HARVEST CLO XV DAC

(a designated activity company limited by shares incorporated under the laws of Ireland, under company number 565797)

€232,000,000 Class A Senior Secured Floating Rate Notes due 2029
€54,000,000 Class B Senior Secured Floating Rate Notes due 2029
€26,000,000 Class C Senior Secured Deferrable Floating Rate Notes due 2029
€21,000,000 Class D Senior Secured Deferrable Floating Rate Notes due 2029
€25,000,000 Class E Senior Secured Deferrable Floating Rate Notes due 2029
€13,000,000 Class F Senior Secured Deferrable Floating Rate Notes due 2029
€42,000,000 Subordinated Notes due 2029

The assets securing the Notes (as defined below) will consist of a portfolio of Senior Secured Loans, Second Lien Loans, Unsecured Senior Loans, Mezzanine Loans, Corporate Rescue Loans and Bridge Loans (each as defined herein) managed by 3i Debt Management Investments Limited (the "**Portfolio Manager**").

Harvest CLO XV DAC (the "**Issuer")** will issue the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Subordinated Notes (each as defined below).

The Class A Senior Secured Floating Rate Notes due 2029 are referred to herein as the "**Class A Notes**". The Class B Senior Secured Floating Rate Notes due 2029 are referred to herein as the "**Class B Notes**". The Class C Senior Secured Deferrable Floating Rate Notes due 2029 are referred to herein as the "**Class C Notes**". The Class D Senior Secured Deferrable Floating Rate Notes due 2029 are referred to herein as the "**Class D Notes**". The Class E Senior Secured Deferrable Floating Rate Notes due 2029 are referred to herein as the "**Class E Notes**". The Class F Senior Secured Deferrable Floating Rate Notes due 2029 are referred to herein as the "**Class F Notes**". The Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes are collectively referred to herein as the "**Rated Notes**". The Subordinated Notes due 2029 are referred to herein as the "**Subordinated Notes**". The Rated Notes and the Subordinated Notes are collectively referred to herein as the "**Notes**".

The Notes will be issued and secured pursuant to a trust deed (the "**Trust Deed**") dated on or about 12 May 2016 (the "**Issue Date**") made between (amongst others) the Issuer and U.S. Bank Trustees Limited, in its capacity as trustee (the "**Trustee**", which expression shall include all persons for the time being the trustee under the Trust Deed).

Interest on each Class of Notes will be payable quarterly in arrear on 22 February, 22 May, 22 August and 22 November prior to the occurrence of a Frequency Switch Event (as defined herein), and semi-annually in arrear on 22 February and 22 August (where the Payment Date (as defined herein) immediately following the occurrence of a Frequency Switch Event falls in either February or August), or 22 May and 22 November (where the Payment Date immediately following the occurrence of a Frequency Switch Event falls in either May or November) following the occurrence of a Frequency Switch Event (or if such day is not a Business Day (as defined herein) then on the next succeeding Business Day (unless it would fall in the following month, in which case it shall be moved to the immediately preceding Business Day)) in each year, commencing on 22 November 2016, and ending on the Maturity Date (as defined below) (subject to any earlier redemption of the Notes in accordance with the Conditions), in accordance with the Priorities of Payment described herein.

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

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

This document (this "**Prospectus**") has been approved by the Central Bank of Ireland (the "**Central Bank**"), as competent authority under Directive 2003/71/EC (as amended, the "**Prospectus Directive**"). This Prospecus constitutes a prospectus for the purposes of the Prospectus Directive. The Central Bank only approves this Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospective Directive. Such approval relates only to the Notes which are admitted to trading on the regulated market for the purposes of Directive 2004/39/EC and/or which are to be offered to the public in any Member State of the European Economic Area. Application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List and trading on its regulated market. It is anticipated that listing will take place on or about the Issue Date. There can be no assurance that any such approval will be granted or, if granted, that such listing and admission to trading will be maintained. Upon approval of the Prospectus by the Central Bank, the Prospectus will be filed with the Irish Companies Registration Office.

It is a condition of the issue and sale of the Notes that the Notes (except for the Subordinated Notes) be issued with at least the following ratings from Moody's Investors Service Ltd. ("**Moody's**") and Standard & Poor's Credit Market Services Europe Limited ("**S&P**" and, together with Moody's, the "**Rating Agencies**", and each, a "**Rating Agency**"): the Class A Notes: "Aaa(sf)" from Moody's and "AAA(sf)" from S&P; the Class B Notes: "Aa2(sf)" from Moody's and "AA(sf)" from S&P; the Class C Notes: "A2(sf)" from Moody's and "A(sf)" from S&P; the Class D Notes: "Baa2(sf)" from Moody's and "BBB(sf)" from S&P; the Class E Notes: "Ba2(sf)" from Moody's and "BB(sf)" from S&P; and the Class F Notes: "B2(sf)" from Moody's and "B-(sf)" from S&P. The Subordinated Notes will not be rated.

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

The Placed Notes (as defined in "*Plan of Distribution*" below) are being offered by the Issuer through Resource Securities, Inc., Resource Europe Management Ltd. and RBC Europe Limited, in their capacity as joint placement agents of the offering of such Notes (together the "**Joint Placement Agents**") subject to prior sale, when, as and if delivered to and accepted by the Joint Placement Agents and subject to certain conditions. It is expected that delivery of the Notes will be made on or about the Issue Date. The Joint Placement Agents may offer the Notes at prices as may be negotiated at the time of sale which may vary among different purchasers.

Any investment in the Notes does not have the status of a bank deposit in Ireland and is not within the scope of the deposit protection scheme operated by the Central Bank. The Issuer is not regulated by the Central Bank by virtue of the issue of the Notes.

