. Documents Available .....	138
7. Expenses.....	139
INDEX OF DEFINED TERMS .....	140

## OVERVIEW

*The following overview does not purport to be complete and is qualified in its entirety by reference to the detailed information appearing elsewhere in this Prospectus and related documents referred to herein. For a discussion of certain risk factors to be considered in connection with an investment in the PPNs, see "Risk Factors". Capitalised terms not defined herein have the meaning ascribed to them in the Conditions.*

**The PPNs:** €25,000,000 Secured Revolving Profit Participating Notes due 2039 issued by the Issuer (the "**PPNs**")

**The Original PPNs:** €425,000,000 Secured Revolving Profit Participating Notes due 2039 issued by the Issuer on 25 July 2013 (the "**Original PPNs**")

The PPNs will be constituted by a deed (the "**Supplemental Trust Deed**") that is supplemental to the trust deed dated 25 July 2013 between, amongst others, the Issuer and the Trustee in respect of the Original PPNs (the "**Original Trust Deed**" and together with the Supplemental Trust Deed, the "**Trust Deed**").

**Drawn Amount and Issue Price:** The PPNs will be issued partly paid up on the Issue Date with a Principal Amount of €25,000,000 and a Drawn Amount of €72,500, representing 0.29 per cent. of the Principal Amount of the PPNs. The Drawn Amount of the PPNs may be increased or decreased after the Issue Date to reflect the payments from and to the Noteholders under the Notes and the redemption of the Notes as set out in the Conditions.

The issue price of the PPNs equals 100 per cent. of the Drawn Amount of the PPNs.

**The Notes:** In the circumstances described in Condition 2(d) (*Failure to make a Note Advance*), the Issuer may issue Substitute PPNs, which for the avoidance of doubt, may be issued in respect of PPNs, Further PPNs and Replacement PPNs. The Issuer may thereafter issue Replacement PPNs in the circumstances described in Condition 2(d) (*Failure to make a Note Advance*), which for the avoidance of doubt, may be issued in respect of PPNs, Further PPNs and existing Replacement PPNs. Furthermore in the circumstances described in Condition 19 (*Further Issues*), the Issuer may issue Further PPNs. The PPNs, the Original PPNs, the Substitute PPNs, the Replacement PPNs and the Further PPNs are together referred to herein as the "**Notes**". The PPNs shall not be consolidated in order to form a single series with such Original PPNs, Substitute PPNs, Replacement PPNs or Further PPNs, but they shall rank *pari passu* with the the Original PPNs, Substitute PPNs, the Replacement PPNs and the Further PPNs. All Noteholders will be Secured Parties for whose benefit the Trustee holds the benefit of security over the Collateral.

All votes and directions by Noteholders shall be given by such Noteholders acting as a single class. All the Noteholders (including for the avoidance of doubt, the Substitute PPN Holders) shall have the right to vote and give directions in relation to Extraordinary Resolutions

and Unanimous Resolutions. In all circumstances other than Extraordinary Resolutions and Unanimous Resolutions, only the Noteholders other than the Substitute PPN Holders shall have the right to vote and give directions.

Accordingly, while this Prospectus addresses disclosure in respect of the PPNs only, certain provisions of the PPNs are, where indicated herein, determined by reference to the Notes as a whole (in certain circumstances, excluding the Substitute PPNs). For the avoidance of doubt, this Prospectus has been prepared by the Issuer solely for use in connection with the offering of the PPNs described in this Prospectus, and shall not be used in connection with the offering of the other Notes.

<b>Maturity Date:</b>	15 October 2039
<b>Payment Dates:</b>	15 April, 15 July, 15 October and 15 January, in each year commencing on the first Payment Date immediately following the First Purchase Date, and ending on the Maturity Date.
<b>The Issuer:</b>	Aviva Investors European Secondary Infrastructure Credit SV S.A., a public limited liability company ( <i>société anonyme</i> ) incorporated under the laws of Luxembourg as a securitisation undertaking ( <i>organisme de titrisation</i> ) (the " <b>Lux SV</b> ").
<b>Investment Manager:</b>	Aviva Investors Global Services Limited (" <b>AIGSL</b> ").
<b>Agents:</b>	The Registrar, the Principal Paying Agent, the Account Bank, the Note Agent, the Quotation Agent and the Custodian.
<b>Account Bank:</b>	Deutsche Bank AG, London Branch.
<b>Custodian:</b>	Deutsche Bank AG, London Branch.
<b>Note Agent:</b>	Deutsche Bank AG, London Branch.
<b>Collateral Administrator:</b>	Deutsche Bank AG, London Branch.
<b>Principal Paying Agent:</b>	Deutsche Bank AG, London Branch.
<b>Settlement Agent:</b>	Deutsche Bank AG, London Branch.
<b>Quotation Agent:</b>	Deutsche Bank AG, London Branch.
<b>Registrar:</b>	Deutsche Bank Luxembourg S.A..
<b>Trustee:</b>	Deutsche Trustee Company Limited.
<b>Administrator:</b>	Deutsche Bank Luxembourg S.A..
<b>Status of the PPNs:</b>	The PPNs will comprise secured limited recourse debt obligations of the Issuer. The PPNs will rank <i>pari passu</i> and rateably without any preference among themselves and <i>pari passu</i> with the other Notes (as defined above).
<b>Note Advances:</b>	The Issuer will be permitted to request a Note Advance from the Noteholders on a Note Advance Date in connection with its acquisition of Debt Investments (see

Condition 2 (*Note Advances*)) in the case of each Noteholder in an amount which does not exceed such Noteholder's Undrawn Amounts on the related Note Advance Date.

Following any repayment (in whole or in part) of the PPNs during the Note Available Commitment Period, the Undrawn Amount shall be increased by the amount of each such repayment and shall therefore be available to be re-drawn under further Note Advances during the Note Available Commitment Period. On and following the Note Available Commitment Termination Date, no further Note Advances may be requested by the Issuer.

**Use of Proceeds:**

The Issuer shall apply all amounts raised from the Note Advances made under the PPNs, after payment of the Initial Set Up Costs, as follows:

- (i) in payment to the Principal Account in accordance with Condition 4.9(b) (*Principal Account*) and used to, amongst other things, purchase Debt Investments from time to time recommended to it by the Investment Manager;
- (ii) on the First Purchase Date, in an amount equal to the Target Expense Reserve Balance from the proceeds of the first Note Advance, in payment to the Expense Reserve Account in accordance with Condition 4.9(d)(A); and
- (iii) if applicable, in payment into the Revolving Reserve Account for application in the funding of Unfunded Amounts of any Revolving Debt Investments and Delayed Drawdown Debt Investments identified by the Investment Manager when required pursuant to any such obligation,

all as further described in Condition 4.9 (*Payments to and from the Accounts*).

**Redemption:**

The PPNs are redeemable by the Issuer in whole but not in part, at their Redemption Price, from the proceeds of liquidation or realisation of the Collateral applied in accordance with the Priorities of Payments on each Redemption Date (as defined in the Conditions) following the occurrence of a Note Tax Event, a Collateral Tax Event, an Illegality Event or an Optional Early Redemption Event in each case at the direction of the Noteholders (other than the holders of the Substitute PPNs) acting as a single class by Ordinary Resolution or at the direction of all Noteholders acting as a single class by Unanimous Resolution, as the case may be, subject to, and in accordance with the terms of Condition 7.7 (*Redemption of the PPNs*).

Additionally, the Issuer may at its own option repay the PPNs on any Payment Date in accordance with the Pre-Enforcement Priority of Payments or at any time through the Principal Account.

**Distributions on the PPNs:**

Interest in respect of the PPNs will be payable quarterly in arrear on an available funds basis and on a *pro rata* and *pari passu* basis in accordance with paragraph (vii) of Condition 4.2(a) (*Application of Interest Proceeds*), paragraph (i) of Condition 4.2(b) (*Application of Principal Proceeds*) on each Payment Date and paragraph (D) of Condition 11.2(c) (*Post-Acceleration Priority of Payments*), subject to prior payment of certain fees and expenses as further described in Condition 6.3 (*Determination of Interest Amount*) and the Yield on the PPNs will be determined accordingly, where "Yield" means, in relation to any Payment Date, the Interest Amounts paid to PPN Holders in the related Due Period divided by the number of days in the Due Period multiplied by 365 and divided by the outstanding notional of PPNs on such Payment Date.

**Priorities of Payments:**

Interest Proceeds and Principal Proceeds will be applied on each Payment Date in accordance with (i) in the case of Interest Proceeds, the Interest Proceeds Priorities of Payments and (ii) in the case of Principal Proceeds, the Principal Proceeds Priorities of Payments (together, the "**Pre-Enforcement Priority of Payments**") and upon enforcement in accordance with the Post-Acceleration Priority of Payments specified in Condition 11.2(c) (*Post-Acceleration Priority of Payments*).

**Investment Management Fee:**

The fee payable to the Investment Manager in arrear on each Payment Date in respect of the immediately preceding Due Period pursuant to the Investment Management Agreement in an amount, as determined by the Collateral Administrator, equal to the greater of (a) 0.35 per cent. per annum (calculated on the basis of a 360-day year and the actual number of days elapsed in such Due Period) of the aggregate Drawn Amount of the Notes (in respect of the Substitute PPNs, without reduction on account of the Substitute PPN Haircut Percentage) less the aggregate of any Impairment Amounts as at the first Business Day of the Due Period preceding the applicable Payment Date (as notified by the Investment Manager to the Collateral Administrator) and (b) the product of (i) €150,000 and (ii) the fraction, expressed as a percentage, the numerator of which is the number of days elapsed in such Due Period and the denominator of which is 360, together with any VAT chargeable in respect thereof.

**Investment Management Agreement:**

Pursuant to the Investment Management Agreement, the Investment Manager is required to act as Investment Manager on behalf of the Issuer with respect to the Portfolio, to act in specific circumstances in relation to the Portfolio and to carry out the duties and functions described therein. Pursuant to the Investment Management Agreement, the Issuer has appointed and where applicable, has authorised the Investment Manager to, amongst other things:

- (i) make recommendations to it in respect of any acquisition, disposal, Material Restructuring (which, for the avoidance of doubt, includes insolvency work-outs and managing the costs of work-outs) of any Debt Investments or in respect

of the Restructuring Option; and

- (ii) perform the day to day management of the Portfolio, including but not limited to, (a) responding to Obligors' and agents' requests, (b) obtaining consents and waivers, (c) monitoring the performance of the Obligors and monitoring covenant compliance and defaults in the Portfolio, (d) reporting to the Noteholders on the performance of the Portfolio and (e) carrying out negotiations in respect of the Portfolio.

See "*Description of the Investment Management Agreement*" and "*The Portfolio*".

**Portfolio:**

The Portfolio will consist of Debt Investments details of which are set out in the "*Description of the Portfolio*".

***Debt Investments:***

The Issuer proposes to invest in a portfolio of Debt Investments that, at the time the Issuer entered into binding commitments to purchase, comply with the Eligibility Criteria described in this Prospectus. In addition, the Issuer shall also ensure that the Debt Investments comply at all times with paragraph (l) of the Eligibility Criteria.

***Investment Period:***

The Investment Period means the period from (and including) the Original Issue Date to (and including) the later of (i) the Note Available Commitment Termination Date and (ii) the date falling 6 months following the Note Available Commitment Scheduled Termination Date if, on the Business Day immediately preceding the Note Available Commitment Scheduled Termination Date, the Investment Manager (acting on behalf of the Issuer) has made a Note Advance Request in an amount up to the Undrawn Amount on such date and the Note Agent has notified the Noteholders in writing that the Investment Manager wishes to so extend the Investment Period.

***Reinvestment in Debt Investments:***

The Issuer may during the Investment Period apply Principal Proceeds in the purchase of Debt Investments meeting the Eligibility Criteria.

***Eligibility Criteria:***

In order to qualify as a Debt Investment, an obligation must satisfy certain specified Eligibility Criteria. See "*The Portfolio – Eligibility Criteria*".

***Revolving Debt Investments and Delayed Drawdown Debt Investments:***

If the Issuer acquires a Revolving Debt Investment or Delayed Drawdown Debt Investment at any time and if the Investment Manager in its sole discretion determines that it is necessary or desirable to credit the Revolving Reserve Account with an amount in order for the Issuer to meet its funding obligations under or in connection with the relevant Revolving Debt Investment or Delayed Drawdown Debt Investment it shall, at the Investment Manager's prior written request, procure that an amount equal to the Unfunded Amounts of such Revolving Debt Investment or Delayed Drawdown Debt Investment is paid into the Revolving Reserve Account See Condition 4.9(e) (*Revolving Reserve Account*).

**Subscription Agreement:**

Pursuant to the Subscription Agreement dated 4 September 2014 in relation to the PPNs and each subscription agreement entered into in relation to the initial subscription and commitment for Replacement PPNs and Further PPNs (the "**Subscription Agreements**") between, amongst others, the Issuer, the Trustee and the initial subscribers of the PPNs, Replacement PPNs and Further PPNs (as the case may be), the initial subscribers for the PPNs, Replacement PPNs and Further PPNs (as the case may be) will agree, subject to the terms thereof, to subscribe for the relevant Notes.

***Note Available Commitment Termination Date:***

The Note Available Commitment Termination Date means the earliest of:

- (a) the date on which the Undrawn Amount is zero;
- (b) the date upon which the Notes are redeemed pursuant to Condition 7 (*Redemption*);
- (c) the date on which an Enforcement Event (as defined in the Conditions) occurs; and
- (d) the Note Available Commitment Scheduled Termination Date,

and in each case above, if such date is not a Business Day, the immediately succeeding Business Day.

***Note Available Commitment Scheduled Termination Date:***

The Note Available Commitment Scheduled Termination Date means the date falling 30 months from the Original Issue Date (and if such date is not a Business Day, the immediately succeeding Business Day).

On the Business Day immediately preceding the Note Available Commitment Scheduled Termination Date, the Issuer may, at its sole discretion, but is not obliged to, draw down a Note Advance in an amount of up to the Undrawn Amount on such date and credit the proceeds thereof to the Principal Account for the investment thereof in Debt Investments, provided that (x) the Investment Manager (acting on behalf of the Issuer) has entered into negotiations regarding the purchase of such Debt Investments or (y) without prejudice to paragraph (x), key terms have been agreed or an offer, agreement in principle, letter of intent or memorandum of understanding, has been made or entered into in writing and in good faith by the Investment Manager (acting on behalf of the Issuer) and the seller thereof with the intention of the Issuer purchasing such Debt Investment (regardless of whether such arrangement is legally binding as at the Note Available Commitment Termination Date) and such purchase under either paragraph (x) or (y) above or a combination of both is expected by the Investment Manager to settle within 6 months of the Note Available Commitment Termination Date.

***Failure to make a Note Advance:***

- (i) The aggregate of all Note Advances requested on a Note Advance Date is the "**Aggregate Note Advance**" (for further details, see "*Form of the*

*PPNs – Amendments to the Conditions of the PPNs – Mechanics of Note Advances*"). If any Noteholder has been identified at any time as having failed to advance to the Issuer its *pro rata* share of the Aggregate Note Advance in respect of a Note by close of business on the relevant Note Advance Date (a "**Defaulted Note**" and such Noteholder, a "**Defaulting Noteholder**"), the Issuer shall send such Defaulting Noteholder via the Clearing Systems a default letter (the "**Default Letter**") in accordance with Condition 16 (*Notices*) (with a copy to the Trustee, the Registrar, the Principal Paying Agent and the Note Agent). On and from the Default Letter Notification Date, the Issuer is entitled to request further Note Advances from non-Defaulting Noteholders (the "**Non-Defaulting Noteholders**") in order to fund all or part of such Defaulting Noteholder's Note Advance, in an amount that is equal to each such Non-Defaulting Noteholder's *Pro-Rata* Share of the aggregate amount which needs to be advanced by all Non-Defaulting Noteholders (such aggregate amount, the "**Shortfall Amount**") and that shall not exceed the Undrawn Amounts of such Non-Defaulting Noteholders.

- (ii) The Issuer shall redeem the Notes of the Defaulting Noteholder on the Default Letter Notification Date without payment. The Issuer shall issue, within 30 days of the Default Letter Notification Date or as soon as reasonably practicable thereafter, a Substitute PPN to the Defaulting Noteholder for credit free of payment to the clearing account of the Defaulting Noteholder, as more particularly detailed in Condition 2(d) (*Failure to make a Note Advance*).

For the purposes of paragraphs (i) and (ii) above, "**Default Letter Notification Date**" means the date on which the relevant Defaulting Noteholder is deemed to have received the Default Letter from the Issuer in accordance with Condition 16 (*Notices*).

**Forced sale pursuant to FATCA:**

Under Sections 1471 through 1474 of the US Internal Revenue Code, an agreement entered into with the US Internal Revenue Service or an intergovernmental agreement between the United States and another jurisdiction in furtherance of such sections of the Code (including any non-US laws and regulations implementing such an intergovernmental agreement), or any analogous provisions of non-U.S. law ("**FATCA**"), the Issuer may be required to, among other things, provide certain information about the Noteholders to a taxing authority. The Issuer intends to comply with FATCA and, thus, expects to require each Noteholder to provide certifications and identifying information about itself and certain of its owners.

The failure to provide the required information generally may compel the Issuer to force the sale of the relevant Noteholder's Notes (which could be for less than its then fair market value).

**Forced sale pursuant to ERISA and the Code:**

The Issuer shall have the right to require a Noteholder to sell its Notes to a purchaser on terms which the Issuer may determine in its sole discretion if such Noteholder is a Non-Permitted ERISA Holder as defined in the Conditions. See Condition 3.6 (*Forced Transfer of Certain Notes*) for further details.

**Restructuring Option:**

The Noteholders will have the option (but not the obligation) either to:

- (a) elect to have their investment in the Notes restructured (the "**Restructuring Option**") on a date not later than the second Payment Date following the expiry of the Investment Period (the "**Restructuring Date**"). The Notes of those Noteholders electing to exercise the Restructuring Option (each an "**Electing Noteholder**") shall be either:
  - (i) amended so that the Notes can be exchanged for notes issued by the Issuer ("**Internal Repack Notes**") that will pay interest at a specified margin over the offered note for three-month Euro deposits that appears on the display designated as page 248 on the Telerate Monitor (or such other page or service as may replace it for the purposes of displaying EURIBOR rates) ("**EURIBOR**") and will follow a defined amortisation schedule ("**Restructuring Option A**"); or
  - (ii) exchanged in accordance with Condition 20(v) (*Mechanics of Exchange*) for notes ("**External Repack Notes**") issued by a bankruptcy remote special purpose repackaging entity, which will follow a defined amortisation schedule and which are secured on the Notes and an interest rate swap which pays interest at a specified margin over EURIBOR ("**Restructuring Option B**"); or
- (b) not to elect for the Restructuring Option described above and retain their existing Notes.

It is intended that the Internal Repack Notes issued under Restructuring Option A and the External Repack Notes issued under Restructuring Option B will qualify for favourable accounting treatment under Article R332-19 of the French Insurance Code.

**Security for the Notes**

**General:**

The Notes will be secured limited recourse debt obligations of the Issuer, secured by the Issuer in favour of

the Trustee for the benefit of the Noteholders and the other Secured Parties by way of (amongst other things) a first fixed charge and assignment by way of security over a Portfolio primarily consisting of infrastructure loan agreements between the Issuer and the Obligor(s) which satisfy the Eligibility Criteria.

The Notes will also be secured in favour of the Trustee for the benefit of the Noteholders and the other Secured Parties by an assignment by way of security of various of the Issuer's other rights, including its rights under the Subscription Agreement including the subscription agreements in respect of the Original PPNS.

No return on, and repayment of principal and/or interest on the Notes are linked to the performance or credit of assets which are not assets of the Issuer.

**Denominations:**

The PPNS will be issued in denominations of €125,000.

**Eligible Purchasers:**

The PPNS will be offered:

- (a) outside of the United States to non-U.S. Persons (as defined in Regulation S) in offshore transactions in reliance on Regulation S;
- (b) subject to the terms and conditions of the PPNS set out in the Trust Deed and the Global Certificate;
- (c) to purchasers who will not cause an adverse tax consequence to the Issuer;
- (d) to purchasers for whom the holding of such PPNS is not illegal; and
- (e) to purchasers who are not Non-Permitted ERISA Holders (as defined in the Conditions) and who are not Recalcitrant Noteholders (as defined in the Conditions),

(purchasers who satisfy the criteria set out in (a) to (e) above, the "**Eligible Purchasers**").

**Form, Registration and Transfer of the PPNS:**

On the Issue Date the PPNS will be issued in the form of a permanent global certificate (a "**Global Certificate**") without interest coupons or principal receipts which will be deposited with and registered in the name of a nominee for the common depositary for Euroclear S.A./N.V. as operator of the Euroclear System and Clearstream Banking, S.A. (the "**Clearing Systems**") and any successor in title thereto. On the Issue Date the Global Certificate will be issued partly paid up, with a Principal Amount of €25,000,000 and a Drawn Amount of €72,500, representing 0.29 per cent. of the Principal Amount of the PPNS. The Global Certificate is sold outside the United States to non-U.S. Persons in offshore transactions in reliance on Regulation S.

The beneficial interests in the PPNS will be shown and transfers thereof will be effected only through records maintained by the Clearing Systems and their participants.

See "*Form of the PPNs*" for further details.

Interests in any PPN may not at any time be held by any U.S. Person (as defined in Regulations S under the Securities Act) or any U.S. Resident (as determined for the purposes of the Investment Company Act). Subject to the transfer restrictions set forth under "*Transfer Restrictions*" and to any other law or regulation applicable at the relevant time, the PPNs are otherwise freely transferable.

**Governing Law:**

The PPNs, the Trust Deed, the Subscription Agreements, the Agency Agreement, the Investment Management Agreement, the Settlement Agreement and the Distribution Agreement shall be governed by and shall be construed in accordance with English law. Articles 86 to 97 of the Luxembourg law of 10 August 1915 on commercial companies, as amended, are hereby expressly excluded.

The Administration Agreement shall be governed by the laws of Luxembourg.

The Euroclear Pledge Agreement, if entered into pursuant to the Trust Deed, shall be governed by Belgian law.

**Listing:**

Application has been made to the Irish Stock Exchange for the PPNs to be admitted to the Official List and trading on its regulated market.

**Irish Listing Agent:**

Arthur Cox Listing Services Limited.

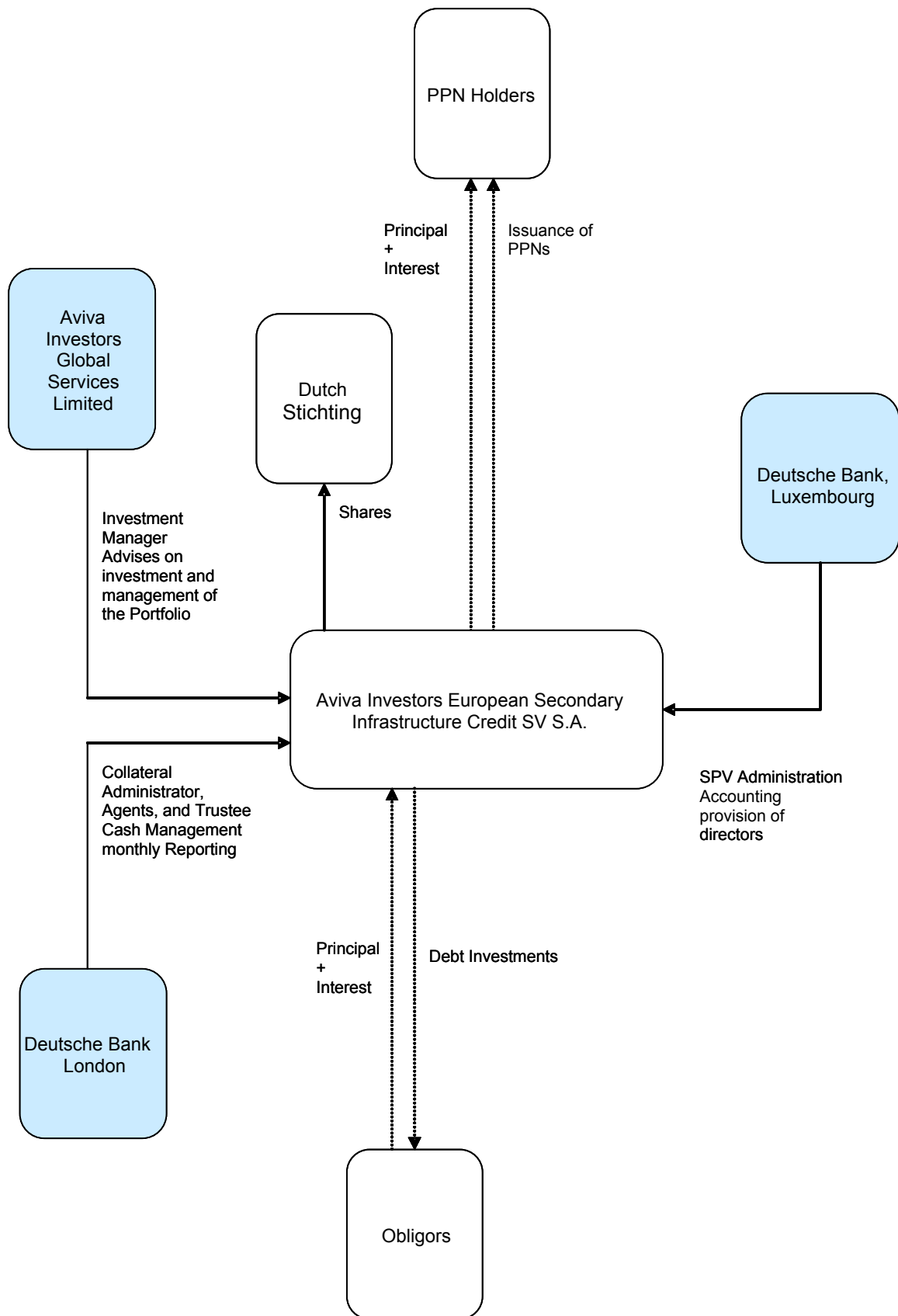
**Tax Status:**

All payments of principal and interest by the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Luxembourg, or any political subdivision or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. Any amounts withheld or deducted pursuant to FATCA shall be treated as required by law. For the avoidance of doubt, the Issuer shall not be required to gross up any payments made to Noteholders and shall withhold or deduct from any such payments any amounts on account of tax where so required by law or pursuant to a voluntary agreement entered into with a taxing authority.

**Further Issues:**

The Issuer may from time to time, prior to the Note Available Commitment Termination Date, create and issue further PPNs (the "**Further PPNs**") having the same terms and conditions as the PPNs then outstanding (save for, amongst other things as further described in Condition 19 (*Further Issues*), the date of issuance, the issue price and, if applicable, the date from which interest will accrue). Such Further PPNs shall not be consolidated and form a single series with, but rank *pari passu* with, the PPNs then outstanding.

A diagrammatic overview of the PPNs and the Secured Parties is as follows:



## RISK FACTORS

*An investment in the PPNs involves certain risks, including risks relating to the Collateral securing such PPNs and risks relating to the structure and rights of such PPNs and the related arrangements. Prospective investors should carefully consider the following factors, in addition to the matters set forth elsewhere in this Prospectus, prior to investing in the PPNs.*

*Terms not defined in this section and not otherwise defined above have the meanings set out in Condition 1 of the "Conditions of the PPNs".*

### 1. General

#### 1.1 General

It is intended that the Issuer will invest directly in Debt Investments, details of which are set out in this Prospectus. There can be no assurance that the Issuer's investments will be successful or that the PPN Holders will receive any return on their investment in the PPNs. Prospective investors are therefore advised to review this entire Prospectus carefully and should consider, among other things, the factors set out below before deciding whether to invest in the PPNs.

None of the Collateral Administrator, the Trustee and the Investment Manager undertake to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Prospectus or to advise any investor or potential investor in the PPNs of any information coming to the attention of the Collateral Administrator, the Trustee or the Investment Manager which is not included in this Prospectus.

In the circumstances described in Condition 2(d) (*Failure to make a Note Advance*), the Issuer may issue Substitute PPNs, which for the avoidance of doubt, may be issued in respect of PPNs, any Further PPNs or any Replacement PPNs. Following any issue of Substitute PPNs, the Issuer may in the circumstances described in Condition 2(d) (*Failure to make a Note Advance*) issue Replacement PPNs which, for the avoidance of doubt, may be issued in respect of PPNs, any Further PPNs and any existing Replacement PPNs. Furthermore in the circumstances described in Condition 19 (*Further Issues*), the Issuer may issue Further PPNs. The PPNs, the Original PPNs, any Substitute PPNs, any Replacement PPNs and any Further PPNs are together referred to herein as the "**Notes**". The PPNs shall not be consolidated in order to form a single series with any Original PPNs, Substitute PPNs, Replacement PPNs or Further PPNs, but they shall rank *pari passu* with such Original PPNs, Substitute PPNs, Replacement PPNs and Further PPNs and all Noteholders will be Secured Parties for whose benefit the Trustee holds the benefit of security over the Collateral.

All votes and directions by Noteholders shall be given by such Noteholders acting as a single class. With the exception of the Extraordinary Resolutions and Unanimous Resolutions where all the Noteholders including for the avoidance of doubt, the Substitute PPN Holders shall have the right to vote and give directions, in all other circumstances only the Noteholders other than the Substitute PPN Holders shall have the right to vote and give directions.

As the PPNs, the Original PPNs, any Substitute PPNs, any Replacement PPNs or any Further PPNs shall each constitute a separate series of Notes, the Issuer's rights and obligations in respect of each such series, though substantially identical (except as otherwise provided in the Conditions with respect to any Substitute PPNs) to its rights and obligations under any other such series, are distinct from its rights and obligations in respect of any other such series.

#### 1.2 Suitability

Prospective purchasers of the PPNs should ensure that they understand the nature of such PPNs 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, accounting, regulatory and financial evaluation of the merits and risks of investment in such PPNs and that they consider the suitability of such PPNs as an investment in the light of their own circumstances and financial condition.

### 1.3 Limited Sources of Funds; Insufficient Funds

The funds available to the Issuer to pay interest and principal on the Notes, and to pay its expenses on any Payment Date are limited to the income received by the Issuer in respect of the Debt Investments.

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 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. Payments on the Notes are at all times subordinated to payments of certain fees and other amounts, and rank *pari passu* with the other Notes, in each case in accordance with the Priorities of Payments. If the income received by the Issuer in respect of the Debt Investments are insufficient to make part or full payment on the Notes, no other assets and no recourse will be available to the holders of the Notes for payment of such deficiency.

### 1.4 Limited Recourse Obligations and Non-Petition

The PPNs are secured limited recourse obligations of the Issuer, secured by the Issuer in favour of the Trustee for and on behalf of the Secured Parties, and are payable solely from amounts received in respect of the Collateral securing the PPNs and the other Notes as set out in detail in Condition 4.10 (*Security*).

Only the Trustee may pursue the remedies available under applicable law and under the Trust Deed to enforce the rights of a Secured Party against the Issuer. No other Secured Parties shall be entitled to proceed directly against the Issuer in respect of such rights, unless the Trustee having been bound to take steps and/or proceedings, fails to do so within a reasonable time and such failure is continuing. If the net proceeds of realisation of the security constituted by the Trust Deed, upon enforcement thereof in accordance with Condition 11 (*Enforcement*) and the provisions of the Trust Deed, are less than the aggregate amount payable in such circumstances by the Issuer in respect of the PPNs and the other 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 PPNs and the other Notes and its obligations to the other Secured Parties in such circumstances will be limited to such net proceeds, which shall be applied in accordance with the Priorities of Payments. In such circumstances, the other assets (if any) of the Issuer (including any amounts standing to the credit of the Issuer Account and its rights under the Administration Agreement) will not be available for payment of such shortfall which shall be borne by the PPN Holders, the other Noteholders, the Trustee, and the other Secured Parties in accordance with the Priorities of Payments (applied in reverse order). The rights of the Secured Parties to receive any further amounts in respect of such obligations shall be extinguished and none of the PPN Holders, the other Noteholders or the other Secured Parties may take any further action to recover such amounts. None of the PPN Holders, the other Noteholders or the other Secured Parties or, save as permitted in the Trust Deed, the Trustee (nor any other Person acting on behalf of any of them other than the Trustee acting in accordance with the Trust Deed) shall be entitled at any time to institute against the Issuer, or join in any institution against the Issuer of, any bankruptcy (*faillite*), reprieve from payment (*sursis de paiement*), controlled management (*gestion contrôlée*), suspension of payments, composition with creditors (*concordat préventif de faillite*), examinership, reorganisation, arrangement, insolvency, winding-up or liquidation proceedings or other proceedings under any applicable bankruptcy or similar law in connection with any obligations of the Issuer relating to the PPNs and the other Notes, the Trust Deed or otherwise owed to the Secured Parties, save for lodging a claim in the liquidation of the Issuer which is initiated by another non affiliated party or taking proceedings to obtain a declaration as to the obligations of the Issuer.

Consequently, the holders of the PPNs must rely solely on distributions on the Debt Investments for the payment of principal and interest. There can be no assurance that the distributions on the Debt Investments will be sufficient to make payments on any PPNs after making payments on certain other required payments to other creditors ranking senior to or *pari passu* with such PPNs pursuant to the Priorities of Payments.

### 1.5 Recent Events in the Financial Markets

The global economy is currently being affected by a crisis in the credit markets and is experiencing a general downturn and, in certain countries, a recession. Among the sectors of the global credit markets that are experiencing particular difficulty are collateral obligations ("**CO**"). There exist significant risks

for the Issuer and investors as a result of the current economic conditions. These risks include, among others, the illiquidity of the PPNs as there is currently little or no secondary trading in CO securities. These risks may affect the returns on the PPNs to investors and/or the ability of investors to realise their investment in the PPNs prior to their stated maturity, if at all.

The slow down in growth or commencement of a recession in economies affected by the credit crisis may have an adverse effect on the ability of consumers and businesses to repay or refinance their existing debt. Adverse macro economic conditions may adversely affect the performance and the realisation value of the Collateral. It is possible that the Collateral will experience higher default rates than anticipated.

Some leading global financial institutions have been forced into mergers with other financial institutions, partially or fully nationalised or have gone bankrupt or insolvent. The bankruptcy or insolvency of a major financial institution may have an adverse effect on the Issuer and its ability to pay the PPNs, particularly if such financial institution is a grantor of a participation in a Debt Investment, a hedge counterparty to a swap involving the Issuer, a counterparty to a buy or sell trade that has not settled with respect to a Debt Investment with the Issuer or the administrative agent of a Debt Investment. The bankruptcy, insolvency or financial distress of any additional sovereign or financial institution in future 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 PPNs.

It is possible that one of the effects of the global credit crisis and the failure of financial institutions will be an introduction of a significantly more restrictive regulatory environment including the implementation of new accounting and capital adequacy rules in addition to further regulation of derivative instruments. Such additional rules and regulations could, among other things, adversely affect PPN Holders as well as the flexibility of the Investment Manager in liquidating and administering the Portfolio. While it is possible that current conditions may improve for certain sectors of the global economy, there can be no assurance that the infrastructure debt markets will recover at the same time or to the same degree as such other recovering sectors.

The ongoing deterioration of the sovereign debt of several countries, including Greece, Italy, Ireland, Spain and Portugal, together with the risk of contagion to other, more stable, countries, particularly France and Germany, has exacerbated the global economic crisis.

The growing risk that other Eurozone countries could be subject to an increase in borrowing costs and could face an economic crisis similar to that of Greece, Italy, Spain and Portugal, together with the risk that some countries, albeit those with a relatively small GDP, could leave the Eurozone (either voluntarily or involuntarily), could have a negative impact on the Issuer's Collateral, just as the impact of these events on Europe and the global financial system could be severe.

Furthermore, concerns that the Eurozone sovereign debt crisis could worsen may lead to the reintroduction of national currencies in one or more Eurozone 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 Eurozone countries and/or the abandonment of the Euro as a currency could have major negative effects on the Portfolio, the Issuer and the PPNs. Practical consequences for the Issuer may include but are not limited to: (i) increased risk of default by the Issuer's counterparties; (ii) loss in the value of the Portfolio; (iii) difficulty in valuing assets due to a lack of reliable data or market disruption; and (iv) difficulty in liquidating assets due to introduction of capital controls or general market disruption. Should the Euro dissolve entirely, the legal, contractual and practical consequences for holders of Euro-denominated obligations are likely to 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 Debt Investments.

## **1.6 Impact of Further Regulation in the Financial Markets**

The recent instability in the financial markets has led to a number of unprecedented actions being taken by governments to support certain financial institutions and segments of the financial markets that have experienced volatility or a lack of liquidity. Governments, their regulatory agencies or self-regulatory organisations may take additional actions that affect the regulation of the assets in which the Issuer invests, or the issuers of such assets, in ways that are unforeseeable.

If legislation or government regulations impose any additional requirements or restrictions on the ability of financial institutions to make loans, the availability of loans in the secondary market for investment by the Issuer may be adversely affected. In addition, such requirements or restrictions could reduce or eliminate sources of financing for certain borrowers or issuers (or in either case, the guarantors) of the Debt Investments (the "**Obligors**"). This would increase the risk of defaults.

There has been some commentary amongst regulators and intergovernmental institutions, including the Financial Stability Board and International Monetary Fund, on "shadow banking" which is a term taken to refer to credit intermediation involving entities and activities outside the regulated banking system. Since the Issuer is an entity outside the regulated banking system and certain of its activities could arguably fall within this definition, it may be subject to regulatory developments. The Issuer and the Investment Manager could be subject to increased levels of oversight and regulation. This could increase costs, limit operations and hinder the Issuer's ability to achieve its investment objectives.

## 1.7 **EMIR**

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

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

Non-financial counterparties are also subject to the reporting obligation and generally, the risk mitigation obligation but they will be excluded from the clearing obligation and certain of the risk mitigation obligations provided the gross notional value of all derivative contracts entered into by the non-financial counterparty and other non-financial counterparties within its "group", excluding eligible hedging transactions, does not exceed certain thresholds. If the Issuer is considered to be a member of such a "group" and if the notional value of derivative contracts entered into by the issuer or other non-financial counterparties within any such group exceeds the applicable threshold, the Issuer would be subject to the clearing obligation. In the event that the Issuer or to the extent applicable the Issuer's "group" exceed the applicable clearing thresholds, it would also be subject to the full set of risk mitigation obligations and would be required to post collateral in respect of non-cleared OTC derivative contracts.

Prospective investors should be aware that the regulatory changes arising from EMIR may in due course significantly increase the cost of entering into derivative contracts. These include the potential for non-financial counterparties such as the Issuer to become subject to marking to market and collateral posting requirements in respect of non-cleared OTC derivatives). 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 respects of the PPNs.

## 1.8 **Alternative Investment Fund Managers Directive**

EU Directive 2011/61/EU on Alternative Investment Fund Managers ("**AIFMD**") became effective on 22 July 2013, and introduces authorisation and regulatory requirements for managers of alternative investment funds ("**AIFs**"). If the Issuer were to be considered to be an AIF within the meaning in AIFMD, it would need to be managed by a manager authorised under AIFMD (an "**AIFM**"). The Investment Manager is not authorised under AIFMD but is authorised under the Markets in Financial Instruments Directive ("**MiFID**"). As the Investment Manager is not permitted to be authorised under AIFMD and also to conduct certain regulated activities under MiFID, it will not be able to apply for an authorisation under AIFMD unless it gives up its authorisation under MiFID.

There is an exemption from the definition of AIF in AIFMD for "securitisation special purpose entities" (the "**SSPE Exemption**"), defined by reference to securitisation within the meaning of Article 1(2) of

Regulation (EC) No 24/2009 of the European Central Bank of 19 December 2008. The European Securities and Markets Authority ("ESMA") has not yet given any formal guidance on the application of the SSPE Exemption or whether a vehicle such as the Issuer would fall within it.

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

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

## **1.9 Limited Operating History**

The Issuer was incorporated on 5 November 2012 and consequently has approximately 21 months' operating history. As a result, prospective PPN Holders have a limited track record or history on which to base their investment decisions.

## **1.10 History of Investment Manager**

The past performance of any other strategies, investment funds, or accounts managed or advised by the Investment Manager are not representative of the potential future performance of the Issuer. Such strategies, investment funds or accounts did not necessarily have similar investment objectives and strategies to the Issuer.

## **2. Taxation of the Issuer**

The Directors intend to conduct the affairs of the Issuer in such a manner as to minimise, so far as they consider reasonably practicable, taxation suffered by the Issuer. This will include conducting the affairs of the Issuer so that, to the extent that it is within the capacity of the Directors and the Issuer, the Issuer is at all times resident in Luxembourg for taxation purposes and is at all times resident outside the United Kingdom for tax purposes. If the activities of the Issuer are regarded as trading rather than investment activities, the Issuer may by virtue of the activities of the Investment Manager be treated as carrying on a trade in the United Kingdom through a permanent establishment and consequently may be subject to United Kingdom corporation tax on its chargeable profits attributable to the permanent establishment. There can be no assurance, however, that the Issuer's income (particularly any U.S. source income it may derive) will not become subject to net income or withholding taxes in the United States or other countries as a result of unanticipated activities by the Issuer, changes in law, contrary conclusions by relevant tax authorities or other causes.

## **3. Regulatory Risk**

### **3.1 General**

The Issuer is not conducting banking or financial services activity requiring licences or consents from regulators in its jurisdiction of incorporation and seeks to comply with all applicable laws and regulations applicable to it of which it is aware in all jurisdictions with which the transaction is connected by consulting local counsel prior to entering into a transaction. However, some of such applicable laws and regulations leave space for different interpretations and are subject to ongoing changes and administrative practices which are not always transparent. The possibility cannot be excluded that either by reason of a change in law or regulation or their interpretation in any applicable jurisdiction or by reason of law or regulation leaving space for different interpretation and practices of which the Issuer is unaware, certain of its activities or those of its agents in relation to the issuance and offering of the PPNs and the acquisition and disposal of the Debt Investments may constitute the provision of cross border banking or financial services which are regulated in other jurisdictions. Should it be determined that the Issuer has failed to comply with any applicable licence or consent requirements under any applicable banking or financial services law or regulation in any jurisdiction in

relation to the issuance and offering of the PPNs and the acquisition and disposal of the Debt Investments, the regulators in such jurisdiction could, to the extent they have authority to do so, impose sanctions on certain of the parties involved, including the Issuer, seeking the immediate cessation of such parties' activities in that jurisdiction, liquidation of the transactions conducted by it in that jurisdiction or with investors in or from that jurisdiction and even the imposition of criminal sanctions. In addition, the Issuer may be affected by shadow banking and other regulations which are currently being discussed.

### 3.2 Risk Relating to The Banking Act 2009

On 12 February 2009, the Banking Act 2009 (the "**Banking Act**") received royal assent. The Banking Act outlines the special resolution powers and mechanisms to be made available to the Bank of England, the Treasury and the Prudential Regulation Authority (together, the "**Authorities**") to deal with banks that are, or are likely to fail the threshold conditions under the Financial Services and Markets Act 2000 to carry on regulated activities. If the appropriate triggers are met, the Authorities may: (i) transfer shares in, or the property of a bank to a commercial purchaser; (ii) transfer the property of a bank to a bridge company which is wholly owned by the Bank of England; or (iii) transfer shares of a bank to a nominee of the Treasury.

Under the Banking Act, the Authorities can order the transfer of any property of a bank without regard to any requirements for consent to transfer or any contractual or other restrictions on transfer. If the Issuer has entered into agreements, including, but not limited to any participations with an affected bank, the rights of the Issuer under any transferred property may be compromised. Further, if any property held on trust for the Issuer by the affected bank is transferred, the Authorities may order the alteration or removal of such trust.

The Banking Act may impose additional risks to be taken into account in respect of Participations with banking institutions. Please see risk factor 13.25 (*Participations and Assignments*).

### 4. Foreign Account Tax Compliance Act

Under sections 1471 through 1474 of the US Internal Revenue Code (the "**Code**"), an agreement entered into with the US Internal Revenue Service pursuant to such sections of the Code, or an intergovernmental agreement (an "IGA") between the United States and another jurisdiction in furtherance of such sections of the Code (including any non-US laws and regulations implementing such an IGA), or any analogous provisions of non-U.S. law (collectively referred to as "**FATCA**") imposes an information reporting regime and potentially a 30% withholding tax with respect to certain payments to (i) any non-US financial institution (a "foreign financial institution" or "FFI" (as defined by FATCA)) that does not become a "Participating FFI" by entering into an agreement with the IRS to provide the IRS with certain information in respect of its account holders and investors, unless otherwise exempt from or deemed to be in compliance with FATCA or, where applicable, the FFI complies with any local laws enacted in respect of an IGA and (ii) any investor that (unless otherwise exempted) does not provide certain tax certifications or ownership information (or, if applicable, a waiver of any laws prohibiting disclosure of such information to a taxing authority). The Issuer and most financial intermediaries will be subject to the requirements imposed under FATCA. The United States and a number of jurisdictions, including Luxembourg, have entered into IGAs to facilitate the implementation of FATCA. Payee financial institutions that are resident in a country that has entered into an IGA may be required to comply with such country's FATCA implementing laws, which may not require that the financial institution enter into an agreement with the U.S. Internal Revenue Service. In such case, such country's FATCA implementing laws generally are expected to require the financial institution to collect and report certain information on its account holders to the relevant taxing authority of such country which will send such information to the IRS. The requirements under an IGA may differ modestly from the requirements that would apply in the absence of an IGA but will be substantially similar.

Withholding under FATCA will apply to payments that are from sources outside the United States to the extent they are "foreign passthru payments" (a term not yet defined) no earlier than 1 January 2017.

The Issuer intends (and expects each Intermediary) to either enter into an IRS Agreement or to comply with the similar requirements required under an IGA and, accordingly, expects to require (and that an Intermediary will require) the Noteholders to provide certifications and identifying information about

themselves and their owners (or beneficial owners) in order to enable the Issuer to comply with its reporting obligations under FATCA. Noteholders will further be required to permit the Issuer to share such information with the relevant taxing authorities.

No assurance can be given that the Issuer or any intermediary will be able to take all necessary actions or that actions taken will be successful to comply with FATCA. Further, the Issuer's ability to avoid the withholding taxes under FATCA may not be within its control and may, in some cases, depend on the actions of an intermediary or other withholding agents in the chain of custody, and the Noteholders or beneficial owners. Further, similar arrangements may also be implemented in Luxembourg and other jurisdictions, and there is no assurance that the Issuer will be able to comply with such reporting requirements. In the event that the Issuer or an Intermediary is required to deduct a withholding tax under FATCA, neither the Issuer nor any intermediary will be required to pay any additional amounts with respect to the amounts so withheld. Further, the Issuer may require any non-compliant Noteholder to withdraw its interest from the Issuer. Any such forced sale could be below fair market value, and such Noteholder may suffer a material loss on its investment.

FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on regulations, official guidance and IGAs, all of which are subject to change or may be implemented in a materially different form. Each potential purchaser of Notes should consult its own tax advisor to determine how FATCA may affect such investor in its particular circumstance.

## **5. 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.

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 recover any damages caused by the violation; and (iii) any contract to which the Issuer is party that is made in, or whose performance involves, a violation of the Investment Company Act would be unenforceable by any party to the contract 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.

## **6. Conflicts Of Interest**

The Investment Manager will be subject to certain conflicts of interest arising as a result of various factors including, but not limited to, its management of the Portfolio. These conflicts will arise primarily from the involvement of the Investment Manager and entities which are part of the Investment Manager in other activities that may conflict with those of the Issuer. Investors should be aware that conflicts will not necessarily be resolved in favour of the Issuer's interest.

As an investment firm authorised in the United Kingdom under The Markets in Financial Instruments Directive ("**MiFID**"), the Investment Manager identifies and manages conflicts of interest in accordance with the requirements of the European Communities (Markets in Financial Instruments) Regulations 2007. In particular, the Investment Manager operates a conflicts of interest policy that is designated to identify the circumstances which constitute or may give rise to a conflict of interest entailing a material risk of damage to the interests of one or more clients of the Investment Manager and which specifies procedures to be followed, and measures to be adopted, in order to manage such conflicts. The policy takes into account any circumstances which may give rise to a conflict of interest arising as a result of the structure and business activities of the Investment Manager and its affiliates.

The Investment Manager and/or its Affiliates and its clients may invest in securities that would be appropriate as security for the PPNs. Such investments may be different from those made on behalf of the Issuer. The Investment Manager and its Affiliates may also have ongoing relationships with, render services to or engage in transactions with, companies whose securities are pledged to secure the PPNs and may own equity or debt securities issued by issuers of and other obligors on Debt Investments. As a result, individuals or Affiliates of the Investment Manager may possess information relating to

Obligors under Debt Investments which is not known to the individuals at the Investment Manager responsible for monitoring the Debt Investments and performing the other obligations under the Investment Management Agreement. In addition, Affiliates and clients of the Investment Manager may invest in loans and securities that are senior to, or have interests different from or adverse to, the Debt Investments that are pledged to secure the PPNs. The Investment Manager and/or its Affiliates may at certain times be simultaneously seeking to purchase or dispose of investments for its or their own account, for the Issuer, for any similar entity for which it serves as manager or adviser and for its clients or Affiliates. It is intended, however, that all Debt Investments will be purchased and sold by the Issuer on terms prevailing in the market.