Resource Capital Markets, Inc. and RBC Capital Markets
as Joint Arrangers

Resource Securities, Inc., Resource Europe Management Ltd. and RBC Capital Markets
as Joint Placement Agents

The date of this Prospectus is 11 May 2016

PRIORITIES OF NOTES

Each Class of Class A Notes will rank *pari passu* and rateably without any preference among themselves for all purposes and in priority to the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Subordinated Notes. The Class B Notes will rank *pari passu* and rateably without any preference among themselves for all purposes and in priority to the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Subordinated Notes. The Class C Notes will rank *pari passu* and rateably without any preference among themselves for all purposes and in priority to the Class D Notes, the Class E Notes, the Class F Notes and the Subordinated Notes. The Class D Notes will rank *pari passu* and rateably without any preference among themselves for all purposes and in priority to the Class E Notes, the Class F Notes and the Subordinated Notes. The Class E Notes will rank *pari passu* and rateably without any preference among themselves for all purposes and in priority to the Class F Notes and the Subordinated Notes. The Class F Notes will rank *pari passu* and rateably without any preference among themselves for all purposes and in priority to the Subordinated Notes. The Subordinated Notes will rank *pari passu* and rateably without any preference among themselves for all purposes but subordinate to the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes.

LIMITED RECOURSE

The Notes are limited recourse obligations of the Issuer which are payable solely out of amounts received by or on behalf of the Issuer in respect of the Collateral (as defined in the Terms and Conditions of the Notes, the "**Conditions**"). The net proceeds of the realisation of the security over the Collateral following a Note Event of Default (as defined in the Conditions) or the aggregate proceeds of liquidation of the Collateral may be insufficient to pay all amounts due to the Noteholders after making payments to other creditors (if any) of the Issuer ranking prior thereto or *pari passu* therewith. In the event of a shortfall in such proceeds, the Issuer will not be obliged to pay, and the other assets (if any) of the Issuer will not be available for payment of, such shortfall and all claims in respect of which shall be extinguished. See Condition 4 (*Security*).

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this document.

To the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of the 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.

DISCLAIMER

None of the Trustee, the Joint Arrangers, the Joint Placement Agents, the Portfolio Manager, the Collateral Administrator, the Retention Holder, any Agent, any Asset Swap Counterparty, any Interest Rate Hedge Counterparty or any other party has separately verified the information contained in this Prospectus and, accordingly, none of the Trustee, the Joint Arrangers, the Joint Placement Agents, the Portfolio Manager, the Collateral Administrator, the Retention Holder, any Agent, any Asset Swap Counterparty, any Interest Rate Hedge Counterparty or any other party, save for the Issuer as specified above in relation to the acceptance of responsibility, makes any representation, recommendation or warranty, express or implied, regarding the accuracy, adequacy, reasonableness or completeness of the information contained in this Prospectus or in any further notice or other document which may at any time be supplied in connection with the Notes or their distribution or accepts any responsibility or liability therefor. None of the Trustee, the Joint Arrangers, the Joint Placement Agents, the Portfolio Manager, the Collateral Administrator, the Retention Holder, any Agent, any Asset Swap Counterparty, any Interest Rate Hedge Counterparty or any other party undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the aforementioned parties which is not included in this Prospectus.

OFFER/INVITATION/DISTRIBUTION RESTRICTIONS

THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER OF, OR AN INVITATION BY OR ON BEHALF OF, THE ISSUER, THE ARRANGERS, THE JOINT PLACEMENT AGENTS OR ANY OF THEIR AFFILIATES, THE PORTFOLIO MANAGER, THE COLLATERAL ADMINISTRATOR OR ANY OTHER

PERSON TO SUBSCRIBE FOR OR PURCHASE ANY OF THE NOTES. THE DISTRIBUTION OF THIS PROSPECTUS AND THE OFFERING OF THE NOTES IN CERTAIN JURISDICTIONS MAY BE RESTRICTED BY LAW. PERSONS INTO WHOSE POSSESSION THIS PROSPECTUS COMES ARE REQUIRED BY THE ISSUER AND THE JOINT PLACEMENT AGENTS TO INFORM THEMSELVES ABOUT AND TO OBSERVE ANY SUCH RESTRICTIONS. IN PARTICULAR, THE COMMUNICATION CONSTITUTED BY THIS PROSPECTUS IS DIRECTED ONLY AT PERSONS WHO (I) ARE OUTSIDE THE UNITED KINGDOM AND ARE OFFERED AND ACCEPT THIS PROSPECTUS IN COMPLIANCE WITH SUCH RESTRICTIONS OR (II) ARE PERSONS FALLING WITHIN ARTICLE 49(2)(A) TO (D) (*HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS ETC.*) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005 OR WHO OTHERWISE FALL WITHIN AN EXEMPTION SET FORTH IN SUCH ORDER SO THAT SECTION 21(1) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 DOES NOT APPLY TO THE ISSUER (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "**RELEVANT PERSONS**"). THIS COMMUNICATION MUST NOT BE DISTRIBUTED TO, ACTED ON OR RELIED UPON BY PERSONS WHO ARE NOT RELEVANT PERSONS. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS COMMUNICATION RELATES IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS. FOR A DESCRIPTION OF CERTAIN FURTHER RESTRICTIONS ON OFFERS AND SALES OF NOTES AND DISTRIBUTION OF THIS PROSPECTUS, SEE "*PLAN OF DISTRIBUTION*" AND "*TRANSFER RESTRICTIONS*".

UNAUTHORISED INFORMATION

IN CONNECTION WITH THE ISSUE AND SALE OF THE NOTES, NO PERSON IS AUTHORISED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION NOT CONTAINED IN THIS 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 TRUSTEE, THE PORTFOLIO MANAGER, THE ARRANGERS, THE JOINT PLACEMENT AGENTS OR THE COLLATERAL ADMINISTRATOR. THE DELIVERY OF THIS PROSPECTUS AT ANY TIME DOES NOT IMPLY THAT THE INFORMATION CONTAINED IN IT IS CORRECT AS AT ANY TIME SUBSEQUENT TO ITS DATE.

GENERAL NOTICE

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

THE NOTES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER APPLICABLE UNITED STATES FEDERAL AND STATE SECURITIES LAWS. INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

RETENTION REQUIREMENTS

The Retention Holder will represent and undertake to the Issuer, the Trustee and the Joint Arrangers in a letter agreement to comply with the Retention Requirements.

Each prospective investor in the notes is required to independently assess and determine whether the information provided herein and in any reports provided to investors in relation to this transaction are sufficient to comply with the retention requirements (as defined in the conditions) or any other regulatory requirement. None of the issuer, the portfolio manager, the joint arrangers, the collateral administrator, the joint placement agents, the trustee, their respective affiliates or any other person makes any representation, warranty or guarantee that any such information is sufficient for such purposes or any other purpose and no such person

shall have any liability to any prospective investor or any other person with respect to the insufficiency of such information or any failure of the transactions contemplated hereby to satisfy the retention requirements or any other applicable legal, regulatory or other requirements. Each prospective investor in the notes which is subject to the retention requirements or any other regulatory requirement should consult with its own legal, accounting and other advisors and/or its national regulator to determine whether, and to what extent, such information is sufficient for such purposes and any other requirements of which it is uncertain. See "*Risk Factors – Regulatory Initiatives – Risk Retention and Due Diligence*", "*Risk Factors – Regulatory Initiatives – Restrictions on the Discretion of the Portfolio Manager in Order to Comply with Risk Retention*" and "*The Retention Holder and Retention Requirements*" below.

INFORMATION AS TO PLACEMENT WITHIN THE UNITED STATES

The Notes of each Class offered pursuant to an exemption from registration requirements under Rule 144A under the Securities Act (the "**Rule 144A Notes**") will be sold only within the United States to persons and outside the United States to U.S. Persons (as such term is defined in Regulation S), in each case, who are to "**qualified institutional buyers**" (as defined in Rule 144A under the Securities Act ("**Rule 144A**")) ("**QIBs**") that are also "qualified purchasers" for purposes of Section 3(c)(7) of the Investment Company Act ("**QPs**"). Rule 144A Notes of each Class (other than, in certain circumstances, the Subordinated Notes) will each be represented on issue by beneficial interests in one or more permanent Global Certificates of such Class (each a "**Rule 144A Global Certificate**" and together, the "**Rule 144A Global Certificates**") or in some cases definitive certificates (each a "**Rule 144A Definitive Certificate**" and together the "**Rule 144A Definitive Certificates**"), in each case in fully registered form, without interest coupons or principal receipts, which will be deposited on or about the Issue Date with, and registered in the name of, a nominee of a common depositary for Euroclear Bank S.A./N.V., as operator of the Euroclear system ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**") or in the case of Rule 144A Definitive Certificates, the registered holder thereof. The Regulation S Notes of each Class (the "**Regulation S Notes**") sold outside the United States to non-U.S. Persons in reliance on Regulation S ("**Regulation S**") under the Securities Act will each (other than, in certain circumstances, the Subordinated Notes) be represented on issue by beneficial interests in one or more permanent global certificates of such Class (each a "**Regulation S Global Certificate**" and together, the "**Regulation S Global Certificates**"), or in some cases by definitive certificates of such Class (each a "**Regulation S Definitive Certificate**" and together, the "**Regulation S Definitive Certificates**") in fully registered form, without interest coupons or principal receipts, which will be deposited on or about the Issue Date with, and registered in the name of, a nominee of a common depositary for Euroclear and Clearstream Luxembourg, or, in the case of Regulation S Definitive Certificates, the registered holder thereof. Neither U.S. Persons nor U.S. residents (as determined for the purposes of the Investment Company Act) ("**U.S. Residents**") may hold an interest in a Regulation S Global Certificate or a Regulation S Definitive Certificate. Ownership interests in the Regulation S Global Certificates and the Rule 144A Global Certificates (together, the "**Global Certificates**") will be shown on, and transfers thereof will only be effected through, records maintained by Euroclear and Clearstream, Luxembourg and their respective participants. Other than with respect to the Subordinated Notes, Notes in definitive certificated form will be issued only in limited circumstances. The Subordinated Notes may in certain circumstances described herein be issued in definitive, certificated, fully registered form, pursuant to the Trust Deed and will be offered outside the United States to non-U.S. Persons in reliance on Regulation S and within the United States to persons who are both QIBs and QPs and, in each case, will be registered in the name of the holder (or a nominee thereof). In each case, purchasers and transferees of Notes will be deemed and in certain circumstances will be required to have made certain representations and agreements. See "*Form of the Notes*", "*Book-Entry Clearance Procedures*", "*Plan of Distribution*" and "*Transfer Restrictions*".

The Issuer has not been registered under the Investment Company Act. Each purchaser of an interest in the Notes (other than a non-U.S. Person outside the U.S.) will be deemed to have represented and agreed that it is both a QIB and a QP and will also be deemed to have made the representations set out in "*Transfer Restrictions*" herein. The purchaser of any Note, by such purchase, agrees that such Note is being acquired for its own account and not with a view to distribution (other than in the case of the Joint Placement Agents) and may be resold, pledged or otherwise transferred only (1) to the Issuer (upon redemption thereof or otherwise), (2) to a person the purchaser reasonably believes is a QIB which is also a QP, in a transaction meeting the requirements of Rule 144A, or (3) outside the United States to a non-U.S. Person in an offshore transaction in reliance on Regulation S, in each case, in compliance with the Trust Deed and all applicable securities laws of any state of the United States or any other jurisdiction. See "*Transfer Restrictions*".

In making an investment decision, investors must rely on their own examination of the Issuer and the terms of the Notes and the offering thereof described herein, including the merits and risks involved.

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

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

NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, EACH PROSPECTIVE INVESTOR (AND EACH EMPLOYEE, REPRESENTATIVE, OR OTHER AGENT OF SUCH PROSPECTIVE INVESTOR) MAY DISCLOSE TO ANY AND ALL PERSONS, WITHOUT LIMITATION OF ANY KIND, THE U.S. FEDERAL, STATE, AND LOCAL TAX TREATMENT OF THE ISSUER, THE NOTES, OR THE TRANSACTIONS REFERENCED HEREIN AND ALL MATERIALS OF ANY KIND (INCLUDING OPINIONS OR OTHER U.S. TAX ANALYSES) RELATING TO SUCH U.S. FEDERAL, STATE, AND LOCAL TAX TREATMENT AND THAT MAY BE RELEVANT TO UNDERSTANDING SUCH U.S. FEDERAL, STATE, AND LOCAL TAX TREATMENT.