Neither the Investment Manager nor any of its Affiliates is under any obligation to offer investment opportunities of which they have become aware to the Issuer or to account to the Issuer (or share with the Issuer or inform the Issuer of) any such transaction or any benefit received by them from any such transaction. Furthermore, the Investment Manager and/or its Affiliates may make an investment on behalf of any account that they manage or advise without offering the investment opportunity to or making any investment on behalf of the Issuer. The Investment Manager and/or its Affiliates have no affirmative obligation to offer any investments to the Issuer or to inform the Issuer of any investments before offering any investments to other funds or accounts that the Investment Manager and/or its Affiliates manage or advise. Furthermore, Affiliates of the Investment Manager may make an investment on their own behalf without offering the investment opportunity to, or the Investment Manager making any investment on behalf of, the Issuer. Affirmative obligations may exist or may arise in the future, whereby Affiliates of the Investment Manager are obliged to offer certain investments to funds or accounts that such Affiliates manage or advise before or without the Investment Manager offering those investments to the Issuer. Affiliates of the Investment Manager have no affirmative obligation to offer any investments to the Issuer or to inform the Issuer of any investments before engaging in any investments for themselves.

The Investment Manager will resolve conflicts with respect to investment opportunities in accordance with its conflicts of interest policy. Although the professional staff of the Investment Manager will devote as much time to the Issuer as the Investment Manager deems appropriate to perform its duties in accordance with the Investment Management Agreement, those staff may have conflicts in allocating their time and services among the Issuer and the Investment Manager's other accounts.

In addition, the Investment Manager and/or its Affiliates may have ongoing relationships (including, without limitation, the provision of investment and advisory services or engaging in securities derivatives transactions) with such Obligors and may own equity or other securities of Obligors to issuers of Debt Investments while also maintaining ongoing relationships (including, without limitation, the provision of investment and advisory services or engaging in securities derivatives transactions) with purchasers of the PPNs.

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

The Issuer may from time to time invest in Eligible Investments issued by, arranged by or underwritten by the Investment Manager or its Affiliates.

Save as provided below, there will be no restriction on the ability of the Investment Manager, the Collateral Administrator or any of their respective Affiliates or employees to purchase PPNs (either upon initial issuance or through secondary transfers) and to exercise any voting rights to which such PPNs are entitled. The interests of such holders may differ from those of other holders.

Upon any resignation or removal of the Investment Manager while any of the PPNs are Outstanding, the Issuer shall appoint an established institution as replacement Investment Manager which:

- (a) has demonstrated an ability to professionally and competently perform duties similar to those failing to be performed by the Investment Manager and with a substantially similar (or better) level of expertise;

- (b) is legally qualified and has the regulatory capacity to act as manager under the Investment Management Agreement as successor to the Investment Manager in the assumption of all of the responsibilities, duties and obligations of the Investment Manager thereunder;
- (c) will perform its duties under the Investment Management Agreement without causing adverse tax consequences to the Issuer.

See "*Description of the Investment Management Agreement*".

In relation to any vote on the appointment of a successor investment manager, PPNs owned by or on behalf of the Investment Manager and/or one or more Affiliates thereof and/or any account for which the Investment Manager or any Affiliate thereof acts as investment adviser or manager and for which the Investment Manager or such Affiliate has discretionary authority shall be counted in a vote of the holders of any PPNs in accordance with the Conditions.

## 7. **Withholding Tax Considerations**

Income and capital received by the Issuer from Debt Investments may suffer withholding tax depending upon the jurisdiction where the Debt Investment is made and withholding tax may therefore be levied on payments of interest to the Issuer. In such circumstances, the Issuer may be able, but will not be obliged, to take advantage of a double taxation agreement between Luxembourg and the jurisdiction where the Debt Investment is made or of a local domestic exemption in order to mitigate such withholding tax. However, there can be no guarantee that the Issuer will actually obtain such benefit either in a timely manner or at all. Any such withholding may be irrecoverable and may reduce the funds available to the Issuer to service the PPNs.

## 8. **Value Added Tax**

Under current law and practice it is not expected that VAT will be levied on the Investment Management Fee. However, in the event of a change of law, new case-law (of a Luxembourg court or the European Court of Justice) or administrative practice or administrative interpretation, any VAT levied on the Investment Management Fee may represent an absolute cost to the Issuer which would reduce the funds available to the Issuer to service the PPNs. If VAT is chargeable on the Investment Management Fee, the Directors intend to minimise the effect of such VAT so far as they consider reasonably practicable. However, there can be no assurance that it would be possible to mitigate or eliminate such VAT cost.

## 9. **German Investment Tax Act**

The Directors have been advised that the Issuer should not qualify as a foreign investment fund under the German Investment Tax Act (*Investmentsteuergesetz*). However, no assurance can be given that the German Investment Tax Act will not apply, which may trigger penalty taxation. Each prospective PPN Holder is urged to consult with their tax advisers prior to making an investment.

## 10. **German Banking Act**

Under German law, lending business is defined as the "granting of money loans and acceptance of credits". The acquisition of loans typically is not considered as "granting". However, if the terms of such acquired loans are amended and re-negotiated this could – under certain circumstances - be seen as entering into a new loan agreement and hence again be deemed "granting of a loan". Should it be determined that the activities of the Issuer constitute banking business and are therefore subject to licence requirements under the German Banking Act (*Kreditwesengesetz*) the German regulator could impose sanctions on certain of the parties involved, including the Issuer, including the immediate cessation of business operations and prompt liquidation of the transactions conducted.

## 11. **LIBOR and EURIBOR Reform**

### ***Proposals to reform LIBOR***

The London Inter-Bank Offered Rate ("**LIBOR**") is currently being reformed, including (i) the replacement of the BBA as LIBOR administrator, (ii) a reduction in the number of currencies and tenors for which LIBOR is calculated, and (iii) changes in the way that LIBOR is calculated, by

compelling more banks to provide LIBOR submissions and basing these submissions on actual transaction data. Investors should be aware that:

- any of these changes or any other changes to LIBOR could affect the level of the published rate, including to cause it to be lower and/or more volatile than it would otherwise be;
- if the applicable rate of interest on any floating rate Debt Investment is calculated with reference to a currency or tenor which is discontinued such rate of interest will then be determined by the provisions of the affected Debt Investment, which may include determination by the relevant calculation agent in its discretion; and
- the administrator of LIBOR will not have any involvement in the Debt Investments or the PPNs and may take any actions in respect of LIBOR without regard to the effect of such actions on the Debt Investments or the PPNs.

Any of the above or any other significant change to the setting of LIBOR could have a material adverse effect on the value of, and the amount payable under, i) any Debt Investments which pay interest linked to a LIBOR rate and ii) the PPNs.

### ***Proposals to Reform EURIBOR and other Benchmark Indices***

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

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

Investors should be aware that:

- any of these changes or any other changes to EURIBOR could affect the level of the published rate, including to cause it to be lower and/or more volatile than it would otherwise be;
- if the applicable rate of interest on any floating rate Debt Investment is calculated with reference to a EURIBOR currency or tenor which is discontinued, such rate of interest will then be determined by the provisions of the affected Debt Investment, which may include determination by the relevant calculation agent in its discretion; and
- the administrator of EURIBOR will not have any involvement in the Debt Investments or the PPNs and may take any actions in respect of EURIBOR without regard to the effect of such actions on the Debt Investments or the PPNs.

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 Debt Investments which pay interest linked to a EURIBOR rate or other benchmark (as applicable), and (ii) the PPNs.

## **12. Relating to the PPNs**

### **12.1 Limited Liquidity and Restrictions on Transfer**

Although there is currently a limited market for notes representing collateralised loan obligations similar to the PPNs, there is currently no market for the PPNs themselves. There can be no assurance that a secondary market for the PPNs will develop or, if a secondary market does develop, that it will provide the PPN Holders with liquidity of investment or continue for the life of the PPNs. Consequently, a purchaser must be prepared to hold the PPNs potentially until their Maturity Date. As referred to above, as a result of the current global economic conditions there is currently little or no secondary trading in securities similar to the PPNs. See "*Recent Events in the Financial Markets*" above. The Investment Manager may, however, offer a "matched bargain service" to PPN Holders who

are Eligible Counterparties (as defined under the Handbook of Rules and Guidance of the Financial Conduct Authority (including any successor or replacement organisation following amalgamation, merger or otherwise) recognised under the Financial Services and Markets Act 2000 (including any statutory modification or re-enactment thereof or any regulation or orders made thereunder) as amended, varied or substituted from time to time (the "**FCA Rules**")) and Professional Clients (as defined under the FCA Rules) whereby the Investment Manager may, upon request by PPN Holders, acting as agent, on a confidential basis, (i) source for potential purchasers for such PPN Holders' PPNs; (ii) source for potential sellers of PPNs which such PPN Holders may be interested in purchasing; (iii) act in an agency capacity in matching interested buyers and sellers of PPNs at prices which such buyers and sellers specify and (iv) arrange on behalf of such PPN Holders, the transfer of the relevant PPNs. In carrying out these functions the Investment Manager would (i) maintain a register of interested buyers and sellers; (ii) manage the communications in respect of the bidding process to deal with pricing transparency while maintaining anonymity between buyers and sellers; (iii) maintain a core pack of information, including legal documentation and the latest reports and accounts of the Issuer; (iv) provide supplementary information about the Issuer which may be required for due diligence purposes, including, as required, interviews with the Investment Manager; and (v) issue instructions to the Trustee and/or Registrar to effect transfers, including delivery of documents once the deal has been effected. The Investment Manager reserves the right to charge a fee to be negotiated with and paid by the transferring PPN Holder, for such service.

Any proposed sale, assignment, participation, pledge or transfer of the PPNs is prohibited if, among other things, it would require any of the Issuer or any of its 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 PPNs 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 PPNs under the Securities Act. The PPNs 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 PPNs may further limit their liquidity. Consequently, a purchaser must be prepared to hold such PPNs for an indefinite period of time or until the Maturity Date.

## **12.2 Amount and Timing of Payments**

Payments of interest and principal on the PPNs will only be made to the extent that there are Interest Proceeds and Principal Proceeds available for such purpose in accordance with the Priorities of Payments. In this respect, returns on the PPNs will depend on the performance of the Debt Investments and the ability of the Issuer to pay interest and principal on the PPNs (including the repayment of Initial Set Up Costs) will depend on receipt of Interest Proceeds and Principal Proceeds from the Debt Investments. No interest or principal may therefore be payable on the PPNs, either on redemption or for an unlimited period of time, to maturity or at all.

Investment in the PPNs involves a degree of risk arising from fluctuations in the amount and timing of receipt of the Interest Proceeds and Principal Proceeds from the Debt Investments 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 the PPNs. In particular, prospective purchasers of such PPNs should be aware that the amount and timing of payment of the principal and interest on the Debt Investments will depend on the detailed terms of the documentation relating to each of the Debt Investments and on whether or not any Obligor thereunder defaults in its obligations.

## **12.3 Prepayment Considerations**

The Maturity Date of the PPNs is the Payment Date falling on 15 October 2039 or if such day is not a Business Day, the immediately following Business Day. However, the Redemption Date of each PPN is expected to occur before the Maturity Date.

The Redemption Date of each PPN will be affected by amongst other things:

- (i) the scheduled or expected amortisation of the Debt Investments (which as at the Issue Date, remains unknown);
- (ii) any prepayment of a Debt Investment;

- (iii) any features of a Debt Investment, for example, a step-up margin, which may incentivise a prepayment of a Debt Investment; and
- (iv) the amount of any payments received at or in advance of the scheduled maturity of Debt Investments (whether through sale, maturity, redemption, default, liquidation or otherwise).

The actual maturities of the PPNs will be affected by the financial condition of the Issuer and its eligible investments. The Redemption Date of the PPNs will also be affected by the exercise of any rights of optional redemption in accordance with Condition 7.2 (*Redemption at the Option of the Noteholders*). See also paragraph 12.5 (*Optional Redemption and Volatility of Debt Investments Market Value*) below.

#### **12.4 Mandatory Redemption of the PPNs**

The PPNs will be subject to mandatory redemption by the Issuer following the exercise by Noteholders of the optional redemption set out in Condition 7.2 (*Redemption at the Option of the Noteholders*). This could result in an elimination, deferral or reduction of interest and/or principal payments made to the holders of the PPNs and may affect the average lives of the PPNs so redeemed. The date on which the PPNs shall be redeemed will be dependent on the date on which the proceeds of redemption of any Debt Investments are received by the Issuer.

#### **12.5 Optional Redemption and Volatility of Debt Investments Market Value**

A form of liquidity for the PPNs and the other Notes is the optional redemption provision set out in Condition 7.2 (*Redemption at the Option of the Noteholders*). In accordance with such Condition, the PPNs and the other Notes may be redeemed in whole only. There can be no assurance however that such optional redemption provision will be capable of exercise in accordance with the conditions set out in Condition 7.2 (*Redemption at the Option of the Noteholders*). The market value of the Debt Investments may fluctuate, with, among other things, changes in prevailing interest rates, general economic conditions, the conditions of financial markets, European and international political events, events in the home countries of the obligors under Issuer's investments, developments or trends in any particular industry and the financial condition of eligible obligors of the Issuer's eligible investments. A decrease in the market value of the Debt Investments would adversely affect the amount of proceeds which could be realised upon liquidation of the Debt Investments and ultimately the ability of the Issuer to redeem the PPNs and the other Notes pursuant to the right of optional redemption set out in Condition 7.2 (*Redemption at the Option of the Noteholders*). Furthermore, there can be no assurance that, upon any such redemption, the proceeds realised would permit any payment on the PPNs and the other Notes after required payments are made in respect of the other creditors of the Issuer which rank in priority to the holders of the PPNs and the other Notes pursuant to the Priorities of Payments. In either case, the Investment Manager shall have no liability to the Issuer, the Trustee, the PPN Holder, the other Noteholders or any other person.

#### **12.6 Enforcement Rights Following an Event of Default**

If an Event of Default occurs and is continuing, the Trustee shall, at the written direction of the holders of the Notes (other than the holders of the Substitute PPNs) acting as a single class by Ordinary Resolution (subject to the Trustee being indemnified and/or secured and/or prefunded to its satisfaction against all liabilities, proceedings, claims and demands to which it may become liable and all costs, charges and expenses which may be incurred by it in connection therewith), give notice to the Issuer that all the Notes are to be immediately due and payable (such notice an "**Acceleration Notice**").

At any time after an Acceleration Notice has been given following the occurrence of an Event of Default and prior to enforcement of the security pursuant to Condition 11 (*Enforcement*), the Trustee, at its discretion, may or, if directed by the holders of the Notes (other than the holders of the Substitute PPNs) acting as a single class by Ordinary Resolution, shall (subject to the Trustee being indemnified and/or secured and/or prefunded to its satisfaction against all liabilities, proceedings, claims and demands to which it may become liable and all costs, charges and expenses which may be incurred by it in connection therewith) rescind and annul such notice of acceleration under Condition 10.2 (*Acceleration*) and its consequences if the requirements set out in Condition 10.3 (*Curing of Default*) are met.

The requirements described above could result in the 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 PPNs and the other Notes in accordance with the Priorities of Payments.

#### **12.7 Non-Payment of Notes**

In the event of any non-payment of interest on the PPNs or the other Notes which is due and payable, an Event of Default shall occur (unless such default is otherwise cured by the Issuer and subject to any applicable grace periods) which entitles the Noteholders to accelerate the PPNs in accordance with Condition 10.2 (*Acceleration*).

#### **12.8 Withholding Tax on the Notes**

Although no withholding tax is currently imposed on payments of interest on the Notes, there can be no assurance that the law will not change. In addition, the Issuer has the right to withhold up to 30 per cent. on all payments made to any beneficial owner of an interest in the Notes that fails to comply with FATCA.

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

If a Note Tax Event occurs pursuant to which any payment on the PPNs and the other Notes becomes subject to any withholding tax or deduction on account of tax, the PPNs and the other Notes may be redeemed in whole but not in part at the request of the Noteholders (other than the holders of the Substitute PPNs) acting as a single class by Ordinary Resolution.

#### **12.9 Competitive Market**

The identification of and investment in Debt Investments will occur in an environment which is subject to a high degree of competition with third party investors. The competition for investment opportunities may increase which may reduce the number of investment opportunities available and/or adversely affect the terms and conditions on the basis of which these investments can be made.

#### **12.10 Default and Concentration Risk**

The risk that payments on the PPNs could be adversely affected by defaults on the related Debt Investments will increase to the extent that the Portfolio is concentrated in any one obligor, 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.

If a Debt Investment defaults, the Issuer may dispose of, seek to recover amounts owing under, or restructure the relevant Debt Investment. Additional expenses may be incurred by the Issuer in taking any of these steps.

Whilst the Eligibility Criteria seeks to mitigate against this risk by requiring that any Debt Investment can only be acquired if (a) it, when considered in aggregate with other Debt Investments in the Portfolio invested in obligations of the same Obligor, does not exceed 10 per cent. of the aggregate Note Commitment of all Noteholders invested in obligations of any single Obligor; and (b) it, when considered in aggregate with other Debt Investments in the Portfolio where Obligors continue to undertake a significant construction programme (and where the repayment of the loan is directly dependent on the completion of such significant construction programme), does not exceed 25 per cent. of the aggregate Note Commitment of all Noteholders, and whilst the defaulted Debt Investment may continue to perform as expected or above expectations post-restructuring, due to the potential volatility and lack of liquidity of the Debt Investments (both during and in the absence of default), no assurance can be given that the proceeds of any disposition or recovery, or the income following a restructuring, would be sufficient to pay a corresponding redemption price on the PPNs.

## **12.11 Acquisition and Disposal Risk**

The Issuer may purchase or dispose of Debt Investments at any time during the Investment Period. Whilst the Issuer intends to sell Debt Investments only as a last resort and after work-outs and restructuring methods have been exhausted, PPN Holders should note that if such disposal or acquisition does take place, the financial markets may at the time of such disposal or acquisition or at any other time, experience substantial fluctuations in the prices of Debt Investments and limited liquidity for such obligations. The income generated by any Debt Investments will depend, among other factors, on the price paid therefor and the availability of investments satisfying the Eligibility Criteria which are acceptable to the Issuer or the Investment Manager (acting on behalf of the Issuer). No assurance can be given that the conditions giving rise to such price fluctuations and limited liquidity will not occur, subsist or become more acute following the Issue Date. During periods of limited liquidity and higher price volatility, the Issuer's ability to acquire or dispose of Debt Investments at a price and time that the Issuer deems advantageous may be impaired. As a result, in periods of rising market prices, the Issuer may be unable to participate in price increases fully in the event that it is either unable to dispose of Debt Investments whose prices have risen or to acquire Debt Investments whose prices are increasing. The Issuer's inability to dispose fully and promptly of Debt Investments in declining markets will conversely cause the value of the Portfolio to decline. A decrease in the market value of the Debt Investments would also adversely affect the proceeds of sale that could be obtained upon the sale of the Debt Investments and could ultimately affect the ability of the Issuer to pay in full or redeem the PPNs. Accordingly, no assurance can be given as to the amount of proceeds of any sale or disposition of such Debt Investments at any time, or that the proceeds of any such sale or disposition would be sufficient to make payments on the PPNs after payment of fees and expenses.

## **13. Relating to the Collateral**

### **13.1 Control**

Although the Debt Investments will generally include an extensive covenant package, including restrictions on the borrowing and business activities of the Obligors and requiring that certain financial and liquidity ratios are complied with, the Issuer may not have control over project decisions which may result in decisions being made in relation to the actions of the relevant Obligor which are not in the interests of the Issuer. Whilst the Issuer will endeavour to have appropriate rights in respect of the Debt Investments, the Issuer will not have an active role in the day-to-day operations of such Obligor or project company.

### **13.2 Subordinated Claims**

Although it is intended that the Debt Investments will generally be secured, the claims of the Issuer against an Obligor in respect of a Debt Investment may in some instances be subordinated to those of other secured creditors. In such a case, some creditors may be entitled to have their claims against the Obligor satisfied out of the proceeds of enforcement of security over the assets of the Obligor before payments of the claims of the Issuer out of such proceeds.

### **13.3 Term of Debt Investments**

The term of a Debt Investment may be longer than the term of other debt obligations of equal priority of the related Obligor. Typically, Debt Investments with a longer maturity will accrue interest at a higher rate, in part to compensate the Issuer for the greater risk associated with an investment having a longer maturity. An Obligor may be able to repay debt of a shorter maturity but will be unable to repay a Debt Investment at its later maturity date. To mitigate against this risk, the Portfolio Profile Tests stipulate that the average life of the Portfolio at the end of the Investment Period shall be no more than 12 years.

### **13.4 Political Risks**

Investments may be subject to changing political environments, regulatory restrictions, changes in government institutions and policies, any of which could adversely affect Debt Investments. There is a risk that the actions of the public sector could have a negative impact on the performance of Debt Investments or on the ability of the Issuer to make Debt Investments. This could even involve significant regulatory change affecting the Obligors, or the expropriation or nationalisation of assets (although such risk is mitigated by the Eligibility Criteria, which requires that the majority of the

Obligors' revenues be directly or indirectly derived from persons or entities based in the EEA and/or from EFTA member countries with a Long Term Rating equal or higher than the Minimum Long Term Rating (the "**Target Countries**"), where historically, expropriation or nationalisation of assets is rare). "**Minimum Long Term Rating**" means a rating of Baa2 from Moody's, BBB from S&P or BBB from Fitch.

The Issuer does not intend to obtain political risk insurance. To the extent that the Issuer or an Obligor invests in foreign securities, actions in the future of one or more of the governments of certain of the Target Countries could have a significant effect on the various economies of the Target Countries, which could affect market conditions, prices and yields of securities. Political and economic instability in any of the Target Countries in which the Issuer or an Obligor invests could adversely affect their respective investments.

In the Target Countries, any economic reforms enacted that lead to a more open market and encourage foreign investment may be curtailed or stalled by political opposition. Political opposition could lead to restrictions on foreign direct investment, including limitations on investment returns, and such restrictions would have an adverse effect on Debt Investments.

### **13.5 Economic Risks**

Changes in policy with regard to taxation, fiscal and monetary policies, repatriation of profits, changes in economic conditions including, for example, interest rates, rates of inflation, industry conditions, competition, political and diplomatic events and other factors could substantially and adversely affect the Issuer's prospects and in particular the Issuer's ability to acquire and dispose of Debt Investments and other economic regulations are possible, any of which may have an adverse effect on Debt Investments.

The economies of the Target Countries may differ favourably or unfavourably from one another with regard to the rate of growth of gross domestic product, the rate of inflation, capital reinvestment, resource self-sufficiency and balance of payments.

### **13.6 Legal Risks**

Laws and regulations in certain jurisdictions, particularly those relating to foreign investment and taxation, may be subject to change or evolving interpretation. Further, situations may arise where legal action is pursued in multiple jurisdictions.

### **13.7 Accounting Standards**

Debt Investments may be made in countries where generally accepted accounting standards and practice differ significantly from those practiced in Luxembourg. The evaluation of potential investments and the ability to perform due diligence may be affected. The financial information appearing on the financial statements of a company located in certain of the Target Countries may not reflect its financial position or results of operations in the way they would be reflected if the financial statements had been prepared in accordance with Luxembourg generally accepted accounting principles.

### **13.8 Local Intermediary Risks**

Whilst the Issuer's or Obligors' transactions generally do not involve brokers, certain of the Issuer's or Obligors' transactions may be undertaken through local brokers, banks or other organisations in the Target Countries, and the Issuer or such Obligors will be subject to the risk of default, insolvency or fraud of such organisations. There can be no assurance that any money advanced to such organisations will be repaid or that the Issuer or such Obligors would have any recourse in the event of default. The collection, transfer and deposit of bearer securities and cash expose the Issuer or such Obligors to a variety of risks including theft, loss and destruction. The Issuer or such Obligors will also be dependent upon the general soundness of the banking systems of these countries.

### **13.9 Restrictions on Repatriation of Capital and Profits**

The Target Countries may control, in varying degrees, the repatriation of proceeds that result from foreign investment. Capital markets, often opaque, continue to be highly regulated and will likely be

subject to continuing government restrictions. There can be no assurance that the Issuer or an Obligor will be permitted to repatriate proceeds, if any, over the life of its activities.

### 13.10 Infrastructure Asset Specific Risks

Each Debt Investment will represent a senior credit exposure to an Obligor and its related underlying infrastructure projects (the "**Projects**") and/or infrastructure businesses (the "**Businesses**" and together with the Projects, the "**Infrastructure Projects and Businesses**").

The fact that the Issuer invests in Obligors operating in the infrastructure Eligible Sectors exposes the Issuer to risks relating to Infrastructure Projects and Businesses. As a result, the Issuer's performance will depend to a large extent on the performance of the relevant infrastructure assets financed by the Obligors.

In certain transactions a concession agreement (a "**Concession Agreement**") will be entered into by a project company (which will either be the Obligor in respect of a Project or an affiliate of the Obligor) (the "**Project Company**") and the grantor of the concession (the "**Concession**") to the Project Company to design and/or construct and/or operate the Project. Furthermore, the Project Company will typically appoint one or more contractors (a "**Contractor**") to carry out the construction of the Project (the "**Works**") on its behalf pursuant to a construction contract (a "**Construction Contract**") and may appoint an operator (an "**Operator**") to operate the Project on its behalf once the Works have been completed pursuant to an operations contract (an "**Operations Contract**").

The PPN Holders will be exposed to various risks in relation to Infrastructure Projects and Businesses in respect of which the Issuer has made Debt Investments. Whilst the Issuer seeks, through the implementation of the Eligibility Criteria, to mitigate the risks associated with Debt Investments whose revenues are generated through the Infrastructure Projects and Businesses (as described above), there is no guarantee that the related Infrastructure Projects and Businesses will generate the revenue as projected, which may adversely affect the Issuer's ability to pay on the PPNs.

### 13.11 Risks related to Projects under Construction

Typically, the responsibility for the achievement of competition milestones in respect of the Works will be passed to the Contractor. The Contractor will generally be obliged to take all steps necessary to ensure that the completion deadlines are met, and will assume an obligation to ensure that the Project Company complies with the provisions in the Concession Agreement relating to completion. Accordingly, a breach of the obligations by the Contractor may result in a breach of the Project Company under the related Concession Agreement.

There is also a risk that the Works will contain defects (latent or otherwise), which give rise to the need for increased maintenance during the concession period together with a greater risk of deductions under the Concession Agreement.

A Project Company is, and the lenders to the Project consequently are, exposed to the risk that the construction of the Works will not be completed on time and/or within the agreed price. Whilst the risk of cost overruns is typically borne by the Contractor and/or its guarantor, who bears the cost overruns will ultimately be determined by the construction contract in question, and accordingly, it is possible that the Project Company (and consequently the lenders to the Project) will end up bearing such cost overruns.

Any construction of a Project beyond the targeted completion dates originally fixed in the related Concession Agreement may delay the generation of revenues under the Project and, in the case of lengthy delays, expose the lenders to the Project to the risk of termination of the Concession.

### 13.12 Operational And Maintenance Risk

Under some Projects, the operating and maintenance risks set out in Concession Agreements are passed to the Operator pursuant to an Operations Contract, subject to certain liability caps. There are a number of factors which could lead to higher than projected maintenance costs, for example shorter than anticipated asset life spans, increased inflation on specific items of plant and machinery or the requirement to carry out unexpected repairs. In addition, there is a risk of non-performance or poor performance by the Operator. This may be mitigated in part by security procured by the Operator in

respect of its obligations. It may also be mitigated by the ability of the Obligor to terminate the Operations Contract and replace the Operator, which can generally be triggered prior to an event of termination in respect of the same event arising under the Concession Agreement.

The Operator's scope of work and its fee may be reviewed periodically and be subject to renegotiation. Accordingly, there is a risk that the terms upon which the Operator agrees to perform the services (or a new Operator) may not be the same as the current agreement (including as to the fees payable or liabilities assumed).

### **13.13 Force Majeure / Events Risk**

The performance of the Issuer's investments may be affected by certain events such as war, civil war, riot or armed conflict, terrorism, acts of sabotage and natural disasters such as storms, earthquakes, tidal waves, floods, lightning, explosions, fires and destruction of plant, machinery and/or premises, which are outside its control.

In certain cases, if the force majeure event continues or is likely to continue to affect the performance of the services by a company who is (directly or indirectly) engaged primarily in the ownership of Infrastructure Projects and Businesses (the "**Infrastructure Company**") for a long period of time, it is likely that both the Infrastructure Company and the grantor of the Concession will have the right to terminate the Concession Agreement. The grantor of the Concession usually has an obligation to pay the Infrastructure Company compensation in such circumstances, but this may be insufficient to compensate the Infrastructure Company fully for its losses and may not be sufficient to permit full repayment of its senior debt.

### **13.14 Concession Agreement Termination Risk**

In certain cases, the compensation payable on termination of a Concession Agreement (for example for default, force majeure event (as discussed above), change in law or state voluntary termination) may not be sufficient to permit full repayment of the senior debt of the Infrastructure Company.

### **13.15 Legal Risks specific to Projects under Construction**

As a result of the complex series of legal documents and contracts, infrastructure projects have a potentially greater risk of dispute over interpretation or enforceability of particular terms, than some other investments. Certain changes in law which are enacted after the execution of the Concession Agreement and which were not reasonably foreseeable prior to the date of the Concession Agreement, may mean that the Project Companies are unable to meet their obligations under the Concession Agreement.

### **13.16 Employment-Related Liabilities**

If an Infrastructure Company has its own employees it may be exposed to potential employer liabilities under applicable legislation and regulations, which could have adverse consequences for the Infrastructure Company.

### **13.17 Insurance Costs And Availability**

The Issuer will make investments based on estimates or projections of the cost to Infrastructure Companies of maintaining insurance cover for, *inter alia*, buildings, contents and third party risks (arising from events such as fire, flood or terrorism). The cost of insurance to cover such risks may be material. Where the cost of maintaining the insurance is greater than projected, it is possible that the ability of the Infrastructure Company to service its debts may be negatively impacted. In addition, certain risks may be uninsurable in the insurance market or subject to liability caps or exclusions and in such cases the risks of such events will rest with the Infrastructure Company. These factors may ultimately adversely affect the income received by the Issuer.

### **13.18 Interest Rate Risks**

Changes in interest rates may also adversely affect the value or profitability of the assets of the Issuer. Changes in the general level of interest rates may impact the Issuer's profitability by affecting the

spread between, amongst other things, the income on its assets and the expense of any interest-bearing liabilities.

Interest rates are highly sensitive to many factors beyond the control of the Issuer, including, but not limited to, governmental, monetary and tax policies, domestic and international economic and political considerations, fiscal deficits, trade surpluses or deficits and regulatory requirements.

To mitigate against this risk, the Investment Manager expects that for the majority of Obligor, their debt obligations would have been swapped for fixed rate obligations, thereby greatly reducing the exposure faced by these Obligor to interest rate volatility.

### **13.19 Environmental Risks**

There may be environmental liabilities arising in the future in respect of any sites owned or used by an Infrastructure Company. For example, under various laws and regulations, a current or previous owner, developer or operator of real property may be liable for the costs of removal or remediation of certain hazardous or toxic substances at, on, under or emanating from such property. The costs of removal or remediation of such substances could be substantial. A current or previous owner or operator could also be liable in respect of damages to persons who are exposed to hazardous or toxic substances at, on, under or emanating from its property and a current or previous owner from which hazardous or toxic substances have migrated or are migrating may be liable in respect of damages to owners of properties to which such substances have migrated or are migrating. Such damages could be substantial. Such laws often impose liability without regard to whether the owner or operator knew of, or was responsible for, the release or presence of such hazardous substances. Consequently, an Infrastructure Company may be required to contribute financially towards any such liabilities which may adversely affect the ability of the Infrastructure Company to repay its senior debt in full. Furthermore, changes in environmental laws or in the environmental condition of a Debt Investment may create liabilities which did not exist at the time of acquisition of a Debt Investment and that could not have been foreseen.

### **13.20 Terrorism, Protester Action and Strikes**

#### **(a) Terrorism**

The risk of material damage caused by terrorism may be covered by certain insurance policies, however such policies may also exclude war, nuclear and cyber risks.

#### **(b) Protester Action and Strikes**

Some Infrastructure Companies may be subject to the risk of strikes by staff, protestor action or general construction industry or service industry strikes during the Concession. This may result in unexpected costs or a reduction in expected revenues for the Infrastructure Companies.

### **13.21 Revenue Risk**

Certain Projects will be availability fee based projects and others will be usage based projects. In either case there is a risk that Project revenues will be below the expected revenues due to lower usage than projected or due to deductions for unavailability of the Project or poor performance.

Certain infrastructure investments (e.g. debt issued by airports and sea ports or toll road companies) will be exposed to revenue risk. This risk arises if output or service cannot be adequately provided or demand for the output or service does not exist at a price at which the project is able to maintain volume or availability to meet its operating expenses and service its debt. Predictability of cash-flows is therefore higher for availability based revenues and lower when revenues are a function of volume and/or price of the output.

Whilst the Eligibility Criteria stipulates that the Obligor must not be significantly dependent for the repayment of the loan on the volume of traffic or patronage unless such Obligor has an operating track record on a substantial portion of the assets, to the extent that the Infrastructure Company revenues are still subject to traffic flow which cannot be accurately predicted the amount of income to the Issuer could be affected by a decrease of traffic flow.

### 13.22 Refinancing Risk

For Project Companies which are financed by debt structures containing bullet or balloon repayment schedules, there is a risk that suitable refinancing of the project is not readily available in the market at the time required.

### 13.23 Litigation

Project Companies are sometimes involved in disputes involving statutes and regulations leading to litigation with the relevant regulator and/or utilities or other customers. Such disputes involve matters such as whether the relevant project has met all of the requirements that must be met in order to qualify for exemption from otherwise applicable statutes and regulations, the rates that a project is entitled to charge for the product it sells, the manner of calculating the price of such product, whether the project qualifies as the type of facility from which the relevant customer is permitted to purchase such product or whether circumstances have occurred that would permit the customer to purchase less of the relevant product under the relevant purchase agreement. Such disputes may have an adverse effect on the Project Companies.

### 13.24 Licences, Permits and other Consents Risks

Over the life span of a Project, it will be necessary to obtain and maintain the necessary permits, licences and other consents (such as planning consents) in order to carry out the Project. If an Infrastructure Company is not able to obtain or maintain all necessary licences, permits or consents, this could result in sanctions against the Project.

### 13.25 Participations and Assignments

The Issuer may acquire interests in Debt Investments 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 acquired 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**". As described in more detail below, holders of Participations are subject to additional risks not applicable to a holder of a direct interest in a loan.

The purchaser of an Assignment typically succeeds to all the rights of the assigning Selling Institution and becomes entitled to the benefit of the loans and the other rights of the lender under the loan agreement. The Issuer, as an assignee, will generally have the right to receive directly from the 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 loan agreement and will have the right to vote to waive enforcement of breaches of covenants. The Issuer will generally also have the same rights as other lenders to enforce compliance by the Obligor with the terms of the loan agreement, 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 little 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.

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, have the right to receive payments of principal and interest to which it is entitled only upon receipt by the Selling Institution of such payments from the Obligor. In purchasing Participations, the Issuer generally will have no rights of set-off against the Obligor and no right to enforce compliance by the Obligor with the terms of the applicable loan agreement and the Issuer may not directly benefit from the collateral supporting the loan in respect of which it has purchased a Participation. As a result, the Issuer will assume the credit risk of both the Obligor and the Selling Institution selling the Participation. In the event of the insolvency of the Selling Institution selling a Participation, the Issuer may experience delays in receiving payments made to the Selling Institution by the Obligor or 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. If the Issuer is treated as a general

creditor of the Selling Institution, it may not have any exclusive or senior claim with respect to the Selling Institution's interest in, or the collateral with respect to, the loan. The Investment Manager has not and will not perform independent credit analyses of the Selling Institution. The Issuer may purchase a Participation from a Selling Institution that does not itself retain any economic interest of the loan, and therefore, may have limited interest in monitoring the terms of the loan agreement and the continuing creditworthiness of the 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. However, most participation agreements provide that the Selling Institution may not vote in favour of any amendment, modification or waiver that forgives principal or interest, reduces principal or interest that is payable, postpones any payment of principal (other than a mandatory pre-payment) or interest or release substantially all of the collateral without the consent of the participant at least to the extent the participant would be affected by any such amendment, modification or waiver. A Selling Institution voting in connection with a potential waiver of a restrictive covenant may have interests which are different from those of the Issuer and such Selling Institutions may not be required to consider the interests 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, however these risks are mitigated by (A) the Eligibility Criteria which requires that in respect of Participations, the Issuer has, through arrangements with lenders whom it has entered into Participation arrangements with, retained the ability to direct such lenders when they vote in respect of any amendments, consents or waivers required in respect of any amendments to the documentation and (B) the Portfolio Profile Tests which stipulate that not more than 20 per cent. of the aggregate of Drawn Amounts of all Noteholders shall be invested in Participations. The Banking Act 2009 may also impose additional risks to be taken into account in respect of Participations with banking institutions. Please see "*Risk Relating to the Banking Act 2009*" for further details.

Assignments and Participations are sold strictly without recourse to the Selling Institutions and the Selling Institution will generally make no representations or warranties about the underlying loan, the Obligors, the documentation of the loans or any collateral securing the loans.

### **13.26 Liquidation or insolvency of the Borrowers**

The Issuer will seek to invest primarily in secured Debt Investments in which the Obligors' underlying net revenues allow for repayment of the debt without undue reliance on asset sales or refinancing. However an Obligor may be unable to make repayments where it is insolvent or where insolvency proceedings have been commenced in respect of it. Where an Obligor makes payments under a Debt Investment where it is insolvent at the time of such payments or is declared insolvent within a certain period following such payments then an insolvency official appointed in respect of the Obligor may, in certain circumstances, be able to set aside or revoke such payments and recover the amounts of such payments from the Issuer. These insolvency considerations will differ depending on the jurisdiction in which the relevant Obligors are located and may result in additional legal costs for the Issuer which may not be recoverable from the Obligors.

### **13.27 Obligors may incur additional senior debt**

Although additional indebtedness is typically limited in the documentation of Debt Investments, the Obligors may, within such limits, incur additional indebtedness ranking *pari passu* with the senior debt of the relevant Obligor and ranking *pari passu* or senior to the claims of the Issuer.

### **13.28 Loss of Debt Investments - Lender Liability Considerations - Equitable Subordination**

In recent years, a number of 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 issuer or has assumed a degree of control over the Obligor or issuer resulting in the creation of a fiduciary duty owed to the Obligor or issuer or its other creditors or shareholders. Although it would be a novel application of the lender liability theories, the Issuer may be subject to allegations of Lender Liability. However, the Issuer does not intend to engage in 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 an 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 an 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 Debt Investments, the Issuer may be subject to claims from creditors of an Obligor that the Debt Investments issued by such Obligor that are held by the Issuer should be equitably subordinated. However, the Issuer does not intend to engage in any conduct that would form the basis for a successful cause of action based upon the equitable subordination doctrine described above.

### **13.29 Considerations Relating to the Availability of Financing**

The Issuer's ability to draw down Note Advances from the Undrawn Amounts under the PPNs will be dependent upon its ability to satisfy the conditions precedent to draw down. See Condition 2(a) (*Conditions to Note Advances*). No new drawdowns of Note Advances by the Issuer will be permitted under the PPNs after the Note Available Commitment Termination Date. No assurance can be given that the conditions to draw down Note Advances from the Undrawn Amounts under the PPNs will be capable of being satisfied at any time after the Issue Date. Any inability by the Issuer to draw down Note Advances from the Undrawn Amounts under the PPNs will affect its ability to fund the purchase of further Debt Investments.

### **13.30 Eligible Investments**

The Issuer will invest amounts standing to the credit of the accounts in Eligible Investments with deposit institutions. However, it may be the case that such Eligible Investments will be irrecoverable due to insolvency of a debtor under such Eligible Investments or of a financial institution involved or due to the loss of an investment amount during the transfer thereof. In such case, none of the Collateral Administrator, the Issuer, any Agent or the Investment Manager will be responsible for such loss or shortfall.

### **13.31 Disclosure in Respect of the Portfolio**

The decision by any prospective holder of PPNs to invest in such PPNs should be based on (among other things), the Eligibility Criteria which each Debt Investment is required to satisfy as at the entry by the Issuer into a binding commitment to purchase such Debt Investment as set out in the "*Description of the Portfolio*" section. In addition, the Issuer shall also ensure that the Debt Investments comply at all times with paragraph (l) of the Eligibility Criteria.

Although each Debt Investment is required to satisfy the Eligibility Criteria (as determined by the Investment Manager in accordance with the Investment Management Agreement) as at the entry by the Issuer into a binding commitment to purchase such Debt Investment and in addition, the Debt Investments are required to comply at all times with paragraph (l) of the Eligibility Criteria, this Prospectus does not contain any information regarding the individual Debt Investments and Debt Investments may, subsequent to the date the Issuer enters into a binding commitment to purchase, no longer satisfy the Eligibility Criteria.

PPN Holders will not have an opportunity to evaluate for themselves the relevant economic, financial and other information regarding the investments to be made by the Issuer and, accordingly, will be dependent upon the judgment and ability of the Investment Manager in recommending investments for purchase or investment by the Issuer over time. No assurance can be given that the Investment Manager, acting on behalf of the Issuer, will be successful in identifying suitable investments or that, if such investments are made, the objectives of the Issuer will be achieved.

The Issuer has not made any investigation into the Obligors of the Debt Investments. The value of the Portfolio may fluctuate from time to time and none of the Issuer, the Trustee, the Custodian, the Investment Manager, the Collateral Administrator or any of their Affiliates are under any obligation to maintain the value of the Debt Investments at any particular level. None of the Secured Parties or any

of their Affiliates has any liability to the PPN Holder as to the amount or value of, or any decrease in the value of, the Debt Investments from time to time.

### **13.32 EU Savings Directive**

Under EC Council Directive 2003/48/EC on the taxation of savings income (the "**Directive**"), each Member State is required to provide to the tax authorities of another Member State details of payments of interest (or other similar income) paid by a person within its jurisdiction to, or collected by such a person for, an individual resident in that other Member State or certain limited types of entities established in that other Member State. However, for a transitional period, Austria and Luxembourg are instead required (unless during that period they elect otherwise) to operate a withholding system subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld unless during such period they elect otherwise. The end of the transitional period is dependent upon the conclusion of other arrangements relating to the information exchange with certain other countries.

A number of non-EU countries, including Switzerland, and certain dependent or associated territories of certain Member States, have adopted similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident in a Member State or certain limited types of entities established in that other Member State with effect from the same date. In addition, the Member States have entered into reciprocal provision of information or transitional withholding arrangements with certain of those dependant or associated territories in relation to payments made by a person in a Member State to an individual or certain other residual entities resident in one of those territories.

The Luxembourg Government has announced its intention to abolish the withholding system with effect from 1 January 2015, in favour of automatic exchange under the Directive. PPN Holders should also note that an amended version of the Directive was adopted by the European Council on 24 March 2014, which is intended to close loopholes identified in the current Directive. The amendments, which must be transposed by Member States prior to 1 January 2016 and which will apply from 1 January 2017, will extend the scope of the Directive to (i) payments made through certain intermediate structures (whether or not established in a Member State) for the ultimate benefit of an EU resident individual and (ii) a wide range of income similar to interest.

### **13.33 Performance of Obligors**

The ability of the Issuer to pay amounts payable to the PPN Holders under the PPNs depends upon the general operating performance and debt service capabilities of the Obligors. There can be no assurance that the Obligors will be able to generate the funds necessary to meet their respective payment obligations under the Debt Investments. If any Obligors should become unable to meet their payment obligations under the Debt Investments, the Issuer may become partially or wholly unable to make any payments under the PPNs.

### **13.34 Counterparty Risk**

Participations 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.

Similarly, the Issuer will be exposed to the credit risk of the Account Bank, the Paying Agents and the Custodian to the extent of, respectively, all cash of the Issuer held in the Accounts and all securities of the Issuer held by the Custodian. The Custodian and the Paying Agents are each required to have a rating of at least the applicable Minimum Rating Requirement. See Condition 4.8 (*Accounts*) for more details.

### **13.35 Security; Fixed Charge**

The Debt Investments which are securities will be held by the Custodian. The Custodian will hold certain of the securities (i) through its accounts with Euroclear or Clearstream, Luxembourg as appropriate, and (ii) through its sub-custodians who will in turn hold such securities both directly and through any appropriate clearing system. Those securities 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 such Debt Investments which are securities will be created under English law on the Issue Date pursuant to the Supplemental Trust Deed supplementing the Original Trust Deed on the Issue Date and will take effect as a security interest over the right of the Issuer to require delivery of equivalent securities from the Custodian in accordance with the terms of the Agency Agreement (as defined in "*Conditions of the PPNs*").

On the Original Issue Date, the Issuer did not grant a pledge in favour of the Trustee over the account held by the Issuer with Euroclear (the "**Euroclear Account**"). The Issuer has opened the Euroclear Account and created security over the Euroclear Account by way of a Belgian law pledge (the "**Euroclear Pledge Agreement**"). The effect of this security interest is to enable the Custodian, on enforcement, to sell the securities in the Euroclear Account on behalf of the Trustee. The Euroclear Pledge Agreement does not entitle the Trustee to require delivery of the relevant securities from the depositary or depositaries that have physical custody of such securities or allow the Trustee to dispose of such securities directly.

However, the charge created pursuant to the Trust Deed and the Euroclear Pledge Agreement may be insufficient or ineffective to secure the Debt Investments which are securities for the benefit of the Noteholders, particularly in the event of any insolvency or liquidation of the Custodian or any sub-custodian that has priority over the right of the Issuer to require delivery of such assets from the Custodian in accordance with the terms of the Agency Agreement. Any risk of loss arising from any insufficiency or ineffectiveness of the security for the PPNs and the other Notes will be borne by the PPN Holders and the other Noteholders without recourse to the Issuer, the Trustee, the Investment Manager, the Collateral Administrator, the Custodian or any other party.

In addition, custody and clearance risks may be associated with Debt Investments which are securities that do not clear through 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.

Although the security constituted by the Trust Deed over the Collateral held from time to time, including the security over the Accounts, is expressed to take effect as a fixed charge, it may (as a result of, among other things, the 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.

### 13.36 Investment Manager

Pursuant to the Investment Management Agreement, the Issuer has appointed and where applicable, has authorised the Investment Manager to, amongst other things:

- (i) make recommendations to it in respect of any acquisition, disposal, Material Restructuring (which, for the avoidance of doubt, includes insolvency work-outs and managing the costs of work-outs) of any Debt Investments or in respect of the Restructuring Option; and
- (ii) perform the day to day management of the Portfolio, including but not limited to, (a) responding to Obligors' and agents' requests, (b) obtaining consents and waivers, (c) monitoring the performance of the Obligors and monitoring covenant compliance and defaults in the Portfolio, (d) reporting to the Noteholders on the performance of the Portfolio and (e) carrying out negotiations in respect of the Portfolio.

For purposes of this paragraph "**Material Restructuring**" means any reduction, or rescheduling of the interest or principal of a debt investment, or release of security, which results, or is expected to result, in a loss of value of the collateral affected by such reduction, rescheduling or release of security of more than 2%. For this purpose, the value of the collateral will be defined as the net present value of future payments discounted at the original interest rate pre-restructuring.

Any analysis by the Investment Manager (on behalf of the Issuer) of Obligors under Debt Investments which it is purchasing (on behalf of the Issuer) or which are held in the Portfolio from time to time will,

in respect of Debt Investments which are publicly listed bonds, be limited to a review of readily available public information and, in respect of Debt Investments which are Assignments or Participations of senior loans and in relation to which the Investment Manager has no public information, such analysis will include due diligence of the kind common in relation to senior loans of such kind.

The performance of any investment in the PPNs will be dependent in part on the ability of the Investment Manager to monitor the Portfolio and effect sales and acquisitions of Debt Investments and the performance of the Investment Manager of its obligations under the Investment Management Agreement. The Investment Manager will be dependent upon the financial and managerial experience of certain individuals associated with the Investment Manager in the management of portfolios of fixed income assets. The loss by the Investment Manager of a number of its key employees responsible for managing the Portfolio could (if the Investment Manager's Affiliates do not transfer or second persons of appropriate experience and expertise to replace such individuals or if such individuals are not otherwise replaced by the Investment Manager or any of its Affiliates) have a material adverse effect on the ability of the Investment Manager to perform its obligations under the Investment Management Agreement, the performance of the Portfolio and consequently the performance of the PPNs.