AVAILABLE INFORMATION

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

CURRENCIES

In this Prospectus, unless otherwise specified or the context otherwise requires, all references to "**euro**", "**EUR**" and "**€**" are to the lawful currency of Member States of the European Union that have adopted and retain the single currency in accordance with the Treaty establishing the European Community, as amended from time to time; **provided that** if any Member State or States ceases to have such single currency as its lawful currency (such Member State(s) being the "**Exiting State(s)**"), the euro shall, for the avoidance of doubt, mean for all purposes the single currency adopted and retained as the lawful currency of the remaining Member States and shall not include any successor currency introduced by the Exiting State(s). References to "**U.S. Dollars**" and "**U.S.$**" are to the lawful currency of the United States and references to "**£**" and "**Sterling**" are references to the lawful currency for the time being of the United Kingdom of Great Britain and Northern Ireland.

NO STABILISATION

In connection with the issue of the Notes, no stabilisation will take place and none of the Joint Arrangers nor the Joint Placement Agents will be acting as stabilising manager in respect of the Notes.

COMMODITY POOL REGULATION

IN THE EVENT THAT TRADING IN HEDGE AGREEMENTS WOULD RESULT IN THE ISSUER'S ACTIVITIES FALLING WITHIN THE DEFINITION OF A "**COMMODITY POOL**", THE PORTFOLIO MANAGER MAY (X) RELY ON THE RELIEF SET FORTH IN THE NO-ACTION LETTER OF THE UNITED STATES COMMODITY FUTURES TRADING COMMISSION NO. 12-45 OF 7 DECEMBER 2012 OR (Y) CAUSE THE ISSUER TO BE OPERATED IN COMPLIANCE WITH THE EXEMPTION SET FORTH IN CFTC RULE 4.13(A)(3) AS IN EFFECT ON THE ISSUE DATE. THEREFORE, UNLIKE A REGISTERED CPO, THE PORTFOLIO MANAGER WOULD NOT BE REQUIRED TO DELIVER A CFTC DISCLOSURE DOCUMENT TO PROSPECTIVE INVESTORS NOR WOULD IT BE REQUIRED TO PROVIDE INVESTORS WITH CERTIFIED ANNUAL REPORTS THAT SATISFY THE REQUIREMENTS OF CFTC RULES APPLICABLE TO REGISTERED CPOs.

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OVERVIEW

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

Issuer: .... Harvest CLO XV DAC, a designated activity company limited by shares incorporated under the Companies Act 2014.

Portfolio Manager:..................................... 3i Debt Management Investments Limited (the "**Portfolio Manager**") will perform certain portfolio management services with respect to the Portfolio in accordance with a portfolio management agreement to be dated as of the Issue Date between, among others, the Issuer and the Portfolio Manager (the "**Portfolio Management Agreement**"). Pursuant to the Portfolio Management Agreement, the Issuer delegates authority to the Portfolio Manager to carry out certain functions in relation to the Portfolio and any hedging arrangements without the requirement for specific approval by the Issuer, the Collateral Administrator or the Trustee. See "*Description of the Portfolio Management Agreement*" and "*The Portfolio*". The Portfolio Manager will receive certain fees for such portfolio management functions as described below.

Notes

Class of Notes	Principal Amount	Initial Stated Interest Rate(2)	Alternative Stated Interest Rate(3)	Moody's Rating(1)	S&P Rating(1)	Stated Maturity	Issue Price(5)
Class A	€232,000,000	3 month EURIBOR + 1.50%	6 month EURIBOR +1.50%	"Aaa(sf)"	"AAA(sf)"	22 May 2029	100.00%
Class B	€54,000,000	3 month EURIBOR +2.25%	6 month EURIBOR +2.25%	"Aa2(sf)"	"AA(sf)"	22 May 2029	100.00%
Class C	€26,000,000	3 month EURIBOR +3.35%	6 month EURIBOR +3.35%	"A2(sf)"	"A(sf)"	22 May 2029	100.00%
Class D	€21,000,000	3 month EURIBOR +4.75%	6 month EURIBOR +4.75%	"Baa2(sf)"	"BBB(sf)"	22 May 2029	98.90%
Class E	€25,000,000	3 month EURIBOR +6.50%	6 month EURIBOR +6.50%	"Ba2(sf)"	"BB(sf)"	22 May 2029	91.42%
Class F	€13,000,000	3 month EURIBOR +7.50%	6 month EURIBOR +7.50%	"B2(sf)"	"B-(sf)"	22 May 2029	77.00%
Subordinated Notes	€42,000,000	N/A(4)	N/A(4)	N/A	N/A	22 May 2029	N/A

(1) The ratings assigned to the Class A Notes and the Class B Notes address the timely payment of interest and the ultimate payment of principal. The ratings assigned to the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes address the ultimate payment of principal and interest. A security rating is not a recommendation to buy, sell or hold the Notes and may be subject to revision, suspension or withdrawal at any time by the applicable Rating Agency.

(2) In the case of each Class of Notes, applicable at any time in respect of each Accrual Period commencing prior to the occurrence of a Frequency Switch Event; *provided that*, the rate of interest of (i) the Floating Rate Notes (other than the Class A Notes) for the first Accrual Period will be determined by reference to the rate applicable to 6 month Euro deposits; and (ii) the Class A Notes for the Class A First EURIBOR Period will be determined by reference to a straight line interpolation of the rates applicable to three month and six month Euro deposits, and for the Class A Second EURIBOR Period by reference to the rate applicable to three month Euro deposits.

(3) Applicable in respect of each Accrual Period commencing following the occurrence of a Frequency Switch Event, unless the last Accrual Period is 3 months in which case the rate of interest applicable to that Accrual Period will be determined by reference to the rate applicable to 3 month Euro deposits.

(4) Subject to available Interest Proceeds. See Condition 6(a)(ii) (*Subordinated Notes*).
(5) The Joint Placement Agents or the Issuer may offer the Notes at prices as may be negotiated at the time of sale which may vary among different purchasers and which may be different to the issue price of the Notes.

Trustee:	U.S. Bank Trustees Limited
Collateral Administrator:	Elavon Financial Services Limited
Custodian:	Elavon Financial Services Limited
Principal Paying Agent:	Elavon Financial Services Limited
Calculation Agent and Transfer Agent:	Elavon Financial Services Limited
Account Bank:	Elavon Financial Services Limited
Transfer Agent:	Elavon Financial Services Limited
Registrar:	U.S. Bank National Association
Information Agent:	Elavon Financial Services Limited
Joint Arrangers:	Resource Capital Markets, Inc. RBC Capital Markets, LLC
Joint Placement Agents:	Resource Securities, Inc. Resource Europe Management Ltd. RBC Europe Limited
Eligible Purchasers:	The Notes of each Class will be offered: (a) outside of the United States to persons that are not U.S. Persons ("**non-U.S. Persons**") in "offshore transactions" in reliance on Regulation S under the Securities Act; and (b) within the United States to persons and outside the United States to U.S. Persons in each case who are QIBs/QPs. Subject to further restrictions set out in the "*Plan of Distribution*" section.
Distributions on the Notes:	
Stated Note Interest:	Interest on the Notes will be payable: in the case of each Class of Notes, quarterly in arrear on 22 February, 22 May, 22 August and 22 November prior to the occurrence of a Frequency Switch Event (as defined herein), and semi-annually in arrear on 22 February and 22 August (where the Payment Date immediately following the occurrence of a Frequency Switch Event falls in either February or August), or 22 May and 22 November (where the Payment Date immediately following the occurrence of a Frequency Switch Event falls in either May or November) following the occurrence of a Frequency Switch Event (or, in each case, if such day is not a Business Day (as defined herein), then on the next succeeding Business Day (unless it would fall in the following month, in which case it shall be moved to the immediately preceding Business Day)), in each year, commencing on 22 November 2016, and ending on the Maturity Date (subject to any earlier redemption of the Notes in

	accordance with the Conditions), in accordance with the Priorities of Payment described herein.
Deferral of Interest:..................................	Failure on the part of the Issuer to pay the Interest Amounts due and payable on the Rated Notes in accordance with the Priorities of Payment shall not constitute a Note Event of Default unless and until (x) such failure continues for a period of five consecutive Business Days; and (y) in respect of the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes, such non-payment of interest is in respect of a Payment Date on or after the Payment Date immediately following the occurrence of a Frequency Switch Event (such Payment Date, a "**Relevant Payment Date**") and: (a) in the case of non-payment of interest due and payable on the Class C Notes, the Class A Notes and the Class B Notes have been redeemed in full; (b) in the case of non-payment of interest due and payable on the Class D Notes, the Class A Notes, the Class B Notes and the Class C Notes have been redeemed in full; (c) in the case of non-payment of interest due and payable on the Class E Notes, the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes have been redeemed in full; and (d) in the case of non-payment of interest due and payable on the Class F Notes, the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes have been redeemed in full, save in each case as the result of any deduction therefrom or the imposition of any withholding tax thereon as set out in Condition 9 (*Taxation*). To the extent that interest payments on the Class C Notes, Class D Notes, Class E Notes or Class F Notes are not made on the relevant Payment Date where a more senior Class of Notes remains Outstanding or such Payment Date is not on or following a Relevant Payment Date, an amount equal to such unpaid interest will be added to the principal amount of the Class C Notes, Class D Notes, Class E Notes and Class F Notes (as applicable) and from the date such unpaid interest is added to the applicable Principal Amount Outstanding of the relevant Class of Notes, such unpaid amount will accrue interest at the rate of interest applicable to the relevant Notes. See Condition 6(c) (*Deferral of Interest*). Non-payment of interest amounts due and payable on the Subordinated Notes as a result of the insufficiency of available Interest Proceeds or Principal Proceeds will not constitute a Note Event of Default.
Principal Payments on the Notes:	Principal payments on the Notes may be made in the following circumstances: (a) on the Maturity Date (see Condition 7(a) (*Final Redemption)*); (b) on any Payment Date on or after the Effective Date in the case of the Par Value Tests and in the case of the Interest Coverage Tests on or after the Determination Date immediately preceding the second Payment Date following a breach of the Coverage Tests (see Condition 7(c) (*Redemption upon Breach of Coverage Tests*));

(c) on the occurrence of an Effective Date Rating Event (see Condition 7(f) (*Redemption upon Effective Date Rating Event*));

(d) in whole (with respect to all Classes of Rated Notes) but not in part on any Payment Date falling on or after expiry of the Non-Call Period from Sale Proceeds or Refinancing Proceeds (or any combination thereof) if directed in writing by (i) the Retention Holder or (ii) the Subordinated Noteholders (acting by way of Ordinary Resolution) (see Condition 7(b)(i)(A) (*Optional Redemption in Whole – Subordinated Noteholders or Retention Holder*));

(e) in part by redemption in whole of one or more Classes of Rated Notes from Refinancing Proceeds on any Payment Date on or after the expiry of the Non-Call Period at the direction of the Subordinated Noteholders (acting by way of Ordinary Resolution) or at the direction of the Portfolio Manager, as long as the Class of Rated Notes to be redeemed represents the entire Class of such Rated Notes (see Condition 7(b)(ii) (*Optional Redemption in Part – Refinancing of a Class or Classes of Notes in Whole by Subordinated Noteholders*));

(f) on any Payment Date following the occurrence of a Note Tax Event at the option of either the Controlling Class or the Subordinated Noteholders (in each case acting by way of Extraordinary Resolution and for the avoidance of doubt, where such an Extraordinary Resolution is passed by the Controlling Class (or the Subordinated Noteholders, as applicable) without regard to whether or not such an Extraordinary Resolution is also passed by the Subordinated Noteholders (or the Controlling Class, as applicable)) subject to the satisfaction of certain conditions (see Condition 7(d) (*Redemption following a Note Tax Event*);

(g) in whole (with respect to all Classes of Rated Notes) but not in part on any Payment Date following the occurrence of a Collateral Tax Event at the option of the Subordinated Noteholders (acting by way of Ordinary Resolution) (see Condition 7(b)(i)(B) (*Optional Redemption in Whole – Subordinated Noteholders*));

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

(i) after the Reinvestment Period, on each Payment Date out of Principal Proceeds transferred to the Payment Account immediately prior to the related Payment Date (see Condition 7(g) (*Redemption following expiry of the Reinvestment Period*));