The Investment Manager (acting on behalf of the Issuer) may make recommendations to the Issuer to dispose of certain Debt Investments and during the Investment Period reinvest the Sale Proceeds thereof, together with other Principal Proceeds received in Debt Investments subject to compliance with certain conditions. The disposal of such Debt Investments and purchase of Debt Investments will expose the Issuer to the market conditions prevailing at the time of such sale and reinvestment during the Investment Period. Such actions during periods of adverse market conditions may result in unfavourable changes in the characteristics and quality of the Portfolio and may result in a decrease in the overall yield on the Portfolio, adversely affecting the Issuer's ability to make payments on the PPNs. To the extent the Issuer maintains cash balances invested in Eligible Investments instead of higher yielding Debt Investments, Portfolio income will be reduced which will result in reduced amounts available for payment on the PPNs. In general, the larger the amount and the longer the time period during which cash and Eligible Investments remain uninvested in Debt Investments the greater the adverse impact on Portfolio income which will reduce amounts available for payment on the PPNs. The extent to which cash and Eligible Investments remain uninvested will be subject to a variety of factors, including future market conditions and is difficult to predict.

Liability of the Investment Manager under the Investment Management Agreement is limited to:

- (A) such Losses (as defined in the Investment Management Agreement) which result directly from the fraud, wilful default or negligence in the performance of the obligations of the Investment Manager, its Affiliates or its or their directors, officers or employees thereunder; and
- (B) with respect to the information concerning the Investment Manager provided in writing by the Investment Manager for inclusion in the section of the prospectus dated 18 July 2013 which relates to the Original PPNs headed "*Description of Investment Manager*" (and any other information concerning the Investment Manager in such prospectus), as at the date of such prospectus (including as of the date of any supplement thereto) and as at the Original Issue Date, to the best of the knowledge and belief of the Investment Manager (which has taken all reasonable care to ensue that such is the case), such information which is not in accordance with the facts and which omits anything likely to affect the impact of such information;

where, in each case, either:

- (i) the amount of Loss incurred by the Issuer arising from any one particular circumstance exceeds £500; or
- (ii) the aggregate amount of all Losses in the calendar year in which the relevant Losses are incurred exceeds £2,500,

the matters described in paragraphs (A) and (B) above, the "**Investment Manager Breaches**".

The Investment Manager may under certain circumstances resign as described in this Prospectus under "*The Investment Management Agreement*". However, subject to and in accordance with the terms of the Investment Management Agreement, such resignation will not be effective unless and until the

Issuer, or, under certain circumstances, the Investment Manager on its behalf, has appointed a Successor Investment Manager (see "*The Investment Management Agreement*" below).

Although the Investment Manager will commit an appropriate amount of its business efforts to the management of the Portfolio, the Investment Manager is not required to devote all of its time to such affairs and may continue to advise and manage other investments in the future.

Prior investment results and returns achieved for accounts managed by the Investment Manager are not likely to be indicative of the Issuer's investment results. In addition, the nature of, and risks associated with, the Issuer's investments to be acquired by the Issuer may differ materially from those investments and strategies undertaken historically by the Investment Manager, including by reason of the diversity and other parameters required by the Investment Management Agreement. There can be no assurance that the Issuer's investments will perform as well as the past investments for any such accounts.

### **13.37 Luxembourg Securitisation Vehicles Regime And Request For Information By The EU Commission**

The EU Commission has undertaken a "request for information" procedure whereby it has sent a list of technical questions relating to the legal regime applicable to securitisation undertakings (*organismes de titrisation*) to the Luxembourg government, which has provided a reply. The purpose of this procedure is to assess whether or not the securitisation vehicle regime constitutes an illegal State aid scheme. Under this "request for information" procedure, there is no set deadline for the EU Commission to reach a conclusion, and there have been no developments in this area made public since 2006, so that the risk of further developments in this area is generally viewed by Luxembourg practitioners as rather remote although it may not be ruled out that further investigations could take place and negative consequences could exist in the future.

From a Luxembourg tax point of view, if the Luxembourg law of 22 March 2004 on securitisation, as amended, would be viewed by the EU as an illegal State aid scheme, there is a risk that such law be repealed and that the securitisation undertakings (*organismes de titrisation*) may, in particular, have to be retaxed as if the favourable tax regime had not been granted. In practice, this could mean that, amongst other consequences, especially dividend distributions would retrospectively be re-integrated as taxable income and would not be deductible anymore.

Moreover, amongst other legal consequences, it would be questionable whether, as a matter of Luxembourg law, the limited recourse, subordination and non-petition clauses would still be valid, binding and enforceable.

## **DOCUMENTS INCORPORATED BY REFERENCE**

The following documents, which have previously been published or are published simultaneously with this Prospectus and have been filed with the Luxembourg Register of Commerce and Companies, the Irish Stock Exchange and the Central Bank, shall be deemed to be incorporated in, and to form part of, this Prospectus:

- (a) the Annual Accounts of Aviva Investors European Secondary Infrastructure Credit SV S.A. for the period from 5 November 2012 to 31 December 2013.

Following the publication of this Prospectus a supplement may be prepared by the Issuer and approved by the Irish Stock Exchange in accordance with Article 16 of the Prospectus Directive, as amended. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Prospectus or in a document which is incorporated by reference in this Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus.

The documents specified above and incorporated by reference shall be available at the registered office of the Issuer and at the offices of the Principal Paying Agent in London, Deutsche Bank AG, at Winchester House, 1 Great Winchester Street, London EC2N 2DB.

The documents incorporated by reference shall also be available for viewing on the website of the Irish Stock Exchange at [http://www.ise.ie/debt\\_documents/Annual%20Financials%20-%2031%20December%202013\(13650626\\_1\)\\_251cdabe-42f6-4a35-8a3c-b8914454e233.pdf](http://www.ise.ie/debt_documents/Annual%20Financials%20-%2031%20December%202013(13650626_1)_251cdabe-42f6-4a35-8a3c-b8914454e233.pdf).

## CONDITIONS OF THE PPNS

*The following are the conditions of the PPNs, substantially in the form in which they will be endorsed on such PPNs.*

On 9 September 2014 (the "**Issue Date**") €25,000,000 Secured Revolving Profit Participating Notes due 2039 (the "**PPNs**") will be issued in accordance with Condition 19 (*Further Issues*) of the €425,000,000 secured revolving profit participating notes due 2039 (the "**Original PPNs**") issued on 25 July 2013 (the "**Original Issue Date**") in the form of a permanent global certificate (as further defined below, the "**Global Certificate**") without interest coupons or principal receipts which will be deposited with and registered in the name of a nominee for the common depository for Euroclear S.A./N.V. as operator of the Euroclear System and Clearstream Banking, S.A. (the "**Clearing Systems**") and any successor in title thereto.

On the Issue Date the Global Certificate will be issued partly paid up, with a Principal Amount of €25,000,000 and a Drawn Amount of €72,500, representing 0.29 per cent. of the Principal Amount of the PPNs. The Drawn Amount of the PPNs may be increased or decreased after the Issue Date to reflect the payments from and to the Noteholders under the Notes and the redemption of the Notes as set out in the Conditions. The issue price of the PPNs equals 100 per cent. of the Drawn Amount of the PPNs.

The issue of €25,000,000 Secured Revolving Profit Participating Notes due 2039 (the "**PPNs**"), of Aviva Investors European Secondary Infrastructure Credit SV S.A. (the "**Issuer**") was authorised by resolution of the board of directors of the Issuer dated 1 September 2014. The PPNs are constituted by a deed dated 9 September 2014 (the "**Supplemental Trust Deed**") that is supplemental to the trust deed dated 25 July 2013 (the "**Original Trust Deed**") and together with the Supplemental Trust Deed, the "**Trust Deed**"), which terms shall include any additional security documents entered into in respect of the Collateral (as defined below) between (amongst others) the Issuer and Deutsche Trustee Company Limited, in its capacity as trustee (the "**Trustee**", which expression shall include all persons for the time being the trustee under the Trust Deed) for the PPN Holders (as defined below)).

These terms and conditions of the PPNs (the "**Conditions**") include summaries of, and are subject to, the detailed provisions of the Trust Deed (which includes the form of the certificate representing the PPNs). The following agreements have also been entered into in relation to the PPNs:

- (a) an agency agreement dated 25 July 2013 (the "**Agency Agreement**") between the Issuer, the Investment Manager, Deutsche Bank AG, London Branch as principal paying agent, account bank, note agent, custodian, quotation agent and collateral administrator (respectively, the "**Principal Paying Agent**", the "**Account Bank**", the "**Note Agent**", the "**Custodian**", the "**Quotation Agent**" and the "**Collateral Administrator**", which terms shall include any successor or substitute principal paying agent, account bank, note agent, custodian or quotation agent, respectively, appointed pursuant to the terms of the Agency Agreement and any successor collateral administrator pursuant to the terms of the Investment Management Agreement) and Deutsche Bank Luxembourg S.A. as registrar (the "**Registrar**", which term shall include any successor or replacement registrar);
- (b) a subscription agreement dated on or about 4 September 2014 (the "**Subscription Agreement**") between the Issuer, the Investment Manager, the Trustee, Deutsche Bank AG, London Branch as Collateral Administrator, Principal Paying Agent and Note Agent, Deutsche Bank Luxembourg S.A. as Registrar and the initial subscriber of the PPNs and the subscription agreements each dated 25 July 2013 between the Issuer, the Investment Manager, the Trustee, Deutsche Bank AG, London Branch as Collateral Administrator, Principal Paying Agent and Note Agent, Deutsche Bank Luxembourg S.A. as Registrar and the subscribers of the Original PPNs;
- (c) an administration services and domiciliation agreement dated 18 July 2013 (the "**Administration Agreement**") between the Issuer, Deutsche Bank Luxembourg, S.A. as administrator (the "**Administrator**", which term shall include any successor or replacement administrator) and *Stichting* European Secondary Infrastructure Credit;

- (d) an investment management agreement dated 25 July 2013 (the "**Investment Management Agreement**") between the Issuer and Aviva Investors Global Services Limited as the investment manager (the "**Investment Manager**", which term shall include any successor or replacement investment manager), Deutsche Bank AG, London Branch as the Collateral Administrator and the Custodian and the Trustee;
- (e) a distribution agreement dated 25 July 2013 between the Issuer and Aviva Investors Global Services Limited as non-exclusive global distribution agent (the "**Distribution Agreement**"); and
- (f) a settlement agreement dated on or about 19 July 2013 (the "**Settlement Agreement**") between the Issuer and Deutsche Bank AG, London Branch as settlement agent (the "**Settlement Agent**").

Copies of the Transaction Documents are available for inspection during usual business hours at the registered office of the Trustee (presently at Winchester House, 1 Great Winchester Street, London EC2N 2DB) and of the Principal Paying Agent (presently at Winchester House, 1 Great Winchester Street, London EC2N 2DB) for the time being and in addition they will be made available on the Collateral Administrator's website at <https://tss.sfs.db.com/investpublic>. Each PPN Holder is entitled to the benefit of, is bound by and is deemed to have notice of all the provisions of the Trust Deed and the other Transaction Documents (other than any Subscription Agreement to which it is not a party).

## 1. Definitions

### 1.1 Definitions

"**Acceleration Notice**" has the meaning given thereto in Condition 10.2(a) (*Acceleration*).

"**Accounts**" means the Payment Account, the Issuer Account, the Interest Account, the Principal Account, the Custody Account (including, in each case any sub-account thereof and any account established in replacement thereof), the Expense Reserve Account and the Revolving Reserve Account.

"**Administration Agreement**" means the administrative services and domiciliation agreement dated 18 July 2013 between the Issuer, the Administrator and Stichting European Secondary Infrastructure Credit.

"**Administrative Expenses**" means amounts due and payable by the Issuer:

- (a) in respect of the fees and other amounts payable to the Agents pursuant to the Agency Agreement (including indemnities provided for therein);
- (b) to the Investment Manager pursuant to the Investment Management Agreement (including costs, expenses and indemnities provided for therein, but excluding any Investment Management Fee or value added tax payable thereon, any Due Diligence and Bid Expenses or any Termination Payment);
- (c) in respect of the fees and other amounts payable to the Collateral Administrator pursuant to the Agency Agreement and the Investment Management Agreement (including indemnities provided for therein);
- (d) to the Administrator pursuant to the Administration Agreement;
- (e) to any other Person in respect of any governmental fee or charge (for the avoidance of doubt excluding any taxes) or any statutory indemnity;
- (f) to the independent accountants, agents and counsel of the Issuer;
- (g) to the Irish Stock Exchange, or such other stock exchange or exchange upon which any of the Listed Notes are listed from time to time;

- (h) to any Person, in respect of any other indemnities, fees, costs or expenses or other amounts properly incurred by the Issuer from time to time, contemplated in the Note Conditions or the Note Transaction Documents;
- (i) in respect of any costs in respect of winding up and dissolution of the Issuer;
- (j) in respect of amounts due and payable by the Issuer to an agent bank acting on behalf of the Issuer (in its capacity as a member of a loan syndicate or lender) in relation to the performance of such agent bank's duties under a Debt Investment, to the extent not payable or reimbursed by the relevant Obligor(s), but excluding any amounts paid in respect of the acquisition or purchase price of such Debt Investment;
- (k) in respect of any amounts due and payable by the Issuer as a member of a loan syndicate, to the extent not payable or reimbursed by the relevant Obligor(s) for costs and expenses (including legal fees) incurred on account of any restructuring, insolvency work-out (including the payment of indemnities granted to a steering committee in relation to the restructuring of a Debt Investment) up to an aggregate maximum amount equal to the lower of (x) one per cent. of the aggregate Principal Amount of Notes which have from time to time been issued and (y) €3,500,000, or such higher figure as may be approved by Extraordinary Resolution of the Noteholders acting as a single class;
- (l) in respect of any additional costs reasonably incurred by the Investment Manager directly relating to the Issuer resulting from the implementation in Luxembourg and/or the United Kingdom of the Alternative Investment Fund Managers Directive (2011/61/EC); and
- (m) in respect of any applicable value added tax required to be paid by the Issuer in respect of any of the foregoing,

including in each case analogous amounts in respect of any other Notes, but excluding (x) (prior to the occurrence of an Event of Default only), in each case, any Extraordinary Administrative Expenses and (y) any amounts payable in connection with the listing of Substitute PPNs pursuant to clause 6.4 (*Listing of Substitute PPNs*) of the Subscription Agreements and any corresponding provision set out in any additional subscription agreement entered into by the Issuer.

**"Administrative Expenses Cap"** means:

- (a) in respect of the first Payment Date, €60,000;
- (b) in respect of the second Payment Date, €120,000, less all amounts paid under paragraph (iv) of the Interest Proceeds Priorities of Payments on the first Payment Date;
- (c) in respect of the third Payment Date, €180,000, less the aggregate of all amounts paid under the said paragraph (iv) on the first and second Payment Dates; and
- (d) in respect of the fourth and each subsequent Payment Date thereafter (including for the avoidance of doubt, the Maturity Date), €230,000, less the aggregate of amounts paid under the said paragraph (iv) on the three Payment Dates immediately preceding the Payment Date in question,

(x) in each case increased by €20,000 for each €100,000,000 by which the total Drawn Amount of all of the Notes issued by the Issuer from time to time exceeds €425,000,000 and (y) such Administrative Expenses Cap to be increased once every seven years from the Original Issue Date (each such seventh anniversary being a **"re-set date"**) based on a review of the then current Administrative Expenses and in an amount to be agreed between the Investment Manager, the Issuer and the Trustee (acting without having to obtain the consent of the Noteholders), provided always that any proposed increase in the Administrative Expenses Cap shall not exceed the Consumer Price Index ("**CPI**") as published by the Office for National Statistics, displayed on the website page at <http://www.ons.gov.uk/taxonomy/index.html?nscl=Consumer+Price+Indices>, from (and including) the Issue Date (or after the Issue Date, the immediately preceding re-set date) up to (but excluding) the relevant date of review.

For the avoidance of doubt, the Administrative Expenses Cap shall not apply following the occurrence of an Event of Default.

**"Affected Collateral"** has the meaning given thereto in Condition 4.10(a)(viii) (*Security*).

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

- (a) any other Person who, directly or indirectly, is in control of, or controlled by, or is under common control with, such Person; or
- (b) any other Person who is a director, officer or employee:
  - (i) of such Person;
  - (ii) of any subsidiary or parent company of such Person; or
  - (iii) of any Person described in paragraph (a) above,

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

**"Agent"** means each of the Registrar, the Principal Paying Agent, any other Paying Agent, the Account Bank, the Note Agent, the Custodian, the Quotation Agent or any of them.

**"Authorised Integral Amount"** means €1,000.

**"Authorised Officer"** means, with respect to the Issuer, any director of the Issuer or person who is otherwise authorised to act for the Issuer in matters relating to, and binding upon, the Issuer.

**"Benefit Plan Investor"** means any of the following:

- (a) an "employee benefit plan" (as defined in Section 3(3) of ERISA) that is subject to the fiduciary responsibilities provisions of ERISA;
- (b) a "plan" as defined in Section 4975(e)(1) of the Code 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 (including an insurance company general account within the meaning of Section V(e) of prohibited transaction class exemption 95-60) or a "benefit plan investor" as such term is otherwise defined in any regulations promulgated by the U.S. Department of Labor under Section 3(42) of ERISA.

**"Bid"** means the price notified by an investor at which it will subscribe for Replacement PPNs.

**"Bidder"** means an investor who submits a Bid.

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

- (a) which is a TARGET Settlement Day; and
- (b) on which commercial banks and foreign exchange markets settle payments in London and Luxembourg (other than a Saturday or a Sunday).

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

**"Collateral"** means the property, assets and rights described in Condition 4.10 (*Security*) which are charged and assigned to the Trustee from time to time for the benefit of the Secured Parties pursuant to the Trust Deed and the Euroclear Pledge Agreement.

**"Collateral Tax Event"** means at any time, as a result of the introduction of a new, or any change in, any home jurisdiction or foreign tax statute, treaty, regulation, rule, ruling, practice, procedure or judicial decision or interpretation (whether proposed, temporary or final) any interest payments due from the Obligor of any Debt Investment in relation to any Due Period becoming properly subject to the imposition of home jurisdiction or foreign withholding tax so that the aggregate amount of such withholding tax thereon in relation to such Due Period (after taking into account the effect of any applicable gross up provision or double taxation treaty) is equal to or in excess of six per cent. of the aggregate interest payments due on all Debt Investments in relation to such Due Period.

**"Custodial Assets"** means all Debt Investments which are in the form of securities and Eligible Investments and in each case any sums received in respect thereof, which are held from time to time by the Custodian (or any duly authorised Sub-Custodian) pursuant to the terms of the Agency Agreement.

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

**"Debt Investment"** means any secured or unsecured loan obligation or debt obligation in which the Issuer has invested by way of the extension of credit, or the purchase or acquisition thereof from time to time (or if the context requires, to be purchased or advanced by or on behalf of the Issuer) each of which the Investment Manager has determined, in accordance with the Investment Management Agreement, satisfies the Eligibility Criteria. For the avoidance of doubt, any obligation which satisfies the Eligibility Criteria at the time the Issuer or the Investment Manager on behalf of the Issuer has entered into a binding commitment to purchase it, shall constitute a Debt Investment even if it subsequently fails to satisfy paragraphs (a), (b), (c), (d), (e), (f), (g), (h), (i), (j), (k), (m) and/or (n) of the Eligibility Criteria.

**"Default Letter"** has the meaning given thereto in Condition 2(d) (*Failure to make a Note Advance*).

**"Default Letter Notification Date"** means the date on which the relevant Defaulting Noteholder is deemed to have received the Default Letter from the Issuer pursuant to Condition 2(d) (*Failure to make a Note Advance*) in accordance with Condition 16 (*Notices*).

**"Defaulted Note"** has the meaning given thereto in Condition 2(d)(i) (*Failure to make a Note Advance*).

**"Defaulting Noteholder"** has the meaning given thereto in Condition 2(d) (*Failure to make a Note Advance*).

**"Defaulting Noteholder's Account"** means the bank account specified to the Issuer (with a copy to the Principal Paying Agent and the Note Agent) by a Defaulting Noteholder to which Replacement PPN Net Bid Proceeds should be paid and which shall, whilst the Notes held by the relevant Defaulting Noteholder are in global form, be the designated account of the relevant Defaulting Noteholder in the relevant Clearing System.

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

**"Delayed Drawdown Debt Investment"** means a Debt Investment that pursuant to its terms may require one or more future advances to be made to the Obligor by the Issuer which may not permit the re-borrowing of any amount previously repaid, provided that any such Debt Investment will be a Delayed Drawdown Debt Investment only until all commitments to make advances to the Obligor expire or are terminated or reduced to zero.

**"Determination Date"** means the last calendar day of each month prior to each Payment Date.

**"Directive"** has the meaning given to that term in Condition 8.3 (*Registrar and Principal Paying Agent*).

**"Drawn Amount"** means either (i) in relation to any Note at any time, the aggregate of all amounts drawn under such Note at that time or (ii) in respect of any Noteholder, the amounts drawn under its

Notes, in each case as the context so requires, in each case for the avoidance of doubt as adjusted to reflect the payments to and from Noteholders under the Notes and the redemption of the Notes as set out in Conditions 2(c)(i), 2(c)(ii), and 7.6 and 7.8; and, in respect of the Notes shall mean such drawn amount of the Notes in accordance with the analogous provisions of the Further PPN Conditions, the Substitute PPN Conditions and the Replacement PPN Conditions.

**"Drawn Percentage"** means, in relation to a Defaulted Note and a Default Letter Notification Date, the percentage that the Drawn Amount of that Defaulted Note represents of the Principal Amount of that Defaulted Note.

**"Due Diligence and Bid Expenses"** means any costs, expenses and/or indemnities which are due and payable by the Issuer to the Investment Manager under the Investment Management Agreement in connection with the Investment Manager carrying out on behalf of the Issuer the due diligence on, and the bidding for, any proposed Debt Investment.

**"Due Period"** means, with respect to any Payment Date, the period commencing on and including the day immediately following the Determination Date prior to the preceding Payment Date (or commencing on and including the First Purchase Date, in the case of the Due Period relating to the first Payment Date) and ending on and including the Determination Date 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, the Due Period for such Note shall end on and include the Business Day preceding such Payment Date).

**"EFTA"** means the European Free Trade Association countries of which comprise Iceland, Liechtenstein, Norway and Switzerland.

**"Electing Noteholder"** has the meaning given thereto in Condition 20(i)(a) (*Noteholders' Restructuring Option*).

**"Eligibility Criteria"** has the meaning given thereto in the Investment Management Agreement.

**"Eligible Investments"** means any investment denominated in Euro, the acquisition (including the manner of acquisition), ownership, enforcement or disposition of which 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, that are acquired, and held in a manner that does not violate the investment restrictions set out in the Investment Management Agreement, the nature of which do not violate the investment restrictions set out in the Investment Management Agreement and is one or more of the following obligations or securities, including, without limitation, any Eligible Investments for which the Custodian, the Trustee, the Collateral Administrator or the Investment Manager or an Affiliate of any of them provides services:

- (a) direct obligations of, and obligations the timely payment of principal of and interest under which is fully and expressly guaranteed by, a government of a country in the EU or EFTA with a Long Term Rating equal to A by Standard and Poor's or A by Fitch or A2 by Moody's;
- (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 in the EU or EFTA with a Short Term Rating equal to or higher than A-1 by Standard and Poor's or F1 by Fitch or Prime-1 by Moody's, and in each case, with a maturity of no more than 180 days and subject to supervision and examination by governmental banking authorities;
- (c) commercial paper or other short term obligations that either are bearing interest or are sold at a discount to the face amount thereof with a Short Term Rating equal to or higher than A-1 by Standard and Poor's or F1 by Fitch or Prime-1 by Moody's and have a maturity of not more than 183 days from their date of issuance;
- (d) money market funds which comply with The Undertaking for Collective Investment in Transferable Securities Directive 2001/107/EC and 2001/108/EC ("**UCITS**") and/or exchange-traded funds ("**ETFs**") tracking the EONIA (Euro OverNight Index Average); and
- (e) repurchase agreements invested in the above mentioned financial instruments without maturity constraints,

and, in each case, such instrument or investment provides for payment of a pre-determined fixed amount of principal on maturity that is not subject to change and either (A) has a Stated Maturity (giving effect to any applicable grace period) no later than the second Business Day immediately preceding the Payment Date which immediately follows the date of purchase of such instrument or investment or (B) may be capable of being liquidated on demand, at an amount equal to the purchase price or more without penalty.

**"Eligible Purchaser"** means a purchaser:

- (a) who is a non-U.S. Person (as defined in Regulation S under the Securities Act) in offshore transactions in reliance on Regulation S under the Securities Act;
- (b) who purchases the PPNs subject to the terms and conditions of the PPNs set out in the Trust Deed and the Global Certificate;
- (c) whose purchase of PPNs will not cause an adverse tax consequence to the Issuer;
- (d) whose purchase and holding of PPNs will not be illegal; and
- (e) who is not a Non-Permitted ERISA Holder and is not a Recalcitrant Noteholder.

**"Enforcement Event "** shall mean an event where the security constituted by the Trust Deed over the Collateral becomes enforceable pursuant to Condition 11 (*Enforcement*) by delivery of an Acceleration Notice pursuant to Condition 10 (*Events of Default*).

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

**"EURIBOR"** has the meaning given to that term in Condition 20 (*Restructuring Option*).

**"Euroclear Pledge Agreement"** means the Belgian law pledge agreement which shall be entered into between (possibly amongst others) the Issuer, the Trustee and the Custodian after the First Custodial Asset Date pursuant to the terms of the Trust Deed.

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

**"Expense Reserve Account"** means the interest bearing account described as such in the name of the Issuer with the Account Bank, into which amounts are to be paid in accordance with Condition 4.9(d) (*Expense Reserve Account*) and amounts standing to the credit of which will be used to make certain expense payments.

**"Expense Reserve Account Payment Amount"** means, on the Payment Date immediately following the First Purchase Date, the Target Expense Reserve Balance and in relation to each subsequent Payment Date, an amount equal to the lesser of:

- (a) the Expense Reserve Shortfall; and
- (b) 50 per cent. of the Target Expense Reserve Balance on such Payment Date.

**"Expense Reserve Amount"** means (i) at any time during which the Drawn Amount of the Notes is greater than or equal to €200,000,000, €400,000; and (ii) at any time during which the Drawn Amount of the Notes is less than €200,000,000, €300,000.

**"Expense Reserve Shortfall"** means, on any Payment Date, (i) the difference (if any) between the relevant Target Expense Reserve Balance for such Payment Date and (ii) the amounts credited to the Expense Reserve Account immediately prior to such Payment Date, as determined by the Collateral Administrator on the Determination Date immediately preceding the related Payment Date and notified in writing by the Collateral Administrator to the Investment Manager prior to the related Payment Date.

**"External Repack Notes"** has the meaning given thereto in Condition 20(i)(a)(ii) (*Noteholders' Restructuring Option*).

**"Extraordinary Administrative Expenses"** means all properly documented (by way of invoices) amounts due and payable by the Issuer (and including any VAT in respect thereof):

- (a) to the Trustee pursuant to the Note Trust Deeds in respect of legal fees, costs and expenses (including indemnities provided for therein);
- (b) to the Agents, the Collateral Administrator, the Settlement Agent and their respective officers, directors and employees and the Issuer Indemnified Persons (as defined in the Investment Management Agreement) pursuant to the Agency Agreement, the Investment Management Agreement and the Settlement Agreement (including in each case indemnities provided for therein) in respect of legal fees, costs and expenses incurred by such persons;
- (c) to the Investment Manager pursuant to the Investment Management Agreement (including indemnities provided for therein) in respect of legal fees, costs and expenses incurred by the Investment Manager;
- (d) to the Agents, the Trustee, the Collateral Administrator and their respective officers, directors and employees and the Issuer Indemnified Persons pursuant to the Agency Agreement, the Trust Deed and the Investment Management Agreement (including in each case indemnities provided for therein) in respect of any losses, liabilities, costs, expenses, claims, actions or demands and (in the case of the Issuer Indemnified Persons) all Liabilities and Expenses (each as defined in the Investment Management Agreement) incurred by or made against them or arising in connection with any of the following:
  - (i) any amendment or modification to or restructuring of or work-out of or default under or insolvency of any obligor in connection with any Debt Investment;
  - (ii) any amendment or modification of or waiver in respect of the Notes or any of the Note Transaction Documents;
  - (iii) any Event of Default or Potential Event of Default;
  - (iv) any meeting or resolution of Noteholders; and
  - (v) any of the above in connection with the Restructuring Option,
- (e) without double-counting, to each of the Investment Manager, the Collateral Administrator, the Agents and the Trustee in respect of legal fees, costs and expenses incurred by it in respect of the issuance of any Further PPNs, Replacement PPNs and Substitute PPNs and to the Settlement Agent in respect of legal fees, costs and expenses incurred by it in respect of the issuance of any Further PPNs;
- (f) to the Settlement Agent in respect of the fees and other amounts payable to the Settlement Agent pursuant to the Settlement Agreement (including indemnities provided for therein) but without duplication of any amounts paid as Initial Set Up Costs or payable under (b) or (e) above,

but in each case, without duplication of any amounts payable under (a) and (b) above, the annual fees payable to the Trustee, the Agents and the Collateral Administrator, and any other amounts payable in accordance with the Priorities of Payments on the related Payment Date;

- (g) to the Investment Manager (and its respective officers, directors and employees) pursuant to the Investment Management Agreement in respect of any losses, liabilities, costs, expenses, claims, actions or demands incurred by or made against them and incurred or made or arising in connection with any of the following:
  - (i) any amendment or modification to or restructuring of or work-out of or default under or insolvency of any obligor in connection with any Debt Investment;
  - (ii) any amendment or modification of or waiver in respect of the Notes or any of the Note Transaction Documents;
  - (iii) any Event of Default or Potential Event of Default;
  - (iv) any meeting or resolution of Noteholders; and

(v) any of the above in connection with the Restructuring Option,

but excluding legal fees, costs and expenses, the Due Diligence and Bid Expenses and the Investment Management Fee,

and in each case any analogous amounts in respect of any of the other Notes, in each case in accordance with (x) (prior to the occurrence of an Event of Default) Condition 4.9(d) (*Expense Reserve Account*) and (y) in all other circumstances other than in paragraph (x) above, the applicable Priorities of Payments.

**"Extraordinary Resolution"** means a resolution passed at a meeting of Noteholders duly convened and held in accordance with the Trust Deed by a majority of not less than 66⅔ per cent. of the votes cast or a Written Resolution passed in accordance with paragraph 12 (*Written Resolutions*) of schedule 4 to the Trust Deed.

**"FATCA"** means Sections 1471 through 1474 of the US Internal Revenue Code, an agreement entered into with the US Internal Revenue Service pursuant to such sections of the Code, or an intergovernmental agreement between the United States and another jurisdiction in furtherance of such sections of the Code (including any non-US laws and regulations implementing such an intergovernmental agreement), or any analogous provisions of non-U.S. law.

**"First Custodial Asset Date"** means the date upon which the first Custodial Asset is purchased by the Issuer and deposited in the Custody Account and held by the Custodian on behalf of the Issuer.

**"First Purchase Date"** means the date upon which the Issuer first settled the purchase of a Debt Investment in respect of the Original PPNs.

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

**"Further Issue Date"** means each date upon which the Issuer issues Further PPNs constituted by a Further PPN Trust Deed.

**"Further Issues"** has the meaning given thereto in Condition 19 (*Further Issues*).

**"Further PPN Conditions"** means the conditions of the Further PPNs as set out in the Further PPN Trust Deed and **"Further PPN Condition"** shall be construed accordingly.

**"Further PPN Holders"** means (a) in relation to Further PPNs in the form of Definitive Certificates, each person in whose name such Further PPNs are registered from time to time on the applicable register and (b) in relation to Further PPNs in the form of one or more global certificates, the several persons who are for the time being the holders of such Further PPNs, which expression shall, whilst such global certificate(s) remain outstanding, mean in relation to such Further PPNs represented thereby, each person who is for the time being shown in the records of the Clearing System through which interests in the global certificate(s) are held as the holders of a particular principal amount of such Further PPNs for all purposes (in which regard any certificate or other document issued by the Clearing System as to the principal amount of Further PPNs represented by the global certificate(s) standing to the account of any person shall be conclusive and binding for all purposes) other than with respect to the payment of any principal, premium (if any) and interest on such Further PPNs, the right to which shall be vested, as against the Issuer, solely in the registered owner of the global certificate(s) in accordance with and subject to its terms and the terms of the Note Trust Deeds and **"Further PPN Holder"** (in respect of the Further PPNs) shall be construed accordingly.

**"Further PPN Transaction Documents"** means the Further PPN Trust Deeds, the Investment Management Agreement, the Agency Agreement, the Euroclear Pledge Agreement, the Settlement Agreement, the administration agreement, the Subscription Agreement and the Distribution Agreement in respect of the Further PPNs and any documents supplemental or ancillary thereto.

**"Further PPN Trust Deed"** means each trust deed constituting the Further PPNs expressed as being supplemental to the Trust Deed.

**"Further PPNs"** has the meaning given to that term in Condition 19 (*Further Issues*).

**"Global Certificate"** means the registered global certificate representing the PPNs in substantially the form attached to the Trust Deed.

**"Illegality Event"** means it has become illegal for the Issuer to perform or comply with any of its obligations under the Note Transaction Documents and the Notes.

**"Impaired Debt Investment"** means any Debt Investment pursuant to which any scheduled principal or interest which is due and payable to the Issuer either (a) has not been received by the Issuer within 10 Business Days of such due date or (b) (as determined by the Investment Manager in its sole discretion based on circumstances then prevailing) is likely not to be received by the Issuer within 10 Business Days of such due date.

**"Impairment Amount"** means, in relation to an Impaired Debt Investment, an amount calculated by the Investment Manager in accordance with the Investment Management Agreement equal to:

- (a) the book value of the relevant Impaired Debt Investment had it not become an Impaired Debt Investment; minus
- (b) the aggregate net present value of the reduced or delayed interest and principal receipts which the Issuer expects to receive under the Impaired Debt Investment, as estimated by the Investment Manager based on information received from the Obligor, discounted at the stipulated interest rate of the relevant Impaired Debt Investment over the remaining life of the Debt Investment.

**"Initial Set Up Costs"** means any establishment and/or set up costs including, but not limited to, legal fees, administrative fees and expenses associated with admission to the Irish Stock Exchange and certain other fees and expenses payable on or about the Original Issue Date or in the case of Further PPNs, on or about such date when Further PPNs are issued up to an amount equal to the lower of (i) 0.25 per cent. of the aggregate of the Principal Amounts and (ii) €1,200,000.

**"Insolvency Law"** has the meaning given thereto in Condition 10.1(e) (*Insolvency Proceedings*).

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

**"Interest Amount"** means (a) following the delivery of an Acceleration Notice which has not been rescinded and annulled in accordance with Condition 10.3 (*Curing of Default*) or pursuant to an optional redemption in whole in accordance with Condition 7.2 (*Redemption at the Option of the Noteholders*), the amount of interest payable in respect of the PPNs pursuant to Condition 6.2 (*Interest Accrual*) in accordance with Condition 11.2(c) (*Post-Acceleration Priority of Payments*) and (b) in all other circumstances not covered under paragraph (a), the amount of interest payable on each Payment Date in respect of the PPNs, being the Interest Proceeds less items (i) to (vi) of the Interest Proceeds Priorities of Payments as calculated by the Collateral Administrator as being payable on such Payment Date in accordance with Condition 4.4 (*Determination and Payment of Amounts*) and Condition 6.3 (*Determination of Interest Amount*).

**"Interest Proceeds Priorities of Payments"** means the priority of payments set out in Condition 4.2(a) (*Application of Interest Proceeds*).

**"Interest Proceeds"** means all amounts paid or payable into the Interest Account from time to time and, with respect to any Payment Date, means any Interest Proceeds received or receivable by the Issuer during the related Due Period and any other amounts to be disbursed as Interest Proceeds on such Payment Date pursuant to Condition 4.2(a) (*Application of Interest Proceeds*).

**"Internal Repack Notes"** has the meaning given thereto in Condition 20(i)(a)(i) (*Noteholders' Restructuring Option*).

**"Investment Company Act"** means the United States Investment Company Act of 1940, as amended.

**"Investment Management Fee"** means the fee payable (in accordance with the Priorities of Payments) to the Investment Manager in arrear on each Payment Date in respect of the immediately preceding Due Period pursuant to the Investment Management Agreement in an amount, as determined

by the Collateral Administrator on behalf of the Issuer, equal to the greater of (a) 0.35 per cent. per annum (calculated on the basis of a 360-day year and the actual number of days elapsed in such Due Period) of the aggregate Drawn Amount of the Notes (in respect of the Substitute PPNs, without reduction on account of the Substitute PPN Haircut Percentage) less the aggregate of any Impairment Amounts as at the first Business Day of the Due Period preceding the applicable Payment Date (as notified by the Investment Manager to the Collateral Administrator) and (b) the product of (i) €150,000 and (ii) the fraction, expressed as a percentage, the numerator of which is the number of days elapsed in such Due Period and the denominator of which is 360, together with any VAT chargeable in respect thereof.

**"Investment Manager Breaches"** means the fraud, wilful default or negligence in the performance of the obligations of the Investment Manager, its Affiliates or its or their directors, officers or employees under the Investment Management Agreement which directly result in Losses.

**"Investment Period"** means the period from (and including) the Original Issue Date to (and including) the later of (i) the Note Available Commitment Termination Date and (ii) the date falling 6 months following the Note Available Commitment Scheduled Termination Date if, on the Business Day immediately preceding the Note Available Commitment Scheduled Termination Date, the Investment Manager (acting on behalf of the Issuer) made a Note Advance Request in an amount up to the Undrawn Amounts on such date and the Note Agent has notified the Noteholders in writing that the Investment Manager wishes to so extend the Investment Period.

**"Issue Date"** means 9 September 2014 (or such other date as may shortly follow such date as the Issuer may stipulate and which is notified by the Issuer to the Noteholders in accordance with Condition 16 (*Notices*) (with a copy to the Trustee)).

**"Issuer Account"** means the account established by the Issuer in Luxembourg for the purpose of holding (i) the proceeds of the issue of the Issuer Shares, (ii) such amounts as are necessary for the Issuer to retain sufficient profit in accordance with paragraph (a)(i) of Condition 4.2 (*Pre-Enforcement Priority of Payments*) to pay Luxembourg taxes, (iii) such amounts as are necessary to cover Luxembourg operational costs and (iv) interest earned on the foregoing amounts.

**"Issuer Shares"** means the share capital of the Issuer as at the Original Issue Date, which comprises 31,000 ordinary voting shares of €1.00 each.

**"Liabilities"** means, collectively, liabilities, obligations, losses, claims, damages, judgments, penalties, assessments, actions, suits, costs, expenses or other similar liabilities (including, without limitation, in respect of taxes, duties, levies, imposts and other charges and all legal fees and disbursements incurred in defending or disputing any of the foregoing and including any VAT or similar tax charged or chargeable in respect thereof).

**"Listed Notes"** means:

- (a) the Original PPNs;
- (b) the PPNs;
- (c) the Replacement PPNs;
- (d) the Further PPNs; and
- (e) the Substitute PPNs where the holder of such Substitute PPNs has requested to be listed in accordance with the relevant Subscription Agreement,

in each case, listed from time to time on the Irish Stock Exchange, or another stock exchange or exchange.

**"Long Term Ratings"** means the long term rating assigned by any Rating Agency. In the event that a long term rating has been assigned by more than one Rating Agency, the Long Term Rating shall be the second best such long term rating (for the avoidance of doubt, should two or more of these long term ratings be equivalent, the second best rating shall be such equivalent rating).

**"Losses"** means any losses, claims, damages, judgments, assessments, costs, taxes, charges, demands, expenses or other liabilities incurred by the Issuer, the Trustee, the Noteholders, any other Secured Party or any other person that arise out of or in connection with the performance or non-performance by the Investment Manager of its duties under the Investment Management Agreement.

**"Material Restructuring"** means any reduction or rescheduling of the interest or principal of a debt investment, or release of security, which results, or is expected to result, in a loss of value of the collateral affected by such reduction, rescheduling or release of security of more than 2%. For this purpose, the value of the collateral will be defined as the net present value of future payments discounted at the original interest rate pre-restructuring.

**"Maturity Date"** means 15 October 2039.

**"Minimum Rating Requirement"** in relation to the Custodian or any Paying Agent means A3 by Moody's, A- by S&P, A- by Fitch, or such other rating as may be agreed in writing by the Issuer and the Trustee (as directed by the Noteholders acting as a single class by way of an Extraordinary Resolution).

**"Monthly Report"** means the report defined as such in the Investment Management Agreement which is prepared by the Collateral Administrator (in consultation with and based on certain information provided by the Investment Manager), on behalf of the Issuer and made available on the secure investor reporting website by the Collateral Administrator to the Noteholders, the Issuer, the Principal Paying Agent and the Trustee no later than the 15<sup>th</sup> calendar day of each month following the First Purchase Date (and if such a day is not a Business Day, the immediately following Business Day).

**"Moody's"** means Moody's Investors Service Limited, and any successor or successors thereto.

**"Non-Defaulting Noteholders"** means in relation to a Note Advance, each Noteholder who is not a Defaulting Noteholder and who has been requested to make one or more Note Advances.

**"Non-Permitted ERISA Holder"** means any Noteholder who has made or is deemed to have made a prohibited transaction, or made a Benefit Plan Investor or Other Plan Law representation that is subsequently shown to be false or misleading, or whose beneficial ownership otherwise causes a violation of the 25 per cent. limitation set out in Title I of ERISA and Section 4975 of the Code.

**"Note Advance"** means in relation to a Noteholder, each euro denominated advance made by that Noteholder after the Issue Date in an amount equal to the *Pro-Rata* Note Advance on the related Note Advance Date.

**"Note Advance Date"** means such date on which a Note Advance is requested to be made by a Noteholder pursuant to a Note Advance Request.

**"Note Advance Request"** means a notification by the Issuer to the Noteholders requesting a Note Advance from each Noteholder in the amount of its *Pro-Rata* Note Advance.

**"Note Available Commitment Period"** means the period from and including the Issue Date to but excluding the Note Available Commitment Termination Date.

**"Note Available Commitment Scheduled Termination Date"** means the date falling 30 months from the Original Issue Date (and if such date is not a Business Day, the immediately succeeding Business Day).

**"Note Available Commitment Termination Date"** means the earliest of:

- (a) the date on which the Undrawn Amount is zero;
- (b) the date upon which the Notes are redeemed pursuant to Condition 7 (*Redemption*);
- (c) the date on which an Enforcement Event occurs; and
- (d) the Note Available Commitment Scheduled Termination Date,

and in each case above, if such date is not a Business Day, the immediately succeeding Business Day.

On the Business Day immediately preceding the Note Available Commitment Scheduled Termination Date, the Issuer may but is not obliged to, draw down a Note Advance in an amount of up to the Undrawn Amount on such date and credit the proceeds thereof to the Principal Account for the investment thereof in Debt Investments, provided that (x) the Investment Manager (acting on behalf of the Issuer) has entered into negotiations regarding the purchase of such Debt Investments or (y) without prejudice to this sub-paragraph (x), key terms have been agreed or an offer, agreement in principle, letter of intent or memorandum of understanding, has been made or entered into in writing and in good faith by the Investment Manager (acting on behalf of the Issuer) and the seller thereof with the intention of the Issuer purchasing such Debt Investments, (regardless of whether such arrangement is legally binding as at the Note Available Commitment Termination Date) and such purchase under either paragraph (x) or (y) above or a combination of both is expected by the Investment Manager to settle within 6 months of the Note Available Commitment Termination Date.

**"Note Commitment"** means in relation to a Noteholder, the aggregate maximum amount of Note Advances which may be requested of such Noteholder pursuant to the Notes.

**"Note Conditions"** means the Original PPN Conditions, the Conditions, the Further PPN Conditions, the Substitute PPN Conditions and the Replacement PPN Conditions.

**"Noteholders"** means the Original PPN Holders, the PPN Holders, the Further PPN Holders, the Substitute PPN Holders and the Replacement PPN Holders.

**"Noteholder's Specified Address"** means in relation to a Noteholder, as at the date any notice is sent, the address of such Noteholder (if any) which has been notified to the Issuer as such.

**"Notes"** means the €25,000,000 Secured Revolving Profit Participating Notes due 2039 comprising, where the context permits, the notes constituted by the Supplemental Trust Deed or the Drawn Amount thereof for the time being or, as the context may require, a specific number thereof and includes any replacements for Notes issued pursuant to Condition 13 (*Replacement of PPNs*). References in these Conditions to the "Notes" include any Further PPNs issued pursuant to Condition 19 (*Further Issues*) together with the Original PPNs and Replacement PPNs and Substitute PPNs.

**"Note Tax Event"** means, at any time, 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 Notes becoming properly subject to any deduction or withholding for or on account of any tax (other than with regard to FATCA).

**"Note Transaction Documents"** means the Transaction Documents, the Further PPN Transaction Documents, the Substitute PPN Transaction Documents and the Replacement PPN Transaction Documents.

**"Note Trust Deeds"** means the Trust Deed, any Further PPN Trust Deed, any Substitute PPN Trust Deed and any Replacement PPN Trust Deed, and in each case, any trust deed supplemental thereto.

**"Notice of Default"** has the meaning given thereto in Condition 10.1(d) (*Breach of Other Obligations*).

**"Obligor"** means, in respect of a Debt Investment, the infrastructure company which is the borrower thereunder or issuer thereof or, in either case, the guarantor thereof.

**"Optional Early Redemption Date"** means the first Payment Date falling 15 years after the Original Issue Date.

**"Optional Early Redemption Event"** means (a) the Optional Early Redemption Date or (b) any Payment Date falling after the date when the aggregate Drawn Amount of the Notes is below 5 per cent. of the aggregate Drawn Amount of the Notes as at the Note Available Commitment Termination Date.

**"Ordinary Resolution"** means a resolution (other than an Extraordinary Resolution or Unanimous Resolution) passed in a meeting of Noteholders (other than the holders of Substitute PPNs) duly convened and held in accordance with the Trust Deed by more than 50 per cent. of the votes cast or a

Written Resolution as an Ordinary Resolution passed in accordance with paragraph 12 (*Written Resolutions*) of schedule 4 of the Trust Deed.

**"Original Issue Date"** means 25 July 2013, being the date on which the Original PPNs are issued.

**"Original PPN Conditions"** means the conditions of the Original PPNs.

**"Original PPN Holders"** means the holders of the Original PPNs.

**"Other Plan Law"** means any state, local, other federal or non-U.S. laws or regulations that are substantially similar to the prohibited transaction provisions of Section 406 of ERISA or Section 4975 of the Code.

**"Outstanding"** means, as of any date of determination, all of the Notes issued, but not redeemed, as further defined in the Note Trust Deeds, and only in respect of calculating voting rights, giving instructions to the Trustee or determining whether a quorum has been met, the Principal Amount of such Notes whether or not drawn.

**"Partially Drawn Noteholder"** means each Noteholder whose Drawn Amount prior to the Note Available Commitment Termination Date is lower than the aggregate amount of Drawn Amount under the Notes multiplied by such Noteholder's *Pro-Rata* Share of the Undrawn Amount and divided by the aggregate of all of the Noteholders' Undrawn Amounts.

**"Payment Account"** means the account of the Issuer with the Account Bank specified as such, and into and out of which payments are made in accordance with Condition 4.9 (*Payments to and from the Accounts*).

**"Payment Date Report"** means the report defined as such in the Investment Management Agreement which is prepared by the Collateral Administrator (in consultation with and based on certain information provided by the Investment Manager), on behalf of the Issuer and made available on its secure investor reporting website by the Collateral Administrator to the Noteholders, the Issuer and the Trustee not later than the second Business Day preceding the related Payment Date.

**"Payment Dates"** means 15 April, 15 July, 15 October and 15 January in each year, commencing on the first Payment Date immediately following the First Purchase Date, and ending on the Maturity Date, provided that, if any Payment Date would otherwise fall on a day which is not a Business Day, it shall be postponed to the next day that is a Business Day and **"Payment Date"** shall be construed accordingly.

**"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.

**"Portfolio"** means the portfolio of Debt Investments held by or on behalf of the Issuer from time to time.

**"Post-Acceleration Priority of Payments"** means the priority of payments set out in Condition 11.2(c) (*Post-Acceleration Priority of Payments*).

**"Potential Event of Default"** has the meaning given thereto in the Trust Deed.

**"PPN Holder"** means (a) in relation to PPNs in the form of Definitive Certificates, each person in whose name such PPNs are registered from time to time on the Register and (b) in relation to PPNs in the form of the Global Certificate, the several persons who are for the time being the holders of such PPNs, which expression shall, whilst the Global Certificate remains Outstanding, mean in relation to such PPNs represented thereby, each person who is for the time being shown in the records of the Clearing System through which interests in the Global Certificate are held as the holders of a particular principal amount of such PPNs for all purposes (in which regard any certificate or other document issued by the Clearing System as to the principal amount of PPNs represented by the Global Certificate standing to the account of any person shall be conclusive and binding for all purposes) other than with respect to the payment of any principal, premium (if any) and interest on such PPNs, the right to which shall be vested, as against the Issuer, solely in the registered owner of the Global Certificate in

accordance with and subject to its terms and the terms of the Note Trust Deeds and "**holder**" and "**PPN Holder**" (in respect of the PPNs) shall be construed accordingly.

"**PPN Listing Deadline**" means the date falling ninety (90) calendar days after the Issue Date (and if such a date is not a Business Day, the immediately following Business Day).

"**Pre-Enforcement Priority of Payments**" means the Interest Proceeds Priorities of Payments and the Principal Proceeds Priorities of Payments.

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

"**Principal Amount**" means, in respect of any Note, the maximum of the Drawn Amount that may be outstanding thereunder at any time.

"**Principal Proceeds**" means all amounts paid or payable into the Principal Account from time to time and, with respect to any Payment Date, means Principal Proceeds received or receivable by the Issuer during the related Due Period and any other amounts to be disbursed as Principal Proceeds on such Payment Date pursuant to Condition 4.2(b) (*Application of Principal Proceeds*).

"**Principal Proceeds Priorities of Payments**" means the priority of payments set out in Condition 4.2(b) (*Application of Principal Proceeds*).

"**Priorities of Payments**" means the Pre-Enforcement Priority of Payments and the Post-Acceleration Priority of Payments.

"**Pro-Rata Note Advance**" means in relation to a Noteholder and a Note Advance Date, and as specified in the related Note Advance Request, an amount equal to such Noteholder's *Pro-Rata* Share of the aggregate of the related Note Advances requested.

"**Pro-Rata Share**" means with respect to a Noteholder on any date of determination, the fraction (expressed as a percentage) the numerator of which is the Undrawn Amounts of such Noteholder on such date and the denominator of which is the aggregate of all of the Undrawn Amounts of all Noteholders (other than any Defaulting Noteholders and Substitute PPN Holders in relation thereto) on such date.

"**Quarterly Investment Management Report**" means the report defined as such in the Investment Management Agreement which is prepared by the Investment Manager on behalf of the Issuer and made available to the Noteholders, the Issuer and the Trustee not later than the second Business Day preceding the related Payment Date.

"**Rating Agency**" means any of Fitch, Moody's and S&P.

"**Reallocation Premium**" means, in respect of a Further PPN Holder on a Further Issue Date, a premium calculated by the Investment Manager pursuant to the Investment Management Agreement and these Conditions which is equal to the product of (a) the aggregate of (i) any costs incurred in connection with the acquisition of Debt Investments prior to the related Further Issue Date (other than the purchase price); (ii) the Initial Set Up Costs; and (iii) an amount of interest calculated at five per cent. per annum on the amounts specified in (a)(i) and (a)(ii) above and (b) the fraction, expressed as a percentage, the numerator of which is the Further PPN Holder's Principal Amount and the denominator of which is the aggregate of all the Principal Amounts of all Noteholders on such Further Issue Date (including those Notes issued on such Further Issue Date).

"**Reallocation Rebate**" means an equalisation amount payable by the Issuer to certain Noteholders on or promptly after the Note Available Commitment Termination Date to ensure that each Noteholder has paid its *pro-rata* share, based on each Noteholder's Drawn Amount as at the Note Available Commitment Termination Date, of the Initial Set Up Costs, costs incurred in connection with Debt Investments and interests paid thereon pursuant to the "Reallocation Premium", as determined by the Investment Manager prior to the Note Available Commitment Termination Date in accordance with the Investment Management Agreement.

**"Recalcitrant Noteholder"** means a Noteholder who does not comply with the Issuer's request for information or a waiver of law prohibiting disclosure of such information to a taxing authority to enable the Issuer to comply with FATCA.

**"Receiver"** has the meaning given to it in Condition 10.1(e) (*Insolvency Proceedings*).

**"Record Date"** means in relation to a Payment Date, the Business Day immediately preceding such Payment Date.

**"Redemption Date"** means the date specified for redemption of the Notes in whole pursuant to Condition 7.2 (*Redemption at the Option of the Noteholders*) or the date upon which the Notes are accelerated pursuant to Condition 10 (*Events of Default*), or in each case, if such day is not a Business Day, the next Business Day (unless it would fall in the following month, in which case such date shall be brought forward to the immediately preceding Business Day).

**"Redemption Price"** means, (a) in respect of a Defaulted Note, zero and (b) in respect of each other Note, (i) on the Maturity Date, the Drawn Amount thereof and (ii) in all other respects, the aggregate proceeds of sale, amortisation, run-off and/or liquidation of the Collateral or realisation of the security thereover remaining following application thereof in accordance with the Priorities of Payments.

**"Register"** means the register of holders of the title to the Notes kept by the Registrar pursuant to the terms of the Agency Agreement and an up-to-date copy of which will be separately maintained at the registered office of the Issuer by the Administrator.

**"Registrar Business Days"** means a day, other than a Saturday or a Sunday, on which banks are open for business in the local market of the Specified Office of the Registrar.

**"Replacement PPN Conditions"** means the conditions of the Replacement PPNs as set out in the Replacement PPN Trust Deed and **"Replacement PPN Condition"** shall be construed accordingly.

**"Replacement PPN Gross Bid Proceeds"** means, in relation to a Defaulting Noteholder, the highest Bid or Bids obtained by the Issuer and paid by the first subscriber for the relevant Replacement PPNs.

**"Replacement PPN Holders"** means (a) in relation to Replacement PPNs in the form of Definitive Certificates, each person in whose name such Replacement PPNs are registered from time to time on the applicable register and (b) in relation to Replacement PPNs in the form of one or more global certificates, the several persons who are for the time being the holders of such Replacement PPNs, which expression shall, whilst such global certificate(s) remain outstanding, mean in relation to such Replacement PPNs represented thereby, each person who is for the time being shown in the records of the Clearing System through which interests in the global certificate(s) are held as the holders of a particular principal amount of such Replacement PPNs for all purposes (in which regard any certificate or other document issued by the Clearing System as to the principal amount of Replacement PPNs represented by the global certificate(s) standing to the account of any person shall be conclusive and binding for all purposes) other than with respect to the payment of any principal, premium (if any) and interest on such Replacement PPNs, the right to which shall be vested, as against the Issuer, solely in the registered owner of the global certificate(s) in accordance with and subject to its terms and the terms of the Note Trust Deeds and **"Replacement PPN Holder"** (in respect of the Replacement PPNs) shall be construed accordingly.

**"Replacement PPN Net Bid Proceeds"** means, in relation to a Defaulting Noteholder, the highest Bid or Bids obtained by the Issuer and paid by the first subscriber for the relevant Replacement PPNs less all the expenses, costs and taxation incurred and any loss suffered by the Issuer as a result of the Defaulting Noteholder's failure to make a Note Advance and any default interest calculated by the Note Agent in consultation with the Investment Manager on a *prorated* basis using the EURIBOR three (3) month rate which appears on the date on which the default occurred on the display designated as page 248 on the Telerate Monitor, or such other page or service as may replace it for the purpose of displaying EURIBOR rates on the relevant date on which the default occurred plus five hundred (500) basis points applied to the amount due by the Defaulting Noteholder from the relevant Note Advance Date on which the delay in payment occurred, until the date of issuance of the Replacement PPNs.

**"Replacement PPNs"** means in relation to a Defaulted Note, notes issued pursuant to the terms of the related Replacement PPN Trust Deed, the terms and conditions of which are identical to the related

Defaulted Notes immediately prior to their cancellation in full at zero save that (a) the Principal Amount shall be reduced by the Shortfall Amount made by Non-Defaulting Noteholders in respect of the default related to such Defaulted Note (but not, for the avoidance of doubt, below the Drawn Amount thereof) and (b) interest shall accrue thereon from and including the issue date thereof. For the avoidance of doubt, Replacement PPNs may be issued in respect of PPNs, Further PPNs and existing Replacement PPNs.

**"Replacement PPN Transaction Documents"** means the Replacement PPN Trust Deeds, the Investment Management Agreement, the Euroclear Pledge Agreement, the Agency Agreement, the administration agreement, the subscription agreement(s) and the distribution agreement in respect of the Replacement PPNs and any documents supplemental or ancillary thereto.

**"Replacement PPN Trust Deed"** means each trust deed constituting the Replacement PPNs, expressed as being supplemental to the Trust Deed.

**"Resolutions"** has the meaning given to that term in Condition 14.1(b)(i) (*Decisions and Meetings of Noteholders*), and **"Resolution"** shall mean any of them.

**"Restructuring Date"** has the meaning given thereto in Condition 20(i)(a) (*Noteholders' Restructuring Option*).

**"Restructuring Option"** has the meaning given thereto in Condition 20(i)(a) (*Noteholders' Restructuring Option*).

**"Restructuring Option A"** has the meaning given thereto in Condition 20(i)(a)(i) (*Noteholders' Restructuring Option*).

**"Restructuring Option B"** has the meaning given thereto in Condition 20(i)(a)(ii) (*Noteholders' Restructuring Option*).

**"Revolving Debt Investment "** means any Debt Investment (other than a Delayed Drawdown Debt Investment) that (i) satisfies the requirements set forth in the Eligibility Criteria and (ii) is a loan (including, without limitation, a revolving loan, funded and unfunded portions of revolving credit lines and letter of credit, guarantee and lending facilities, unfunded commitments under specific and ancillary facilities and other similar loans and investments) that by its terms requires the Issuer either to make one or more future advances to the borrower or to indemnify or reimburse another lender of the borrower in connection with that lender's advances to the borrower for or on behalf of the Issuer; provided that any such obligation, interest or security will be a "Revolving Debt Investment" only until all commitments to make such advances expire or are irrevocably terminated or reduced to zero.

**"Revolving Reserve Account"** means the interest bearing account of the Issuer with the Account Bank into which amounts equal to the Unfunded Amounts in respect of certain Revolving Debt Investments and certain Delayed Drawdown Debt Investments identified by the Investment Manager in its sole discretion in accordance with Condition 4.9(e) (*Revolving Reserve Account*) and certain principal payments received in respect of such Revolving Debt Investments and Delayed Drawdown Debt Investments, are paid.

**"S&P"** means Standard & Poor's Credit Market Services Europe Limited, and any successor or successors thereto.

**"Sale Proceeds"** means proceeds received upon the sale or other realisation of any Debt Investment.

**"Secured Party"** means each of the Noteholders, the Trustee, the Agents, the Investment Manager, the Collateral Administrator, the Administrator and (for as long as the Settlement Agreement has not been terminated in accordance with its terms) the Settlement Agent and **"Secured Parties"** means any two or more of them as the context so requires.

**"Short Term Ratings"** means the short term rating assigned by any Rating Agency. In the event that more than one Short Term Rating has been assigned, the Short Term Rating shall be:

- (a) in respect of two different Short Term Ratings, the lower of such Short Term Ratings; or

(b) in respect of three different Short Term Ratings, the middle of such Short Term Ratings.

**"Shortfall Amount"** has the meaning given to that term in Condition 2(d)(ii) (*Failure to make a Note Advance*).

**"Specified Office"** means, in respect of the Principal Paying Agent, any Paying Agent or the Registrar, the relevant office set forth at the foot of these Conditions (or such other office as may be notified to the PPN Holders from time to time in accordance with Condition 16 (*Notices*)).

**"Stated Maturity"** means, with respect to any Debt 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.

**"Sub-Custodian"** means the sub-custodian appointed by the Custodian in accordance with clause 14.4 (*Appointment of Sub-Custodian*) of the Agency Agreement.

**"Substitute PPN"** means a note issued in accordance with Condition 2(d) (*Failure to make a Note Advance*), the terms and conditions of which are identical to those of its related Defaulted PPN as at the related Default Letter Notification Date, save that (a) the Drawn Amount of such Substitute PPN shall be equal to the product of the Drawn Amount of the related Defaulted Note as at the related Default Letter Notification Date and the applicable Substitute PPN Haircut Percentage, (b) the Principal Amount of such Substitute PPN shall equal its Drawn Amount, (c) such Substitute PPN shall be issued in registered global form pursuant to a trust deed supplemental to the Trust Deed, (d) the Substitute PPN Holder shall not, with the exception of Extraordinary Resolutions and Unanimous Resolutions, be entitled to vote on resolutions, directions or authorisations, and (e) no application shall be made to list such Substitute PPNs on any stock exchange unless requested by the holder of such Substitute PPNs in accordance with the relevant Subscription Agreement. For the avoidance of doubt, Substitute PPNs may be issued in respect of PPNs, Further PPNs and Replacement PPNs.

**"Substitute PPN Conditions"** means the conditions of the Substitute PPNs as set out in the Substitute PPN Trust Deed and **"Substitute PPN Condition"** shall be construed accordingly.

**"Substitute PPN Haircut Percentage"** means in relation to a Substitute PPN, the percentage applicable to the Drawn Percentage of the related Defaulted Note at the related Default Letter Notification Date as appearing in the table below:

	Drawn Percentage (DP)			
	DP < 60%	60% < DP < 70%	70% < DP < 80%	80% < DP < 100%
Haircut Percentage	50%	60%	70%	80%

**"Substitute PPN Holders"** means (a) in relation to Substitute PPNs in the form of Definitive Certificates, each person in whose name such Substitute PPNs are registered from time to time on the applicable register and (b) in relation to Substitute PPNs in the form of one or more global certificates, the several persons who are for the time being the persons shown in the records of the Clearing System through which interests in the global certificate(s) are held as the holders of a particular principal amount of such Substitute PPNs for all purposes (in which regard any certificate or other document issued by the Clearing System as to the principal amount of Substitute PPNs represented by the global certificate(s) standing to the account of any person shall be conclusive and binding for all purposes) other than with respect to the payment of any principal, premium (if any) and interest on such Substitute PPNs, the right to which shall be vested, as against the Issuer, solely in the registered owner of the global certificate(s) in accordance with and subject to its terms and the terms of the Substitute PPN Trust Deed and **"Substitute PPN Holder"** (in respect of the Substitute PPNs) shall be construed accordingly.

**"Substitute PPN Transaction Documents"** means the Substitute PPN Trust Deeds, the Investment Management Agreement, the Euroclear Pledge Agreement, the Agency Agreement, the administration agreement, any subscription agreements (if applicable) and the distribution agreement in respect of the Substitute PPNs and any documents supplemental or ancillary thereto.

**"Substitute PPN Trust Deed"** means each trust deed constituting the Substitute PPNs, expressed as being supplemental to the Trust Deed.

**"Target Expense Reserve Balance"** means:

- (a) with respect to each Payment Date prior to the First Purchase Date, zero;
- (b) with respect to the First Purchase Date and each subsequent Payment Date prior to the Note Available Commitment Termination Date, the product of (x) €400,000 divided by the number of Payment Dates from and including the Payment Date immediately following the First Purchase Date to and including the Payment Date falling on or immediately before the Note Available Commitment Scheduled Termination Date and multiplied by (y) the number of Payment Dates from and including the Payment Date immediately following the First Purchase Date to and including such subsequent Payment Date; and
- (c) with respect to each Payment Date from and including the Note Available Commitment Termination Date, the Expense Reserve Amount.

**"Termination Payment"** means an amount payable to the Investment Manager in connection with, and as a condition to, its removal without Cause (as such term is defined in the Investment Management Agreement) subject to and in accordance with the provisions of the Investment Management Agreement.

**"Transaction Documents"** means the Trust Deed, the Agency Agreement, the Investment Management Agreement, the Administration Agreement, the Subscription Agreements, the Distribution Agreement, the Euroclear Pledge Agreement, the Settlement Agreement and any documents supplemental or ancillary thereto.

**"Trust Collateral"** has the meaning given thereto in Condition 4.10(a)(viii) (*Security*).

**"Trustee Fees and Expenses"** means the fees and expenses and other amounts (including, for the avoidance of doubt, by way of indemnity) payable to the Trustee pursuant to the Trust Deed from time to time (including, for the avoidance of doubt, any applicable value added tax).

**"Unanimous Resolution"** means a resolution passed at a meeting of Noteholders duly convened and held in accordance with the Trust Deed by unanimous consent of all Noteholders voting at such meeting or a Written Resolution passed in accordance with paragraph 12 (*Written Resolutions*) of schedule 4 to the Trust Deed.

**"Undrawn Amount"** means, with respect to any Note and any Noteholder on any date of determination, the difference between its Principal Amount and its Drawn Amount .

**"Unfunded Amount"** means, with respect to any Revolving Debt Investment or Delayed Drawdown Debt Investment identified by the Investment Manager in accordance with condition 4.9(e) (*Revolving Reserve Account*) an amount determined by the Investment Manager in its sole discretion which is necessary or desirable in order for the Issuer to meet its funding obligations under or in connection with the relevant Revolving Debt Investment or Delayed Drawdown Debt Investment.

**"VAT"** means value added tax imposed in any member state of the European Union pursuant to the Council Directive of 28 November 2006 on the common system of value added tax and national legislation implementing or supplemental to that Directive and any other sales or turnover tax of a similar nature imposed in any country that is not a member state of the European Union.

**"Written Resolution"** means any Resolution of the Noteholders (other than, in the case of Ordinary Resolutions, the holders of Substitute PPNs) acting as a single class in writing, as described in Condition 14.1(b)(iv) (*Written Resolutions*) and as further described in the Trust Deed.

## 1.2 Interpretation

In these Conditions:

- (a) headings are inserted for convenience and ease of reference only and shall not affect the interpretation of these Conditions;
- (b) all references to any statute or any provision of any statute shall be deemed also to refer to any statutory modification or re-enactment from time to time of any statutory instrument, order or regulation made thereunder or under such modification or re-enactment;
- (c) all references to any agreement, deed or other document shall refer to such agreement, deed or other document as the same may be amended, supplemented or modified from time to time; and
- (d) references to any person include references to the successors and permitted assigns thereof.

## 2. PPNs

### (a) *Conditions to Note Advances*

Prior to any Note Advance being requested, each of the following conditions precedent shall be satisfied:

- (i) the amount of such Note Advance is in a minimum denomination of €1,000,000 and in excess thereof in one or more multiples of the Authorised Integral Amount, or, if less, an amount equal to the Undrawn Amount;
- (ii) the PPNs have been admitted to the official list of the Irish Stock Exchange and admitted to trading on its regulated market;
- (iii) the Note Available Commitment Termination Date has not occurred; and
- (iv) both prior to and after giving effect to any such Note Advance, no Event of Default or Potential Event of Default shall have occurred, as certified to the Trustee by the Issuer.

### (b) *Use of Proceeds*

The Issuer shall apply all amounts raised from the Note Advances made under the PPNs, after payment of the Initial Set Up Costs, as follows:

- (i) in payment to the Principal Account in accordance with Condition 4.9(b) (Principal Account) and used to, amongst other things, purchase Debt Investments from time to time recommended to it by the Investment Manager;
- (ii) on the First Purchase Date, in an amount equal to the Target Expense Reserve Balance from the proceeds of the first Note Advance, in payment to the Expense Reserve Account in accordance with Condition 4.9(d)(A); and
- (iii) if applicable, in payment into the Revolving Reserve Account for application in the funding of Unfunded Amounts of any Revolving Debt Investments and Delayed Drawdown Debt Investments identified by the Investment Manager when required pursuant to any such obligation,

all as further described in Condition 4.9 (*Payments to and from the Accounts*).

### (c) *Reduction of the Undrawn Amount and Increase of the Drawn Amount*

- (i) Following the payment of a Note Advance by each PPN Holder to the Issuer, the Issuer shall procure that (i) the Drawn Amount of the PPNs is increased by an amount equal to the amount of such Note Advance and (ii) the Undrawn Amount is correspondingly reduced by an amount equal to the amount of such Note Advance.

- (ii) Following any repayment of the PPNs and reduction of the Drawn Amount of the PPNs during the Note Available Commitment Period, the Undrawn Amounts shall be increased by the amount of each such repayment and shall therefore be available to be requested for re-drawing under a Note Advance during the Note Available Commitment Period.
- (d) ***Failure to make a Note Advance***
- (i) The aggregate of all Note Advances requested on a Note Advance Date is the "**Aggregate Note Advance**". If any Noteholder has been identified at any time as having failed to advance to the Issuer its *pro rata* share of the Aggregate Note Advance in respect of a Note by close of business on the relevant Note Advance Date (a "**Defaulted Note**" and such Noteholder, a "**Defaulting Noteholder**"), the Issuer shall send such Defaulting Noteholder a default letter (the "**Default Letter**") in accordance with Condition 16 (*Notices*) (with a copy to the Trustee, the Registrar, the Principal Paying Agent and the Note Agent). The Default Letter will specify the amount of the Note Advance that was due and unpaid. Furthermore, the Default Letter shall request that the Defaulting Noteholder confirm to the Issuer the Defaulting Noteholder's Account to which the Issuer shall, or (whilst the Notes are in global form) the Issuer shall procure that the Clearing Systems shall, pay any Replacement PPN Net Bid Proceeds to which the Defaulting Noteholder may become entitled pursuant to paragraph (v) below.
  - (ii) On and from the Default Letter Notification Date, the Issuer is entitled, but is not obliged, to request further Note Advances from non-Defaulting Noteholders (the "**Non-Defaulting Noteholders**") in order to fund all or part of such Defaulting Noteholder's Note Advance, in an amount that is equal to each such Non-Defaulting Noteholder's *Pro-Rata* Share of the aggregate amount which needs to be advanced by all Non-Defaulting Noteholders (such aggregate amount, the "**Shortfall Amount**") and that shall not exceed the Undrawn Amounts of such Non-Defaulting Noteholders.
  - (iii) The Issuer shall redeem the Notes of the Defaulting Noteholder on the Default Letter Notification Date in consideration for the issue by the Issuer of a Substitute PPN to the Defaulting Noteholder. The drawn amount of such Substitute PPN shall be equal to the product of the Drawn Amount of the related Defaulted Note and the applicable Substitute PPN Haircut Percentage. The Defaulting Noteholder's obligation to advance its Note Advance shall extinguish upon the issuance by the Issuer to the Defaulting Noteholder of such Substitute PPN.
  - (iv) The Issuer shall for a period of 3 months use reasonably commercial efforts to solicit bids (each a "**Bid**") from investors (including the Non-Defaulting Noteholders) (each a "**Bidder**") specifying the issue price at which the Bidder will subscribe for Notes, the terms and conditions of which shall be identical to those of the Notes of that Defaulting Noteholder as at the Default Letter Notification Date ("**Replacement PPNs**") save that (i) the Principal Amount shall be reduced by the Shortfall Amount made by Non-Defaulting Noteholders pursuant to paragraph (ii) above in respect of such default by such Defaulting Noteholder and (ii) interest shall accrue on such Replacement PPN from and including the issue date thereof in accordance with the Priorities of Payments, provided always that the issue price for the Replacement PPNs shall not be lower than an amount equal to (i) the Drawn Amount of the Notes of the relevant Defaulting Noteholder multiplied by (ii) the relevant Substitute PPN Haircut Percentage.
  - (v) The Investment Manager shall determine and inform the Note Agent, the Issuer and the Defaulting Noteholder of the Replacement PPN Net Bid Proceeds.
  - (vi) Not less than 5 Business Days following the later of (i) receipt by the Issuer of Replacement PPN Bid Proceeds and (ii) receipt of details of the related Defaulting Noteholder's Account, the Issuer shall redeem the related Substitute PPN in consideration for the payment to such Defaulting Noteholder of the Replacement PPN Net Bid Proceeds to the credit of Defaulting Noteholder's Account. On such

redemption date the Issuer shall not be obliged to pay any accrued but unpaid interest on such Substitute PPN.

- (vii) The Issuer or the Investment Manager on behalf of the Issuer shall take all commercially reasonable steps to mitigate against any losses, costs or expenses incurred as a result of the Defaulting Noteholder's failure to make a Note Advance.

### **3. Form, Title and Transfer**

#### **3.1 Form**

The PPNs are issued in registered form in the denomination of €125,000 without interest coupons.

#### **3.2 Title**

Title to the PPNs passes upon registration of transfers in the Register in accordance with the provisions of the Agency Agreement. The registered holder of the PPNs 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 such registered holder.

#### **3.3 Transfer of PPNs**

The PPNs may be transferred by surrender at the Specified Office of the Registrar or its agent of the Definitive Certificates representing the PPNs (together with the form of transfer endorsed on the Definitive Certificate duly completed and executed), in each case together with such other evidence and documentation as the Registrar may require.

Any transfer of any PPNs shall be subject to:

- (i) each transfer of a PPN being in respect of the whole of the PPN and not a part;
- (ii) compliance with all applicable laws;
- (iii) the transferee being an Eligible Purchaser,

and any purported transfer in contravention of any of the above conditions shall be void.

#### **3.4 Transfer Free of Charge**

Transfer of PPNs in accordance with these Conditions will be effected without charge by or on behalf of the Issuer or the Registrar, but upon payment of any tax or other governmental charges which may be imposed in relation to it (and/or, at the election of the Registrar or the Issuer, upon the giving of such indemnity as the Registrar or the Issuer may require in respect thereof).

#### **3.5 Closed Periods**

The PPN Holders may not require the transfer of the PPNs to be registered during the period from and including each Determination Date to and including the related Payment Date.

#### **3.6 Forced Transfer of Certain Notes**

- (i) If the Noteholder is determined by the Issuer to be either a Recalcitrant Noteholder or a Non-Permitted ERISA Holder, the Noteholder may be required by the Issuer to sell or otherwise transfer such 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 herein. Each Noteholder and each other Person in the chain of title from the Noteholder, by its acceptance of an interest in such Notes, will be deemed to agree to co-operate with the Issuer and the Trustee, to the extent required to effect such transfers. None of the Issuer, the Trustee or any Agent shall be liable to any Person 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 Recalcitrant Noteholder or a Non-Permitted ERISA Holder will receive the balance, if any. In addition, the Recalcitrant Noteholder or the Non-Permitted ERISA Holder will indemnify the Issuer, the Trustee and the Registrar and the other Agents for all costs and expenses incurred and any loss incurred (taking into account any amounts deducted from the sale or transfer price for such purpose).

- (ii) If the Issuer is, for any reason, not able to transfer the Notes held by the Recalcitrant Noteholder or Non-Permitted ERISA Holder (as the case may be) to an Eligible Purchaser in accordance with Condition 3.6(i) above, the Recalcitrant Noteholder or Non-Permitted ERISA Holder shall continue to hold such Notes.

#### 4. Status and Priorities of Payments

##### 4.1 Status

The PPNs constitute direct, general, secured, unconditional and limited recourse obligations of the Issuer, recourse in respect of which is limited in the manner described in Condition 4.10 (*Limited Recourse*). The Notes are secured on the Collateral in the manner described in Condition 4.10 (*Security*) and the Notes shall at all times rank *pari passu* and rateably and without any preference amongst themselves. The PPNs are constituted by the Supplemental Trust Deed.

##### 4.2 Pre-Enforcement Priority of Payments

The Collateral Administrator shall (other than in the case of an optional redemption in whole pursuant to Condition 7.2 (*Redemption at the Option of the Noteholders*) or following the delivery of an Acceleration Notice), on the basis of the Payment Date Report prepared by the Collateral Administrator as of each Determination Date in consultation with the Investment Manager pursuant to the terms of the Investment Management Agreement, cause the Account Bank to disburse Interest Proceeds and Principal Proceeds from the Interest Account and the Principal Account, respectively, to the Payment Account on the Business Day prior to each Payment Date, and such Interest Proceeds and Principal Proceeds shall be applied in accordance with the following priorities of payments (the "**Pre-Enforcement Priority of Payments**"):

###### (a) *Application of Interest Proceeds*

Interest Proceeds shall (save for on any Redemption Date relating to any optional redemption of the Notes pursuant to Condition 7.2 (*Redemption at the Option of the Noteholders*) or following the delivery of an Acceleration Notice in which event the Post-Acceleration Priority of Payments shall apply) be applied on any Payment Date and on the Maturity Date in the following order of priority:

- (i) to the payment of Luxembourg taxes not covered in paragraph (a)(ii) below;
- (ii) to the payment of any Luxembourg corporate tax liabilities owing by the Issuer accrued in respect of the related Due Period (as certified by an Authorised Officer of the Issuer to each of the Trustee and the Collateral Administrator);
- (iii) to the payment of accrued and unpaid Trustee Fees and Expenses excluding prior to the occurrence of an Event of Default only any such fees and expenses that are Extraordinary Administrative Expenses;
- (iv) to the payment on a *pro rata* and *pari passu* basis of all amounts then due and payable in respect of (x) the Administrative Expenses (other than item (k) of the "Administrative Expenses" definition), up to an amount equal to the Administrative Expenses Cap (for the avoidance of doubt such Administrative Expenses Cap shall only apply prior to the occurrence of an Event of Default) and (y) item (k) of the "Administrative Expenses" definition;

- (v) on a *pro rata* and *pari passu* basis of (i) the Due Diligence and Bid Expenses (ii) the Investment Management Fee and (iii) any Termination Payment, in each case, due and payable on such Payment Date or Maturity Date to the Investment Manager and any value added tax in respect thereon (whether payable to the Investment Manager or directly to the relevant taxing authority);
- (vi) to the payment into the Expense Reserve Account of an amount equal to the Expense Reserve Account Payment Amount; and
- (vii) any remaining Interest Proceeds, to the payment of all Interest Amounts due and payable on the PPNs and interest due and payable on the other Notes, on a *pro rata* and *pari passu* basis.

(b) ***Application of Principal Proceeds***

Principal Proceeds (save for on any Redemption Date relating to any optional redemption of the Notes pursuant to Condition 7.2 (*Redemption at the Option of the Noteholders*) or following the delivery of an Acceleration Notice in which event the Post-Acceleration Priority of Payments shall apply) shall be applied in the following order of priority:

- (i) on each Payment Date, to the payment on a sequential basis of the amounts referred to in paragraphs (i) through (vi) (inclusive) of the Interest Proceeds Priorities of Payments to the extent not paid in full thereunder;
- (ii) on each Payment Date immediately following a Further Issue Date in payment of the Reallocation Premium to the Noteholders (other than the relevant Further PPN Holders) as determined by the Investment Manager;
- (iii) on each Payment Date during the Investment Period, at the discretion of the Investment Manager, either to (i) credit the Principal Account for investment in Debt Investments and/or (ii) the payment of any amounts used to acquire any Debt Investments;
- (iv) on any Payment Date prior to the Maturity Date at the discretion of the Issuer in or towards repayment of the Drawn Amount of the Notes, on a *pro rata* and *pari passu* basis; and
- (v) on the Maturity Date in redemption in full of the Notes on a *pro rata* and *pari passu* basis.

4.3 **Non-payment of Amounts**

Failure on the part of the Issuer to pay the Interest Amounts due and payable on the Notes pursuant to Condition 6 (*Interest*) and the Pre-Enforcement Priority of Payments shall not be an Event of Default unless and until such failure continues for a period of at least five Business Days (or where such failure results from an administrative error, in which case, at least seven Business Days), save in each case as the result of any deduction therefrom or the imposition of withholding thereon as set forth in Condition 9 (*Taxation*).

References to the amounts referred to in the Pre-Enforcement Priority of Payments of this Condition shall include any amounts thereof not paid when due in accordance with this Condition on any preceding Payment Date.

4.4 **Determination and Payment of Amounts**

The Collateral Administrator will on each Determination Date calculate the amounts payable on the applicable Payment Date pursuant to the Priorities of Payments and will notify the Issuer, the Trustee, the Investment Manager, the Principal Paying Agent and the Registrar of such amounts by the second Business Day preceding the applicable Payment Date. 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 10.00 a.m. (London time) on the Business Day preceding each Payment Date, cause the amounts standing to the credit of the applicable Accounts, to the extent required to pay the amounts referred to

in the Pre-Enforcement Priority of Payments which are payable on such Payment Date, to be transferred to the Payment Account in accordance with Condition 4.9 (*Payments to and from the Accounts*) and from the Payment Account to the Principal Paying Agent by 10.00 a.m. (London time) on the Payment Date to the extent necessary to pay amounts due and payable under the PPNs in accordance with and subject to the Priorities of Payments.

**4.5 De Minimis Amounts**

The Collateral Administrator may adjust the amounts required to be applied in payment of interest or principal on the PPNs from time to time pursuant to the Pre-Enforcement Priority of Payments so that the amount to be so applied in respect of each PPN is a whole amount, not involving any fraction of a Euro.

**4.6 Publication of Amounts**

The Principal Paying Agent will cause details of the amounts of interest and principal to be paid, any amounts of interest payable but not paid and the Drawn Amount in respect of the PPNs for each Due Period and the relevant Payment Date to be notified at the expense of the Issuer to the Irish Stock Exchange (or any stock exchange on which the PPNs are for the time being listed) and the PPN Holders in accordance with Condition 16 (*Notices*) no later than on the second Business Day preceding each Payment Date.

**4.7 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 4 (*Status and Priorities of Payments*) will (in the absence of manifest error) be binding on the Issuer and the Secured Parties and no liability to the Issuer or any Noteholder shall be owed by the Collateral Administrator in connection with the exercise or non-exercise by it of their powers, duties and discretions under this Condition 4 (*Status and Priorities of Payments*).

**4.8 Accounts**

The Issuer has opened the following accounts with the Account Bank:

- the Payment Account;
- the Interest Account;
- the Principal Account;
- the Expense Reserve Account; and
- the Revolving Reserve Account.

The Issuer has established the Custody Accounts with the Custodian.

Each of the Paying Agents and the Custodian shall at all times be a financial institution satisfying the Minimum Rating Requirement applicable thereto, which has the necessary regulatory authority, capacity and licences to perform the services required of a Paying Agent or the Custodian.

In the event that the Custodian and/or any Paying Agent no longer satisfies the Minimum Rating Requirement, it shall notify the Issuer, the Investment Manager, the Collateral Administrator and the Trustee as soon as practicable and the Issuer shall, upon receiving such notice from the Custodian and/or the relevant Paying Agent (as the case may be), promptly (a) notify the Noteholders in accordance with Condition 16 (*Notices*) that the Custodian and/or the relevant Paying Agent (as the case may be) no longer satisfies the Minimum Rating Requirement and (b) procure the appointment of a replacement Custodian and/or Paying Agent which satisfies the Minimum Rating Requirement in accordance with the Agency Agreement. The termination of the Custodian and/or Paying Agent will not be effective until

a replacement Custodian and/or Paying Agent which satisfies the Minimum Rating Requirement has been appointed.

Amounts standing to the credit of the Accounts from time to time may be invested by the Issuer in Eligible Investments recommended to it by the Investment Manager in accordance with the Investment Management Agreement.

All interest accrued on any of the Accounts from time to time shall be paid into the Interest Account, save to the extent that the Issuer is contractually bound to pay such amounts to a third party. All principal amounts received in respect of Eligible Investments standing to the credit of any Account from time to time shall be credited to that Account upon maturity, save to the extent that the Issuer is contractually bound to pay such amounts to a third party. All interest accrued on such Eligible Investments (including capitalised interest received upon the sale, maturity or termination of any such investment) shall be paid to the Interest Account as, and to the extent provided, above.

Notwithstanding any other provisions of this Condition 4.8 (*Accounts*):

- (a) all amounts standing to the credit of each of the Accounts (other than (i) the Interest Account, (ii) the Payment Account, (iii) the Expense Reserve Account and (iv) all interest accrued on the Accounts) shall be transferred to the Payment Account and shall constitute Principal Proceeds on the Business Day prior to any redemption of the Notes in full; and
- (b) all amounts standing to the credit of the Interest Account, together with all other amounts which do not constitute Principal Proceeds as provided in paragraph (a) above (other than the Expense Reserve Account), shall be transferred to the Payment Account as Interest Proceeds on the Business Day prior to any redemption of the Notes in full.

#### **4.9 Payments to and from the Accounts**

##### **(a) *Payment Account***

The Issuer shall procure (acting through the Account Bank) payment on the Business Day prior to each Payment Date, of all amounts standing to the credit of each of the Accounts which are required to be transferred from such Accounts to the Payment Account pursuant to this Condition 4.9 (*Payments to and from the Accounts*) for disbursement in accordance with the Pre-Enforcement Priority of Payments.

On each Payment Date, including the Maturity Date, the Principal Paying Agent (acting on the basis of the Payment Date Report) shall disburse such amounts in accordance with the Priorities of Payments on such Payment Date.

No other amounts shall be transferred to or withdrawn from the Payment Account at any other time or in any circumstances, save that (A) all interest accrued on the Payment Account shall be credited to the Interest Account and (B) following the delivery of an Acceleration Notice or on a redemption of the Notes in full, Interest Proceeds, Principal Proceeds and the net proceeds of enforcement of the security over the Collateral shall be credited to the Payment Account (or such other account as the holder of the Notes, entitled to direct the Trustee with respect to enforcement shall designate to the Trustee) and shall be distributed in accordance with the Post-Acceleration Priority of Payments.

##### **(b) *Principal Account***

The Issuer (acting through the Account Bank) will procure that the following amounts are paid into the Principal Account promptly upon receipt thereof and shall constitute Principal Proceeds:

- (i) all premiums (including prepayment premiums) receivable upon redemption of any Debt Investment at maturity or otherwise or upon the sale of any put or call option in respect thereof which is above the outstanding principal amount of any Debt Investment;

- (ii) all fees and commissions received in connection with the purchase or sale of any Debt Investments or work out or restructuring of any Debt Investments;
- (iii) all Sale Proceeds received in respect of a Debt Investment;
- (iv) all amounts transferred to the Principal Account from any other Account;
- (v) any other amounts received in respect of the Collateral which are not required to be paid into another Account;
- (vi) an amount equal to all principal payments received in respect of any Debt Investment, including, without limitation (A) amounts received in respect of any maturity, scheduled amortisation, prepayment or mandatory sinking fund payment on a Debt Investment; and (B) any other principal payments with respect to Debt Investments (to the extent not included in the Sale Proceeds) but excluding any such payments received in respect of any Revolving Debt Investment or Delayed Drawdown Debt Investment, to the extent required to be paid into the Revolving Reserve Account;
- (vii) on each Note Advance Date, the proceeds of each Note Advance received from any Noteholder (net of any amounts paid into the Expense Reserve Account);
- (viii) any Reallocation Premium received from any Noteholder;
- (ix) any Reallocation Rebates received from Noteholders who are not Partially Drawn Noteholders;
- (x) all Replacement PPN Gross Bid Proceeds; and
- (xi) the amount of €72,500 which forms part of the issue price of the PPNs and which will be credited to the Principal Account on the Issue Date.

The Issuer (acting through the Account Bank) shall procure payment of the following amounts (and shall ensure that payment of no other amount is made, save to the extent otherwise permitted above) out of the Principal Account:

- (1) on the Business Day prior to each Payment Date, all Principal Proceeds standing to the credit of the Principal Account to the Payment Account to the extent required for disbursement pursuant to the Principal Proceeds Priorities of Payments (save for amounts deposited after the end of the related Due Period and save for amounts to be applied in accordance with item (3) below);
- (2) at any time in repayment of any Notes on a *pro rata* and *pari passu* basis;
- (3) during the Investment Period, to acquire any Debt Investments;
- (4) promptly on or after the Note Available Commitment Termination Date in payment of the Reallocation Rebate to Partially Drawn Noteholders;
- (5) in relation to any costs incurred in connection with the acquisition of Debt Investments;
- (6) not less than ten Business Days following receipt by the Issuer thereof, Replacement PPN Net Bid Proceeds to the related Defaulting Noteholder's Account if the Issuer has been notified thereof in accordance with paragraph (ii) of Condition 2(d) (*Failure to make a Note Advance*);
- (7) all Replacement PPN Net Bid Proceeds not applied in accordance with paragraph (6) above, to the Interest Account; or
- (8) at any time, to the Revolving Reserve Account to the extent required to satisfy the Unfunded Amounts.

(c) ***Interest Account***

The Issuer (acting through the Account Bank) will procure that the following amounts are credited to the Interest Account promptly upon receipt thereof and shall constitute Interest Proceeds:

- (i) all interest accrued on the Accounts from time to time;
- (ii) all amendment and waiver fees, delayed compensation, all late payment fees, all commitment fees, and all other fees and commissions received in connection with any Debt Investments (other than fees and commissions received in connection with the purchase or sale of any Debt Investments or work out or restructuring of any defaulted Debt Investments or Debt Investments which fees and commissions shall be payable into the Principal Account and shall constitute Principal Proceeds);
- (iii) all fees and commissions (such as syndication fees or commitment fees) received in connection with defaulted Debt Investments and the purchase or sale of any Debt Investment;
- (iv) amounts required to be transferred to the Interest Account from any other Account; and
- (v) all cash payments of interest in respect of the Debt Investments and any deferred interest received in respect of any Debt Investments including any capitalised 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 and any interest received in respect of any defaulted Debt Investments.

The Issuer shall procure that all Interest Proceeds standing to the credit of the Interest Account shall be transferred on the Business Day prior to each Payment Date, to the Payment Account to the extent required for disbursement pursuant to the Interest Proceeds Priorities of Payments, save for amounts deposited after the end of the related Due Period.

(d) ***Expense Reserve Account***

The Issuer will procure that the following amounts are paid into the Expense Reserve Account:

- (A) on the First Purchase Date, in an amount equal to the Target Expense Reserve Balance from the proceeds of the first Note Advance; and
- (B) on each Payment Date, the Expense Reserve Account Payment Amount.

The Issuer shall procure payment of the following amounts (and shall ensure that payment of no other amount is made) out of the Expense Reserve Account:

- (1) on the Business Day prior to each Payment Date, any balance standing to the credit of the Expense Reserve Account after providing for the payments referred to in paragraph (3) below on the related Payment Date in excess of the Target Expense Reserve Balance at the end of the related Due Period to the Payment Account for disbursement as Interest Proceeds in accordance with Condition 4.2 (*Pre-Enforcement Priority of Payments*);
- (2) on any date other than a Payment Date, an amount not exceeding €30,000 for any period from (but excluding) the immediately preceding Payment Date to (but excluding) the immediately succeeding Payment Date, in payment of any amounts of the kinds described in items (i), (ii) and (iv) of the Interest Proceeds Priorities of Payments;
- (3) on each Payment Date, in payment of Extraordinary Administrative Expenses in the following order (a) in payment of Extraordinary Administrative Expenses of the Trustee and (b) in payment, on a *pari passu* basis, of Extraordinary Administrative Expenses of the Agents, the Settlement Agent and the Collateral

Administrator and their respective officers, directors and employees, the Issuer Indemnified Persons and the Investment Manager; and

- (4) on the Business Day prior to the date of redemption or maturity of the Notes in full, any balance standing to the credit of the Expense Reserve Account after payment or provision for all amounts due and payable in respect of such redemption and all amounts referred to in paragraph (3) above to the Payment Account for disbursement as Interest Proceeds in accordance with Condition 4.2 (*Pre-Enforcement Priority of Payments*) or, as appropriate, Condition 11.2(c) (*Post-Acceleration Priority of Payments*).

(e) ***Revolving Reserve Account***

The Issuer (acting through the Collateral Administrator) shall procure the following amounts are paid into the Revolving Reserve Account:

- (A) upon the acquisition by or on behalf of the Issuer of a Revolving Debt Investment or Delayed Drawdown Debt Investment and if the Investment Manager in its sole discretion determines that it is necessary or desirable to credit the Revolving Reserve Account with an amount in order for the Issuer to meet its funding obligations under or in connection with the relevant Revolving Debt Investment or Delayed Drawdown Debt Investment, the Unfunded Amount of the relevant Revolving Debt Investment or Delayed Drawdown Debt Investment);
- (B) all principal payments received by the Issuer in respect of any Revolving Debt Investment, if and to the extent that the amount of such principal payments may be re-borrowed under such Revolving Debt Investment; and
- (C) all repayments of collateral to the Issuer originally paid by the Issuer pursuant to (1) below.

The Issuer (acting through the Collateral Administrator) shall procure payment of the following amounts (and shall ensure that no other amounts are paid) out of the applicable ledger of the Revolving Reserve Account:

- (1) all amounts required to fund any drawings under the relevant Delayed Drawdown Debt Investments or Revolving Debt Investments identified by the Investment Manager pursuant to Condition 4.9(e)(A) above or required to be deposited in the Issuer's name with any third party as collateral for any reimbursement or indemnification obligations of the Issuer owed to any other lender under such Revolving Debt Investment or Delayed Drawdown Debt Investment or to collateralise the Issuer's obligations to fund drawings under such Delayed Drawdown Debt Investment or Revolving Debt Investments (subject to such security documentation as may be agreed by such Obligor(s) under the relevant Debt Investment, the Investment Manager acting on behalf of the Issuer and the Trustee);
- (2) (A) at any time at the direction of the Investment Manager (acting on behalf of the Issuer) or (B) upon the sale (in whole or in part) of a Revolving Debt Investment or the reduction, cancellation or expiry of any commitment of the Issuer to make future advances or otherwise extend credit thereunder, any excess of (i) the amount standing to the credit of the Revolving Reserve Account over (ii) the sum of the Unfunded Amounts of all Revolving Debt Investments and Delayed Drawdown Debt Investments, after taking into account such sale or such reduction, cancellation or expiry of commitment;
- (3) at the discretion of the Investment Manager, acting on behalf of the Issuer, to the Principal Account, any amounts standing to the credit of the Revolving Reserve Account which is in excess of the Unfunded Amounts.

#### 4.10 **Security**

##### (a) ***Security***

As security for its obligations under the PPNs, the other Notes and the Trust Deed, the Issuer, with full title guarantee, in favour of the Trustee for the benefit of the Secured Parties:

- (i) assigns by way of security all of the Issuer's present and future rights, title and interest (and all entitlements or other benefits relating thereto) in respect of all Debt Investments (including any debt or equity obligation received by the Issuer upon a restructuring of a Debt Investment) held by the Issuer from time to time, including, without limitation, monies 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 thereof and the proceeds of sale, repayment and redemption thereof;
- (ii) assigns by way of security all of the Issuer's present and future rights, title and interest (and all entitlements or other benefits relating thereto) against the Account Bank under the Agency Agreement and charges by way of a first fixed charge all of the monies standing from time to time to the credit of each of the Accounts (other than the Issuer Account and the Custody Accounts) and the debts represented thereby and including, without limitation, all interest accrued and other monies received in respect thereof. In the case of the Revolving Reserve Account any charge granted under this paragraph shall be subject, and rank subordinate, to any security granted as permitted under paragraph (2) below;
- (iii) assigns by way of security all of the Issuer's rights, title and interest, present and future (and all entitlements or other benefits relating thereto) against the Custodian under the Agency Agreement and charges by way of a first fixed charge over all of the monies and/or securities standing from time to time to the credit of the Custody Accounts and/or accounts established on the books of the Custodian in accordance with the Agency Agreement and each cash account relating thereto, any cash held therein and the debts represented thereby;
- (iv) assigns by way of security all of the Issuer's rights, title and interest, present and future (and all entitlements or other benefits relating thereto) under the Investment Management Agreement, the Subscription Agreement, the subscription agreements entered into in respect of the Original PPNs and all other Note Transaction Documents;
- (v) charges by way of a first fixed charge all of its monies held from time to time by the Principal Paying Agent and each other Paying Agent for payment of principal, interest or other amounts on the Notes (if any);
- (vi) assigns by way of security all of the remainder of the Issuer's rights present and future under the Agency Agreement not assigned pursuant to paragraphs (ii), (iii) and (iv) of this Condition 4.10(a) (*Security*) above;
- (vii) subject to any security granted as permitted under paragraph (2) below, charges by way of a first fixed charge all amounts representing all or part of the Unfunded Amount of any Revolving Debt Investment or Delayed Drawdown Debt Investment 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 Debt Investment or Delayed Drawdown Debt Investment, subject to the terms of Condition 4.9(e) (*Revolving Reserve Account*); and
- (viii) to the fullest extent permitted by applicable law, charges by way of a floating charge 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 (and if entered into after the First Custodial Asset Date, the Euroclear Pledge Agreement),

excluding for the purpose of (i) to (vii) above any and all assets, property or rights which are located in, or governed by the laws of, Luxembourg and excluding for the purpose of (i) to (viii) above amounts standing to the credit of the Issuer Account.