(j) on any Payment Date during the Reinvestment Period at the discretion of the Portfolio Manager (acting on behalf of the Issuer) following written notification by the Portfolio Manager to the Trustee that it has been unable, for a period of 20

	consecutive Business Days, to identify a sufficient quantity of additional or Substitute Collateral Debt Obligations in which to invest or reinvest Principal Proceeds (see Condition 7(e) (*Special Redemption*)); (k) on any Payment Date during the Reinvestment Period following a breach of the Additional Reinvestment Test in accordance with the provisions of paragraph (V) of the Interest Proceeds Priority of Payments and Condition 7(e) (*Special Redemption*) to the extent necessary to cause the Additional Reinvestment Test to be met; and (l) upon the occurrence of a Note Event of Default, which has not been cured, and the acceleration of the Notes in accordance with the Post-Acceleration Priority of Payments (see Condition 10 (*Events of Default*)).
Optional Redemption:	
During Non-Call Period:..........................	During the period from the Issue Date up to, but excluding, 22 May 2018 or, if such day is not a Business Day, the next following day that is a Business Day (unless it would fall in the following month, in which case such date shall be brought forward to the immediately preceding Business Day (the "**Non-Call Period**")), the Notes are not subject to redemption at the option of the Noteholders (save for (i) upon the occurrence of a Note Tax Event (see Condition 7(d) (*Redemption following a Note Tax Event*)) at the option of the Controlling Class or the Subordinated Noteholders, in each case acting by Extraordinary Resolution; or (ii) following the occurrence of a Collateral Tax Event at the option of the Subordinated Noteholders acting by Ordinary Resolution (see Condition 7(b)(i)(B) (*Optional Redemption in Whole – Subordinated Noteholders or Retention Holder*)).
Redemption Prices:..................................	The Redemption Price of any Class A Note, Class B Note, Class C Note, Class D Note, Class E Note and Class F Note will be (a) 100 per cent. of the Principal Amount Outstanding of the Notes to be redeemed as at such date *plus* (b) accrued and unpaid interest (including any Deferred Interest (if applicable)) thereon to the day of redemption. The Redemption Price for each Subordinated Note will be 100 per cent. of the Principal Amount Outstanding thereof (if any) or, if greater, its *pro rata* share (calculated in accordance with paragraph (CC) of the Interest Proceeds Priority of Payments, paragraph (T) of the Principal Proceeds Priority of Payments and paragraph (Z) of the Post-Acceleration Priority of Payments as applicable) of the aggregate proceeds of liquidation of the Collateral, or realisation of the security thereover in such circumstances, remaining following application thereof in accordance with the applicable Priorities of Payment.
Priorities of Payment:	Prior to the acceleration of the Notes in accordance with Condition 10(b) (*Acceleration*) or following such acceleration which has subsequently been rescinded and annulled in accordance with Condition 10(c) (*Curing of Note Event of Default*) and other than in connection with an Optional Redemption in whole pursuant to Condition 7(b) (*Optional Redemption)* or Condition 7(d) (*Redemption following a Note Tax Event*):

	(a) in the case of Interest Proceeds, the Interest Proceeds Priority of Payments; and (b) in the case of Principal Proceeds, the Principal Proceeds Priority of Payments. Upon any Optional Redemption in whole of the Notes in accordance with Condition 7(b) (*Optional Redemption*) or Condition 7(d) (*Redemption following a Note Tax Event*) or following the acceleration of the Notes in accordance with Condition 10(b) (*Acceleration*) which has not been rescinded and annulled in accordance with Condition 10(c) (*Curing of Note Event of Default*), Interest Proceeds and Principal Proceeds will be applied in accordance with the Post-Acceleration Priority of Payments.
Security for the Notes:	The Notes will be secured in favour of the Trustee for the benefit of the Secured Parties by security over a portfolio of Collateral Debt Obligations consisting of Euro and non-Euro denominated Senior Secured Loans, Second Lien Loans, Unsecured Senior Loans, Mezzanine Loans, Corporate Rescue Loans and Bridge Loans of various issuers and borrowers in Qualifying Countries. The Notes will also be secured by an assignment by way of security of various of the Issuer's other rights, including its rights under certain of the agreements described herein (but excluding its rights in respect of the Irish Account and the Issuer Corporate Services Agreement). See Condition 4 (*Security*).
Hedge Arrangements:	Subject to (i) a Hedge Transaction complying with the Hedge Agreement Eligibility Criteria at the time of entry into such Hedge Transaction or (ii) the receipt by the Portfolio Manager (on behalf of the Issuer) of legal advice from reputable U.S. legal counsel familiar with the Volcker Rule and collateralized loan obligation transactions to the effect that the entry into such arrangements shall not require any of the Issuer, its directors or officers or the Portfolio Manager to register with the United States Commodity Futures Trading Commission as a commodity pool operator or a commodity trading advisor pursuant to the United States Commodity Exchange Act of 1936, as amended, and that such Hedge Transaction would be considered a "permitted derivative" within the meaning of and subject to the "loan securitisation" exemption under the Volcker Rule, and the Portfolio Manager having confirmed to the Trustee in writing that such legal advice has been received, the Issuer will enter into hedging arrangements to hedge the interest rate and currency risk in respect of the Portfolio on the Issue Date and upon acquisition of applicable Collateral Debt Obligations. The Issuer will obtain Rating Agency Confirmation prior to entering into any hedging arrangements after the Issue Date unless in a form in respect of which Rating Agency Confirmation has previously been obtained. See "*Hedging Arrangements*".
Non-Euro Obligations and Asset Swap Transactions:	The Issuer may purchase any Collateral Debt Obligation that is denominated in a currency other than Euro (each a "**Non-Euro Obligation**") *provided that* an Asset Swap Transaction is entered into by the Issuer (or the Portfolio Manager on its behalf) in respect of each such Non-Euro Obligation with one or more Asset Swap Counterparties satisfying the applicable Rating Requirement (and receipt of Rating Agency Confirmation in relation thereto, unless