- (1) If, for any reason, the purported assignment by way of security of, and/or the grant of first fixed charge over (as applicable), 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 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 (as a fiduciary on a fiduciary basis for the purposes of Luxembourg law) for the Trustee (for the benefit of itself and the other Secured Parties) and shall (i) account to the Trustee for or otherwise apply all sums received in respect of such Trust Collateral as the Trustee may direct (provided that subject to the Note Conditions if no Event of Default has occurred and is continuing, the Issuer shall be entitled to apply the benefit of such Trust Collateral and such sums in respect of such Trust Collateral received by it and held on trust (as a fiduciary on a fiduciary basis for the purposes of Luxembourg law) under this Condition without prior direction from the Trustee), (ii) exercise any rights it may have in respect of the Trust Collateral at the prior written direction of the Trustee and (iii) at the Issuer's own cost take such action and execute such documents as the Trustee may in its sole discretion require.
- (2) The Issuer may from time to time grant security by way of a first fixed charge over amounts representing all or part of the Unfunded Amount of any Revolving Debt Investment or Delayed Drawdown Debt Investment 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 Debt Investment or Delayed Drawdown Debt Investment, subject to the terms of Condition 4.9(e) (*Revolving Reserve Account*).
- (3) In the event that the ratings of the Custodian or any Paying Agent are downgraded to below the Minimum Rating Requirements or withdrawn, the Custodian or Paying Agent (as the case may be) shall notify the Issuer, the Investment Manager, the Collateral Administrator and the Trustee promptly and the Issuer shall procure the appointment of a replacement Custodian and/or Paying Agent which satisfies the Minimum Rating Requirement in accordance with the Agency Agreement. The termination of the Custodian and/or relevant Paying Agent will not be effective until a replacement Custodian and/or Paying Agent which satisfies the Minimum Rating Requirement has been appointed.
- (4) 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.
- (5) Pursuant to the terms of the Trust Deed, the Trustee is exempted from any liability in respect of any loss or theft of the Collateral, from any obligation to insure the Collateral and from any claim arising from the fact that the Collateral is held in a clearing system or in safe custody by, a bank or other custodian. The Trustee has no responsibility to supervise the administration of the Portfolio by the Collateral Administrator or any other party and is entitled to rely on the certificates or notices of any relevant party without further enquiry. The Trust Deed also provides that the Trustee shall accept without investigation, requisition or objection such right, benefit, title and interest, if any, as the Issuer may have in and to any of the Collateral and is not bound to make any investigation into the same or into the Collateral in any respect.
- (6) Pursuant to the Euroclear Pledge Agreement, the Issuer has created a Belgian law pledge over the Debt Investments and Eligible Investments from time to time held by the Custodian on behalf of the Issuer in Euroclear.

(b) ***Application of Proceeds upon Enforcement***

The Trust Deed provides that the net proceeds of realisation of, or enforcement with respect to the security over, the Collateral constituted by the Trust Deed, shall be applied in accordance with the Post-Acceleration Priority of Payments.

4.11 **Limited Recourse**

The obligations of the Issuer to pay amounts due and payable in respect of the PPNs and to the other Secured Parties at any time shall be limited to the proceeds available at such time to make such payment in accordance with the Priorities of Payments. If the net proceeds of realisation of the security constituted by the Trust Deed, upon enforcement thereof in accordance with Condition 11 (*Enforcement*) and the provisions of the Trust Deed, are less than the aggregate amount payable in such circumstances by the Issuer in respect of the PPNs 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 PPNs and its obligations to the other Secured Parties in such circumstances will be limited to such net proceeds, which shall be applied in accordance with the Priorities of Payments. In such circumstances, the other assets of the Issuer will not be available for payment of such shortfall which shall be borne by the PPN Holders, the Trustee and the other Secured Parties in accordance with the Priorities of Payments (applied in reverse order). The rights of the Secured Parties to receive any further amounts in respect of such obligations shall be extinguished and neither the PPN Holders or any other Secured Party may take any further action to recover such amounts. Only the Trustee may pursue the remedies available under applicable law and under the Trust Deed to enforce the rights of a Secured Party against the Issuer, as further detailed in Condition 11.3 (*Only the Trustee to Act*). None of the PPN Holders, the Trustee and the other Secured Parties (and any other person acting on behalf of any of them) shall be entitled at any time to institute against the Issuer, its officers or directors, or join in any institution against the Issuer, its officers or directors, of, any bankruptcy (*faillite*), liquidation, reprieve from payment (*sursis de paiement*), controlled management (*gestion contrôlée*), composition with creditors (*concordat préventif de faillite*), suspension of payments, reorganisation, arrangement, insolvency, winding-up or liquidation proceedings or for the appointment of a liquidator, administrator or similar official, or other proceedings under any applicable bankruptcy or similar law in connection with any obligations of the Issuer relating to the PPNs, the Trust Deed or otherwise owed to the Secured Parties, save for lodging a claim in the liquidation of the Issuer which is initiated by another party or taking proceedings to obtain a declaration or judgment as to the obligations of the Issuer.

None of the Trustee, the directors of the Issuer, the Agents and the Investment Manager has any obligation to the Noteholders for payment of any amount by the Issuer in respect of the Notes.

4.12 **Information Regarding the Portfolio**

The Collateral Administrator shall procure that a copy of each Monthly Report and each Payment Date Report will be forwarded to the Principal Paying Agent where such reports will be available on request by the Noteholders. Each Monthly Report and Payment Date Report will be made available to the Noteholders, the Issuer, the Trustee, the Principal Paying Agent, the Registrar and the Investment Manager *via* the Collateral Administrator's secure investor reporting website currently located at <https://tss.sfs.db.com/investpublic>. It is not intended that such reports will be made in any other format, save in certain limited circumstances with the Collateral Administrator's agreement. The Collateral Administrator's website does not form part of the information provided for the purposes of this Prospectus and disclaimers may be posted with respect to the information posted thereon. Registration may be required for access to such website and a person wishing to access such website may be required to certify that they are Noteholders or otherwise entitled to access such website.

The Investment Manager shall deliver a copy of each Quarterly Investment Management Report to Noteholders no later than the second Business Day preceding the related Payment Date.

## **5. Covenants of and Restrictions on the Issuer**

### **5.1 Covenants of the Issuer**

Unless otherwise provided and as more fully described in the Trust Deed, the Issuer covenants to the Trustee on behalf of the holders of the Notes that, for so long as any Note remains Outstanding, the Issuer will:

- (a) take such steps as are reasonable:
  - (i) to ensure that each of the parties to each Note Transaction Document complies with its obligations thereunder; and
  - (ii) to enforce all of its rights in respect of the Collateral;
- (b) comply with its obligations under the Notes and each Note Transaction Document to which it is a party;
- (c) keep proper books of account and records to comply with all applicable laws and allow the Trustee access to such books and records;
- (d) at all times maintain its tax residence exclusively in Luxembourg and not establish a place of business or register as a company in any other jurisdiction;
- (e) pay its debts generally as they fall due;
- (f) do all such things as are necessary to maintain its corporate existence;
- (g) ensure that its "centre of main interests" (as that term is referred to in article 3(1) of Council Regulation (EC) No. 1346/2000 on Insolvency Proceedings) is and remains at all times in Luxembourg;
- (h) use its best endeavours to obtain and maintain a listing of the Listed Notes on the official list of the Irish Stock Exchange. If, however, it is unable to do so, having used such endeavours, or if the maintenance of such listing is agreed by the Trustee to be unduly onerous and the Trustee is satisfied that the interests of the holder of the relevant Listed Notes would not thereby be materially prejudiced, the Issuer will instead use all reasonable endeavours promptly to obtain and thereafter to maintain a listing for such Listed Notes on such other stock exchange(s) as it may (with the prior approval of the Trustee) decide or failing such decision as the Trustee may determine; and
- (i) ensure that any certificate or notice which it delivers to any Secured Party is executed in accordance with the Issuer's constitutional documents.

### **5.2 Restrictions on the Issuer**

As more fully described in the Trust Deed, for so long as any of the Notes remain Outstanding, the Issuer covenants with the Trustee on behalf of the holders of such Outstanding Notes that it will not, without the prior written consent of the Trustee:

- (a) sell, factor, discount, transfer, assign, lend or otherwise dispose of any of its right, title or interest in or to the Collateral, nor will it create or permit to be outstanding any mortgage, pledge, lien, charge, encumbrance or other security interest over the Collateral except in accordance with the Note Transaction Documents if applicable and other than in respect of amounts withdrawn from the Revolving Reserve Account in accordance with Condition 4.9(e) (*Revolving Reserve Account*);
- (b) sell, factor, discount, transfer, assign, lend or otherwise dispose of, or 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 Note Transaction Documents;
- (c) engage in any business other than:

- (i) acquiring and holding any property, assets or rights that are capable of being effectively charged, secured and/or assigned in favour of the Trustee or that are capable of being held on trust (as a fiduciary on a fiduciary basis for the purposes of Luxembourg law) by the Issuer in favour of the Trustee under the applicable Note Transaction Documents;
  - (ii) issuing and performing its obligations under the Notes;
  - (iii) entering into, exercising its rights and performing its obligations under or enforcing its rights under the Trust Deed, the Agency Agreement, and each other Note Transaction Document to which it is a party, as applicable;
  - (iv) performing any act incidental to or necessary in connection with any of the above;
- (d) amend any term or condition of the Notes (save in accordance with the Note Conditions and the Note Trust Deeds);
- (e) agree to any amendment to any provision of, or grant any waiver or consent under any Note Transaction Document to which it is a party;
- (f) incur any indebtedness for borrowed money, other than:
  - (i) in respect of the Notes or any document entered into in connection with the Notes or the sale thereof; or
  - (ii) as otherwise permitted pursuant to the Note Transaction Documents;
- (g) amend its constitutional documents (except if such amendment is not materially prejudicial to the interests of the Noteholders);
- (h) have any subsidiaries or establish any offices, branches or other "establishment" (as that term is used in article 2(h) of Council Regulation (EC) No. 1346/2000 on Insolvency Proceedings) anywhere in the world;
- (i) have any employees (excluding, for the avoidance of doubt, the directors of the Issuer);
- (j) enter into any reconstruction, amalgamation, merger or consolidation;
- (k) convey or transfer any part of its properties or assets (in one or a series of transactions) to any Person, otherwise than as contemplated in the Note Transaction Documents;
- (l) issue any shares or rights in relation to shares (other than such shares as are in issue as at the Issue Date) or redeem or purchase any of its issued share capital;
- (m) enter into any material agreement or contract with any Person (other than an agreement on customary market terms), unless such contract or agreement contains "limited recourse" and "non-petition" provisions similar to clause 31 (*Limited Recourse and Non-Petition*) of the Trust Deed and such Person agrees to be subject to such "limited recourse" and "non-petition" provisions;
- (n) otherwise than as contemplated in the Note Transaction Documents, release the Principal Paying Agent, any other Paying Agent, the Account Bank, the Registrar, the Note Agent, the Quotation Agent, the Collateral Administrator or the Custodian from their respective duties and obligations under the Agency Agreement or the Collateral Administrator or the Investment Manager from their respective duties and obligations under the Investment Management Agreement (including any transactions entered into thereunder), or any obligor from its duties and obligations under any agreement entered into in connection with the Portfolio or, in each case, from any executory obligation thereunder;
- (o) enter into any lease in respect of, or own, premises;
- (p) pay any dividend to its parent until the earliest of (i) the Maturity Date, (ii) the liquidation of the Issuer, and (iii) optional redemption of all the Notes in accordance with Condition 7.2

(*Redemption at the Option of the Noteholders*) or, as may be applicable, any equivalent provision in other Note Conditions; or

- (q) appoint any additional or replacement members of the investment committee of the Investment Manager without the prior consent of the Noteholders (other than the holders of Substitute PPNs) acting as a single class by way of Ordinary Resolution during the Investment Period only.

## **6. Interest**

### **6.1 Payment Dates**

Interest on the PPNs will be payable in respect of each Due Period in arrear on each Payment Date.

### **6.2 Interest Accrual**

The PPNs will begin to bear interest from (and including) the first Note Advance Date. The PPNs will cease to bear interest from (and excluding) the due date for redemption unless payment of principal is improperly withheld or refused. In such event, they shall continue to bear interest at 8 per cent. per annum in accordance with this Condition 6 (*Interest*) (both before and after judgment or other order of an applicable competent court) until the day on which all sums due in respect of the PPNs up to that day are sent by the Registrar to the Noteholders in accordance with Condition 8 (*Payments*).

### **6.3 Determination of Interest Amount**

The Interest Amount is payable in respect of the PPNs on any Payment Date on an available funds and on a *pro rata* and *pari passu* basis with reference to their Drawn Amount in accordance with paragraph (vii) of Condition 4.2(a) (*Application of Interest Proceeds*) on each Payment Date or paragraph (D) of Condition 11.2(c) (*Post-Acceleration Priority of Payments*) as applicable.

The Collateral Administrator will determine the Interest Amount payable in respect of each PPN in accordance with Condition 4.4 (*Determination and Payment of Amounts*).

If the Collateral Administrator is unable or unwilling to continue to act as the Collateral Administrator for the purpose of determining the Interest Amount on any PPN, the Issuer shall (with the prior approval of the Trustee) appoint some other bank with similar experience and qualification to act as such in its place. The Collateral Administrator may not resign as collateral administrator without such other successor having been so appointed.

### **6.4 Determination or Calculation by Trustee**

If the Collateral Administrator does not at any time for any reason so calculate the Interest Amount payable in respect of the PPNs for a Due Period, the Trustee (or a Person appointed by it for the purpose) shall do so and such determination or calculation shall be deemed to have been made by the Collateral Administrator (without liability on the part of the Collateral Administrator for such calculation) and shall be binding on the PPN Holders. In doing so, the Trustee, or such person appointed by it, shall apply the foregoing provisions of this Condition, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and in all other respects it shall do so in such manner as it shall deem fair and reasonable in all the circumstances and in reliance on such persons as it has appointed for such purpose. The Trustee shall have no liability to any Person in connection with any determination (including with regard to the timelines thereof) it is required to make pursuant to this Condition 6.4 (*Determination or Calculation by Trustee*).

### **6.5 Notification of Interest Amounts**

The Principal Paying Agent will cause the Interest Amounts payable in respect of each PPN for each Due Period and Payment Date to be notified to the Irish Stock Exchange and the PPN Holders in accordance with Condition 4.6 (*Publication of Amounts*).

The Interest Amounts or the Payment Date so notified 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 Due Period. If any of the PPNs become due and payable under Condition 10 (*Events of Default*), interest shall nevertheless continue to be calculated as previously by the Collateral Administrator in accordance with this Condition but no publication of the applicable Interest Amounts shall be made unless the Trustee so determines.

All notifications, opinions, determinations, certificates, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition, whether by any Agent, the Investment Manager, the Collateral Administrator or the Trustee, will be binding on the Issuer, the Agents, the Investment Manager, the Collateral Administrator, the Trustee and the PPN Holders and (in the absence of manifest error and subject to clause 27.14 (*Agent liability*) of the Agency Agreement and clause 10.7 (*Trustee's Liability*) of the Trust Deed) no liability to the Issuer or the PPN Holders shall attach to the Agents, the Investment Manager, the Collateral Administrator or the Trustee in connection with the exercise or non-exercise by them of their powers, duties and discretions under this Condition.

## **7. Redemption**

### **7.1 Final Redemption**

Save to the extent previously redeemed and cancelled prior to the Maturity Date, the Notes will be redeemed on the Maturity Date at their Redemption Price applicable as at such date in accordance with the Priorities of Payments.

### **7.2 Redemption at the Option of the Noteholders**

The Notes shall be redeemable by the Issuer, in whole but not in part, at their Redemption Price, from the proceeds of liquidation or realisation of the Collateral applied in accordance with the Priorities of Payments:

- (i) following the occurrence of a Note Tax Event on any Payment Date falling after such occurrence;
- (ii) following the occurrence of a Collateral Tax Event, on any Payment Date falling after such occurrence;
- (iii) following the occurrence of an Illegality Event, on any Payment Date falling after such occurrence;
- (iv) upon the occurrence of an Optional Early Redemption Event; or
- (v) if the Notes (other than the Substitute PPNs) have not been admitted to the official list of the Irish Stock Exchange and have not been admitted to trading on its regulated market by the PPN Listing Deadline,

in each case at the direction of the Noteholders, (other than the holders of the Substitute PPNs) acting as a single class by Ordinary Resolution in respect of (i), (ii), (iii), (v) or an Optional Early Redemption Event which is not an Optional Early Redemption Date and at the direction of all the Noteholders acting as a single class by Unanimous Resolution in respect of an Optional Early Redemption Event which is an Optional Early Redemption Date, subject to the establishment of a reserve as determined by the Trustee following consultation with the Investment Manager and Collateral Administrator for all administrative and other fees and expenses payable in such circumstances under the Priorities of Payments in priority to the payment of principal on the Notes). The Trustee shall have no liability to any person in connection with the establishment or sufficiency of any reserve made by the Issuer pursuant to this Condition 7.2 (*Redemption at the Option of the Noteholders*).

**7.3 Cancellation**

Upon redemption of the Notes by the Issuer the Notes will be cancelled and may not be reissued or resold.

**7.4 Notice of Redemption**

The Issuer shall procure that notice of any redemption in accordance with this Condition 7 (*Redemption*) is given to the Noteholders in accordance with Condition 16 (*Notices*) (with copies to the Trustee, the Collateral Administrator and the Investment Manager).

**7.5 Purchase of Notes**

Notes may not be purchased by the Issuer at any time.

**7.6 Repayment of Note Advances**

Notes may be repaid at any time at the sole discretion of the Issuer out of the Principal Account in accordance with the Priorities of Payments and the other provisions of the Conditions.

**7.7 Redemption of the Notes**

Notwithstanding any other provisions of the Note Conditions or the Note Trust Deeds, all references herein and therein to any of the Notes being redeemed in full (save for any Defaulted Notes being redeemed in full without payment) shall be deemed to be amended to the extent required to ensure that the Drawn Amount of the Notes is not less than €1 at all times (for the avoidance of doubt, save for when the Notes have been redeemed in full prior to or on their Maturity Date) and any amounts which are to be applied in redemption of such Notes pursuant hereto which are in excess of the Drawn Amount of the Notes thereof minus €1, shall constitute interest payable in respect of the Notes and shall not be applied in redemption of the Drawn Amount of the Notes, provided always however that such interest payable shall no longer remain outstanding and the Notes shall be redeemed in full by the payment of such interest on the date on which all of the Collateral securing the Notes has been realised for cash.

**7.8 Redemption in accordance with the Priorities of Payments**

Save to the extent previously redeemed and cancelled, the Notes will be redeemed on any Payment Date out of Principal Proceeds in accordance with the Pre-Enforcement Priority of Payments or following enforcement of the security in accordance with the Post-Enforcement Priority of Payments.

**7.9 Redemption of Defaulted Notes**

Defaulted Notes shall be redeemed without payment on the Default Letter Notification Date. The Issuer shall thereafter issue Substitute PPNs in accordance with Condition 2(d) (*Failure to make a Note Advance*).

**8. Payments**

**8.1 Method of Payment**

Payments of principal and interest in respect of the PPNs will be made to the holder (or to the first named of joint holders) of the PPN appearing on the Register by wire transfer, in immediately available funds, on the due date to the applicable denominated account maintained by the payee with a bank in western Europe last notified in writing to the Issuer and the Principal Paying Agent by the holder of the PPNs appearing on the Register at the close of business on the Determination Date falling prior to each Payment Date.

## 8.2 **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 PPN Holders.

## 8.3 **Registrar and Principal Paying Agent**

The Issuer reserves the right at any time, with the approval of the Trustee, to vary or terminate the appointment of the Registrar or the Principal Paying Agent and appoint additional or other Agents, provided that (A) it will maintain (i) a Registrar and (ii) a Principal Paying Agent having specified offices in at least two major European cities approved by the Trustee and (B) it will appoint an additional paying agent in a Member State of the European Union that will not be obliged to withhold or deduct tax pursuant to EC Council Directive 2003/48/EC on Taxation of Savings Income (the "**Directive**") in the form of Interest Payments and shall procure that it shall at all times maintain an Account Bank and Collateral Administrator. Notice of any change in any of the Registrar, the Principal Paying Agent or the Account Bank or of their specified offices or of the Collateral Administrator will promptly be given to the PPN Holders by the Issuer in accordance with Condition 16 (*Notices*) (with a copy to the Trustee).

## 9. **Taxation**

All payments of principal and interest in respect of the Notes shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature, unless such withholding or deduction is required by law or pursuant to a voluntary agreement entered into with a taxing authority. Any amounts withheld or deducted pursuant to FATCA shall be treated as required by law. For the avoidance of doubt, the Issuer shall not be required to gross up any payments made to the Noteholders and shall withhold or deduct from any such payments any amounts on account of tax where so required by law or any relevant taxing authority. Any such withholding or deduction shall not constitute an Event of Default under Condition 10.1 (*Events of Default*).

Subject as provided below, if the Issuer satisfies the Trustee that it has or will on the occasion of the next payment due in respect of the Notes become obliged by law to withhold or account for tax so that it would be unable to make payment of the full amount that would otherwise be due but for the imposition of such tax, the Issuer (save as provided below) shall use all reasonable endeavours to arrange for the substitution of a company incorporated in another jurisdiction approved by the Trustee as the principal obligor under the Notes, or to change its tax residence to another jurisdiction approved by the Trustee.

Notwithstanding the above, if any taxes referred to in this Condition 9 (*Taxation*) arise:

- (a) due to the connection of any Noteholder with the jurisdiction imposing the withholding tax or requiring the deduction to be made otherwise than by reason only of the holding of any Note or receiving principal or interest in respect thereof; or
- (b) by reason of the failure by such Noteholder to comply with any request by the Issuer for information or compliance with any administrative procedures that such Noteholder may be required to provide or follow as a pre-condition for exemption from, or reduction in the rate of, deduction or withholding of tax; or
- (c) in respect of a payment to an individual which is required to be made pursuant to the Directive or any law implementing or complying with, or introduced in order to conform to, that Directive; or
- (d) in connection with FATCA,

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

### 10.1 Events of Default

The occurrence of any of the following events shall constitute an "**Event of Default**":

(a) ***Non-payment of interest***

the Issuer fails to pay any Interest Amount or any other amount of interest in respect of any Notes when the same becomes due and payable, save as the result of any deduction therefrom or the imposition of withholding tax thereon, provided that any such failure to pay such interest continues for a period of five Business Days unless such failure results from an administrative error, in which case, a period of seven Business Days;

(b) ***Non-payment of principal***

the Issuer fails to pay any principal when the same becomes due and payable (i) on any Notes on any Redemption Date or (ii) on any Notes on the Maturity Date;

(c) ***Default under Priorities of Payments***

other than a failure referred to in paragraphs (a) and (b) above, the Issuer fails on any Payment Date to disburse amounts available in accordance with the Priorities of Payments, which failure continues for a period of five Business Days;

(d) ***Breach of Other Obligations***

the Issuer does not perform or comply in material respects with any other of its covenants, representations, warranties or other undertakings (or similar) under the Notes or the Note Transaction Documents (other than a covenant, representation, warranty or other agreement a default in the performance or breach of which is specifically referred to elsewhere in this Condition 10.1 (*Events of Default*), or any representation, warranty or statement of the Issuer made in the Trust Deed, or in any certificate or other writing delivered pursuant thereto or in connection therewith ceases to be correct in all material respects when the same shall have been made, and such default, breach or failure continues for a period of 30 days (or 15 days, in the case of any default, breach or failure of representation or warranty in respect of the Collateral) after notice thereof shall have been given, by registered or certified mail or overnight courier, to the Issuer by the Trustee specifying such default, breach or failure and requiring it to be remedied and stating that such notice is a "**Notice of Default**" hereunder;

(e) ***Insolvency Proceedings***

proceedings are initiated against the Issuer under any applicable liquidation, insolvency, bankruptcy (*faillite*), controlled management (*gestion contrôlée*), suspension of payments (*sursis de paiement*), provisional administration, examination, composition with creditors (*concordat préventif de faillite*), reorganisation or other similar laws (together, "**Insolvency Law**"), or a receiver, *curateur*, examiner, trustee, administrator, *commissaire*, *commissaire de surveillance*, custodian, conservator, liquidator or other similar official (a "**Receiver**") is appointed in relation to the Issuer or in relation to in the opinion of the Trustee the whole or any substantial part of the undertaking or assets of the Issuer; or the Issuer is, 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 the Issuer becomes subject to controlled management (*gestion contrôlée*), suspension of payments (*sursis de paiement*), moratorium or other similar procedure.

### 10.2 Acceleration

- (a) If an Event of Default occurs and is continuing, the Trustee may, at its discretion and shall, at the request of the Noteholders acting by Ordinary Resolution of the holders of the Notes (other than the holders of the Substitute PPNs) acting as a single class (subject to the Trustee being

prefunded and/or indemnified and/or secured 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 that the Notes are to become immediately due and payable (such notice, an "**Acceleration Notice**").

- (b) Upon any such notice being given to the Issuer in accordance with paragraph (a) above, the Notes shall immediately become due and repayable at their applicable Redemption Price.

### 10.3 **Curing of Default**

At any time after an Acceleration Notice has been given under Condition 10.2(a) (*Acceleration*) following the occurrence of an Event of Default and prior to commencement of any enforcement of the security pursuant to Condition 11 (*Enforcement*), the Trustee at its discretion may, and if requested by the Noteholders (other than the holders of Substitute PPNs) acting as a single class by Ordinary Resolution, shall (subject, in each case, to the Trustee being prefunded and/or indemnified and/or secured to its satisfaction against all liabilities, proceedings, claims and demands to which it may thereby become liable and all costs, charges and expenses which may be incurred by it in connection therewith) rescind and annul such Acceleration Notice under Condition 10.2(a) (*Acceleration*) above and its consequences if:

- (a) the Issuer has paid or deposited with the Trustee a sum sufficient to pay:
  - (i) all due but unpaid taxes owing by the Issuer, as certified by an Authorised Officer of the Issuer to the Trustee;
  - (ii) all unpaid Trustee Fees and Expenses; and
  - (iii) all unpaid Administrative Expenses;
- (b) the Trustee has determined that all Events of Default, other than the non-payment of the interest in respect of, or principal of, the Notes that have become due solely as a result of the acceleration thereof under Condition 10.2 (*Acceleration*) above due to such Events of Default, have been cured or waived.

Any previous rescission and annulment of a notice of acceleration pursuant to this Condition 10.3 (*Curing of Default*) shall not prevent the subsequent acceleration of the Notes in accordance with Condition 10.2(a) (*Acceleration*) above.

### 10.4 **Notification and Confirmation of No Default**

The Issuer shall promptly notify the Noteholders (in accordance with Condition 16 (*Notices*)) and the Trustee in writing upon becoming aware of the occurrence of an Event of Default. The Trust Deed contains provision for the Issuer to provide written confirmation to the Trustee on an annual basis or promptly on request by the Trustee that to the best of the Issuer's knowledge, information and belief, no Event of Default has occurred and that no condition, event or act has occurred which, with the lapse of time and/or the issue, making or giving of any notice, certification, declaration and/or request and/or the taking of any similar action and/or the fulfilment of any similar condition could constitute an Event of Default and that no other matter which is required (pursuant thereto) to be brought to the Trustee's attention has occurred.

## 11. **Enforcement**

### 11.1 **Security Becoming Enforceable**

Subject as provided in Condition 11.2 (*Enforcement*) below, the security constituted under the Trust Deed (and if entered into after the First Custodial Asset Date, the Euroclear Pledge Agreement) over the Collateral shall become enforceable upon the giving of an Acceleration Notice pursuant to Condition 10.2 (*Acceleration*), save in the event that the relevant Event of Default is waived or cured in accordance with Condition 10.3 (*Curing of Default*).

## 11.2 Enforcement

### (a) *Security Becoming Enforceable*

- (i) The security constituted under the Trust Deed and over the Collateral shall become enforceable upon an acceleration of the maturity of the Notes pursuant to Condition 10 (*Events of Default*).
- (ii) Section 103 of the Law of Property Act 1925 (restricting the power of sale) and section 93 of the Law of Property Act 1925 (restricting the right of consolidation) shall not apply to the security constituted by the Trust Deed but so that section 101 of the Law of Property Act 1925 shall apply and have effect on the basis that the Trust Deed constitutes a mortgage within the meaning of that Act and the Trustee is a mortgagee exercising the power of sale conferred on mortgagees by that Act, provided that the Trustee shall not be required to take any such action unless indemnified and/or secured to its satisfaction against all Liabilities to which it may be liable and all costs, charges and expenses which may be incurred in connection therewith.

### (b) *Enforcement*

At any time after the Notes become due and payable and the security constituted under the Trust Deed and, if applicable, the Euroclear Pledge Agreement becomes enforceable the Trustee may, at its discretion, and shall if so directed by the Noteholders (other than the holders of Substitute PPNs) acting as a single class by Ordinary Resolution, institute such proceedings against the Issuer as it may think fit to enforce the terms of the Note Trust Deeds and the Notes and pursuant and subject to the terms of the Note Trust Deeds and the Notes, realise and/or otherwise liquidate or sell the Collateral in whole or in part and/or take such action as may be permitted under applicable laws against any Obligor in respect of the Collateral and/or take any other action to enforce the security over the Collateral, in each case without any liability as to the consequence of any action, provided however that the Trustee shall not be bound to institute any such proceedings or take any such other action unless it is directed by the Noteholders (other than the holders of Substitute PPNs) acting as a single class by Ordinary Resolution and, in each case, the Trustee is prefunded and/or indemnified and/or secured 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.

### (c) *Post-Acceleration Priority of Payments*

- (i) Following the delivery of an Acceleration Notice which has not been rescinded and annulled in accordance with Condition 10.3 (*Curing of Default*) or pursuant to an optional redemption in whole in accordance with Condition 7.2 (*Redemption at the Option of the Noteholders*), Interest Proceeds, Principal Proceeds and the net proceeds of enforcement of the security over the Collateral shall be credited to the Payment Account or such other account as the Noteholders (other than the holders of Substitute PPNs) acting as a single class by Ordinary Resolution shall designate to the Trustee 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 any Trustee Fees and Expenses,
  - (B) to the payment of any Administrative Expenses, including any Extraordinary Administrative Expenses;
  - (C) to the payment on a *pro rata* and *pari passu* basis of (i) any Investment Management Fee unless the default triggering the delivery of the Acceleration Notice is caused by an Investment Manager Breach and (ii) any Termination Payment;

- (D) in payment on a *pro rata* basis, to the payment of all Interest Amounts due and payable under the PPNs, interest due and payable on the other Notes, and the Drawn Amount of the Notes; and
  - (E) thereafter, any remaining amounts to be paid out to the Noteholders as interest, on a *pro rata* and *pari passu* basis.
- (ii) Nothing in Condition 11.2(c)(i) shall preclude the Trustee from exercising any right or making any claim which the Issuer has against any Agent, the Investment Manager, the Collateral Administrator and the Administrator under the Note Transaction Documents.

### 11.3 **Only the Trustee to Act**

Only the Trustee may pursue the remedies available under the Note Trust Deeds to enforce the rights of the Noteholders or of any of the other Secured Parties under the Note Trust Deeds and the Notes and none of the Noteholders nor any other Secured Party may proceed directly against the Issuer or any of its assets unless the Trustee, having become bound so to proceed in accordance with the terms of the Note Trust Deeds, fails or neglects to do so within a reasonable period of time following the instance of the obligation to proceed having arisen and such failure or neglect is continuing. After realisation of the security which has become enforceable and distribution of the net proceeds in accordance with the Priorities of Payments, neither the Noteholders nor any 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, as further described in Condition 4.11 (*Limited Recourse*), and all claims against the Issuer in respect of such sums unpaid shall be extinguished. In particular, none of the Trustee, any Noteholder and any other Secured Party shall be entitled in respect thereof to petition or take any other step for the liquidation, winding-up of the Issuer except to the extent permitted under the Note Trust Deeds.

### 12. **Prescription**

Claims in respect of principal and interest payable on redemption in full of the relevant PPNs will become void unless presentation for payment is made as required by Condition 7 (*Redemption*) within a period of five years, in the case of interest, and 10 years, in the case of principal, from the applicable Payment Date.

### 13. **Replacement of the PPNs**

If any PPN is lost, stolen, mutilated, defaced or destroyed it may be replaced at the Specified Office of the Registrar upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may require (provided that the requirement is reasonable in the light of prevailing market practice). The PPN if mutilated or defaced must be surrendered before a replacement will be issued.

### 14. **Meetings of Noteholders, Modification, Waiver and Substitution**

#### 14.1 **Meetings of Noteholders**

##### (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 acting as a single class by way of (in the case of Noteholders other than the Substitute PPN Holders) Ordinary Resolution or (in the case of all Noteholders) Extraordinary Resolution or Unanimous Resolution (together, the "**Resolutions**"). Such Resolutions can be effected either at a duly convened meeting of the applicable Noteholders or by the applicable Noteholders resolving in writing, in each case, in at least the minimum percentages specified in the table "**Minimum Percentage Voting Requirements**" in paragraph (iii) (*Minimum Voting Rights*) below. In the case of Ordinary Resolutions, meetings of the Noteholders (other than the Substitute PPN Holders) may be convened by the Issuer, the Trustee or by the Trustee acting upon the request of one or more Noteholders (other than the holders of Substitute PPN Holders) holding not less than ten per cent. in Drawn Amount of the Notes (other than the Substitute PPNs), subject to certain conditions including minimum notice periods. In the case of Extraordinary Resolutions or Unanimous Resolutions, meetings of the Noteholders may be convened by the Issuer, the Trustee or by the Trustee acting upon the request of one or more Noteholders holding not less than ten per cent. in Drawn Amount of the Notes, subject to certain conditions including minimum notice periods.

(ii) **Quorum**

The quorum required for any meeting convened to consider an Ordinary Resolution, Extraordinary Resolution or Unanimous Resolution, or at any adjourned meeting to consider such a Resolution, shall be as set out in the relevant column and row corresponding to the type of Resolution in the table "**Quorum Requirements**" below.

**Quorum Requirements**

Type of Resolution	Any meeting other than a meeting adjourned for want of quorum	Meeting previously adjourned for want of quorum
Extraordinary Resolution/Unanimous Resolution	Two or more persons holding or representing not less than 66⅔ per cent. of the aggregate of the Drawn Amount of Notes	Two or more persons holding or representing not less than 25 per cent. of the aggregate of the Drawn Amount of Notes
Ordinary Resolution of all Noteholders (other than the Substitute PPN Holders)	Two or more persons holding or representing not less than 50 per cent. of the aggregate of the Drawn Amount of Notes (other than Substitute PPNs)	Two or more persons holding or representing any PPNs regardless of the aggregate of the Drawn Amount of Notes (other than Substitute PPNs)

The Trust Deed does not contain any provision for higher quorums in any circumstances.

(iii) **Minimum Voting Rights**

Set out in the table "**Minimum Percentage Voting Requirements**" below are the minimum percentages required to pass the Resolutions specified in such table which (A) in the event that such Resolution is being considered at a duly convened meeting of the Noteholders shall be determined by reference to the percentage which the aggregate Drawn Amount of the Notes which have voted in favour of such Resolution represents of the aggregate Drawn Amount of all Notes which have voted at such meeting or (B) in the case of any Written Resolution, shall be determined by reference to the percentage which the aggregate Drawn Amount of the relevant Notes which have voted

in favour of such Resolution represents of the aggregate Drawn Amount of all the relevant Notes entitled to be voted on in respect of such Written Resolution.

The voting threshold at any Noteholders' meeting in respect of an Ordinary Resolution is more than 50 per cent. of the aggregate of the Drawn Amount of the Notes (other than Substitute PPNs) represented at the meeting and voted, and the voting threshold at any Noteholders' meeting in respect of an Extraordinary Resolution is at least 66⅔ per cent. of the aggregate of the Drawn Amount of the Notes represented at the meeting and voted. Accordingly, it is likely that, at any meeting of the relevant Noteholders, an Ordinary Resolution may be passed with less than 50 per cent. of all the Noteholders (other than Substitute PPNs), and an Extraordinary Resolution or Unanimous Resolution may be passed with less than 66⅔ per cent. of all the Noteholders.

#### **Minimum Percentage Voting Requirements**

<b>Type of Resolution</b>	<b>Minimum Percentage Voting Requirements for duly convened meetings</b>	<b>Minimum Percentage Voting Requirements for Written Resolutions</b>
Extraordinary Resolution of all Noteholders	66⅔ per cent. of the aggregate Drawn Amount of Notes which have voted at the relevant meeting.	66⅔ per cent. of the aggregate Drawn Amount of Notes which are entitled to vote.
Ordinary Resolution of all Noteholders (other than the Substitute PPN Holders)	More than 50 per cent. of the aggregate Drawn Amount of Notes (other than Substitute PPNs) which have voted at the relevant meeting.	More than 50 per cent. of the aggregate Drawn Amount of Notes (other than Substitute PPNs) which are entitled to vote.
Unanimous Resolution of all Noteholders	100 per cent. of the aggregate Drawn Amount of Notes which have voted at the relevant meeting.	100 per cent. of the aggregate Drawn Amount of Notes which are entitled to vote.

(iv) ***Written Resolutions***

Any Written Resolution may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the relevant Noteholders holding not less than the "Minimum Percentage Voting Requirements" as described above and as determined in accordance with Condition 14.1(b)(iii) (*Minimum Voting Rights*) and the date of such Written Resolution shall be the date on which the latest such document is signed.

(v) ***All Resolutions Binding***

Any Resolution duly passed shall be binding on all Noteholders, including the Substitute PPN Holders (regardless of whether or not a Noteholder was present at the meeting at which such Resolution was passed, if applicable).

(vi) ***Extraordinary Resolution***

Any Resolution to sanction any of the following items will be required to be passed by an Extraordinary Resolution (in each case, unless stipulated otherwise in the Note Transaction Documents and subject to anything else contemplated in the Note Trust Deeds or the relevant Note Transaction Document, as applicable):

- (A) the exchange or substitution of the Notes for, or the conversion of the Notes into, shares, bonds or other obligations or securities of the Issuer or any other entity;

- (B) the modification of any provision relating to the timing and/or circumstances of redemption of the Notes at maturity or otherwise (including the circumstances in which the maturity of such Notes may be accelerated);
- (C) the modification of any of the provisions of the Note Trust Deeds which would directly and adversely affect the calculation of the amount of any payment of interest or principal on any Notes;
- (D) the adjustment of the Drawn Amount of the Notes other than in accordance with the Note Conditions;
- (E) a change in the currency of payment of the Notes;
- (F) any change in the Priorities of Payments;
- (G) the modification of the provisions concerning the quorum required at any meeting of Noteholders or the minimum percentage required to pass an Ordinary Resolution, an Extraordinary Resolution, a Written Resolution or any other provision of the Note Conditions which requires the written consent of the holders of a requisite principal amount of Notes which remain Outstanding;
- (H) any modification of any Note Transaction Document having a material adverse effect on the security over the Collateral constituted by the Trust Deed;
- (I) any item expressly requiring approval by Extraordinary Resolution pursuant to the Note Conditions or any Note Transaction Document;
- (J) any modification of this Condition 14; and
- (K) any modification of the Eligibility Criteria, except as contemplated by the Conditions or the Trust Deed.

#### 14.2 **Modification and Waiver**

The Trust Deed and the Investment Management Agreement provide that, without the consent of the Noteholders, and without any requirement for the Trustee to consult the Noteholders concerning such amendments to the extent they fall within the paragraphs below, and notwithstanding the provisions of Condition 14.1(b)(vi) (*Extraordinary Resolution*), the Issuer may amend, modify, supplement and/or waive the relevant provisions of the Note Trust Deeds and/or any other Note Transaction Documents (subject to the consent of the other parties thereto) (as applicable), subject to the prior written consent of the Trustee for any of the following purposes:

- (a) to add to the covenants of the Issuer for the benefit of the Noteholders or to surrender any right or power in the Note Trust Deeds conferred upon the Issuer;
- (b) to charge, convey, transfer, assign, mortgage or pledge any property to or with the Trustee;
- (c) to correct or amplify the description of any property at any time subject to the security of the Trust Deed and (if entered into after the First Custodial Asset Date) the Euroclear Pledge Agreement, or to better assure, convey and confirm unto the Trustee any property subject or required to be subject to the security of the Trust Deed (including, without limitation, any and all actions necessary or desirable as a result of changes in law or regulations) or subject to the security of the Trust Deed and (if entered into after the First Custodial Asset Date) the Euroclear Pledge Agreement, any additional property;
- (d) 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;

- (e) to make such changes as shall be necessary or advisable in order for the Listed Notes to be (or to remain) listed on the official list of the Irish Stock Exchange or any other exchange;
- (f) save as contemplated in Condition 14.3 (*Substitution*) below, to take any action advisable to prevent the Issuer from becoming subject to withholding or other taxes, fees or assessments;
- (g) to enter into any additional agreements not expressly prohibited by the Note Trust Deeds;
- (h) to make any other modification of any of the provisions of the Note Trust Deeds or any other Note Transaction Document which, in the determination of the Trustee, is of a formal, minor or technical nature or is made to correct a manifest error;
- (i) to make any other modification (save as otherwise provided in the Note Trust Deeds or the relevant Note Transaction Document), and/or give any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Note Trust Deeds or any other Note Transaction Document which is, in the determination of the Trustee, not materially prejudicial to the interests of the Noteholders; and
- (j) to make any amendments to the Trust Deed and the other Note Transaction Documents to enable the Issuer to comply with FATCA,

provided that the Trustee may, in connection with any request to consent to such modification, waiver or authorisation, procure and rely on (without liability) such professional assistance, including legal opinions from such professional advisors as it may require, the cost of which shall be treated as Trustee Fees and Expenses.

Any such modification, authorisation or waiver shall be binding on all the Noteholders and the other Secured Parties and shall be notified by the Issuer to the Noteholders as soon as practicable in accordance with Condition 16 (*Notices*).

Under no circumstances shall the Trustee be required to give such consent on less than 21 days' notice and it shall be entitled to obtain such advice in connection with giving such consent as it sees fit.

### 14.3 Substitution

The Trust Deed contains provisions permitting the Trustee to agree, subject to such amendment of the Note Trust Deeds and such other conditions as the Trustee may require (in each case, as directed by the Noteholders (other than the holders of Substitute PPNs) acting as a single class by way of an Ordinary Resolution), to the substitution of any other company in place of the Issuer, or of any previous substituted company, as principal debtor under the Note Trust Deeds and the Notes, if required for taxation purposes. In the case of such a substitution the Trustee may agree, (with the consent of the Noteholders (other than the holders of Substitute PPNs) acting as a single class by way of Ordinary Resolution) to a change of the law governing the Notes and/or the Note Trust Deeds. Any substitution agreed by the Trustee pursuant to this Condition 14.3 (*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, agree to a change in the place of residence of the Issuer for taxation purposes after obtaining the consent of the Noteholders (other than the holders of Substitute PPNs) acting as a single class by way of Ordinary Resolution, 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 Listed Notes are listed on the official list of the Irish Stock Exchange, any material amendments or modifications to the Note Conditions, the Note Trust Deeds or such other conditions made pursuant to Condition 14 (*Meetings of Noteholders, Modification, Waiver and Substitution*) shall be notified to the Irish Stock Exchange.

## **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 in the absence of negligence, wilful misconduct or fraud, including provisions relieving it from instituting proceedings to enforce repayment or to enforce the security constituted by or pursuant to the Trust Deed, unless prefunded and/or indemnified and/or secured to its satisfaction against all liabilities, proceedings, claims and demands to which it may become liable and all costs, charges and expenses which may be properly incurred by it in connection therewith. The Trustee is entitled to enter into business transactions with the Issuer and any entity related to the Issuer 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 (and 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 in safe custody by a bank or other custodian. The Trustee shall not be responsible for the performance by the Agents of any of their duties under the Agency Agreement, the performance by the Collateral Administrator of its duties under the Investment Management Agreement, the performance by the Investment Manager of its duties under the Investment Management Agreement or for the performance by any other Person appointed by the Issuer in relation to the Notes. The Trustee shall not have any responsibility for the validity or enforceability of the Collateral or for the administration, management or operation of the Collateral including a request by the Collateral Administrator to release any of the Collateral from time to time.

The Trust Deed contains provisions for the retirement of the Trustee and the removal of the Trustee but no such retirement or removal shall become effective until a successor trustee is appointed in accordance with its terms.

## **16. Notices**

Notices to the Noteholders will be valid if posted to the Noteholder's Specified Address by pre-paid, first class mail (or any other manner approved by the Trustee which may be by electronic transmission). Any such notice shall be deemed to have been given three days (in the case of inland mail) or seven days (in the case of overseas mail) after the date of despatch thereof to such Noteholder.

The Trustee shall be at liberty to sanction some other method of giving notice to the Noteholder if, in the Trustee's opinion, such other method is reasonable having regard to market practice then prevailing and provided that notice of such other method is given to the Noteholders in such manner as the Trustee shall require.

The Issuer shall procure that any notices to Noteholders in respect of an Ordinary Resolution, Extraordinary Resolution or Unanimous Resolution will contain either an estimate or a cap on the expenses required to give effect to the relevant Resolution provided that failure by the Issuer to do so shall not result in the related notice being invalidated.

## **17. Third Party Rights**

No person shall have any right to enforce any term or condition of the PPNs under the Contracts (Rights of Third Parties) Act 1999.

## **18. Governing Law and Jurisdiction**

### **18.1 Governing Law**

The Trust Deed and the PPNs and any non-contractual obligations arising out of or in connection with them are governed by and shall be construed in accordance with English law. The provisions of articles 86 to 97 of the Luxembourg law of 10 August 1915 on commercial companies, as amended, are excluded.

### **18.2 Jurisdiction**

The courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the PPNs, and accordingly, any legal action or proceedings arising out of or in connection with the PPNs ("**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 the Noteholders, the Trustee and the Custodian 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).

### 18.3 Agent for Service of Process

The Issuer appoints Aviva Investors Global Services Limited as its agent in England to receive service of process in any Proceedings in England based on any of the PPNs. 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 PPN Holders of such appointment. Nothing herein shall affect the right to service of process in any other manner permitted by law.

### 19. Further Issues

The Issuer may from time to time, prior to the Note Available Commitment Termination Date, by written notice to the Trustee at least 10 days prior to the proposed date of issue, create and issue further notes (such notes, the "**Further PPNs**") having the same terms and conditions as the PPNs then outstanding (subject as provided below). Such Further PPNs shall not be consolidated and form a single series with, but shall rank *pari passu* with, the PPNs then outstanding and the Issuer shall use the net proceeds of issue in payment to the Principal Account to, amongst others, acquire Debt Investments, provided that:

- (i) the aggregate Principal Amount of Notes issued by the Issuer may not exceed €1,000,000,000;
- (ii) the terms (other than the date of issuance, the issue price, the amount of the Reallocation Premium and if applicable, the date from which interest will accrue) of such Further PPNs must be identical to the terms of the previously issued PPNs;
- (iii) such Further PPNs must be issued for a cash sale price and the net proceeds (excluding any Reallocation Premium) invested in Debt Investments, or pending such investment, deposited in the Principal Account;
- (iv) the Reallocation Premium attributable to such further issue shall be deposited in the Principal Account;
- (v) (so long as the existing PPNs are listed on the official list of the Irish Stock Exchange) the Further PPNs to be issued are in accordance with the requirements of the Irish Stock Exchange and are listed on the official list of the Irish Stock Exchange (for so long as the guidelines of the Irish Stock Exchange so require); and
- (vi) such additional issuances are in accordance with all applicable laws including, without limitation, the securities and banking laws and regulations of Ireland.

References to PPNs in these Conditions include (unless the context requires otherwise) the Original PPNs and any Further PPNs issued pursuant to this Condition 19. Any Further PPNs shall, subject to the aforementioned conditions, be constituted by a deed supplemental to the Trust Deed.

### 20. Restructuring Option

#### (i) *Noteholders' Restructuring Option*

Subject as further provided in this Condition 20, the Noteholders will have the option (but not the obligation) either to:

- (a) elect to have their investment in the Notes restructured (the "**Restructuring Option**") on a date not later than the second Payment Date following the expiry of the Investment Period (the "**Restructuring Date**"). The Notes of those

Noteholders electing to exercise the Restructuring Option (each an "**Electing Noteholder**") shall be either:

- (i) amended so that the Notes can be exchanged for notes issued by the Issuer ("**Internal Repack Notes**") that will pay interest at a specified margin over the offered note for three-month Euro deposits that appears on the display designated as page 248 on the Telerate Monitor (or such other page or service as may replace it for the purposes of displaying EURIBOR rates) ("**EURIBOR**") and will follow a defined amortisation schedule ("**Restructuring Option A**"); or
  - (ii) exchanged in accordance with Condition 20(v) (*Mechanics of Exchange*) for notes ("**External Repack Notes**") issued by a bankruptcy remote special purpose repackaging entity, which will follow a defined amortisation schedule and which are secured on the relevant Notes and an interest rate swap which pays interest at a specified margin over EURIBOR ("**Restructuring Option B**"); or
- (b) not to elect for the Restructuring Option described above and retain their existing Notes.

It is intended that the Internal Repack Notes issued under Restructuring Option A and the External Repack Notes issued under Restructuring Option B will qualify for favourable accounting treatment under Article R332-19 of the French Insurance Code.

(ii) ***Determination by Investment Manager***

The Restructuring Date shall be determined by the Investment Manager and shall be notified by the Investment Manager to the Noteholders, together with the margin over EURIBOR not later than 20 Business Days prior to the Restructuring Date.

(iii) ***Exercise of the Restructuring Option***

If some or all of the Noteholders entitled to do so choose to exercise the Restructuring Option B, the Notes of such Electing Noteholder shall (subject to Condition 20(iv) (*Approval of Restructuring Option Terms*)) be restructured in accordance with the Restructuring Option B. If all (but not some only) of the Noteholders entitled to do so, choose to exercise the Restructuring Option A, their Notes shall (subject to Condition 20(iv) (*Approval of Restructuring Option Terms*)) be restructured in accordance with the Restructuring Option A.

(iv) ***Approval of Restructuring Option Terms***

The obligation of an Electing Noteholder to participate in the Restructuring Option shall be conditional upon:

- (a) in the case of Restructuring Option A, the approval by all Noteholders, acting by unanimous consent, of the amendments to the Note Conditions and to the Note Transaction Documents proposed by the Investment Manager, acting on behalf of the Issuer, to give effect to the restructuring under Restructuring Option A and to approve the terms of the Internal Repack Notes and the implementation of such amendments; and
- (b) in the case of Restructuring Option B, such Electing Noteholder's approval of the terms and conditions and of the Repack Notes and the provisions of the subscription agreement under terms of which it will subscribe for the External Repack Notes.

(v) ***Mechanics of Exchange***

Each exchange of (i) Notes for Internal Repack Notes in accordance with Restructuring Option A or (ii) Notes for External Repack Notes in accordance with Restructuring

Option B, shall be effected by delivery to the Principal Paying Agent by the Electing Noteholder of its Notes and a duly completed Exchange Notice not more than 10 Business Days nor less than 5 Business Days prior to the applicable Restructuring Date. An Exchange Notice and the Notes so delivered may not be withdrawn without the prior consent of the Issuer. The Principal Paying Agent shall copy the Exchange Notice received to each of the Issuer, the Trustee, the Collateral Administrator, the other Agents and the Investment Manager.

## USE OF PROCEEDS

The Issuer shall apply all amounts raised from the Note Advances made under the PPNs as follows:

- (i) for payment of the Reallocation Premium;
- (ii) in payment to the Principal Account in accordance with Condition 4.9(b) (*Principal Account*) and used to, amongst other things, purchase Debt Investments from time to time recommended to it by the Investment Manager;
- (iii) if applicable, in payment into the Revolving Reserve Account for application in the funding of Unfunded Amounts of any Revolving Debt Investments and Delayed Drawdown Debt Investments identified by the Investment Manager when required pursuant to any such obligation,

all as further described in Condition 4.9 (*Payments to and from the Accounts*).

## FORM OF THE PPNS

### The Global Certificate

The PPNS to be issued on the Issue Date will be sold to persons who are not U.S. persons in offshore transactions in reliance on Regulation S under the Securities Act and will be issued on the Issue Date in the form of a permanent global certificate without interest coupons or principal receipts (a "**Global Certificate**") which will be deposited with, and registered in the name of a nominee of the common depository for Euroclear S.A./N.V. as operator of the Euroclear System and Clearstream Banking, S.A. (the "**Clearing Systems**") and any successors in title thereto. See "*Book-entry Clearance Procedures*". For the avoidance of doubt, on the Issue Date the Global Certificate will be issued partly paid-up with a Principal Amount of €25,000,000 and a Drawn Amount of €72,500, representing 0.29 per cent. of the Principal Amount of the PPNS. Interests in the Global Certificate will be subject to certain restrictions on transfer set forth therein and as set forth in the Investment Company Act and the PPNS will bear the applicable legends regarding the restrictions set forth under "*Transfer Restrictions*".

The beneficial interests in the Global Certificate will be shown or transfers thereof will be effected only through records maintained by the Clearing Systems and their participants. Beneficial interests in a Global Certificate may be held only through Euroclear or Clearstream, Luxembourg at any time. See "*Book-Entry Clearance Procedures Relating to Global Certificates*". By acquisition of the beneficial interest in a Global Certificate, the purchaser thereof will be deemed to represent, among other things, that it is not a U.S. Person, and that, if in the future it determines to transfer such beneficial interest, it will transfer such interest only to a person whom the seller reasonably believes to be a non-U.S. Person in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S or otherwise in accordance with the Trust Deed and applicable securities laws. See "*Transfer Restrictions*".

Except in the limited circumstances described below under "*Exchange of Global Certificates for Definitive Certificates*", owners of beneficial interests in the Global Certificates will not be entitled to receive physical delivery of Definitive Certificates.

The PPNS are not issuable in bearer form.

### Amendments to the Conditions of the PPNS

The Global Certificate contains provisions that apply to the PPNS so long as the PPNS are held on behalf of a clearing system, some of which modify the effect of the Conditions of the PPNS in definitive form (See "*Conditions of the PPNS*"). The following is a summary of those provisions:

- **Payments** Payments of principal and interest in respect of PPNS represented by the Global Certificate shall be made against presentation and (if no further payment falls to be made on it) surrender of such Global Certificate at the Specified Office of the Principal Paying Agent and shall be effective to satisfy and discharge (*pro tanto*) the corresponding liabilities of the Issuer in respect of the PPNS. On each occasion on which a payment of interest or principal is made in respect of the Global Certificate, the Issuer shall procure that the same is noted on the Register and, in the case of a payment of principal, the aggregate principal amount of the PPNS represented by the Global Certificate to be decreased accordingly.
- **Notices** So long as any PPNS are represented by the Global Certificate and such Global Certificate is held on behalf of a clearing system, notices to PPN Holders may be given by delivery of the relevant notice to that clearing system for communication by it to entitled account holders in substitution for posting as required by the Conditions of such PPNS provided that such notice is also made to the Company Announcements Office of the Irish Stock Exchange for so long as such PPNS are listed on the Irish Stock Exchange and the Rules of the Irish Stock Exchange so require.
- **Prescription** Claims against the Issuer in respect of principal and interest on the PPNS while the PPNS are represented by the 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.

- **Trustee's Powers** In considering the interests of PPN Holders while the Global Certificate is registered in the name of any nominee for a clearing system, the Trustee may, but is not required to, 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 the Global Certificate and may consider such interests as if such account holders were the holders of the Global Certificate.
- **Meetings** The holder of each Global Certificate will be treated as being two persons for the purposes of any quorum requirements of, or the right to demand a poll at, a meeting of the Noteholders and, at any such meeting, as having one vote in respect of each €1,000 of original principal amount of Notes for which the relevant Global Certificate may be exchanged.
- **Cancellation** Cancellation of any PPN required by the Conditions to be cancelled will be effected by reduction in the principal amount of the PPNs on the Register, with a corresponding notation made on the Global Certificate.
- **Mechanics of Note Advances** Not later than 10 Business Days prior to each Note Advance Date, the Principal Paying Agent shall, upon receipt of a Clearing System Note Advance Request (as defined in the Agency Agreement), immediately send such Clearing System Note Advance Request to the Clearing Systems for onward distribution to the Noteholders. Such Clearing System Note Advance Request shall specify (a) the aggregate of the Note Advances requested thereunder and the amount per PPN which is requested to be advanced thereunder; (b) that, subject to the Noteholders sending a debit authorisation instruction to the Clearing Systems, the Note Advances will be debited by the Clearing Systems from the Noteholders' accounts with the Clearing Systems for onward payment by the Clearing Systems to the Principal Paying Agent; (c) the date on which payment of the Note Advances is requested, being the applicable Note Advance Date; and (d) its determination of the Drawn Amount (as a percentage of the Principal Amount) in respect of the Notes before and after giving effect to such Note Advances (assuming the same are funded in accordance with the Clearing System Note Advance Request).
- **Delivery of Substitute PPNs** For the purposes of Condition 2(d) (*Failure to make a Note Advance*), the designated account of a Defaulting Noteholder shall be its account in the relevant Clearing System, unless it has notified the Issuer otherwise.
- **Record Date** "Record Date" in relation to the PPNs, means the close of business on the Clearing System Business Day immediately prior to the date for payment, where "Clearing System Business Day" means Monday to Friday inclusive except 25 December and 1 January.

## Exchange of Global Certificates for Definitive Certificates

### Exchange

The 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 Euroclear, Clearstream, Luxembourg or an alternative clearing system where the Global Certificate may be held is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces its intention to permanently cease business or does in fact do so.

The Registrar will not register the transfer of, or exchange of interests in, the Global Certificate for Definitive Certificates for a period of 15 calendar days before the date for any payment of principal or interest in respect of the PPNs.

"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 or the relevant alternative clearing system is located.

### Delivery

In such circumstances, the Global Certificate shall be exchanged in full for Definitive Certificates and the Issuer will, at the cost of the Issuer (but against such indemnity as the Registrar may require in

respect of any tax or other duty of whatever nature which may be levied or imposed in connection with such exchange), cause sufficient Definitive Certificates to be executed and delivered to the Registrar for completion, authentication and dispatch to the relevant PPN Holders. A person having an interest in the Global Certificate must provide the Registrar with 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.

### ***Legends***

The holder of a Definitive Certificate may transfer the PPNs represented thereby in whole or in part in the applicable minimum denomination by surrendering it at the Specified Office of the Registrar together with the completed form of transfer thereon. Upon the transfer, exchange or replacement of a Definitive Certificate bearing the legend referred to under "*Transfer Restrictions*", or upon specific request for removal of the legend on a Definitive Certificate, the Issuer will deliver only Definitive Certificates that bear such legend, or will refuse to remove such legend, as the case may be, unless there is delivered to the Issuer and the Registrar such satisfactory evidence, which may include an opinion of counsel, as may reasonably be required by the Issuer that neither the legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act and the Investment Company Act.

## BOOK-ENTRY CLEARANCE PROCEDURES

*The information set out below has been obtained from sources that the Issuer believes to be reliable, but prospective investors are advised to make their own enquiries as to such procedures. In particular, such information is subject to any change in or interpretation of the rules, regulations and procedures of Euroclear or Clearstream, Luxembourg (together, the "**Clearing Systems**") currently in effect and investors wishing to use the facilities of any of the Clearing Systems are therefore advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuer, the Trustee, the Investment Manager or any other party to the Agency Agreement (or any Affiliate of any of the above, or any person by whom any of the above is controlled for the purposes of the Securities Act), will have any responsibility for the performance by the Clearing Systems or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations or for the sufficiency for any purpose of the arrangements described below.*

### **Euroclear and Clearstream, Luxembourg**

Euroclear and Clearstream, Luxembourg each hold securities for their customers and facilitate the clearance and settlement of securities transactions through electronic book-entry transfer between their respective accountholders. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions which clear through or maintain a custodial relationship with an accountholder of either system. Euroclear and Clearstream, Luxembourg provide various services including safekeeping, administration, clearance and settlement of internationally-traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depository 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 the Global Certificate 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***

The Global Certificate will have an ISIN and a Common Code and will be registered in the name of a nominee for the common depository for 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 PPN must look solely to Euroclear or Clearstream, Luxembourg (as the case may be) for each payment made by the Issuer to the holder of the PPNs, and in relation to all other rights arising under the PPNs, 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 PPNs, the Common Depository by whom such PPN is held, or nominee in whose name it is registered, will immediately credit the relevant Participant's or accountholder's accounts in the relevant Clearing System with payments. The Issuer also expects that payments by Direct Participants in any Clearing System to the owner of beneficial interests in the PPNs 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 PPNs for so long as the PPNs are held in the Clearing System and the obligations of the Issuer will be discharged by payment to the registered holder, as the case may be, of the PPNs in respect of each amount so paid. None of the Issuer, the Trustee, the Investment Manager, the Collateral Administrator 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 of the Global Certificate or for maintaining, supervising or reviewing any records relating to such ownership interests.

### ***Settlement and Transfer of PPNs***

Subject to the rules and procedures of each applicable Clearing System, purchases of the PPNs held within a Clearing System must be made by or through Direct Participants, which will receive a credit for such PPNs on the Clearing System's records. The ownership interest of each actual purchaser of each such PPN (the "**Beneficial Owner**") will in turn be recorded on the Direct 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 or Indirect Participant through which such Beneficial Owner entered into the transaction. Transfers of ownership interests in PPNs 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 the PPNs.

No Clearing System has knowledge of the actual Beneficial Owners of the PPNs held within such Clearing System and their records will reflect only the identity of the Direct Participant to whose account such PPNs 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 PPNs held through Euroclear or Clearstream, Luxembourg to purchasers of book-entry interests in the PPNs 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.

## DESCRIPTION OF THE ISSUER

### 1. General

Aviva Investors European Secondary Infrastructure Credit SV S.A. is a securitisation undertaking (*organisme de titrisation*) subject to the Luxembourg law of 22 March 2004 on securitisation undertakings, as amended, incorporated as a *société anonyme* with limited liability. The corporate purpose of the Issuer under the benefit of the law of 22 March 2004 on securitisation, as amended from time to time (but without however exercising at any time a professional banking or credit activity), to invest in a portfolio of domestic or foreign securities or similar instruments, including but not limited to shares, warrants and equity securities, bonds, notes, rights or participations in senior or mezzanine obligations (including, but not limited to, senior and mezzanine loans) and in financial derivatives agreements and other debt instruments or securities, trade receivables or other forms of claims, obligations (including but not limited to synthetic securities obligations) and to enter into any agreements relating to the acquisition of such domestic or foreign securities or similar instruments. The Issuer may dispose in any form and by any means, whether directly or indirectly, of any part or the totality of such portfolio (in accordance with the transaction documents or agreements entered into by the Issuer) and may grant pledges, guarantees or other security interests of any kind under any law to Luxembourg or foreign entities. The Issuer may further issue securities of any kind the value or the yield of which is limited to specific compartments, assets or risks, or whose repayment is subject to the repayment of other instruments, certain claims or certain categories of shares.

The Issuer may also:

- (a) raise funds through, including, but not limited to, the issue of bonds, notes, subordinated notes and other debt instruments or debt securities, the use of financial derivatives or otherwise and obtain loans or any other form of credit facility;
- (b) enter into any kind of credit derivative agreements such as, but not limited to, swap agreements under which the Issuer may provide credit protection to the swap counterparty;
- (c) grant security for funds raised, including bonds, obligations and notes issued, and for indemnities given by the Issuer; and
- (d) enter into all necessary agreements, including, but not limited to underwriting agreements, marketing agreements, management agreements, advisory agreements, administration agreements and other contracts for services, selling agreements, interest and/or currency exchange agreements and other financial derivative agreements, bank and cash administration agreements, liquidity facility agreements, credit insurance agreements and any agreements creating any kind of security interest.

In addition to the foregoing, the Issuer can perform all legal, commercial, technical and financial investments or operation and in general, all transactions which are necessary or useful to fulfill its objects as well as all operations connected directly or indirectly to facilitating the accomplishment of its purpose in all areas described above.

The Issuer was incorporated on 5 November 2012, in Luxembourg. The Issuer's registered office is 2, Boulevard Konrad Adenauer, L-1115 Luxembourg. It has been registered with the *Registre de Commerce et des Sociétés* of Luxembourg under the number B-173397. The directors of the Issuer are (i) Heike Kubica, (ii) Eric-Jan van de Laar, (iii) Emmanuel Babinet, and (iv) Mark Phillips (the "**Directors**"). The principal function of the Directors consists of managing the Issuer. The Directors may be contacted at the office of the Issuer.

The business address and designation(s) held by each Director are set out below:

	Business Address	Designations
Heike Kubica	2, boulevard Konrad Adenauer, L-1115 Luxembourg	Class A Director of Aviva Investors European Secondary Infrastructure Credit SV S.A.  Employee of Deutsche Bank

		Luxembourg S.A.
Eric-Jan van de Laar	2, boulevard Konrad Adenauer, L-1115 Luxembourg	Class A Director of Aviva Investors European Secondary Infrastructure Credit SV S.A.  Employee of Deutsche Bank Luxembourg S.A.
Emmanuel Babinet	5, Rue Lafontaine, F-78400 Chatou	Class B Director of Aviva Investors European Secondary Infrastructure Credit SV S.A.  CEO of Aviva Investors Luxembourg S.A.
Mark Phillips	2, rue du Fort Bourbon, L-1249 Luxembourg	Class B Director of Aviva Investors European Secondary Infrastructure Credit SV S.A.  Managing Director of Aviva Investors Luxembourg S.A.

Except for the Directors (constituting a board of Directors), the Issuer will have no administrative, management and supervisory bodies. The Issuer is required to deposit its annual financial statements with the *Registre de Commerce et des Sociétés of Luxembourg*.

## 2. Dutch Foundation

As of the date of this Prospectus and on the Issue Date, the share capital of the Issuer will consist of 31,000 ordinary voting shares, €1 par value per share (the "**Issuer Shares**"). All of the Issuer Shares are, or will be held on the date of this Prospectus and on the Issue Date by Stichting European Secondary Infrastructure Credit (the "**Stichting**"), as reflected in the structure diagram set out below. The Issuer will not have any material assets other than the Portfolio and certain other eligible assets. The Debt Investments and substantially all of such other eligible assets will be pledged or charged or subject to other security (as applicable) to the Trustee as security for the Issuer's obligations under the PPNs and the Trust Deed.

## 3. Capitalisation of the Issuer

The Issuer's initial proposed capitalisation and indebtedness as of the Issue Date, adjusted for the issue of the PPNs on the Issue Date and the Issuer Shares (before deducting expenses of the offering) is set forth below:

	<u>Amount</u>
<b>Share Capital</b>	
31,000	€31,000
<b>Loan Capital</b>	
PPNs	<u>€ 109,765,612</u>
<b>Total Capitalisation</b>	€109,796,612

Save as disclosed above, the Issuer has no loan capital outstanding, has not created shares which have not been allotted and has no term loans and no other borrowings or indebtedness in the nature of borrowings nor any contingent liabilities or guarantees.

#### 4. **Issuer Account**

The Issuer maintains a bank account in Luxembourg which will contain no more than an aggregate amount attributable to (i) the issue and allotment of the Issuer Shares, (ii) such amounts as are necessary for the Issuer to pay Luxembourg taxes not covered in Condition 4.2(a)(ii) (*Application of Interest Proceeds*), (iii) such amounts as are necessary to cover Luxembourg operational costs and (iv) interest earned on the foregoing amounts. The Issuer Account and amounts on deposit therein will not form part of the Collateral.

The PPNs are not obligations of the Trustee, the Collateral Administrator, the Investment Manager, the Administrator, the Directors or any officers of the Issuer or any of their respective Affiliates.

#### 5. **Business of the Issuer**

The Issuer has been established as a special purpose vehicle for the sole purpose of issuing PPNs and acquiring the Collateral and engaging in certain related transactions. The Issuer will not have any subsidiaries. The telephone number of the Issuer is +352 421 22 462.

#### 6. **Administrator**

Deutsche Bank Luxembourg S.A. (the "**Administrator**"), a Luxembourg company, will act as the administrator of the Issuer. Through this office and pursuant to the terms of an agreement between the Administrator and the Issuer (the "**Administration Agreement**"), the Administrator will perform various management functions on behalf of the Issuer, including communications with shareholders and the general public, and the provision of certain clerical, administrative and other services in Luxembourg until termination of the Administration Agreement. In consideration of the foregoing, the Administrator will receive various fees and other charges payable by the Issuer at rates agreed upon from time to time plus expenses.

The Administration Agreement may be terminated by either the Issuer or the Administrator upon 45 days' written notice, in which case a replacement administrator will be appointed. The Administrator's principal office is at 2, Boulevard Konrad Adenauer, L-1115 Luxembourg.

## DESCRIPTION OF THE PORTFOLIO

*Terms used and not otherwise defined herein shall have the meaning given to them in Condition 1 (Definitions) of the Conditions of the PPNs.*

### Acquisition of the Debt Investments

The Investment Manager will select and recommend for investment by the Issuer a portfolio of Debt Investments, and it is expected that the Portfolio will be acquired from several different financial institutions. Each Debt Investment included in the Portfolio will, as at the time of entering into the binding commitment, satisfy the Eligibility Criteria set out below and each Debt Investment will, at the time the Issuer enters into a binding commitment to acquire such Debt Investment, have characteristics to generate funds to enable the Issuer to satisfy its payment obligations under the Notes. It is expected that the loan to value (expressed as a ratio) as at the First Purchase Date will be (a) the value of the acquired Debt Investments as at the First Purchase Date to (b) the Drawn Amount of the PPNs as at the First Purchase Date, adjusted to take into account any discount to the purchase price of the Debt Investments. No return on, and repayment of principal and/or interest on the Notes are linked to the performance or credit of assets which are not assets of the Issuer. The purchase of any Debt Investment shall not exceed the aggregate Undrawn Amount.

If the Eligibility Criteria are no longer satisfied in respect of any Debt Investment (i) on any date subsequent to the date on which the Issuer enters into a binding commitment to acquire such Debt Investment and (ii) in relation to paragraph (I) of the Eligibility Criteria only, at any time; or if the Portfolio Profile Tests (or any of them) are no longer satisfied at the end of the Investment Period in respect of the Portfolio, there shall be no obligation on the Investment Manager to take any action to bring the Portfolio into compliance with the Eligibility Criteria (in respect of each Debt Investment individually), or the Portfolio Profile Tests (in respect of the Portfolio as a whole).

### Eligibility Criteria

Each Debt Investment shall, as at the time of the Issuer entering into a binding commitment to acquire such obligation, be required to satisfy each of the Eligibility Criteria set out below (collectively, the "**Eligibility Criteria**"):

- (a) it is a Debt Investment denominated in euros;
- (b) it is issued or incurred by a special purpose project company or corporate entity (directly or indirectly) engaged primarily in the provision or ownership of essential infrastructure assets operating in one of the Eligible Sectors or it is an assignment, novation or sub-participation of a Debt Investment issued or incurred by a special purpose project company or corporate entity (directly or indirectly) engaged primarily in the provision or ownership of essential infrastructure assets operating in one of the Eligible Sectors;
- (c) it is capable of being sold, novated or assigned to the Issuer without any breach of applicable selling or transfer restrictions or of any legal or contractual provisions and all rights in relation thereto and the security (or the commercial benefit thereof) in relation therewith can be transferred to the Issuer and all necessary actions or conditions have been or, unless, if some of such actions or conditions are not satisfied at the time the commitment to acquire such obligation is entered into, such actions or conditions are a condition precedent to transfer under such commitment to acquire, will have been, carried out in order for the above mentioned sale, novation or assignment to be perfected;
- (d) it is not a Debt Investment where the Obligor is undertaking a significant construction programme (and where the repayment of the loan is directly dependent on the completion of such significant construction programme) in sectors which are not Eligible Construction Risk Sectors;
- (e) it is not a Debt Investment where the Obligor is undertaking a significant construction programme (and where the repayment of the loan is directly dependent on the completion of such significant construction programme) unless the Investment Manager has obtained a technical report issued in the previous 6 months confirming either (i) that such programme is substantially on time and on budget or (ii) that any expected delay and/or cost overrun is not

expected to result in a default under the Debt Investment's finance documentation or to significantly impact the Obligor's ability to comply with its payment obligations under such documentation;

- (f) if it is a Participation, it is a Participation where (i) the Selling Institution's Long Term Rating is A by S&P, A2 by Moody's or A by Fitch and (ii) the Issuer has retained voting rights in respect of any amendments, consents or waivers required in respect of any amendments to the underlying documentation;
- (g) the Obligor is not significantly dependent for the repayment of the loan on the price of a commodity (such as power, gas or oil). In particular, with regards to renewable assets, the revenue to the Obligor will be substantially backed by either feed-in tariffs or off-take contracts;
- (h) the Obligor is not significantly dependent for the repayment of the loan on the volume of traffic or patronage unless such Obligor has an operating track record on a substantial portion of the assets;
- (i) upon acquisition by the Issuer of a Debt Investment forming part of the Portfolio, both (i) the Debt Investment is capable of being, and will be, the subject of a first fixed charge or first priority security interest or other arrangement having similar commercial effect in favour of the Trustee for the benefit of the Secured Parties pursuant to the Trust Deed (or any deed or document supplemental thereto) and (ii) (subject to (i) above) following notification by the Issuer (or the Investment Manager on behalf of the Issuer) to the Trustee that any such Debt Investment is a bond that is not held through Euroclear, the Issuer shall have taken such action as the Trustee may require to create and perfect such security interest;
- (j) it has a Stated Maturity that is not later than the Maturity Date of the Notes;
- (k) the majority of the Obligors' revenues shall be directly or indirectly derived from persons or entities based in EEA and/or the EFTA member countries with a Long Term Rating equal to or higher than the Minimum Long Term Rating;
- (l) it, when considered in aggregate with other Debt Investments in the Portfolio invested in obligations of the same Obligor, does not exceed 10 per cent. of the aggregate Note Commitment of all Noteholders;
- (m) it, when considered in aggregate with other Debt Investments in the Portfolio where Obligors continue to undertake a significant construction programme (and where the repayment of the loan is directly dependent on the completion of such significant construction programme), does not exceed 25 per cent. of the aggregate Note Commitment of all Noteholders; and
- (n) if it is a Delayed Drawdown Debt Investment or a Revolving Debt Investment, (i) it, when considered with other Delayed Drawdown Debt Investments and Revolving Debt Investments, does not exceed 10 per cent. of the aggregate Note Commitment of all Noteholders and (ii) it shall rank at least *pari passu* with the Obligor's other loan or debt obligations (except for obligations that are mandatorily preferred by laws of general application to companies).

In addition, the Debt Investments shall also comply at all times with paragraph (l) of the Eligibility Criteria.

The loan agreements constituting the Portfolio will be governed by the law of a jurisdiction in the EEA. The subsequent failure of any Debt Investment to satisfy (with the exception of paragraph (l) of the Eligibility Criteria) any of the Eligibility Criteria shall not prevent any obligation which would otherwise be a Debt Investment from being a Debt Investment so long as such obligation satisfied the Eligibility Criteria as at the later of the Issue Date and the entry by the Issuer into a binding commitment to purchase such obligation. The Issuer shall ensure that the Debt Investments comply at all times with paragraph (l) of the Eligibility Criteria.

**"Assignment"** means an interest in a loan acquired directly by way of novation or assignment.

**"EEA"** means the European Economic Area, the countries of which comprise the EU Member States.

"**Eligible Construction Risk Sectors**" means the following sectors as set out in the table below:

**Eligible Construction Risk Sectors**

**Transportation**

Road	Yes
Rail	No
Light Rail	No
Port	No
Airport	No
Urban Transport	Yes
Rolling stock	Yes

**Social Infrastructure**

Healthcare	Yes
Education (including student accommodation)	Yes
Other Government Building (including judiciary, military & offices)	Yes

**Utilities**

Gas Transmission and Distribution	Yes
Electricity Transmission and Distribution	Yes
Water (including Wastewater)	Yes
Oil and Gas Storage	No
LNG (unloading/regasification terminals)	No
Telecom Transmission	Yes
Waste	No

**Renewables**

Wind Farms	No
Solar	No

**Power**

Thermal Power Generation	No
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"**Eligible Sectors**" means the following sectors set out in the table below:

**Eligible Sectors**

**Transportation**

Road
Rail
Light Rail
Port
Airport
Urban Transport
Rolling stock

**Social Infrastructure**

Healthcare
Education (including student accommodation)
Other Government Building (including judiciary, military & offices)

**Utilities**

Gas Transmission and Distribution
Electricity Transmission and Distribution
Water (including Wastewater)
Oil and Gas Storage
Telecom Transmission
Waste
LNG (unloading/regasification terminals)

**Renewables**

Wind Farms
Solar

**Power**

Thermal Power Generation
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"**EFTA**" means the European Free Trade Association countries of which comprise Iceland, Liechtenstein, Norway and Switzerland.

**"Minimum Long Term Rating"** means a rating of Baa2 from Moody's, BBB from S&P or BBB from Fitch.

**"Participation"** means an interest in relation to a Debt Investment acquired indirectly by the Issuer by way of a sub-participation.

**"Selling Institution"** means an institution from which an interest in a Debt Investment is acquired either directly (by way of novation or assignment) or indirectly (by way of sub-participation).

## **Portfolio Profile Tests**

### ***Measurement of Tests***

The Portfolio Profile Tests must be satisfied at the end of the Investment Period.

The Collateral Administrator will measure the Portfolio Profile Tests at the end of the Investment Period and will record such calculations in the Monthly Report immediately succeeding the end of the Investment Period.

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 Debt Investment from being a Debt Investment.

### ***Portfolio Profile Tests***

The Portfolio Profile Tests will consist of the following (the **"Portfolio Profile Tests"**):

- (i) not more than 25 per cent of the aggregate of Drawn Amounts of all Noteholders shall be invested in Debt Investments with Obligors located in Italy and/or Spain;
- (ii) not more than 20 per cent of the aggregate of Drawn Amounts of all Noteholders shall be invested in Participations;
- (iii) not more than 20 per cent of the aggregate of Drawn Amounts of all Noteholders shall be invested in renewable sector Debt Investments which have been identified as such by the Investment Manager; and
- (iv) the Portfolio Weighted Average Life shall be no more than twelve (12) years. For these purposes, **"Portfolio Weighted Average Life"** of the Debt Investments as at the end of the Investment Period shall be expressed as a number of years and calculated by (i) summing the products obtained by multiplying (a) the scheduled payments of each Debt Investment (excluding any defaulted Debt Investments) that is then held by the Issuer and that is intended to mature or amortise in accordance with the amortisation schedule of the relevant Debt Investment by (b) the number of years from the end of the Investment Period to the payment date set out in the amortisation schedule which corresponds to the relevant scheduled payment set out in sub-paragraph (a) above and (ii) dividing such sum by the aggregate principal balance of all Debt Investments (excluding defaulted Debt Investments).

## **Management of the Portfolio**

### ***Issuer's Agents***

Pursuant to the Investment Management Agreement, the Collateral Administrator is required to collect payments in respect of the Portfolio and perform certain calculations and other administrative functions in relation to the Portfolio on behalf of the Issuer. Pursuant to the Investment Management Agreement, the Issuer has appointed the Investment Manager to, amongst other things: (i) make recommendations to it in respect of any acquisition, disposal, Material Restructuring (which, for the avoidance of doubt, includes insolvency work-outs and managing the costs of work-outs) of any Debt Investments or the Restructuring Option; and (ii) perform the day to day management of the Portfolio, including but not limited to, (a) responding to Obligors' and agents' requests, (b) obtaining consents and waivers, (c) monitoring the performance of the Obligors and monitoring covenant compliance and defaults in the Portfolio, (d) reporting to the Noteholders on the performance of the Portfolio and (e) carrying out

negotiations in respect of the Portfolio, as described in greater detail below under "*Description of the Investment Management Agreement*".

For purposes of this paragraph "**Material Restructuring**" means any reduction, or rescheduling of the interest or principal of a debt investment, or release of security, which results, or is expected to result, in a loss of value of the collateral affected by such reduction, rescheduling or release of security of more than 2%. For this purpose, the value of the collateral will be defined as the net present value of future payments discounted at the original interest rate pre-restructuring.

### ***Sale of Debt Investments***

#### ***Terms and Conditions applicable to the Sale of Debt Investments***

Debt Investments may be sold at any time upon the recommendation of the Investment Manager in the following circumstances only:

- (i) to the Investment Manager's knowledge, no Event of Default having occurred which is continuing; and
- (ii) the Investment Manager believes that such sale is in the best interests of the Noteholders.

The Investment Manager intends to recommend the sale of Debt Investments only as a last resort and after work-outs and restructuring methods have been fully exhausted.

### ***Reinvestment of Debt Investments***

During the Investment Period, the Investment Manager may, at its discretion, recommend to the Issuer to reinvest Principal Proceeds in the purchase of new Debt Investments satisfying the Eligibility Criteria provided that immediately after each such purchase to the Investment Manager's knowledge, no Event of Default has occurred that is continuing at the time of such purchase.

### ***Liquidation of Collateral***

#### ***Sale of Debt Investments Process***

In connection with the sale of all or a portion of the Portfolio, the Investment Manager may recommend a sale and/or transfer of assets and liabilities at prices determined by the Investment Manager, acting in a commercially reasonable manner, including, but not limited to, by reference to a private or public bid process pursuant to which the Investment Manager will solicit for bids from at least 2 bidders.

### ***Liquidation in Whole***

In the event of an optional redemption of the Notes in whole, the Investment Manager shall:

- (i) make recommendations to the Issuer in respect of and as far as practicable, facilitate the liquidation of the Portfolio and any other Collateral, in accordance with Condition 7.2 (*Redemption at the Option of the Noteholders*) subject to any limitations or restrictions set out in the Note Conditions and the Note Trust Deeds in order to procure that the proceeds thereof are in immediately available funds by one Business Day prior to the applicable scheduled Redemption Date; and
- (ii) in accordance with terms set out in the Investment Management Agreement, use commercially reasonable efforts to procure the sale, assignment, termination and/or other disposal of the Portfolio so that the proceeds thereof are in immediately available funds not later than one Business Day prior to such scheduled Redemption Date. The settlement dates for any such sales of Debt Investments shall be no later than one Business Day prior to the applicable scheduled Redemption Date.

### ***Highest Available Price***

The Investment Manager shall only recommend a sale of any asset or group of assets together forming part of the Portfolio at a price which it believes to be reasonably close to the highest fully actionable price for such asset or group of assets together.

### ***Role of Investment Manager***

In connection with the liquidation of the Portfolio the Investment Manager shall act solely for the Issuer and will not be responsible to any other person (including Noteholders) for the provision of such service. The Investment Manager shall have no duties (including any fiduciary duties) or responsibilities to the Noteholders or the Trustee and no fiduciary duties to the Issuer. In connection with the sale of all or a portion of the Portfolio (including, without limitation, pursuant to one or more binding agreements as described below), the Investment Manager may recommend a sale and/or transfer of assets and liabilities at prices determined by the Investment Manager, acting in a commercially reasonable manner, including, but not limited to, by reference to a private or public bid process pursuant to which the Investment Manager will solicit for bids from at least 2 bidders. The Investment Manager shall have no liability to the Issuer, the Trustee, the Secured Parties or any other person for determining prices in such manner.

### ***Liquidation of Collateral upon Enforcement of Security***

Upon receipt of notification from the Trustee of the enforcement of security over the Collateral, the Investment Manager will act as directed to act for the Trustee pursuant to clause 5.3 (*Investment Manager to act for Trustee*) of the Investment Management Agreement acting in accordance with clause 12 of the Trust Deed (*Enforcement of Security*) and Condition 11 (*Enforcement*).

### ***Block Trades***

The requirements described in this Prospectus with respect to the Portfolio shall be deemed to be satisfied upon any sale and/or purchase of Debt Investments on any day in the event that such Debt Investments satisfy such requirements in aggregate rather than on an individual basis.

### ***Eligible Investments***

The Issuer or the Investment Manager may from time to time purchase Eligible Investments out of the balances standing to the credit of the Accounts, other than the Payment Account. For the avoidance of doubt, Eligible Investments may be sold by the Issuer or the Investment Manager at any time.

### ***Participations***

The Investment Manager may recommend from time to time that the Issuer acquire Debt Investments from Selling Institutions by way of Participation, provided that at such time such Participation satisfies the minimum rating requirement in respect of the Selling Institution as set out in Eligibility Criteria (e) above and subject, at the end of the Investment Period, to satisfaction of Portfolio Profile Test (ii).

### ***Assignments***

The Investment Manager may recommend from time to time that the Issuer acquire Debt Investments from Selling Institutions by way of Assignment provided that at the time such Assignment is acquired the Issuer or the Investment Manager 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 Debt Investment (including, without limitation, with respect to the form of such Assignment and obtaining the consent of any person specified in the relevant loan documentation).

### ***Projected Amortisation***

The average life of the PPNs is anticipated to be shorter than the period from the First Purchase Date to the Maturity Date. The actual average lives and actual maturities of the PPNs will be affected by the financial condition of each of the Obligor of the underlying Debt Investments and the characteristics of such loans, including the existence and frequency of exercise of any optional or mandatory redemption features, the prevailing level of interest rates, the redemption price, the actual default rate, the actual level of recoveries on any Debt Investments and the frequency of tender or exchange offers for such Debt Investments. See Risk Factor 2.7 (*Prepayment Considerations*).

***Revolving Debt Investments and Delayed Drawdown Debt Investments***

The Investment Manager (acting on behalf of the Issuer) may from time to time acquire Debt Investments which are Revolving Debt Investments or Delayed Drawdown Debt Investments.

Each Revolving Debt Investment and Delayed Drawdown Debt Investment 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 Debt Investments and Delayed Drawdown Debt Investments may or may not provide that it may be repaid and reborrowed from time to time by the Obligor thereunder. Upon acquisition of a Revolving Debt Investment or Delayed Drawdown Debt Investment, the Issuer shall at the prior written request of the Investment Manager, deposit into the Revolving Reserve Account and shall maintain from time to time in the Revolving Reserve Account amounts equal to the aggregate Unfunded Amounts under such of the Revolving Debt Investments and Delayed Drawdown Debt Investments.

To the extent required, the Investment Manager (acting on behalf of the Issuer) may direct that amounts standing to the credit of the Revolving 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 Debt Investment or a Delayed Drawdown Debt Investment or to collateralise the Issuer's obligation to fund drawings under any Delayed Drawdown Debt Investments or Revolving Debt Investments and upon receipt of an Issuer Order (as defined in the Investment Management Agreement), the Trustee shall release such amounts from the security granted thereover pursuant to the Trust Deed.

## DESCRIPTION OF THE INVESTMENT MANAGER

*The information appearing in this section has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from the information published by the Investment Manager, no facts have been omitted which would render the reproduced information inaccurate or misleading.*

### General

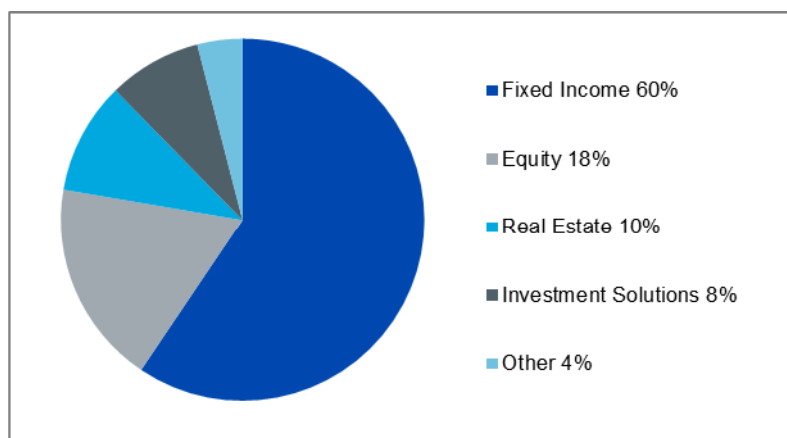
Aviva Investors Global Services Limited, a United Kingdom company authorised and regulated by the Financial Conduct Authority will be appointed pursuant to the Investment Management Agreement as the investment manager (the "**Investment Manager**") of the Issuer to, amongst other things: (i) make recommendations to it in respect of any acquisition, disposal, Material Restructuring (which, for the avoidance of doubt, includes insolvency work-outs and managing the costs of work-outs) of any Debt Investments or the Restructuring Option; and (ii) perform the day to day management of the Portfolio, including but not limited to, (a) responding to Obligors' and agents' requests, (b) obtaining consents and waivers, (c) monitoring the performance of the Obligors and monitoring covenant compliance and defaults in the Portfolio, (d) reporting to the Noteholders on the performance of the Portfolio and (e) carrying out negotiations in respect of the Portfolio.

For purposes of this paragraph "**Material Restructuring**" means any reduction, or rescheduling of the interest or principal of a debt investment, or release of security, which results, or is expected to result, in a loss of value of the collateral affected by such reduction, rescheduling or release of security of more than 2%. For this purpose, the value of the collateral will be defined as the net present value of future payments discounted at the original interest rate pre-restructuring.

### Investment Manager Profile

The Investment Manager to the Issuer will be Aviva Investors Global Services Limited ("**Aviva Investors**"). The Investment Manager was incorporated in England and Wales on 17 December 1973 and its registered office is No 1 Poultry, London EC2R 8EJ. It has an issued share capital of £95,675,000, all of which is fully paid up.

Aviva Investors<sup>1</sup> is a global asset management business, which employs over 950 people in 15 countries. Assets under management exceed £240 billion (as at 31 March 2013) across a range of real estate, equity, fixed income, money market and multi strategy funds, as shown below:



Aviva Investors is ultimately 100% owned by Aviva plc (AV. listed on LSE, FTSE 100), and is one of the three core businesses of the Aviva group, alongside general insurance and long-term savings.

### Infrastructure investment at Aviva Investors

Aviva Investors is a significant investor in infrastructure equity and debt. Recognising the ability of infrastructure investment to provide a diversified source of investment returns for long term investors,

<sup>1</sup> Aviva Investors Global Services Limited ("**AIGSL**") is a UK based company registered FCA No. 119178 at No. 1 Poultry, London EC2R 8EJ. AIGSL trades as Aviva Investors.

Aviva Investors launched a specialist infrastructure fund management capability in 2009 when Ian Berry was hired to develop and manage the investment team. Since then, the team has grown rapidly and now comprises ten full-time investment professionals, managing a range of specialist products across both infrastructure debt and equity, with investor commitments of approximately €2bn to date.

### **Management team**

Florent del Picchia is responsible for the investment management functions for and on behalf of the Issuer, under the overall responsibility of Laurence Monnier.

#### **Florent del Picchia**

Florent has responsibility for the investment management related to the Issuer. Florent joined Aviva Investors in 2012 specifically to focus on the management of European infrastructure debt portfolios and brings over 18 years experience in infrastructure finance, gained through banks and financial advisors.

Prior to joining Aviva Investors, Florent worked at Dexia Crédit Local in Paris where he was Director in the Infrastructure team and Co-Head for the PPP sector, responsible for arranging and advising on large European infrastructure loan transactions in Central and Northern Europe. Before this, Florent was Senior Manager in PricewaterhouseCoopers' Infrastructure and Project Finance practice, where he provided financial advisory services to private and public sector clients in Paris and London. Florent began his finance career as an analyst in Crédit Agricole Indosuez's Project Finance teams in Paris and Singapore.

Florent is fluent in French, English and German. He graduated as an engineer from the Ecole Nationale des Ponts et Chaussées and holds an MBA from the same school.

#### **Laurence Monnier**

Laurence is responsible for managing infrastructure debt funds at Aviva Investors and has management responsibility within Aviva Investors for the investment management related to the Issuer. Laurence has 24 years experience of infrastructure debt in EMEA. Laurence's experience includes documentation review and cash flow sensitivities, advising on suitable commercial terms to mitigate risk, rating, as well as presenting to and chairing credit and rating committees for debt transactions.

Prior to joining Aviva Investors, Laurence was head of Credit Public Sector and Infrastructure at Depfa, where she had responsibility for a EUR20 billion international portfolio of infrastructure loans covering regulated utilities, transport and PPP projects as well as renewable energy. Between 2002 and 2007 Laurence worked at Fitch where she established the European project finance rating practice, which, in addition to public ratings, assigned over 100 shadow ratings to European infrastructure loan assets. Laurence had previously worked for five years at Deutsche Bank where she was a Senior Director in the Credit Department, responsible for approval and monitoring of project finance loans in the EMEA region. Laurence started her career in at IXFI, a project finance advisory subsidiary of the CIC group.

Laurence is fluent in English and French. She holds a Masters of Business Administration from HEC, Paris and holds the Investment Management Certificate (IMC).

Laurence and Florent both have extensive experience and industry contacts which will be used in the management of the fund. They are supported by the fund management expertise of the wider team and the broader operational resources of a global asset management firm.

#### **Lorenzo Paolasini**

Lorenzo primarily supports the activities of the team in both executing new transactions and overseeing asset management activities.

Since joining the finance industry in 2007, Lorenzo has been focussing on project finance debt, initially at Bank of Ireland (2007-2011) and then at WestLB / Portigon (2011-2013).

During the course of his career, Lorenzo worked on a wide range of sectors in infrastructure (healthcare, transportation, accommodation and waste) and energy (renewables, oil & gas and power). He has experience of all stages of project finance transactions, from origination and structuring to execution and portfolio management. Lorenzo has also been active in the management of non-performing assets.

Lorenzo holds an MSc in Finance from Durham Business School.

### **The Investment Committee**

The investment committee of the Investment Manager (the "**Investment Committee**") is responsible for approving recommendations received from the Investment Manager prior to the Investment Manager making such recommendation to the Issuer regarding:

- the acquisition of Debt Investments
- the Material Restructuring of Debt Investment
- the sale of Debt Investments
- the Restructuring Option
- opining on any other matters as requested by the Investment Manager.

The approval of such recommendations will only be permitted by unanimous vote of the Investment Committee's members. The Investment Committee will comprise four members. The quorum for an Investment Committee meeting shall be three members. The Investment Committee will meet as necessary in relation to its responsibilities and will initially consist of the following members:

- Laurence Monnier
- Florent del Picchia
- Ian Berry
- Olivier Riottot
- Pierre Coindreau

Should any member of the Investment Committee cease to be employed by the Investment Manager and/or its affiliates, the Investment Manager shall notify the Issuer (with a copy to the Trustee) to seek to appoint a suitable replacement or successor with similar experience.

Any additional or replacement members of the Investment Committee shall be proposed by the Investment Manager and/or its affiliates and appointed by the Issuer, subject to the consent of the Noteholders (other than the holders of Substitute PPNs) acting as a single class by way of Ordinary Resolution during the Investment Period only. Noteholders' approval of the replacement Investment Committee member will not be required after the Investment Period.

### **Ian Berry**

Ian is responsible for the development and management of Aviva Investors infrastructure fund management business. Ian is also the lead manager of Aviva Investors renewable energy and unleveraged equity infrastructure strategies. Ian is a member of the Investment Committee for the Aviva investors European Secondary Infrastructure Credit SV.

Ian has been with Aviva Investors since 2009 and has over 17 years' experience in infrastructure finance. Prior to joining Aviva Investors, Ian worked at BlueCrest Capital where he was an Investment Director investing in Renewable Energy Infrastructure. Prior to this Ian worked at Ambac Assurance as Vice President, European Structured Finance. Ian began his finance career at Deutsche Bank in Project Finance, advising on project finance loan transactions.

Ian holds an MEng in Engineering, Economics and Management from St Peter's College, Oxford. Ian holds the Investment Management Certificate (IMC).

#### **Olivier Riottot**

Olivier Riottot is the Head of Credit Research at Aviva Investors France, and is a member of the investment committee which approves the investment proposals presented to the Issuer.

Olivier has been with Aviva Investors since 2007, and has 27 years experience in fixed income, including 12 years in fixed income research. Olivier started his career at NSM bank as a junior bond manager. In 1988, he became a broker in equity and rate products, first at Tuffier Ravier Py and then at Finance Intermediation. Olivier joined Natexis in 1999 initially in fixed income sales and then, from 2000, as a sell-side research analyst. In 2007, Olivier joined Aviva Gestion d'Actifs (now Aviva Investors France) as a buy-side analyst, and he now has responsibility for the research team. Olivier has a particular focus on non-financial institutions including energy, construction, equipment, healthcare, technology, telecom and services, as well as local authorities.

Olivier holds a Masters of Business Administration from HEC, Paris.

#### **Pierre Coindreau**

Pierre Coindreau is an independent consultant, and an administrator and member of the investment committee at Meridiam Infrastructure.

Pierre previously worked at PriceWaterhouseCoopers in Corporate Finance for 9 years, and before that spent 15 years at BNP Paribas / Banque Nationale de Paris. Pierre brings considerable experience to the investment committee given his experience including a total of over 20 years in banking and finance, and before that 15 years working in the construction sector.

Pierre has a degree in Civil Engineering from the Ecole Nationale des Ponts & Chaussees, and also holds a Masters of Business Administration from INSEAD, Paris.

## DESCRIPTION OF THE INVESTMENT MANAGEMENT AGREEMENT

The investment advisory and management functions described in this Prospectus will be performed by the Investment Manager pursuant to authority granted to the Investment Manager by the Issuer under the Investment Management Agreement, subject to the Issuer monitoring the performance of the Investment Manager. The Investment Management Agreement contains procedures whereby any acquisition, disposal, reinvestment and management of the Portfolio will be subject to a calculation, in respect of certain matters and confirmation in respect thereof being given by the Collateral Administrator. Pursuant to the Investment Management Agreement, the Issuer has appointed and, where applicable, has authorised the Investment Manager to, amongst other things: (i) make recommendations to it in respect of any acquisition, disposal or restructuring (which, for the avoidance of doubt, includes insolvency work-outs and managing the costs of work-outs) of any Debt Investments and in respect of the Restructuring Option and (ii) perform the day to day management of the Portfolio, including but not limited to, (a) responding to Obligors' and agents' requests, (b) obtaining consents and waivers, (c) monitoring the performance of the Obligors and monitoring covenant compliance and defaults in the Portfolio, (d) reporting to the Noteholders on the performance of the Portfolio and (e) carrying out negotiations in respect of the Portfolio.

Subject to the provisions of the Investment Management Agreement, the Investment Manager has agreed to perform the investment advisory and management and related functions described in this Prospectus.

### **Fees**

The Investment Manager will receive a fee comprising the Investment Management Fee payable in arrear on each Payment Date in accordance with the Priorities of Payments.