	such Asset Swap Transaction is a Form-Approved Asset Swap), no later than the settlement of the acquisition thereof. Under each Asset Swap Transaction, the currency risk arising from the receipt of cash flows from the relevant Non-Euro Obligation, including interest and principal payments thereon, will be hedged. The Asset Swap Transaction shall terminate on the maturity date of the Non-Euro Obligation and in the other circumstances specified therein. See "*The Portfolio – Non-Euro Obligations*" and *"Hedging Arrangements*".
Interest Rate Hedging:..............................	The Issuer (or the Portfolio Manager on its behalf) may enter into Interest Rate Hedge Transactions with one or more Interest Rate Hedge Counterparties satisfying the Rating Requirement in order to hedge any interest rate mismatch between the Notes and the Collateral Debt Obligations, subject to the receipt of Rating Agency Confirmation in respect thereof unless in a form previously approved by the Rating Agencies. In accordance with the Portfolio Profile Tests, no more than 5 per cent. of the Aggregate Collateral Balance may consist of Unhedged Fixed Rate Collateral Debt Obligations.
Portfolio Management Fees:	
Senior Portfolio Management Fee:	The fee payable to the Portfolio Manager in arrear on each Payment Date in respect of the immediately preceding Due Period equal to 0.15 per cent. per annum of the Average Aggregate Collateral Balance (*provided that* for such purpose the Principal Balance of each Defaulted Obligation shall be the lesser of its Moody's Collateral Value and its S&P Collateral Value) (exclusive of VAT), calculated quarterly (or, following the occurrence of a Frequency Switch Event, semi-annually) in respect of each Due Period, in each case, on the basis of a 360-day year comprised of twelve 30-day months. See "*Description of the Portfolio Management Agreement – Fees*".
Subordinated Portfolio Management Fee:	The fee payable to the Portfolio Manager in arrear on each Payment Date in respect of the immediately preceding Due Period equal to 0.35 per cent. per annum of the Average Aggregate Collateral Balance (*provided that* for such purpose the Principal Balance of each Defaulted Obligation shall be the lesser of its Moody's Collateral Value and its S&P Collateral Value) (exclusive of VAT), calculated quarterly (or, following the occurrence of a Frequency Switch Event, semi-annually) in respect of each Due Period, in each case, on the basis of a 360-day year comprised of twelve 30-day months. See "*Description of the Portfolio Management Agreement – Fees*".
Incentive Management Fee:	The fee payable to the Portfolio Manager in arrear on each Payment Date equal to the sum of 20 per cent. of all amounts payable in respect of any Interest Proceeds and Principal Proceeds remaining on each Payment Date after the Incentive Management Fee IRR Threshold has been reached (exclusive of VAT). See the definition of *Incentive Management Fee and Incentive Management Fee IRR Threshold* in Condition 1 (*Definitions*) and "*Description of the Portfolio Management Agreement – Fees*".

Purchase of Collateral Debt Obligations:	
Initial Investment Period:	During the period from and including the Issue Date to but excluding the earlier of: (a) the date designated as such by the Portfolio Manager by written notice to the Trustee, the Issuer and the Collateral Administrator pursuant to the Portfolio Management Agreement, subject to the Effective Date Determination Requirements having been satisfied; and (b) 22 November 2016 (or, if such day is not a Business Day, the next following Business Day), (such date, the "**Effective Date**" and, such period, the "**Initial Investment Period**"), the Issuer intends to purchase the remainder of the Portfolio of Collateral Debt Obligations, subject to the Eligibility Criteria and certain other restrictions.
Reinvestment in Collateral	
Debt Obligations:	Subject to the limits described in the Priorities of Payment and Principal Proceeds available from time to time, the Portfolio Manager shall, on behalf of the Issuer, use reasonable endeavours to purchase Substitute Collateral Debt Obligations meeting the Eligibility Criteria and the Reinvestment Criteria during the Reinvestment Period. See "*The Portfolio*". Following expiry of the Reinvestment Period, only Sale Proceeds from the sale of Credit Impaired Obligations and Unscheduled Principal Proceeds received after the Reinvestment Period may be reinvested by the Issuer (or the Portfolio Manager on behalf of the Issuer), in Substitute Collateral Debt Obligations meeting the Eligibility Criteria and Reinvestment Criteria. See "*The Portfolio*".
Eligibility Criteria:	In order to qualify as a Collateral Debt Obligation, an obligation must satisfy certain specified Eligibility Criteria. Each obligation shall only be required to satisfy the Eligibility Criteria at the time the Issuer (or the Portfolio Manager acting on behalf of the Issuer) enters into a binding commitment to purchase such obligation save for an Issue Date Collateral Debt Obligation which must also satisfy the Eligibility Criteria on the Issue Date and save for an obligation which has been restructured whether effected by way of an amendment to the terms of such obligation (including but not limited to an extension of its maturity) or by way of substitution of new obligations and/or a change of Obligor which shall only constitute a Collateral Debt Obligation if it is a Restructured Obligation. See "*The Portfolio – Eligibility Criteria*".
Restructured Obligations:	In order for a Collateral Debt Obligation which is the subject of a restructuring to qualify as a Restructured Obligation, such Collateral Debt Obligation must satisfy the Restructured Obligation Criteria as at the applicable Restructuring Date. See "*The Portfolio*".
Collateral Quality Tests:	The Collateral Quality Tests will comprise the following: For so long as any of the Notes rated by Moody's are Outstanding: (a) the Moody's Minimum Diversity Test;

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

(c) the Moody's Minimum Weighted Average Recovery Rate Test.

For so long as any of the Notes rated by S&P are Outstanding:

(a) the S&P CDO Monitor Test (as of the Effective Date and until the expiry of the Reinvestment Period only); and

(b) the S&P Minimum Weighted Average Recovery Rate Test.

For so long as any of the Rated Notes are Outstanding:

(a) the Minimum Weighted Average Spread Test; and

(b) the Weighted Average Life Test.

Portfolio Profile Tests: .... In summary, the Portfolio Profile Tests will consist of each of the following (the percentage requirements applicable to different types of Collateral Debt Obligations specified in the Portfolio Profile Tests and summarily displayed in the table below shall be determined by reference to the Aggregate Collateral Balance, excluding Defaulted Obligations, unless otherwise specified):

		Minimum	**Maximum**
(a)	Senior Secured Loans in aggregate (which shall include the Balance of the Principal Account and the Unused Proceeds Account (including Eligible Investments that represent Principal Proceeds in the Principal Account and the Unused Proceeds Account))	90%	N/A
(b)	Unsecured Senior Loans, Second Lien Loans and/or Mezzanine Loans	N/A	10%
(c)	Senior Secured Loans to a single Obligor	N/A	2.5% (*provided that* up to 3 Obligors may each represent up to 3.0% of the Aggregate Collateral Balance)
(d)	Collateral Debt Obligations of ten largest Obligors	N/A	20%
(e)	Unsecured Senior Loans, Second Lien Loans and/or Mezzanine Loans to a single Obligor	N/A	1.5%
(f)	Collateral Debt Obligations to a single Obligor	N/A	2.5% (*provided that* the obligations of 3 Obligors may each represent up to 3.0% of the Aggregate Collateral Balance)
(g)	Participations	N/A	5%
(h)	Current Pay Obligations	N/A	2.5% (*provided that* each Defaulted