The Investment Management Fee is equal to the greater of (a) 0.35 per cent. per annum (calculated on the basis of a 360-day year and the actual number of days elapsed in such Due Period) of the aggregate Drawn Amount of the Notes (in respect of the Substitute PPNs, without reduction on account of the Substitute PPN Haircut Percentage) less the aggregate of any Impairment Amounts as at the first Business Day of the Due Period preceding the applicable Payment Date (as notified by the Investment Manager to the Collateral Administrator) and (b) the product of (i) €150,000 and (ii) the fraction, expressed as a percentage, the numerator of which is the number of days elapsed in such Due Period and the denominator of which is 360 (together with any VAT chargeable in respect thereof), payable in arrear on each Payment Date in accordance with the Priorities of Payments together with any value added tax in respect thereof whether payable to the Investment Manager or directly to the relevant taxing authority.

### **Termination and Resignation**

#### ***Removal for Tax Reasons***

The Investment Manager may be removed by the Issuer at its own discretion or as directed by the Noteholders (other than the holders of Substitute PPNs) acting as a single class by Ordinary Resolution if at any time the appointment or activities of the Investment Manager under the Investment Management Agreement and/or the activities of an agent appointed by the Investment Manager pursuant to the Investment Management Agreement constitutes a UK permanent establishment of the Issuer for UK tax purposes and thereby causes the Issuer to become subject to UK corporation tax on profits of trading activities carried on by the Issuer that are attributable to that permanent establishment or in the reasonable opinion of the Issuer or the Trustee is likely to give rise to such tax (in each case a "**Tax Termination Event**"), provided that no such removal will be effective until a substitute Investment Manager is appointed.

#### ***Removal for Cause***

The Investment Manager may be removed for Cause upon ten days' prior written notice by the Trustee, at the direction of the Noteholders, acting as a single class by Extraordinary Resolution (excluding any Notes held by the Investment Manager or its Affiliates), provided that notice of such removal shall have been given to the Noteholders by the Issuer in accordance with the Investment Management Agreement. For the purposes of the Investment Management Agreement, "**Cause**" means:

- (a) the Investment Manager wilfully breaches, or wilfully takes any action which it knows violates in any material respect, any provision of the Investment Management Agreement, a Note Trust Deed or any other Note Transaction Document to which it is a party, as are applicable to it;
- (b) the Investment Manager breaches in any material respect any provision of the Investment Management Agreement, a Note Trust Deed or any other Note Transaction Document to which it is a party, as are applicable to it (other than as specified in paragraph (a) above) and where the Investment Manager fails to cure such breach within 30 days after the earlier of (i) the Investment Manager becoming aware of, or (ii) the Investment Manager receiving notice from the Issuer or the Trustee of, such breach or, if such breach is not capable of cure within 30 days, the Investment Manager fails to cure such breach within the period in which a reasonably diligent person could cure such breach (in no event more than 90 days);
- (c) the failure of any representation, warranty, certification or statement made or delivered by the Investment Manager, in or pursuant to the Investment Management Agreement, a Note Trust Deed or any other Note Transaction Document to which it is a party to be correct in any material respect when made and such failure (x) has a material adverse effect on the Issuer or is, in the determination of the Trustee, materially prejudicial to the interests of the Noteholders and (y) no correction is made for a period of 30 days after the Investment Manager becoming aware of, or its receipt of notice from the Issuer or the Trustee of, such failure;
- (d) the Investment Manager has:
  - (i) an administrative receiver or a receiver appointed over the whole or any part of its assets;
  - (ii) an order made or resolution passed for its administration or winding-up (unless as part of a scheme of reconstruction or amalgamation);
  - (iii) compounded with or convenes a meeting of its creditors; or
  - (iv) allowed, permits or does anything analogous to any of the foregoing under all applicable United Kingdom statutes, rules, regulations and orders, including, without limitation, the Financial Services and Markets Act 2000 (as amended from time to time) and the FCA Rules, as replaced, amended or re-enacted from time to time;
- (e) the occurrence of any event which under the laws of any jurisdiction has a similar or analogous effect to any of those events mentioned in paragraph (d);
- (f) the occurrence of an Event of Default specified in paragraphs (a) and (b) of Condition 10.1 (*Events of Default*) of the Notes which is a direct consequence of the actions or omissions of the Investment Manager;
- (g) the occurrence of an act by the Investment Manager that constitutes fraud or criminal activity in the performance of its obligations under the Investment Management Agreement or any other Note Transaction Document to which it is a party, or its other investment management and advisory activities, or the Investment Manager being found guilty of having committed a criminal offence related to the management of investments similar in nature and character to those which comprise the Collateral;
- (h) the Investment Manager ceases to be authorised such that, as a result of such change, the Investment Manager no longer has the legal or regulatory capacity to perform its obligations as Investment Manager in accordance with the Investment Management Agreement; or
- (i) the Investment Manager, breaches any law or regulation applicable to the performance of its obligations or its provision of investment and advisory management services under the Investment Management Agreement and such breach is, in the determination of the Trustee, materially prejudicial to the interests of Noteholders and the Investment Manager fails to cure such breach within 30 days after either notice of such failure is given to the Investment Manager or the Investment Manager has actual knowledge of such breach, whichever is earlier.

If any of the events specified in paragraphs (a) to (i) above (inclusive) shall occur, the Investment Manager shall give prompt written notice thereof to the Issuer, the Trustee, the Collateral Administrator and the holders of all Outstanding Notes upon the Investment Manager becoming aware of the occurrence of such event.

***Removal without Cause***

- (a) The Investment Manager may be removed without Cause upon prior written notice given by the Trustee (with a copy to the Issuer, the Investment Manager, the Noteholders and the Collateral Administrator) in accordance with clause 33 (*Notices*) of the Investment Management Agreement, at the direction of the Noteholders acting as a single class by Unanimous Resolution (which, for the avoidance of doubt, excludes any Notes held by, for the benefit of, for the account of or on behalf of the Investment Manager but includes any Notes held by, for the benefit of, for the account of or on behalf of the Investment Manager's Affiliates).
- (b) The removal of the Investment Manager pursuant to paragraph (a) above shall only be effective if:
  - (i) the Investment Manager has been notified by the Trustee of such removal in accordance with paragraph (a) above and 10 days have elapsed since the relevant notice has been deemed to have been given, made or served in accordance with clause 33 (*Notices*) of the Investment Management Agreement;
  - (ii) a substitute Investment Manager has been appointed in accordance with the Investment Management Agreement; and
  - (iii) the Investment Manager has been paid a Termination Payment (calculated in accordance with the Investment Management Agreement) equal to the net present value of the aggregate Investment Management Fees which would have been paid to the Investment Manager during the 5 year period following the effective date of the removal of the Investment Manager pursuant to the Investment Management Agreement, but for such removal without Cause. The net present value of the aggregate Investment Management Fees shall, for the purposes of clause 14.4(b) of the Investment Management Agreement, be calculated using a 5 per cent. discount rate and be based on the amortisation profile of the Portfolio as recorded in the Collateral Database and the Termination Payment shall be paid in accordance with Condition 4.2(a)(v) of the Pre-Enforcement Priority of Payments or Condition 11.2(c)(C) of the Post-Acceleration Priority of Payments, as the case may be. The Termination Payment shall be due and payable on the date on which the removal of the Investment Manager shall, but for the payment of the Termination Payment pursuant to clause 14.4(b)(ii)(C) of the Investment Management Agreement, otherwise be effective.

***Notes held by Investment Manager***

- (a) Any Notes held by, for the benefit of, for the account of or on behalf of the Investment Manager and/or its Affiliates or by accounts over which any of them exercise discretionary voting authority will have no voting rights with respect to any vote (or written direction or consent) in connection with the removal of the Investment Manager and will be deemed not to be Outstanding in connection with any such vote, written direction or consent, provided that in the case of a termination of the Investment Manager without Cause as disclosed under the section "*Removal without Cause*" and the appointment of a substitute Investment Manager following a termination of the Investment Manager without Cause, any Notes held by the Investment Manager's Affiliates will have, subject to the qualifications set out in the Investment Management Agreement, voting rights (including in respect of written directions and consents) with respect to such termination and appointment, and provided further that any Notes held by the Investment Manager and/or its Affiliates will have voting rights (including in respect of written directions and consents) with respect to, subject to paragraph (b) below, the appointment or replacement of the Investment Manager and all other matters as to which Noteholders are entitled to vote in accordance with the Investment Management Agreement.

- (b) Where the appointment of the Investment Manager is terminated under the Investment Management Agreement and the proposed replacement Investment Manager is an Affiliate of the Investment Manager, any Notes held by or on behalf of the Investment Manager and/or its Affiliates or by accounts over which any of them exercise discretionary voting authority will have no voting rights and be deemed not to be Outstanding for the purposes of any vote to appoint a replacement Investment Manager.

#### ***Automatic Termination of the Investment Management Agreement***

The Investment Management Agreement will automatically terminate upon the earlier to occur of (a) the payment in full of the Notes and the termination of the Note Trust Deeds in accordance with its terms and (b) the liquidation of the Collateral and the final distribution of the proceeds of such liquidation as provided in the Note Trust Deeds.

#### ***Termination at Election of the Investment Manager***

The Investment Manager may terminate the Investment Management Agreement by giving ten days' written notice to the Issuer (with a copy to each of the Trustee and the Collateral Administrator) on occurrence of a Basic Termination Event in respect of the Issuer (as defined in the Investment Management Agreement).

#### ***Resignation***

The Investment Manager may resign upon 45 days' (or such shorter notice period as is acceptable to the Issuer) prior written notice to the Issuer (with a copy to each of the Trustee and the Collateral Administrator).

#### ***Substitute Investment Manager***

Notwithstanding any of the foregoing, no termination, resignation or removal of the Investment Manager under the Investment Management Agreement will be effective:

- (a) unless an Eligible Successor (as defined below) has agreed in writing to assume all of the Investment Manager's duties and obligations under all the relevant Note Transaction Documents and such assumption has become effective;
- (b) if the appointment of the Eligible Successor causes the Issuer or the Portfolio to be required to register under the provisions of the Investment Company Act; or
- (c) if such Eligible Successor will cause the Issuer to be resident in, or have a permanent establishment in, any jurisdiction other than Luxembourg, or deemed to be, resident for tax purposes, or have a permanent establishment in, or be engaged or deemed to be engaged, in the conduct of a trade or business in any jurisdiction other than Luxembourg.

An "**Eligible Successor**" means an established institution:

- (a) which has demonstrated an ability to professionally and competently perform duties similar to those imposed upon the Investment Manager and with a substantially similar (or better) level of expertise;
- (b) which is legally qualified and has the capacity to act as the Investment Manager under the Investment Management Agreement, as successor to the Investment Manager in the assumption of all of the responsibilities, duties and obligations of the Investment Manager thereunder; and
- (c) which will perform its duties under the Investment Management Agreement without causing adverse tax consequences to the Issuer or the holders of any Notes,

paragraphs (a) to (c) (inclusive) constituting the "**Substitute Criteria**".

The Issuer shall only appoint a substitute Investment Manager, and such appointment shall only be effective if, in the case of a termination of the Investment Manager without Cause, the Noteholders

acting as a single class by Extraordinary Resolution (which, for the avoidance of doubt, excludes any Notes held by the Investment Manager but (with the exception of the proposed appointment of a replacement Investment Manager which is an Affiliate of the Investment Manager) includes any Notes held by, for the benefit of, for the account of or on behalf of the Investment Manager's Affiliates) direct the Issuer to appoint that substitute Investment Manager (the Issuer shall be deemed to consent to such appointment upon receiving such direction from such Noteholders acting as a single class by Extraordinary Resolution) and in all other cases, the Issuer shall only appoint a substitute Investment Manager that satisfies the Substitute Criteria and is approved by the Noteholders acting as a single class by Extraordinary Resolution.

Any Notes held by or on behalf of the Investment Manager and its Affiliates or by accounts over which any of them exercise discretionary voting authority will have no voting rights with respect to any vote (or written direction or consent) in connection with the removal of the Investment Manager and will be deemed not to be Outstanding in connection with any such vote.

The Investment Management Fee may be adjusted by the Issuer (with the consent of an Extraordinary Resolution of the Noteholders acting as a single class in the event of a replacement or substitute Investment Manager being appointed).

#### ***Delegation by Investment Manager***

The Investment Manager may perform any and all of its duties and exercise its rights and powers by or through any one or more agents, including any of its Affiliates, selected by the Investment Manager in accordance with the standard of care to which it is subject under the Investment Management Agreement, subject to (i) the Investment Manager ensuring that any such agent is subject to no less a standard of care, (ii) the Investment Manager complying with its standard of care in the selection of its delegates or agents, (iii) the agreement of any such agent or delegate to be bound by the "limited recourse" and the "non-petition" provisions of the Investment Management Agreement as if it were a party thereto, (iv) where necessary, such agent or delegate having the regulatory capacity as a matter of UK law, Luxembourg law, or any other applicable law to render such delegated services to the Issuer, and (v) would not cause the Issuer to be liable for any additional tax including any withholding tax or VAT on any payments or supplies under the Investment Management Agreement or any Note Transaction Documents.

#### ***Amendments Affecting the Investment Manager***

The Issuer has agreed in the Investment Management Agreement that it will not permit any amendment to the Notes or the Note Trust Deeds that affects the obligation of the Investment Manager under the Investment Management Agreement to become effective unless the Investment Manager has been given prior written notice of such amendment and has consented thereto in writing.

#### ***Assignment or Transfer by the Investment Manager***

The Investment Manager may not assign or transfer any of its rights and obligations under the Investment Management Agreement unless (i) such assignment or transfer is consented to in writing by the Issuer and by the Noteholders acting as a single class by Extraordinary Resolution, (ii) such assignee or transferee satisfies the Substitute Criteria, (iii) the Investment Manager will be assigning, transferring or novating the Investment Management Agreement to any of its Affiliates and has given the Issuer notice which specifies a date at least one week after the date of the notice upon which the assignment, transfer or novation, as appropriate, shall become effective, (iv) such assignment or transfer will not result in a material adverse tax event, and (v) any such assignment or transfer will bind the transferee in the same manner as the Investment Manager is bound, provided that subject to the Substitute Criteria, any corporation, partnership or limited liability company into which the Investment Manager may be merged or converted or with which it may be consolidated or which results from any merger, conversion or consolidation to which the Investment Manager may be a party or which succeeds to all or substantially all of the investment management business or the Investment Management business of the Investment Manager will be the successor to the Investment Manager without any further action by the Investment Manager.

## **Standard of Care Liability and Limits on Liability of the Investment Manager**

### ***Liability and Standard of Care of the Investment Manager***

The Investment Manager will agree in the Investment Management Agreement that it shall, subject to the terms and conditions thereof, perform its obligations thereunder honestly, fairly and professionally and in accordance with a standard of care that is reasonably expected of a professional investment manager providing similar investment advisory and management services.

### ***Limits on Liability of the Investment Manager***

The Investment Manager assumes no responsibility under the Investment Management Agreement other than to render the services called for thereunder in good faith and, subject to the standard of care described above, will not be responsible for any action or inaction of the Issuer taken, or not taken as the case may be, at the direction of the Investment Manager or any other party to the Investment Management Agreement. The Investment Manager and its affiliates will not be liable to the Issuer, the Trustee, the Noteholders, any Secured Party or any other person for any losses, claims, damages, judgements, assessments, costs, taxes, charges, demands, expenses or other liabilities (collectively, "**Losses**") incurred by the Issuer, the Trustee, the Noteholders, any Secured Party or any other person in connection with the performance or non-performance by the Investment Manager of its duties under the Investment Management Agreement, except to the extent that:

- (A) such Losses (as defined in the Investment Management Agreement) result directly from the fraud, wilful default or negligence in the performance of the obligations of the Investment Manager, its Affiliates or its or their directors, officers or employees thereunder; and
- (B) with respect to the information concerning the Investment Manager provided in writing by the Investment Manager for inclusion in the section of the prospectus dated 18 July 2013 which relates to the Original PPNs headed "*Description of Investment Manager*" (and any other information concerning the Investment Manager in such prospectus), as at the date of such prospectus (including as of the date of any supplement thereto) and as at the Original Issue Date, to the best of the knowledge and belief of the Investment Manager (which has taken all reasonable care to ensure that such is the case), such information which is not in accordance with the facts and which omits anything likely to affect the impact of such information;

where, in each case, either:

- (i) the amount of Loss incurred by the Issuer arising from any one particular circumstance exceeds £500; or
- (ii) the aggregate amount of all Losses in the calendar year in which the relevant Losses are incurred exceeds £2,500,

the matters described in paragraphs (A) and (B) above, the "**Investment Manager Breaches**".

## **Indemnities**

### ***Issuer Indemnity***

The Issuer will agree in the Investment Management Agreement to indemnify and hold harmless (the Issuer in such case, the "**Indemnifying Party**") the Investment Manager, the Collateral Administrator, their respective directors, officers, agents, delegates and employees of the Investment Manager and the Collateral Administrator (such parties collectively in such case, the "**Issuer Indemnified Parties**") from and against any and all Liabilities (as defined in the Investment Management Agreement) reasonably incurred by any such Indemnified Party (other than any UK Tax Representative Liabilities in respect of the Investment Manager) resulting from an Issuer Indemnification Matter (as defined in the Investment Management Agreement), save to the extent that such Liability would not have arisen but for a Collateral Administrator Breach in respect of the Collateral Administrator, or an Investment Manager Breach in respect of the Investment Manager, and in addition will reimburse each such Indemnified Party for all properly documented (by way of invoices) fees and expenses (including properly documented (by way of invoices) fees and expenses of legal counsel) (collectively, the "**Expenses**") as such Expenses are reasonably incurred in investigating, preparing, pursuing, disputing

or defending any claim, action, proceeding or investigation with respect to any pending or threatened litigation (collectively, the "**Actions**"), caused by, or arising out of or in connection with, any such Issuer Indemnification Matter, the issuance of the Notes, the transactions contemplated by this Prospectus or the Investment Management Agreement, and/or any action taken by, or any failure to act by, such Indemnified Party under the Investment Management Agreement; provided that no Indemnified Party will be indemnified for any Liabilities or Expenses it incurs as a result of such Indemnified Party's acts or omissions which constitute an Investment Manager Breach or a Collateral Administrator Breach (each as defined in the Investment Management Agreement) or because of the wilful default, fraud or negligence of any Issuer Indemnified Party under the Investment Management Agreement. Notwithstanding anything contained in the Investment Management Agreement to the contrary, the obligations of the Issuer under such provisions of the Investment Management Agreement will be payable solely out of the Collateral in accordance with the Priorities of Payments as an "Administrative Expense" or out of the Expense Reserve Account, as provided in the Note Conditions and will survive termination of the Investment Management Agreement, and resignation or removal of the Investment Manager or the Collateral Administrator, as the case may be.

#### ***UK Tax Representative Liability***

The Issuer agrees to indemnify the Investment Manager against any UK Tax Representative Liabilities (as defined in the Investment Management Agreement) provided that this shall not apply to the extent that such liabilities would not have arisen but for a breach by the Investment Manager of a representation or warranty made by it pursuant to the Investment Management Agreement or any failure by the Investment Manager to comply with the provisions of the Investment Management Agreement.

#### ***Collateral Administrator Indemnity***

The Collateral Administrator will agree in the Investment Management Agreement to indemnify and hold harmless the Issuer, the Trustee and the Investment Manager from and against any direct Liabilities (to the exclusion of any consequential or indirect economic losses or any loss or turnover, profits or business) resulting from a Collateral Administrator Breach, and shall reimburse each such CA Indemnified Party (as defined in the Investment Management Agreement) for all documented expenses reasonably incurred related thereto (including, without limitation, fees and expenses of legal counsel and all other costs of investigating, preparing, pursuing, disputing 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 Collateral Administrator Breach (as defined in the Investment Management Agreement)), except to the extent that such claims result directly from the wilful default, fraud or negligence of the CA Indemnified Party (as defined in the Investment Management Agreement) under the Investment Management Agreement. The Collateral Administrator undertakes in the Investment Management Agreement that it shall pay any amount payable to any CA Indemnified Party under the Investment Management Agreement to such CA Indemnified Party, which payment shall be in satisfaction of such amount payable.

#### ***Investment Manager Indemnity***

The Investment Manager will agree in the Investment Management Agreement to indemnify and hold harmless the Issuer, the Collateral Administrator and the Trustee from and against any direct Liabilities (to the exclusion of any consequential or indirect economic losses or any loss of turnover, profits or business) resulting, from Investment Manager Breaches, and shall reimburse each such IM Indemnified Party (as defined in the Investment Management Agreement) for all documented expenses reasonably incurred related thereto (including, without limitation, fees and expenses of legal counsel and all other costs of investigating, preparing, pursuing, disputing 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 Investment Manager Breaches (as defined in the Investment Management Agreement)), except to the extent that such claims result directly from the wilful default, fraud or negligence of the IM Indemnified Party (as defined in the Investment Management Agreement) under the Investment Management Agreement. The Investment Manager undertakes that it shall pay any amount payable to any IM Indemnified Party hereunder to such IM Indemnified Party, which payment shall be in satisfaction of such amount payable.

## DESCRIPTION OF THE SUBSCRIPTION AGREEMENT

*The following is a summary of certain selected principal terms of the Subscription Agreement entered into by the Issuer on the Issue Date, which should not be relied upon as an exhaustive description of the detailed provisions of such document (copies of which are available from the principal offices of the Trustee and of the Principal Paying Agent).*

*This summary of the Subscription Agreement is disclosed in this Prospectus for informational purposes only. For the avoidance of doubt, the terms of the Subscription Agreement shall not, unless otherwise stated in this Prospectus, form part of the Conditions.*

*Any capitalised terms used but not defined in this section shall have the meanings ascribed to them in the Subscription Agreement.*

### ***Subscription of the PPNs***

Pursuant to a Subscription Agreement dated 4 September 2014 in relation to the PPNs (the "**Subscription Agreement**") between, amongst others, the Issuer, the Trustee and the initial subscribers for the PPNs, the initial subscribers for the PPNs will agree, subject to the terms thereof, to subscribe for the relevant PPNs.

### **Offering of the PPNs**

The PPNs are only being offered for sale in any jurisdiction to holders subject to the terms and conditions of the PPNs set out in the Trust Deed and the Subscription Agreement.

## DESCRIPTION OF THE COLLATERAL ADMINISTRATOR

*The information appearing in this section has been prepared by Deutsche Bank AG, London Branch (acting as the Collateral Administrator). The Issuer confirms that this information has been accurately reproduced and that as far as it is aware and is able to ascertain from information published by Deutsche Bank AG, London Branch, no facts have been omitted which would render the reproduced information inaccurate or misleading.*

### Deutsche Bank AG

Deutsche Bank Aktiengesellschaft ("**Deutsche Bank**" or the "**Bank**") originated from the reunification of Norddeutsche Bank Aktiengesellschaft, Hamburg, Rheinisch-Westfälische Bank Aktiengesellschaft, Düsseldorf and Süddeutsche Bank Aktiengesellschaft, Munich; pursuant to the Law on the Regional Scope of Credit Institutions, these had been disincorporated in 1952 from Deutsche Bank which was founded in 1870. The merger and the name were entered in the Commercial Register of the District Court Frankfurt am Main on 2 May 1957. Deutsche Bank is a banking institution and a stock corporation incorporated under the laws of Germany under registration number HRB 30 000. The Bank has its registered office in Frankfurt am Main, Germany. It maintains its head office at Taunusanlage 12, 60325 Frankfurt am Main and branch offices in Germany and abroad including in London, New York, Sydney, Tokyo and an Asia-Pacific Head Office in Singapore which serve as hubs for its operations in the respective regions.

The Bank is the parent company of a group consisting of banks, capital market companies, fund management companies, a real estate finance company, instalment financing companies, research and consultancy companies and other domestic and foreign companies (the "**Deutsche Bank Group**").

### Deutsche Bank AG, London Branch

"**Deutsche Bank AG London**" is the London branch of Deutsche Bank AG. On 12 January 1973, Deutsche Bank AG filed in the United Kingdom the documents required pursuant to section 407 of the Companies Act 1948 to establish a place of business within Great Britain. On 14 January 1993, Deutsche Bank registered under Schedule 21A to the Companies Act 1985 as having established a branch (Registration No. BR000005) in England and Wales. Deutsche Bank AG London is an authorized person for the purposes of section 19 of the Financial Services and Markets Act 2000. In the United Kingdom, it conducts wholesale banking business and through its Private Wealth Management division, it provides holistic wealth management advice and integrated financial solutions for wealthy individuals, their families and selected institutions.

As of 31 March 2014, Deutsche Bank's subscribed capital amounted to Euro 2,609,919,078.40 consisting of 1,019,499,640 ordinary shares without par value. The shares are fully paid up and in registered form. The shares are listed for trading and official quotation on all German Stock Exchanges. They are also listed on the New York Stock Exchange.

As of 31 March 2014, Deutsche Bank Group had total assets of Euro 1,636,574 million, total liabilities of Euro 1,580,557 million, and total equity of Euro 56,017 million on the basis of International Financial Reporting Standards (unaudited).

Deutsche Bank's long-term senior debt has been assigned a rating of A (outlook negative) by S&P, A3 (outlook negative) by Moody's and A+ (outlook negative) by Fitch.

The delivery of this Prospectus shall not create any implication that there has been no change in the affairs of Deutsche Bank since the date hereof, or that the information contained or referred to herein is correct as of any time subsequent to such date.

### Responsibilities of the Collateral Administrator

Pursuant to the terms of the Investment Management Agreement, the Collateral Administrator is responsible for, among other things, the administration of the Portfolio. The duties of the Collateral Administrator include among other things creating and maintaining a collateral database detailing the content of the Portfolio, calculating and determining compliance of the Portfolio with the Portfolio Profile Tests, assisting the Issuer's accountants, calculating any Redemption Prices payable in accordance with the Priorities of Payments, preparing each Monthly Report and each Payment Date

Report, preparing Payment Date instructions, managing and monitoring the Accounts and directing payments into and out of each Account. In respect of certain specified functions, the Collateral Administrator is required to provide assistance to the Investment Manager.

#### **Termination and Resignation of Appointment of the Collateral Administrator**

Pursuant to the terms of the Investment Manager Agreement, the Collateral Administrator may be removed (a) without cause at any time upon 90 days' prior written notice to the Collateral Administrator (with a copy to the Account Bank, the Custodian and the Investment Manager), by (1) the Issuer or (2) the Trustee acting upon the written directions of the Noteholders acting as a single class by Extraordinary Resolution, to the Collateral Administrator (and copied to certain other parties), or (b) (i) with cause, or (ii) upon the continuing occurrence of a certain termination event, by (1) the Issuer or (2) the Trustee acting upon the written directions of the Noteholders (other than the holders of Substitute PPNs) acting as a single class by Ordinary Resolution, forthwith upon prior written notice to the Collateral Administrator (copied to certain other parties).

In addition, the Collateral Administrator may also resign its appointment under the Investment Management Agreement without cause upon 90 days' prior written notice and with cause upon 10 days' prior written notice to the Issuer and the Trustee (with a copy to the Account Bank, the Custodian and the Investment Manager). Following receipt of a notice of resignation from the Collateral Administrator, the Issuer shall promptly give notice thereof to the PPN Holders in accordance with Condition 16 (*Notices*).

#### **Appointment of Successor Collateral Administrator**

No termination, resignation or removal of the Collateral Administrator shall be effective unless a successor collateral administrator has been appointed pursuant to the terms of the Investment Management Agreement which stipulates amongst other things, that the successor collateral administrator has entered into an agreement on substantially the same terms as the Investment Management Agreement. For the avoidance of doubt, no Noteholder consent will be required for such appointment if the successor collateral administrator enters into an agreement on substantially the same terms as the Investment Management Agreement. Any request for an increase in the successor collateral administrator's fees will be deemed to be not on substantially the same terms and accordingly will require the prior consent of the Trustee as directed by the Noteholders acting as a single class by Extraordinary Resolution. In such circumstances, the Issuer shall as soon as practicable and in any event within five Business Days of it being so notified that an Extraordinary Resolution is required, (x) collate fee quotes from at least one collateral administrator providing similar services on the market and (y) issue a notice convening a meeting of the Noteholders on 21 clear days' notice for the purpose of considering and, if thought fit, passing an Extraordinary Resolution to either approve the proposed increase in fees from the proposed successor collateral administrator, or approve the identity of a proposed new collateral administrator from the Issuer's collation of fee quotes and agreeing any amendment proposed to the terms of the agreement including any fee arrangements. If the Noteholders fail to approve the appointment or any of the amended terms or fees proposed, then the resigning collateral administrator or, as the case may be, the collateral administrator whose appointment is being terminated is entitled to make the appointment with the consent (including as to identity, terms and fees) of the Issuer and the Trustee, such consent not to be unreasonably withheld or delayed by the Issuer and the Trustee.

## DESCRIPTION OF THE REPORTS

### MONTHLY REPORTS

The Collateral Administrator shall, no later than the 15<sup>th</sup> calendar day of each month following the First Purchase Date (and if such a day is not a Business Day, the immediately following Business Day) on behalf and at the expense of the Issuer and in consultation with and based on information provided by, the Investment Manager compile and make available to the Trustee, the Investment Manager, the Issuer, the Principal Paying Agent (where such reports will be available upon request), and the Noteholders a monthly report (the "**Monthly Report**"), which shall contain the following information with respect to the Portfolio determined by the Collateral Administrator in consultation with the Investment Manager. Each Monthly Report will be made available to the Noteholders, the Issuer, the Trustee, the Principal Paying Agent, the Registrar and the Investment Manager via the Collateral Administrator's secure investor reporting website currently located at <https://tss.sfs.db.com/investpublic>. It is not intended that such reports will be made available in any other format, save in certain limited circumstances with the Collateral Administrator's agreement. If, due to technical reasons, any Monthly Report is not made available via the Collateral Administrator's website, the Collateral Administrator shall use all reasonable efforts to deliver such Monthly Report by such other method as it may determine is necessary, including by registered post. The Collateral Administrator's website does not form part of the information provided for the purposes of this Prospectus and disclaimers may be posted with respect to the information posted thereon. Registration may be required for access to such website and persons wishing to access such website may be required to certify that they are the Noteholders or otherwise entitled to access such website. The Monthly Report will be prepared as of the last calendar day of the preceding month. For avoidance of doubt, there will be no Monthly Report in the month preceding the month in which a Payment Date Report is due.

#### *Portfolio*

- (a) The aggregate principal balance of the Debt Investments;
- (b) subject to any confidentiality obligations binding on the Issuer, in respect of each Debt Investment, the type of Debt Investment (and if it is a Participation, the name and rating of the Selling Institution), its outstanding amount, its Maturity, the Obligor's name, the Obligor's country of principal business including the rating of such Obligor's country, the Eligible Sector in which it operates and any publicly available credit rating by any Rating Agency (other than any confidential credit estimate);
- (c) subject to any confidentiality obligations binding on the Issuer, whether the Debt Investment is an investment where Obligors continue to undertake a significant construction programme (and where the repayment of the loan is directly dependent on the completion of such significant construction programme);
- (d) subject to any confidentiality obligations binding on the Issuer, the identity and principal balance of, respectively, any Debt Investments that were acquired or sold by the Investment Manager on behalf of the Issuer during the period from (and excluding) the date of the relevant Monthly Report to (and including) the date of the next Monthly Report;
- (e) an aggregate breakdown of the Portfolio by country of principal business and by sector;
- (f) subject to any confidentiality obligations binding on the Issuer, the identity of each Debt Investment which defaulted since the date of determination of the last Monthly Report;
- (g) the list of Debt Investments which were upgraded or downgraded by any Rating Agency since the most recent Monthly Report and of which the Collateral Administrator or the Investment Manager has actual knowledge;
- (h) scheduled principal and interest proceeds balance which the Issuer expects to receive during the period from (and excluding) the date of the relevant Monthly Report to (and including) the date of the next determination date.

### ***Portfolio Profile Tests***

In respect of each Portfolio Profile Test to be calculated at the end of the Investment Period, 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.

### ***Notes***

The Drawn Amount of the Notes and such amount as a percentage of the original Principal Amounts of the Notes as of the most recent Note Advance Date.

### ***Accounts***

- (a) the Balances standing to the credit of each of the Accounts at the date of determination of the current Monthly Report or Payment Date Report, as applicable, including, in respect of the Expense Reserve Account, a summary of the credits and debits within that account; and
- (b) the Balances standing to the credit of each of the Accounts at the date of determination of the last Monthly Report or Payment Date Report as applicable.

For purposes of the above paragraphs, "**Balance**" means on any date, with respect to any cash or Eligible Investments standing to the credit of an Account, the aggregate of the:

- (a) current balance of cash, demand deposits, time deposits, government-guaranteed funds and other investment funds;
- (b) outstanding principal amount of interest-bearing corporate and government obligations and money market accounts and repurchase obligations; and
- (c) purchase price, up to an amount not exceeding the face amount, of non interest-bearing government and corporate obligations, commercial paper and certificates of deposit.

### **PAYMENT DATE REPORT**

The Collateral Administrator, on behalf, and at the expense, of the Issuer and in consultation with, and based on information provided by, the Investment Manager, shall render a report (the "**Payment Date Report**"), prepared and determined as of the Determination Date immediately preceding the relevant Payment Date, make available and provide such Payment Date Report to the Trustee, the Investment Manager, the Issuer, the Principal Paying Agent, the Registrar and the Noteholders not later than the second Business Day preceding the related Payment Date commencing on the first Payment Date after the First Purchase Date. Each Payment Date Report will be made available to the Noteholders, the Issuer, the Trustee, the Principal Paying Agent, the Registrar and the Investment Manager via the Collateral Administrator's secure investor reporting website currently located at <https://tss.sfs.db.com/investpublic>. It is not intended that such reports will be made available in any other format, save in certain limited circumstances with the Collateral Administrator's agreement. If, due to technical reasons, any Payment Date Report is not made available via the Collateral Administrator's website, the Collateral Administrator shall use all reasonable efforts to deliver such Payment Date Report by such other method as it may determine is necessary, including by registered post. The Collateral Administrator's website does not form part of the information provided for the purposes of this Prospectus and disclaimers may be posted with respect to the information posted thereon. 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 Collateral Administrator shall provide the Investment Manager with a copy of any reports prepared by it. The Payment Date Report shall also be available upon request from the Principal Paying Agent and shall contain the following information subject in all cases to any confidentiality obligations binding on the Issuer:

### ***Portfolio***

The information required in any Monthly Report pursuant to "*Portfolio*" above;

### ***Portfolio Profile Tests***

In respect of each Portfolio Profile Test to be calculated at the end of the Investment Period, 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.

### ***Notes***

- (a) the Drawn Amount of the Notes and such amount as a percentage of the original Principal Amounts at the beginning of the Due Period and such amount as a percentage of the original Principal Amounts at the beginning of the Due Period after giving effect to the principal payments, if any, on the next Payment Date.
- (b) the interest payable in respect of Notes on the related Payment Date.

### ***Payment Date Payments***

- (a) the amounts payable pursuant to the Interest Proceeds Priorities of Payments and the Principal Proceeds Priorities of Payments on the related Payment Date.
- (b) the Trustee Fees and Expenses and other Administrative Expenses payable on the related Payment Date on an itemised basis.

### ***Accounts***

- (a) the Balances standing to the credit of each of the Accounts at the date of determination of the current Monthly Report or Payment Date Report, as applicable, including, in respect of the Expense Reserve Account, a summary of the credits and debits within that account.
- (b) the Balances standing to the credit of each of the Accounts at the date of determination of the last Monthly Report or Payment Date Report as applicable.

For purposes of the above paragraphs, "**Balance**" means on any date, with respect to any cash or Eligible Investments standing to the credit of an Account, the aggregate of the:

- (a) current balance of cash, demand deposits, time deposits, government-guaranteed funds and other investment funds;
- (b) outstanding principal amount of interest-bearing corporate and government obligations and money market accounts and repurchase obligations; and
- (c) purchase price, up to an amount not exceeding the face amount, of non interest-bearing government and corporate obligations, commercial paper and certificates of deposit.

## **QUARTERLY INVESTMENT MANAGEMENT REPORT**

The Investment Manager, on behalf of the Issuer, shall deliver a report (the "**Quarterly Investment Management Report**"), prepared and determined as of the Determination Date immediately preceding the relevant Payment Date comprising the following information (the provision of such detailed information being subject to any confidentiality obligations binding on the Issuer):

- (a) a brief description of each Obligor's activity;
- (b) the performance status of Debt Investments;
- (c) commentary on the construction progress for Debt Investments where the Obligor is undertaking significant construction activity;
- (d) compliance of the Obligors with their financial covenants;
- (e) outstanding waiver requests;

- (f) commentary on refinancing or repayments expected to fall in the next 12 months.

The Investment Manager shall deliver a copy of each Quarterly Investment Management Report to the Issuer, the Collateral Administrator, the Trustee and the Noteholders no later than the second Business Day preceding the related Payment Date.

#### **MISCELLANEOUS**

Each Report shall state that it is for purposes of information only and that certain information in the Report is estimated, approximated or projected and that each Report is provided without any representations or warranties as to accuracy or completeness and that none of the Issuer, the Investment Manager, the Collateral Administrator and the Trustee will have any liabilities for estimates, approximations or projections contained therein.

Nothing in any of the foregoing shall oblige the Issuer, the Trustee, the Investment Manager or the Collateral Administrator to disclose, whether directly or indirectly, any information held under an obligation of confidentiality.

## TAX CONSIDERATIONS

*The following is an overview based on present law of certain Luxembourg, French and UK tax considerations and certain considerations under the EU Directive on the Taxation of Savings Income (2003/48/EC) and FATCA for prospective purchasers of the PPNs. It addresses only purchasers that buy in the original offering at the original offering price and hold the PPNs as capital assets. The discussion is a general overview. It is not a substitute for tax advice. The discussion does not consider the circumstances of particular purchasers, some of which (such as banks, insurance companies, dealers, tax exempt organizations or persons holding the PPNs as part of a hedge, straddle, conversion, integrated or constructive sale transaction) are subject to special tax regimes. It also does not address a purchaser that buys PPNs after the Issue Date.*

*All prospective investors may be subject to withholding if they fail to comply with identification requests from the Issuer or an Agent thereof or an Intermediary through which they hold their PPNs. All prospective investors should read "Application of New U.S. Tax Reporting and Withholding Law" below.*

### 1. The Luxembourg Taxation

The comments below are of a general nature based on taxation law and practice in Luxembourg as at the date of this Prospectus and are subject to any changes therein. They relate only to the position of persons who are absolute beneficial owners of the PPNs. The following is a general description of certain tax considerations relating to the PPNs. It does not purport to be a complete analysis of all tax considerations relating to the PPNs and so should be treated with appropriate caution. In particular, it does not take into consideration any tax implications that may arise on a substitution of the Issuer or on a change of the tax residency of the Issuer to another jurisdiction as a result of which the Issuer would no longer be considered a tax resident of Luxembourg. Prospective investors should consult their own professional advisors concerning the possible tax consequences of purchasing, holding and/or selling PPNs and receiving payments of interest, principal and/or other amounts under the PPNs under the applicable laws of their country of citizenship, residence or domicile.

According to the Luxembourg law of 22 March 2004 on securitisation undertakings, as amended, the Issuer is a fully taxable company. All payments made to the holders of securities issued by the Issuer and all commitments towards creditors are fully tax deductible.

All payments of interest and principal by the Issuer under the PPNs can be made free and clear of any withholding or deduction for or on account of any taxes of whatsoever nature imposed, levied, withheld, or assessed by Luxembourg or any political subdivision or taxing authority thereof or therein, in accordance with applicable law and administrative practice subject to (i) Luxembourg law of 21 June 2005 implementing the European Union Directive on the Taxation of Savings, as amended (see "European Union Taxation of Savings" below); and (ii) the Luxembourg law of 23 December 2005 on the introduction of a discharging withholding tax on certain interest generated by savings, as amended.

Since 1 July 2005, Luxembourg levies withholding tax on interest payments made by a Luxembourg paying agent to individual beneficial owners who are resident of (i) another EU Member State, pursuant to the Council Directive 2003/48/EC on taxation of savings income in the form of interest payments, or (ii) certain non-EU countries and territories which have agreed to adopt similar measures to those provided for under the Council Directive 2003/48/EC. Responsibility for the withholding of such tax would be assumed by a Luxembourg paying agent and not by the Issuer. The Luxembourg Government has announced its intention to abolish the withholding system with effect from 1 January 2015, in favour of automatic exchange under the Directive. PPN Holders should also note that an amended version of the Directive was adopted by the European Council on 24 March 2014, which is intended to close loopholes identified in the current Directive. The amendments, which must be transposed by Member States prior to 1 January 2016 and which will apply from 1 January 2017, will extend the scope of the Directive to (i) payments made through certain intermediate structures (whether or not established in a Member State) for the ultimate benefit of an EU resident individual and (ii) a wide range of income similar to interest.

Since the coming into force on 1 January 2006 of the law of 23 December 2005 on the introduction of a discharging withholding tax on certain interest generated by savings, as amended, a withholding tax of

10 per cent. on interest payments made by a Luxembourg paying agent to individual beneficial owners who are tax residents in Luxembourg will be applied.

A holder of a PPN who derives income from such PPN or who realises a gain on the disposal or redemption thereof will not be subject to Luxembourg taxation on such income or capital unless:

- such holder is, or is deemed to be, resident in Luxembourg for Luxembourg tax purposes (or for the purposes of the relevant provisions); or
- such income or gain is attributable to an enterprise or part thereof which is carried on through a permanent establishment or a permanent representative in Luxembourg.

Luxembourg net wealth will not be levied on a holder of a PPN unless:

- such holder is, or is deemed to be, resident in Luxembourg for Luxembourg tax purposes (or for the purposes of the relevant provisions); or
- such PPN is attributable to an enterprise or part thereof which is carried on through a permanent establishment or a permanent representative in Luxembourg.

Where the PPNs are transferred for no consideration, note in particular:

- no Luxembourg inheritance tax is levied on the transfer of the PPNs upon death of a PPN Holder in cases where the deceased holder was not resident of Luxembourg for inheritance tax purposes; or
- Luxembourg gift tax will be levied in the event that the gift is made pursuant to a notarial deed signed before a Luxembourg notary or is registered in Luxembourg.

It is not compulsory that the PPNs be filed, recorded or enrolled with any court or other authority in Luxembourg or that registration tax, transfer tax, capital tax, stamp duty or any other similar tax or duty be paid in respect of or in connection with the execution, delivery and/or enforcement by legal proceedings (including any foreign judgment in the courts of Luxembourg) of the PPNs.

There is no Luxembourg value-added tax payable in respect of payments in consideration for the issue of the PPNs or in respect of the payment of interest or principal under the PPNs or the transfer of a PPN.

A holder of a PPN will not become resident, or deemed to be resident, in Luxembourg by reason only of the holding of such PPN or the execution, performance, delivery and/or enforcement of that or any other PPN.

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## 2. **French Taxation**

*The following is a summary of certain material French tax considerations related to the PPNs issued to holders that are established in or resident of France. This information is of a general nature and does not purport to be a comprehensive description of all French tax considerations that may be relevant to a decision to acquire, hold and dispose of the PPNs. In some cases, different rules can be applicable, depending in particular, on the characterisation of the PPNs for French tax purposes or on the purchaser's specific circumstances. The description below relates only to investors that are the beneficial owners of PPNs, who acquire and hold the PPNs as an investment and do not apply to dealers in securities.*

*This summary is based on French legislation, rules and administrative interpretation in force as of the date of the publication of this Prospectus. These rules may be amended in the future, possibly with retroactive effect, and the interpretation of the tax rules may change.*

### ***Withholding tax***

Payments made under the PPNs should be free of withholding tax in France, as long as the Issuer is not incorporated in France or otherwise acting through a French permanent establishment.

Payments to individuals who are residents of France may be subject to a withholding tax (see Individuals resident in France – French Income and Capital Gains Tax).

### ***Individuals resident in France: French Income and Capital Gains Tax***

#### ***Taxation of interest payments and redemption premium (Prime de remboursement) (if any)***

Interest and redemption premiums paid to an individual are in principle subject to personal income tax, according to the standard progressive income tax schedule, whose top rate is currently 45 per cent., and to social contributions at the current global rate of 15.5 per cent. (5.1 per cent. being deductible from the taxable income of the year of payment of these contributions). This income would also be included in the "reference income" on which the *contribution exceptionnelle sur les hauts revenus* would apply (see below).

Income tax is payable by way of a mandatory prepayment of 24 per cent., which is later set off against the final income tax liability of the taxpayer (and refunded if in excess of the final income tax liability). Taxpayers whose "reference income" of the penultimate year is less than € 25,000 (or € 50,000 for a couple taxed on a joint basis) may be exempted from this mandatory prepayment.

When the Paying Agent is established in France, it is responsible for withholding and reporting the social contributions and the 24 per cent. income tax prepayment. When the Paying Agent is established outside France, it is in principle not involved in this withholding obligation and the taxpayer is responsible for paying the income tax prepayment and the social contributions directly to the French tax authorities no later than the 15th of the month following the payment of interest or redemption premium. If the Paying Agent is established in an EU or EEA member state, it can however be appointed by the taxpayer to do so.

If the total amount of interest and assimilated income of the household (which comprises the spouses (or couples otherwise filing jointly) and any unmarried children under the age of 18 (or the age of 25 if they are students)) in a given year does not exceed € 2,000, he / she can elect to be subject to a 24 per cent. flat income tax on such income.

#### ***Taxation of gains***

Gains derived from the disposal of the PPNs are subject to personal income tax, according to the standard progressive income tax schedule, whose top rate is currently 45 per cent. A reduction of the taxable basis (up to 65 per cent.) was introduced as regards capital gains but, on the basis of the drafting of the law (which has not yet been officially commented by the French tax authorities), this reduction should not apply to gains or losses arising from the sale of the PPNs. Social contributions of 15.5 per cent. are also due (5.1 per cent. is however deductible from the taxable income of the year of payment of these contributions). This income would also be included in the "reference income" on which the *contribution exceptionnelle sur les hauts revenus* would apply (see below).

If the investor sells PPNs at a loss, such loss should be capable of being offset against capital gains of the same nature during the year of the loss or the ten following years, subject to filing obligations.

The PPNs are not eligible for the *plan d'épargne en actions* ("PEA").

#### ***Contribution exceptionnelle sur les hauts revenus***

An exceptional contribution could be applicable to French resident investors. This tax takes the form of a levy equal to 3 per cent. of the fraction of the "reference" income above € 250,000 (or € 500,000 for a couple taxed on a joint basis) and 4 per cent. on "reference" income over € 500,000 (€ 1,000,000 for a couple). The contribution is levied on the "reference" income for the tax year in question, which would include income and gains realised in relation to the PPNs.

### ***Investors subject to French corporate income tax***

Income on gains derived from the PPNs should be subject to corporate income tax at the standard rate of 33⅓ per cent. (or the reduced rate applicable to small companies where the relevant conditions are met) to which a 3.3 per cent. and a 10.7 per cent. surtaxes are added in certain circumstances. Losses are in principle treated as ordinary losses that can be set off against operational profits and any remaining balance carried forward in accordance with standard rules (i.e., unlimited carry forward, in principle, it being noted however that carry forward losses can only be set off against the profits of a given year up to an amount of EUR 1,000,000 plus 50 per cent. of the taxable profit of the year).

Interest is generally taxed on an accruals basis. Any redemption premium would be taxable upon receipt, unless the estimated value of the redemption premium exceeds 10 per cent of the purchase value of the PPNs and the issue price is less than 90 per cent of the estimated redemption value, in which case, the taxation is spread according to an actuarial method over the life of the instrument.

For insurance companies that fall in the scope of article L310-1 of the insurance code, the gain or the loss resulting from the difference between the purchase price and the reimbursement price of the PPNs should be spread according to an actuarial method over the life of the PPNs, if the PPN is an instrument falling in the scope of article R332-2 of the insurance code.

The timing of the recognition of income, gains or losses in relation to the holding or disposal of the PPNs may vary, depending on the characteristics of the PPNs.

### ***Transfer taxes***

The subscription or transfer of the PPNs should not be subject to transfer tax or stamp duty in France.

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### **3. EU Directive on the Taxation of Savings Income (2003/48/EC)**

Under EC Council Directive 2003/48/EC on the taxation of savings income (the "**Directive**"), each Member State is required to provide to the tax authorities of another Member State details of payments of interest (or other similar income) paid by a person within its jurisdiction to, or collected by such a person for, an individual resident in that other Member State or certain limited types of entities established in that other Member State. However, for a transitional period, Austria and Luxembourg are instead required (unless during that period they elect otherwise) to operate a withholding system subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld unless during such period they elect otherwise. The end of the transitional period is dependent upon the conclusion of other arrangements relating to the information exchange with certain other countries.

A number of non-EU countries, including Switzerland, and certain dependent or associated territories of certain Member States, have adopted similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident in a Member State or certain limited types of entities established in that other Member State with effect from the same date. In addition, the Member States have entered into reciprocal provision of information or transitional withholding arrangements with certain of those dependant or associated territories in relation to payments made by a person in a Member State to an individual or certain other residual entities resident in one of those territories.

PPN Holders should note that the European Commission adopted an amending proposal to the Directive, which among other changes, seeks to extend the application of the Directive to (i) payments channelled through certain intermediate structures and (ii) a wide range of income similar to savings income though it is not clear if and when these changes will be enacted. Any changes could impact PPNs already in issue.

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

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#### 4. **UK Taxation**

*The summary set forth below is included for general information only and may not be applicable depending upon a PPN Holder's particular situation. This summary does not purport to be a comprehensive description of all tax considerations that may be relevant to a decision to invest in the Issuer. The discussion is based on existing law and current official practice. There can be no assurance that the law and practice will not change. Prospective PPN Holders should consult their tax advisors with respect to the tax consequences to them of the ownership and realisation of their investment, including the tax consequences under local, foreign and other tax laws and the possible effects of changes in such tax laws.*

##### ***The Issuer***

The Directors intend, so far as reasonably practicable, to conduct the affairs of the Issuer in such a manner as to ensure that the Issuer is regarded as resident (and centrally managed and controlled) in Luxembourg and is not regarded as resident in or carrying on a business through a permanent establishment in the United Kingdom. On this basis the Issuer should not suffer United Kingdom income tax or corporation tax, save for withholding tax (currently at a rate of 20 per cent) on United Kingdom source interest receivable by the Issuer, subject to the availability of any exemption or relief under United Kingdom domestic law or the Luxembourg – United Kingdom double taxation agreement.

##### ***Withholding Tax on Distributions***

To the extent that any interest payable on the PPNs is regarded as UK source, the Issuer may be required to deduct an amount equal to UK income tax (currently at a rate of 20 per cent) from any such payment of interest, subject to the availability of any applicable exemptions or reliefs. No such deduction should be required if the PPNs are and continue to be listed on a "recognised stock exchange" within the meaning of section 1005 of the Income Tax Act 2007 ("ITA") and carry the right to interest. The Irish Stock Exchange is a recognised stock exchange for these purposes.

##### ***UK Investors in The Issuer***

The PPNs should constitute a debt instrument for UK tax purposes and accordingly:

- any PPN Holder within the charge to UK corporation tax should be taxed on its holding of PPNs as a loan relationship under Part 5 of the Corporation Tax Act 2009; and
- other PPN Holders should be taxed on interest received on their PPNs as interest.

##### ***United Kingdom Stamp Duty and Stamp Duty Reserve Tax ("SDRT")***

On the basis that no register of PPNs is or will be kept in the United Kingdom:

- no United Kingdom stamp duty or SDRT should be payable in respect of the issue of PPNs by the Issuer;
- no SDRT should be payable in respect of any agreement to transfer PPNs; and
- no stamp duty should generally be payable on any instrument transferring the PPNs which is executed and retained outside the United Kingdom and does not relate to any matter or thing done, or to be done, in the United Kingdom. In other circumstances, stamp duty may, in principle, be payable on any instrument transferring PPNs but, as a practical matter, it is unlikely that any such stamp duty would have to be paid

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#### 5. **Foreign Account Tax Compliance Act**

**The discussion of U.S. tax matters set out in this document was written in connection with the promotion or marketing of the PPNs and was not intended or written to be used, and may not be**

**able to be used, by any person for the purpose of avoiding tax-related penalties under U.S. federal, state or local law. Each taxpayer should seek advice based on its particular circumstances from an independent tax adviser.**

Sections 1471 through 1474 of the US Internal Revenue Code (the "Code"), an agreement entered into with the US Internal Revenue Service pursuant to such sections of the Code, or an intergovernmental agreement (an "IGA") between the United States and another jurisdiction in furtherance of such sections of the Code (including any non-US laws and regulations implementing such an IGA), or any analogous provisions of non-U.S. law (collectively referred to as "FATCA") impose an information reporting regime and potentially a 30% withholding tax with respect to certain payments to (i) any non-US financial institution (a "foreign financial institution" or "FFI" (as defined by FATCA)) that does not become a "Participating FFI" by entering into an agreement with the IRS to provide the IRS with certain information in respect of its account holders and investors, unless otherwise exempt from or deemed to be in compliance with FATCA or, where applicable, the FFI complies with any local laws enacted in respect of an IGA and (ii) any investor that (unless otherwise exempted) does not provide certain tax certifications or ownership information (or, if applicable, a waiver of any laws prohibiting disclosure of such information to a taxing authority). The Issuer and most financial intermediaries will be subject to the requirements imposed under FATCA. The United States and a number of jurisdictions, including Luxembourg, have entered into IGAs to facilitate the implementation of FATCA. Payee financial institutions that are resident in a country that has entered into an IGA may be required to comply with such country's FATCA implementing laws, which may not require that the financial institution enter into an agreement with the U.S. Internal Revenue Service. In such case, such country's FATCA implementing laws generally are expected to require the financial institution to collect and report certain information on its account holders to the relevant taxing authority of such country which will send such information to the IRS. The requirements under an IGA may differ modestly from the requirements that would apply in the absence of an IGA but will be substantially similar.

Withholding under FATCA will apply to payments that are from sources outside the United States to the extent they are "foreign passthru payments" (a term not yet defined) no earlier than 1 January 2017.

The Issuer intends (and expects each Intermediary) to either enter into an IRS Agreement or to comply with the similar requirements required under an IGA and, accordingly, expects to require (and that an Intermediary will require) the Noteholders to provide certifications and identifying information about themselves and their owners (or beneficial owners) in order to enable the Issuer to comply with its reporting obligations under FATCA. Noteholders will further be required to permit the Issuer to share such information with the relevant taxing authorities.

No assurance can be given that the Issuer or any intermediary will be able to take all necessary actions or that actions taken will be successful to comply with FATCA. Further, the Issuer's ability to avoid the withholding taxes under FATCA may not be within its control and may, in some cases, depend on the actions of an intermediary or other withholding agents in the chain of custody, and the Noteholders or beneficial owners. Further, similar arrangements may also be implemented in Luxembourg and other jurisdictions, and there is no assurance that the Issuer will be able to comply with such reporting requirements. In the event that the Issuer or an Intermediary is required to deduct a withholding tax under FATCA, neither the Issuer nor any intermediary will be required to pay any additional amounts with respect to the amounts so withheld. Further, the Issuer may require any non-compliant Noteholder to withdraw its interest from the Issuer. Any such forced sale could be below fair market value, and such Noteholder may suffer a material loss on its investment.

FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on regulations, official guidance and IGAs, all of which are subject to change or may be implemented in a materially different form. Each potential purchaser of Notes should consult its own tax advisor to determine how FATCA may affect such investor in its particular circumstance.

## CERTAIN ERISA CONSIDERATIONS

*The advice below was not written and is not intended to be used and cannot be used by any taxpayer for purposes of avoiding United States federal income tax penalties that may be imposed. The advice is written to support the promotion or marketing of the transaction. Each taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.*

*The foregoing disclaimer is provided to satisfy obligations under Circular 230 governing standards of practice before the Internal Revenue Service.*

Employee benefit plans that are not subject to Title I of the United States Employee Retirement Income Security Act of 1974, as amended ("**ERISA**") and plans that are not subject to Section 4975 of the United States Internal Revenue Code of 1986, as amended (the "**Code**"), such as U.S. governmental and church plans or non-U.S. plans, are not considered "benefit plan investors." Only employee benefit plans or plans subject to Title I of ERISA or Section 4975 of the Code or an entity whose underlying assets include plan assets by reason of such plan's investment in the entity are considered in determining whether investment by "benefit plan investors" represents 25% or more of any class of equity of the Issuer and therefore, such employee benefit plan's or plan's assets include both the equity interest and an undivided interest in each of the Issuer's underlying assets. Under Section 3(42) of ERISA, the term "benefit plan investor" includes (a) an "employee benefit plan" (as defined in Section 3(3) of ERISA) that is subject to the fiduciary responsibilities provisions of ERISA, (b) a "plan" as defined in Section 4975(e)(1) of the Code 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 (including an insurance company general account within the meaning of Section V(e) of prohibited transaction class exemption 95-60) or a "benefit plan investor" as such term is otherwise defined in any regulations promulgated by the U.S. Department of Labor under Section 3(42) of ERISA (collectively, "**Benefit Plan Investors**"). The PPNs will likely be considered equity investments for the purposes of applying Title I of ERISA and Section 4975 of the Code. In order to not exceed the 25% limitation referred to above, no Benefit Plan Investor shall be permitted to acquire the PPNs.

In addition, governmental plans, certain church plans and non-U.S. plans, while not subject to the prohibited transaction provisions of Section 406 of ERISA or Section 4975 of the Code, may nevertheless be subject to other state, local, other federal or non-U.S. laws or regulations that are substantially similar to the prohibited transaction provisions of Section 406 of ERISA or Section 4975 of the Code (any such law or regulation, "**Other Plan Law**"). No governmental plans and certain church plans subject to any federal, state or local law that is substantially similar to the provisions of Section 406 of ERISA or Section 4975 of the Code shall be permitted to acquire the PPNs. Non-U.S. plans that are subject to any non-U.S. law that is substantially similar to the provisions of Section 406 of ERISA or Section 4975 of the Code may acquire the PPNs if their purchase and/or holding of such PPNs will not constitute or result in a non-exempt violation under such substantially similar non-U.S. law.

By its purchase or holding of the PPNs, each PPN Holder will be deemed to have represented and warranted that with respect to the purchase, holding and disposition of any PPN, or any interest therein, at the time of such PPN Holder's purchase and throughout the period that it holds such PPN that (A) it is not, and is not acting on behalf of, a Benefit Plan Investor or a governmental, church or other plan which is subject to any federal, state or local law that is substantially similar to the provisions of Section 406 of ERISA or Section 4975 of the Code or (B) if it is, or is acting on behalf of, a non-U.S. plan which is subject to any non-U.S. law that is substantially similar to the provisions of Section 406 of ERISA or Section 4975 of the Code, its purchase and/or holding of such PPNs will not constitute or result in a non-exempt violation under such substantially similar non-U.S. law. Each PPN Holder acknowledges and agrees that any purported transfer of any PPN, or any interest therein, to an investor that does not comply with the foregoing requirements will be of no force and effect, shall be null and void *ab initio* and the Issuer will have the right to direct the purchaser to transfer the PPNs, or any interest therein, as applicable, to a person who meets the foregoing criteria.

## PLAN OF DISTRIBUTION

### General

Other than obtaining approval of this Prospectus by the Central Bank of Ireland, no action has been or will be taken in any jurisdiction that would permit a public offering of the PPNs, or the possession, circulation or distribution of this Prospectus or any other material relating to the Issuer or the PPNs in any jurisdiction where action for such purpose is required. Accordingly, the PPNs may not be offered or sold, directly or indirectly, and neither this Prospectus nor any other offering material or advertisements in connection with the PPNs may be distributed or published, in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction.

The Issuer has represented and agreed that it has not, directly or indirectly, offered, sold, transferred or delivered and will not, directly or indirectly, offer, sell, transfer or deliver any PPNs in denominations (or, in the case of PPNs issued at a discount, issue prices) less than €125,000 (or the equivalent thereof in other currencies) to anyone anywhere in the world.

### Belgium

Other than in circumstances which do not require the publication of a prospectus pursuant to the Belgian law of 16th June, 2006 on the public offering of financial instruments and the admission of financial instruments to trading on regulated markets (the "**Law on Public Offerings**"), prior to an offer of the PPNs to the public in Belgium, the offer would need to be notified to the Belgian Financial Services and Markets Authority by the competent authority of the home member state of the Issuer pursuant to Article 38 of the Law on Public Offerings.

Any offeror of the PPNs and the Issuer will represent and agree that it will not offer for sale, sell or market the PPNs to any person qualifying as a consumer within the meaning of Article I-1 of the Belgian code of economic law, as amended from time to time, unless such offer, sale or marketing is made in compliance with this code and its implementing regulation.

### France

Any offeror of the PPNs and the Issuer will be required to represent and agree that (i) it has not offered or sold and will not offer or sell, directly or indirectly, any PPNs to the public in the Republic of France and (ii) offers and sales of PPNs in the Republic of France will be made only to (a) persons providing the investment service of portfolio management for the account of third parties and (b) qualified investors (*investisseurs qualifiés*) acting for their own account other than individuals as defined in and in accordance with Articles L.411-2 and D.411-1, D.744-1, D.754-1 and D.764-1 of the French *Code monétaire et financier*.

Prospective purchasers of the PPNs are informed that:

- (i) this Prospectus has not been submitted to the clearance procedures of the *Autorité des marchés financiers*;
- (ii) in compliance with Articles L.411-2, D.411-1, D.744-1, D.754-1 and D.764-1 of the French *Code monétaire et financier* any qualified investors subscribing the PPNs shall be required to act for their own account; and
- (iii) the direct or indirect distribution by investors of the PPNs acquired by them to the public shall only be made in compliance with Articles L.411-1, L.411-2, L.412-1 and L.621-8 to L.621-8-3 of the French *Code monétaire et financier*.

In addition, any offeror of the PPNs and the Issuer will be required to represent and agree that it has not distributed or caused to be distributed and will not distribute or cause to be distributed in the Republic of France, this Prospectus or any other offering material relating to the PPNs other than to investors to whom offers and sales of PPNs in the Republic of France may be made as described above.

## Italy

The offering of the PPNs has not been registered pursuant to the Italian securities legislation and, accordingly, no PPNs may be offered, sold or delivered, nor may copies of this Prospectus or any other document relating to the PPNs in the Republic of Italy, except:

- (I) to Qualified Investors (*Investitori Qualificati*), as defined in Article 34-ter, first paragraph, letter b), of CONSOB Regulation No. 11971 of May 14, 1999, as amended from time to time (the "**Regulation No. 11971**") pursuant to Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the "**Financial Services Act**"); or
- (II) in any other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Financial Services Act and Article 34-ter, first paragraph, of Regulation No. 11971.

Any offer, sale or delivery of the securities or distribution of copies of this Prospectus or any other document relating to the securities in the Republic of Italy under (I) or (II) above must be:

- (A) made by an investment firm, bank, or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the "**Banking Act**");
- (B) in compliance with Article 129 of the Banking Act, as amended, and the Implementing Guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request information on the issue or the offer of Securities in the Republic of Italy; and
- (C) in compliance with any other applicable laws and regulations imposed by CONSOB or other Italian authority.

*Please note that in accordance with Article 100-bis of the Financial Services Act, where no exemption from the rules on public offerings applies under (I) and (II) above, the subsequent distribution of the securities on the secondary market in Italy must be made in compliance with the public offer and the prospectus requirement rules provided under the Financial Services Act and Regulation No. 11971. Furthermore, Article 100-bis of the Financial Services Act affects the transferability of the securities in the Republic of Italy to the extent that any placing of the securities is made solely with Qualified Investors and such securities are then systematically resold to Non-Qualified Investors on the secondary market at any time in the 12 months following such placing. Where this occurs, if a prospectus has not been published, purchasers of the securities who are acting outside of the course of their business or profession may be entitled to declare such purchase void and to claim damages from any authorised person at whose premises the securities were purchased, unless an exemption provided for by the Financial Services Act applies.*

## Luxembourg

The PPNs may not be offered or sold within the territory of the Grand Duchy of Luxembourg unless:

- a prospectus has been duly approved by the *Commission de Surveillance du Secteur Financier* (the "**CSSF**") if Luxembourg is the Home Member State (as defined in the law of 10 July 2005 on Prospectuses for Securities and implementing directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading; or
- if Luxembourg is not the Home Member State, the CSSF has been notified by the competent authority in the Home Member State that the prospectus has been duly approved; or
- the offer benefits from an exemption to or constitutes a transaction not subject to the requirement to publish a prospectus.

## **The Netherlands**

The PPNs are not and will not be offered in the Netherlands, as part of their initial distribution or at any time thereafter, unless the offer is made only to qualified investors within the meaning of the Dutch Financial Markets Supervision Act (the "FMSA" (*Wet op het financieel toezicht*)). Under the FMSA, the Issuer with respect to the offering and the offering are not supervised by the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*).

## **Norway**

This Prospectus is not a prospectus within the meaning of Chapter 7 of the Norwegian Securities Trading Act 2007, and has not been and will not be reviewed by or registered with the Financial Supervisory Authority of Norway or any other Norwegian regulatory body.

The existence and contents of this Prospectus is confidential, and it is provided to recipients on a personal basis and must not be transferred or assigned to others.

The PPNs are not marketed or offered in Norway other than in circumstances where Norwegian licence and prospectus requirements do not apply or exemptions from such requirements apply.

This Prospectus is solely directed to and intended (i) for persons or entities based outside Norway, (ii) for persons or entities in Norway who fall within the category "professional investors" as defined in Section 7-4 no. 8 of the Norwegian Securities Trading Act 2007 and related regulations and (iii) for other individual distribution by the Investment Manager in a way that Norwegian licence and prospectus requirements are complied with. The Prospectus should not be acted upon or relied upon by others.

## **Sweden**

This Prospectus is for the recipient only and may not in any way be forwarded to any other person or to the public in Sweden. It has not and will not be registered with the Swedish Financial Supervisory Authority pursuant to the Swedish Financial Instruments Trading Act (1991:980, as amended). Accordingly, this Prospectus may not be made available, nor may the PPNs otherwise be marketed and offered in Sweden, other than in circumstances which are deemed not to be an offer to the public in Sweden under the Financial Instruments Trading Act.

## **Switzerland**

This Prospectus is being communicated in or from Switzerland to a small number of selected investors only. Each copy of this Prospectus is addressed to specifically named recipients and may not be passed on to third parties. The PPNs are not being offered to the public in or from Switzerland, and neither this Prospectus, nor any other offering materials relating to the PPNs may be distributed in connection with any such public offering.

## **United Arab Emirates**

The offering of the PPNs has not been approved or licensed by the United Arab Emirates Central Bank, the UAE Securities and Commodities Authority (SCA), the Dubai Financial Services Authority (DFSA) or any other relevant licensing authorities in the United Arab Emirates (UAE), and accordingly does not constitute a public offer of securities in the UAE in accordance with the commercial companies law, Federal Law No. 8 of 1984 (as amended), SCA Resolution No.(37) of 2012 or otherwise. Accordingly, the PPNs may not be offered to the public in the UAE (including the Dubai International Financial Centre).

This Prospectus is strictly private and confidential and is being issued to a limited number of institutional and individual investors:

- (a) who qualify as sophisticated investors;
- (b) upon their request and confirmation that they understand that the PPNs have not been approved or licensed by or registered with the UAE Central Bank, the SCA, DFSA or any other relevant licensing authorities or governmental agencies in the UAE; and

- (c) must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose.

### **United Kingdom**

This Prospectus has been sent to you in the belief that you are (a) a person who falls within Article 14 (*investment professionals, persons who have professional experience of participating in unregulated schemes*) or Article 22 (*high net worth companies etc. such as companies or partnerships with net assets of more than £5 million*) of the FSMA 2000 (Promotion of Collective Investment Schemes) (Exemptions) Order 2001 or to any other person to whom such promotion would be lawful and (b) a person to whom this Prospectus can be sent lawfully in accordance with all other applicable securities laws (together "**Permitted Persons**"). Investment in the PPNs is only available to Permitted Persons. **If you are not a Permitted Person then you must return this Prospectus immediately and you should not rely upon, read or act upon this document.**

### **United States of America**

The PPNs have not been and will not be registered under the Securities Act and may not be offered, sold or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. Persons. Each purchaser of a PPN agrees to be bound by the foregoing restriction on transfers. Terms used in this paragraph have the meanings given to them by Regulation S.

The Issuer proposes to offer and sell the PPNs outside the United States to non-U.S. Persons in offshore transactions in reliance on Regulation S.

In each Subscription Agreement, the Issuer will represent and agree that:

- (a) neither it nor any of its Affiliates nor any Persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to the PPNs, and it and they have complied and will comply with the offering restrictions requirements of Regulation S; and
- (b) neither it, nor any of its Affiliates nor any Persons acting on its or their behalf has offered, sold or delivered the PPNs or will offer, sell or deliver the PPNs as part of their distribution except outside the United States to non-U.S. Persons in offshore transactions in accordance with Regulation S.

This Prospectus has been prepared by the Issuer for use in connection with the offer and sale of the PPNs outside the United States to non-U.S. Persons in offshore transactions and for the proposed listing of the PPNs on the Irish Stock Exchange. The Issuer reserves the right to reject any offer to purchase, in whole or in part, for any reason, or to sell less than the principal amount of PPNs which may be offered. This Prospectus does not constitute an offer to any U.S. Person. Distribution of this Prospectus to any U.S. Person or to any Person within the United States is unauthorised and any disclosure of any of its contents, without the prior written consent of the Issuer, is prohibited.

### **EEA**

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), any offeror of the PPNs and the Issuer will represent and agree that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of PPNs which are the subject of the offering contemplated by this Prospectus to the public in that Relevant Member State other than:

- (a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the Issuer for any such offer; or
- (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of PPNs shall require the Issuer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an **"offer of PPNs to the public"** in relation to any PPNs in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the PPNs to be offered so as to enable an investor to decide to purchase or subscribe the PPNs, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression **"Prospectus Directive"** means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression **"2010 PD Amending Directive"** means Directive 2010/73/EU.

This Prospectus has been prepared on the basis that any offer of PPNs in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **"Relevant Member State"**) will be made pursuant to an exemption under the Prospectus Directive from the requirement to publish a prospectus for offers of PPNs. Accordingly any person making or intending to make an offer in that Relevant Member State of PPNs which are the subject of the offering contemplated in this Prospectus may only do so in circumstances in which no obligation arises for the Issuer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. The Issuer has not authorised, nor does it authorise, the making of any offer of PPNs in circumstances in which an obligation arises for the Issuer to publish or supplement a prospectus for such offer.

## 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 PPNs.

Each purchaser of PPNs will be deemed to have represented and agreed as follows:

- (a) That it is an Eligible Purchaser.
- (b) The purchaser is located outside the United States and is not a U.S. Person. The purchaser understands that the PPNs 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 and any of its Affiliates, that, if it decides to resell, pledge or otherwise transfer such PPNs (or any beneficial interest or participation therein) purchased by it, any offer, sale or transfer of such PPNs (or any beneficial interest or participation therein) will be made in compliance with the Securities Act and only to a non-U.S. Person in an offshore transaction in accordance with Rule 903 or Rule 904 (as applicable) under Regulation S.
- (c) The purchaser understands that pursuant to the terms of the Trust Deed, the Issuer has agreed that the PPNs will bear the legend set forth below, and, on issue, will be represented by the Global Certificate. The PPNs may not at any time be held by or on behalf or for the account or benefit of U.S. Persons. Before any interest in a PPN may be offered, resold, pledged or otherwise transferred to any person, the transferor will be required to provide the Registrar with a written certification (in the form provided in the Trust Deed) as to compliance with the transfer restrictions.

THE PPNs 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 PPNs IN RESPECT OF WHICH THIS CERTIFICATE HAS BEEN ISSUED, AGREES FOR THE BENEFIT OF THE ISSUER THAT THE PPNs REPRESENTED BY THIS CERTIFICATE MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (A) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S OF THE SECURITIES ACT IN A PRINCIPAL AMOUNT OUTSTANDING OF NOT LESS THAN €125,000 FOR THE PURCHASER AND FOR EACH ACCOUNT FOR WHICH IT IS ACTING, AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND ANY OTHER APPLICABLE JURISDICTION. ANY TRANSFER IN VIOLATION OF THE FOREGOING WILL BE OF NO FORCE AND EFFECT, WILL BE VOID *AB INITIO* AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO THE TRANSFEREE, NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE ISSUER, THE TRUSTEE OR ANY INTERMEDIARY. EACH TRANSFEROR OF THE PPNs REPRESENTED BY THIS CERTIFICATE WILL PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET FORTH HEREIN AND IN THE TRUST DEED TO ITS TRANSFEREE.

EACH PURCHASER OF THE PPNs REPRESENTED BY THIS CERTIFICATE OR ANY BENEFICIAL INTEREST HEREIN UNDERSTANDS THAT THE ISSUER MAY RECEIVE A LIST OF PARTICIPANTS HOLDING POSITIONS IN THE PPNs FROM ONE OR MORE BOOK ENTRY DEPOSITORIES.

TRANSFERS OF THE PPNs REPRESENTED BY THIS CERTIFICATE OR OF PORTIONS OF THE PPNs REPRESENTED BY THIS CERTIFICATE SHOULD BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE TRUST DEED REFERRED TO HEREIN.

PRINCIPAL OF THE PPNs REPRESENTED BY THIS CERTIFICATE IS PAYABLE AS SET FORTH HEREIN. ACCORDINGLY, THE PRINCIPAL AMOUNT OUTSTANDING OF THE PPNs REPRESENTED BY THIS CERTIFICATE AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ON THE FACE HEREOF. ANY PERSON ACQUIRING THE PPNs REPRESENTED BY

THIS CERTIFICATE MAY ASCERTAIN ITS CURRENT PRINCIPAL AMOUNT BY INQUIRY OF THE PRINCIPAL PAYING AGENT.

BY ITS PURCHASE OR HOLDING OF THE PPNS, OR ANY INTEREST THEREIN, THE PURCHASER AND/OR HOLDER THEREOF AND EACH TRANSFEREE WILL BE DEEMED TO HAVE REPRESENTED AND WARRANTED AT THE TIME OF ITS PURCHASE AND THROUGHOUT THE PERIOD THAT IT HOLDS SUCH PPNS THAT EITHER (A) IT IS NOT, AND IS NOT ACTING ON BEHALF OF, AN EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**")) THAT IS SUBJECT TO THE FIDUCIARY RESPONSIBILITY PROVISIONS OF ERISA, A PLAN AS DEFINED IN SECTION 4975(e)(1) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**"), THAT IS SUBJECT TO SECTION 4975 OF THE CODE, ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE "PLAN ASSETS" BY REASON OF ANY SUCH PLAN'S INVESTMENT IN THE ENTITY (INCLUDING AN INSURANCE COMPANY GENERAL ACCOUNT WITHIN THE MEANING OF SECTION V(E) OF PROHIBITED TRANSACTION CLASS EXEMPTION 95-60), A "BENEFIT PLAN INVESTOR" AS SUCH TERM IS OTHERWISE DEFINED IN ANY REGULATIONS PROMULGATED BY THE U.S. DEPARTMENT OF LABOR UNDER SECTION 3(42) OF ERISA OR A GOVERNMENTAL, CHURCH OR OTHER PLAN WHICH IS SUBJECT TO ANY FEDERAL, STATE OR LOCAL LAW THAT IS SUBSTANTIALLY SIMILAR TO THE PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE OR (B) IF IT IS, OR IS ACTING ON BEHALF OF, A NON-U.S. PLAN WHICH IS SUBJECT TO ANY NON-U.S. LAW THAT IS SUBSTANTIALLY SIMILAR TO THE PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE, ITS PURCHASE AND/OR HOLDING OF SUCH PPNS WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT VIOLATION UNDER SUCH SUBSTANTIALLY SIMILAR NON-U.S. LAW. ANY PURPORTED TRANSFER OF THE PPNS, OR ANY INTEREST THEREIN, TO A PURCHASER OR TRANSFEREE THAT DOES NOT COMPLY WITH THE FOREGOING REQUIREMENTS WILL BE OF NO FORCE AND EFFECT, SHALL BE NULL AND VOID *AB INITIO* AND THE ISSUER WILL HAVE THE RIGHT TO DIRECT THE PURCHASER TO TRANSFER THE PPNS, OR ANY INTEREST THEREIN, AS APPLICABLE, TO A PERSON WHO MEETS THE FOREGOING CRITERIA.

THE FAILURE TO PROVIDE THE ISSUER, THE TRUSTEE OR ANY PAYING AGENT WITH THE APPLICABLE U.S. FEDERAL INCOME TAX CERTIFICATIONS (GENERALLY, AN INTERNAL REVENUE SERVICE FORM W-9 (OR SUCCESSOR APPLICABLE FORM) IN THE CASE OF A PERSON THAT IS A "UNITED STATES PERSON" WITHIN THE MEANING OF SECTION 7701(A)(30) OF THE CODE OR AN APPLICABLE INTERNAL REVENUE SERVICE FORM W-8 (OR SUCCESSOR APPLICABLE FORM) IN THE CASE OF A PERSON THAT IS NOT A "UNITED STATES PERSON" WITHIN THE MEANING OF SECTION 7701(A)(30) OF THE CODE) MAY RESULT IN U.S. FEDERAL BACK-UP WITHHOLDING FROM PAYMENTS TO THE HOLDER IN RESPECT OF THE PPNS REPRESENTED BY THIS CERTIFICATE.

- (d) The purchaser is not purchasing such PPNS with a view to the resale, distribution or other disposition thereof in violation of the Securities Act.
- (e) The purchaser is aware that the sale of the PPNS to it is being made in reliance on the exemption from registration provided by Regulation S.
- (f) The purchaser understands that the PPNS may not, at any time, be held by, or on behalf or for the account or benefit of, U.S. Persons.
- (g) The purchaser understands that an investment in the PPNS involves certain risks, including the risk of loss of all or a substantial part of its investment under certain circumstances. The purchaser has had access to such financial and other information concerning the Issuer and the PPNS as it deemed necessary or appropriate in order to make an informed investment decision with respect to its acquisition of the PPNS, including an opportunity to ask questions of and request information from the Issuer.
- (h) In connection with the purchase of the PPNS: (i) neither the Issuer nor the Investment Manager is acting as a fiduciary or financial or investment adviser for the purchaser; (ii) 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 or the Investment Manager other than this Prospectus for such PPNs and any representations expressly set forth in a written agreement with such party; (iii) neither the Issuer or the Investment Manager 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 PPNs; (iv) the purchaser has consulted with its own legal, regulatory, tax, business, investment, financial, and accounting advisers 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 judgement and upon any advice from such advisers as it has deemed necessary and not upon any view expressed by the Issuer or the Investment Manager; (v) the purchaser has evaluated the rates, prices or amounts and other terms of the purchase and sale of the PPNs 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 (vi) the purchaser is a sophisticated investor.

- (i) The purchaser will not, at any time, offer to buy or offer to sell the PPNs 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.
- (j) The purchaser will provide notice to each person to whom it proposes to transfer any interest in the PPNs of the transfer restrictions and representations set forth herein.
- (k) Each holder and beneficial owner of a PPN, by acceptance of its PPN or its interest in a PPN, shall be deemed to understand and acknowledge that failure to provide the Issuer, the Trustee or any Paying Agent with the applicable U.S. federal income tax certifications (generally, an applicable United States Internal Revenue Service Form W-8 (or successor applicable form) in the case of a person that is not a "United States person" within the meaning of Section 7701(a)(30) of the Internal Revenue Code of 1986, as amended (the "**Code**")) may result in U.S. federal back-up withholding from payments in respect of such PPN.
- (l) The purchaser acknowledges that the Issuer and the Investment Manager and their Affiliates, and the parties to the Trust Deed will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.
- (m) With respect to the purchase, holding and disposition of any PPN, or any interest therein, at the time of its purchase and throughout the period that it holds such PPN that (A) it is not, and is not acting on behalf of, an employee benefit plan (as defined in Section 3(3) of Title I of the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**")) that is subject to the fiduciary responsibilities provisions of ERISA, a plan as defined in Section 4975(e)(1) of the Internal Revenue Code of 1986, as amended (the "**Code**"), that is subject to Section 4975 of the Code, any entity whose underlying assets include "plan assets" by reason of any such plan's investment in the entity (including an insurance company general account within the meaning of Section V(e) of prohibited transaction class exemption 95-60), a "benefit plan investor" as such term is otherwise defined in any regulations promulgated by the U.S. Department of Labor under Section 3(42) of ERISA or a governmental, church or other plan which is subject to any federal, state or local law that is substantially similar to the provisions of Section 406 of ERISA or Section 4975 of the Code or (B) if it is, or is acting on behalf of, a non-U.S. plan which is subject to any non-U.S. law that is substantially similar to the provisions of Section 406 of ERISA or Section 4975 of the Code, its purchase and/or holding of such PPNs will not constitute or result in a non-exempt violation under such substantially similar non-U.S. law. The purchaser acknowledges and agrees that any purported transfer of the PPN, or any interest therein, to a purchaser that does not comply with the foregoing requirements will be of no force and effect, shall be null and void *ab initio* and the Issuer will have the right to direct the purchaser to transfer the PPNs, or any interest therein, as applicable, to a person who meets the foregoing criteria on such terms which the Issuer may determine in its own discretion.

- (n) The purchaser agrees to provide the Issuer, the Principal Paying Agent and Trustee any information reasonably requested and necessary (in the sole determination of the Issuer or the Trustee, as applicable) for the Issuer, the Principal Paying Agent and the Trustee (or its agent) in order to permit the Issuer, the Principal Paying Agent and Trustee to comply with Sections 1471 through 1474 of the Code, any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code, any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the U.S. Code or any analogous provisions of non-U.S. law. The purchaser understands and acknowledges that the Issuer, Trustee or an agent may provide such information and any other information concerning its investment in the PPNs to the U.S. Internal Revenue Service and any other applicable non-U.S. taxing authority.
- (o) The purchaser understands and acknowledges that the Issuer has the right, under the Trust Deed, (1) to compel any beneficial owner of an interest in the PPNs that fails to comply with the requirements of clause (n) above, to sell its interest in such PPNs, or may sell such interest on behalf of such owner and (2) to make any amendments to the Trust Deed to enable the Issuer to comply with FATCA.
- (p) The purchaser understands and acknowledges that the Issuer has the right, under the Conditions, to withhold up to 30 per cent. on all payments made to any beneficial owner of an interest in the PPNs that fails to comply with the requirements of clause (n) above or to any beneficial owner of an interest in the PPNs that is a "foreign financial institution" as defined under FATCA and, unless exempted or otherwise deemed to be compliant, that does not enter into an agreement described in Section 1471(b) of the Code.
- (q) It is aware that the sale of any interest in the Global Certificate to it is being made in reliance on the exemption from registration provided by Regulation S under the Securities Act and understands that the PPNs offered in reliance on Regulation S will bear the legend set forth below. The PPNs so represented may not at any time be held by or on behalf of U.S. Persons as defined in Regulation S under the Securities Act. It and each beneficial owner of the PPNs that it holds is not, and will not be, a U.S. Person and its purchase of the PPNs will comply with all applicable laws in any jurisdiction in which it resides or is located.
- (r) It understands that the Trust Deed permits the Issuer to demand that the beneficial owner of PPNs who is determined to be a U.S. Person to sell all its right, title and interest in the PPNs to a person who is not a U.S. Person in a transaction meeting the requirements of Regulation S, or another exemption from registration under the Securities Act and, if the holder does not comply with such demand within 30 days thereof, the Issuer may sell the PPNs.
- (s) The following paragraph is to be included in the Global Certificate.

THE PURCHASER UNDERSTANDS AND ACKNOWLEDGES THAT THE ISSUER HAS THE RIGHT, UNDER THE CONDITIONS, TO WITHHOLD UP TO 30 PER CENT. ON ALL PAYMENTS MADE TO ANY BENEFICIAL OWNER OF AN INTEREST IN THE PPNs THAT FAILS TO PROVIDE THE ISSUER, THE PRINCIPAL PAYING AGENT, OR THE TRUSTEE ANY INFORMATION REASONABLY REQUESTED AND NECESSARY (IN THE SOLE DETERMINATION OF THE ISSUER, THE PRINCIPAL PAYING AGENT OR THE TRUSTEE, AS APPLICABLE) FOR THE ISSUER, THE PRINCIPAL PAYING AGENT OR THE TRUSTEE (OR ITS AGENT) IN ORDER TO PERMIT THE ISSUER AND THE TRUSTEE TO COMPLY WITH SECTIONS 1471-1474 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**"), ANY CURRENT OR FUTURE REGULATIONS OR OFFICIAL INTERPRETATIONS THEREOF, ANY AGREEMENT ENTERED INTO PURSUANT TO SECTION 1471(B) OF THE CODE, OR ANY FISCAL OR REGULATORY LEGISLATION, RULES OR PRACTICES ADOPTED PURSUANT TO ANY INTERGOVERNMENTAL AGREEMENT ENTERED INTO IN CONNECTION WITH THE IMPLEMENTATION OF SUCH SECTIONS OF THE CODE OR ANY ANALOGOUS PROVISIONS OF NON-U.S. LAW OR TO ANY BENEFICIAL OWNER THAT IS A FOREIGN FINANCIAL INSTITUTION AS DEFINED IN SECTION 1471(d)(4) OF THE CODE AND FAILS TO COMPLY WITH SECTION 1471(b) OF THE CODE.

## GENERAL INFORMATION

### 1. Clearing Systems

The PPNs have been accepted for clearance through Euroclear and Clearstream, Luxembourg with the following Common Code and International Securities Identification Number:

	<b>Common Code</b>	<b>International Securities Identification Number</b>
PPNs	108918039	XS1089180399

### 2. Listing

This Prospectus has been approved by the Central Bank, as competent authority under the Prospectus Directive. The Central Bank only approves this Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. Application has been made to the Irish Stock Exchange for the PPNs to be admitted to the Official List and trading on its regulated market. Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent for the Issuer in connection with the PPNs and is not itself seeking admission of the PPNs to the official list of the Irish Stock Exchange or to trading on its regulated market for the purposes of the Prospectus Directive.

### 3. Consents and Authorisations

The Issuer has obtained all necessary consents, approvals and authorisations in Luxembourg (if any) in connection with the issue and performance of the PPNs. The issue of the PPNs was authorised by a resolution of the board of directors of the Issuer passed on 1 September 2014.

### 4. No Significant or Material Change

There has been no significant change in the financial or trading position or prospects of the Issuer since 31 December 2013 and there has been no material adverse change in the financial position or prospects of the Issuer since 31 December 2013.

### 5. Accounts

So long as any PPNs remain Outstanding, copies of the two most recent annual audited financial statements of the Issuer, when filed with the Luxembourg Register of Commerce and Companies, can be obtained at the specified offices of the Issuer and the Principal Paying Agent during normal business hours. The first audited financial statements of the Issuer in respect of the period from incorporation to 31 December 2013 have been filed with the Register of Commerce and Companies of Luxembourg and are now available for inspection. The Issuer will not prepare interim financial statements. The annual accounts of the Issuer have been audited by the independent auditor ("*réviseur entreprises agréé*"), Pricewaterhousecoopers, with registered office at 400 route d'Esch, L-1014, Luxembourg, registered with the *Institut des Réviseurs d'Entreprises* as a *cabinet de révision* under number 101.

The Issuer is not involved nor has it been involved since incorporation in any governmental, legal or arbitration proceedings. There are no governmental, legal or arbitration proceedings threatened or pending which have had a significant effect on the Issuer's financial position or profitability.

### 6. Documents Available

Hard copies of the Transaction Documents may be inspected at the registered office of the Issuer and at the offices of the Principal Paying Agent during usual business hours on any day (Saturdays, Sundays and public holidays excepted) for the term of the PPNs and in addition the following documents will be made available on the Collateral Administrator's website at <https://tss.sfs.db.com/investpublic>:

- (a) the Articles of Association of the Issuer;
- (b) the Trust Deed (which includes the form of the PPNs);
- (c) the Agency Agreement;
- (d) the Administration Agreement;
- (e) the Investment Management Agreement;
- (f) the Distribution Agreement; and
- (g) schedule 1 (*Additional Note Procedures*) of each Subscription Agreement.

7. **Expenses**

The total expenses relating to the admission to trading on the Irish Stock Exchange will be approximately €10,420.

## INDEX OF DEFINED TERMS

	Page
€ .....	iii
2010 PD Amending Directive .....	x, 133
Acceleration Notice .....	23, 39, 77
Account Bank .....	38
Accounts .....	39
Actions .....	114
Administration Agreement .....	38, 39, 96
Administrative Expenses .....	39
Administrative Expenses Cap .....	40
Administrator .....	38, 96
Affected Collateral .....	41, 68
Affiliate .....	41
Affiliated .....	41
Agency Agreement .....	38
Agent .....	41
Aggregate Note Advance .....	6
AIGSL .....	2, 104
Assignment .....	98
Assignments .....	30
Authorised Integral Amount .....	41
Authorised Officer .....	41
Authorities .....	17
Aviva Investors .....	104
Balance .....	119, 120
Bank .....	116
Banking Act .....	vi, 17, 130
Beneficial Owner .....	93
Benefit Plan Investor .....	41
Benefit Plan Investors .....	128
Bid .....	41

Bidder.....	41
Business Day .....	41
Businesses .....	27
Cause .....	108
Central Bank.....	i
Clearing Systems .....	9, 89, 92
Clearstream, Luxembourg .....	iv
CO .....	13
Code .....	41, 128, 135, 136
Collateral .....	41
Collateral Administrator.....	38
Collateral Tax Event.....	42
Concession .....	27
Concession Agreement.....	27
Conditions .....	38
Construction Contract .....	27
Contractor.....	27
CRA Regulation .....	i
CSSF .....	vii, 130
Custodial Assets .....	42
Custody Account(s).....	42
Debt Investment .....	42
Default Letter .....	6, 42
Default Letter Notification Date.....	42
Defaulted Note .....	6, 58
Defaulted Note .....	42
Defaulting Noteholder.....	6, 42, 58
Defaulting Noteholder's Account .....	42
Definitive Certificate.....	42
Definitive Exchange Date .....	90
Delayed Drawdown Debt Investment .....	42
Determination Date .....	42

Deutsche Bank .....	116
Deutsche Bank AG London .....	116
Deutsche Bank Group .....	116
Direct Participants .....	92
Directive .....	33, 42, 75, 125
Directors .....	94
Distribution Agreement .....	39
Drawn Amount .....	42
Drawn Percentage .....	43
Due Diligence and Bid Expenses .....	43
Due Period .....	43
EEA .....	98
EFTA .....	43, 99
Electing PPN Holder .....	8, 43, 86
Eligibility Criteria .....	43, 97
Eligible Construction Risk Sectors .....	99
Eligible Investments .....	43
Eligible Purchaser .....	44
Eligible Purchasers .....	9
Eligible Sectors .....	99
Eligible Successor .....	111
EMIR .....	15
Enforcement Event .....	44
ERISA .....	44, 128, 135, 136
ESMA .....	i
ETFs .....	43
EUR .....	iii
EURIBOR .....	8, 21, 44, 86
euro .....	iii
Euro .....	iii
Euroclear .....	iv
Euroclear Account .....	34

Euroclear Pledge Agreement.....	34, 44
Event of Default .....	44, 76
Expense Reserve Account .....	44
Expense Reserve Account Payment Amount .....	44
Expense Reserve Amount .....	44
Expense Reserve Shortfall .....	44
Expenses.....	113
External Repack Notes .....	44, 86
Extraordinary Administrative Expenses.....	44
Extraordinary Resolution .....	46
FATCA.....	7, 46
FCA Rules.....	22
Financial Services Act.....	vi, 130
First Custodial Asset Date.....	46
First Purchase Date .....	46
Fitch .....	i, 46
FMSA.....	vii, 131
Further Issue Date .....	46
Further Issues .....	46
Further PPN Condition.....	46
Further PPN Conditions .....	46
Further PPN Holders .....	46
Further PPN Transaction Documents.....	46
Further PPN Trust Deed.....	46
Further PPNs .....	46, 85
Global Certificate .....	iv, 9, 47, 89
Illegality Event.....	47
Indemnifying Party.....	113
Indirect Participants.....	92
Infrastructure Company.....	28
Infrastructure Projects and Businesses .....	27
Initial Set Up Costs .....	47

Insolvency Law .....	47, 76
Interest Account .....	47
Interest Amount.....	47
Interest Proceeds .....	47
Interest Proceeds Priorities of Payments .....	47
Internal Repack Notes .....	8, 86
Investment Committee .....	106
Investment Company Act.....	i, 47, 134
Investment Management Agreement.....	39
Investment Management Fee.....	47
Investment Manager.....	39, 104
Investment Manager Breaches .....	35, 113
Investment Period.....	48
Issue Date .....	iv, 48
Issuer .....	i, 38
Issuer Account.....	48
Issuer Indemnified Parties .....	113
Issuer Shares.....	48, 95
ITA .....	126
Law on Public Offerings .....	v, 129
Lender Liability.....	31
Liabilities .....	48
LIBOR.....	20
Listed Notes .....	48
Long Term Ratings .....	48
Losses.....	49, 113
Lux SV .....	2
Material Restructuring.....	34, 49, 101, 104
Maturity Date .....	49
MiFID.....	18
Minimum Long Term Rating .....	26, 100
Minimum Percentage Voting Requirements .....	80

Minimum Rating Requirement.....	49
Monthly Report .....	49, 118
Moody's.....	49
Moody's.....	i
Non-Defaulting Noteholders .....	6, 49
Non-Permitted ERISA Holder.....	49
Note Advance.....	49
Note Advance Date .....	49
Note Advance Request.....	49
Note Agent .....	38
Note Available Commitment Period .....	49
Note Available Commitment Scheduled Termination Date.....	49
Note Available Commitment Termination Date .....	49
Note Commitment.....	50
Note Conditions .....	50
Note Tax Event .....	50
Note Transaction Documents .....	50
Note Trust Deeds.....	50
Noteholders .....	50
Noteholder's Specified Address.....	50
Notes .....	1, 12
Notice of Default.....	50, 76
Obligors.....	15
offer of PPNs to the public .....	133
Offer of PPNS to the Public .....	x
Offering.....	iv
Official List.....	i
Operations Contract.....	27
Operator .....	27
Optional Early Redemption Date .....	50
Optional Early Redemption Event .....	50
Ordinary Resolution .....	50

Original Issue Date.....	51
Original PPN Conditions.....	51
Original PPN Holder.....	51
Other Plan Law .....	51, 128
Outstanding .....	51
Partially Drawn Noteholder .....	51
Participants.....	92
Participation .....	100
Participations.....	30
Payment Account .....	51
Payment Date .....	51
Payment Date Report .....	51, 119
Payment Dates.....	51
Permitted Persons .....	132
Person.....	51
Portfolio .....	51
Portfolio Profile Tests .....	100
Portfolio Weighted Average Life .....	100
Post-Acceleration Priority of Payments .....	51, 78
Potential Event of Default .....	51
PPNs.....	i, 38, 50
Pre-Enforcement Priority of Payments.....	4, 52, 60
Principal Account.....	52
Principal Paying Agent.....	38
Principal Proceeds.....	52
Principal Proceeds Priorities of Payments.....	52
Priorities of Payments .....	52
Proceedings .....	84
Project Company .....	27
Projects.....	27
Proposed Benchmark Regulation .....	21
<i>Pro-Rata</i> Note Advance .....	52

<i>Pro-Rata Share</i> .....	52
Prospectus .....	i, iii
Prospectus Directive.....	i, x, 133
Quarterly Investment Management Report .....	52
Quarterly Report.....	120
Quorum Requirements .....	80
Quotation Agent .....	38
Rating Agencies .....	i
Rating Agency.....	52
Reallocation Premium .....	52
Reallocation Rebate.....	52
Recalcitrant PPN Holder .....	53
Receiver .....	53, 76
Record Date.....	53, 90
Redemption Date.....	53
Redemption Price .....	53
Register .....	53
Registrar .....	38
Registrar Business Days.....	53
Regulation No. 11971 .....	vi, 130
Regulation S.....	i
Relevant Implementation Date .....	ix, 132
Relevant Member State .....	ix, x, 132, 133
Replacement PPN Conditions .....	53
Replacement PPN Gross Bid Proceeds .....	53
Replacement PPN Holders .....	53
Replacement PPN Net Bid Proceeds.....	53
Replacement PPN Transaction Documents.....	54
Replacement PPN Trust Deed.....	54
Replacement PPNs .....	53
repository obligation .....	15
Resolution .....	54

Resolutions .....	54, 80
Restructuring Date .....	8, 54, 85
Restructuring Option .....	8, 54, 85
Restructuring Option A .....	8, 54, 86
Restructuring Option B .....	8, 54, 86
Revolving Debt Investment .....	54
Revolving Reserve Account .....	54
risk mitigation obligations .....	15
S&P .....	i, 54
Sale Proceeds .....	54
SDRT .....	126
SEC .....	18
Secured Parties .....	54
Secured Party .....	54
Securities Act .....	i, 134
Selling Institution .....	30
Settlement Agent .....	39
Settlement Agreement .....	39
Short Term Ratings .....	54
Shortfall Amount .....	6, 55
Specified Office .....	55
Stated Maturity .....	55
Stichting .....	95
Sub-Custodian .....	55
Subscription Agreement .....	38
Subscription Agreements .....	6, 115
Substitute Criteria .....	111
Substitute PPN Conditions .....	55
Substitute PPN Haircut Percentage .....	55
Substitute PPN Holder .....	55
Substitute PPN Holders .....	55
Substitute PPN Transaction Documents .....	55

Substitute PPN Trust Deed.....	56
Target Countries.....	26
Target Expense Reserve Balance .....	56
Tax Termination Event.....	108
Termination Payment .....	56
Transaction Documents.....	56
Trust Collateral.....	56, 68
Trustee.....	i, 38
Trustee Fees and Expenses.....	56
U.S. Residents .....	iv
UCITS .....	43
Unanimous Resolution .....	56
Undrawn Amount.....	56
Unfunded Amount.....	56
VAT .....	56
Works.....	27
Written Resolution .....	56

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