			Obligation shall be deemed to have a Principal Balance equal to the lesser of its Moody's Collateral Value and its S&P Collateral Value for the purposes of determining the Aggregate Collateral Balance)
(i)	Annual Obligations	N/A	5% unless Rating Agency Confirmation has been obtained
(j)	Revolving Collateral Obligations/Delayed Drawdown Collateral Obligations	N/A	5%
(k)	Moody's Caa Obligations	N/A	7.5%
(l)	Unhedged Fixed Rate Collateral Debt Obligations;		5%
(m)	S&P CCC Obligations	N/A	7.5%
(n)	Non-Euro Obligations	N/A	30%
(o)	Bridge Loans	N/A	2.5%
(p)	Corporate Rescue Loans	N/A	5% *provided that* not more than 2% shall consist of Corporate Rescue Loans from a single Obligor
(q)	Cov-Lite Loans	N/A	30% *provided that* if more than 15% of Cov-Lite Loans are rated less than Ba3 by Moody's and BB- by S&P, no further purchase of Cov-Lite Loans is permitted until no more than 15% of Cov-Lite Loans are rated less than Ba3 by Moody's and BB- by S&P
(r)	Cov-Lite Obligations	N/A	70%
(s)	Maximum in any single S&P Industry Classification (as defined in paragraph 6 under the section "*The Portfolio – Portfolio Profile Tests and Collateral Quality Tests – Portfolio Profile Tests*")	N/A	10% provided any three S&P industries may together comprise up to 40%, any two S&P industries may each comprise up to 12% and one S&P industry may comprise up to 17.5%
(t)	S&P Rating derived from Moody's Rating	N/A	10%
(u)	Moody's Rating derived from S&P Rating	N/A	10%
(v)	Domicile of Obligors – Moody's	N/A	10% Domiciled in countries or jurisdictions with a Moody's local currency risk ceiling of "A1" or below unless Rating Agency Confirmation from Moody's is obtained
(w)	Domicile of Obligors – S&P		10% Domiciled in countries or jurisdictions rated below "A-" by S&P unless Rating Agency Confirmation

			from S&P is obtained.
(x)	Obligors Domiciled in Portugal, Italy, Greece or Spain	N/A	10%
(y)	Bivariate Risk Table	N/A	See limits set out in "*The Portfolio – Bivariate Risk Table*"
(z)	Total Indebtedness – between EUR 100,000,000 and EUR 200,000,000	N/A	7.5% Collateral Debt Obligations issued by Obligors each of which has total current indebtedness (comprised of all financial debt owing by the Obligor including the maximum available amount or total commitment under any revolving or delayed draw loans) greater than or equal to EUR 100,000,000 and less than EUR 200,000,000.
(aa)	Total Indebtedness – less than EUR 100,000,000	N/A	0.0% Collateral Debt Obligations issued by Obligors each of which has total current indebtedness (comprised of all financial debt owing by the Obligor including the maximum available amount or total commitment under any revolving or delayed draw loans) less than EUR 100,000,000

Obligations which are to constitute Collateral Debt Obligations in respect of which the Issuer or the Portfolio Manager on behalf of the Issuer, has entered into a binding commitment to purchase but which have not yet settled shall be included as Collateral Debt Obligations in the calculation of the Portfolio Profile Tests at any time as if such purchase had been completed and Collateral Debt Obligations in respect of which the Issuer has entered into a binding commitment to sell but which have not yet settled shall be excluded as Collateral Debt Obligations in the calculation of the Portfolio Profile Tests as if such sale had been completed.

Notwithstanding the above 0.0 per cent. of the Aggregate Collateral Balance may consist of Bonds.

Coverage Tests: .... Each of the Par Value Tests and Interest Coverage Tests shall be satisfied on a Measurement Date in the case of (i) the Par Value Tests, on or after the Effective Date; and (ii) the Interest Coverage Tests, on or after the Determination Date immediately preceding the second Payment Date, if the corresponding Par Value Ratio or Interest Coverage Ratio (as the case may be) is at least equal to the percentage specified in the table below in relation to that Coverage Test. Following the failure of one or more Coverage Tests, Interest Proceeds and Principal Proceeds shall be applied in redemption of the Notes in accordance with the Priorities of Payment on the immediately following Payment Date and each Payment Date thereafter until, after having been recalculated on such date or dates, the applicable Coverage Test or Coverage Tests are satisfied. See Condition 7(c) (*Redemption upon Breach of Coverage Tests*).

Class	Required Par Value Ratio
A/B	129.9%
C	121.2%
D	114.1%
E	106.7%
F	103.8%

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

Additional Reinvestment Test: .... During the Reinvestment Period, if the Additional Reinvestment Test is not satisfied on any Determination Date, up to 50 per cent. of the Interest Proceeds that would otherwise have been applied towards payment of certain Issuer expenses and interest on the Subordinated Notes will instead, in accordance with the Interest Proceeds Priority of Payments, be either deposited in the Principal Account for investment in Substitute Collateral Debt Obligations or used to redeem the Notes in accordance with Condition 7(e) (*Special Redemption*) (if the Portfolio Manager determines that it is unable to identify such additional Collateral Debt Obligations that it considers appropriate for investment), in each case to the extent necessary to cause the Additional Reinvestment Test to be met if calculated following such deposit or payment.

The "**Additional Reinvestment Test**" will apply as of any Measurement Date on or after the Effective Date during the Reinvestment Period and which will be satisfied on such Measurement Date if the Class F Par Value Ratio is at least 104.8 per cent.

Authorised Denominations: .... The Regulation S Notes of each Class will be issued in minimum denominations of €100,000 and integral multiples of €1,000 in excess thereof.

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

PM Voting Notes, PM Non-Voting Notes and PM Non-Voting Exchangeable Notes: .... Each Class A Note, Class B Note, Class C Note or Class D Note may be in the form of a PM Voting Note, a PM Non-Voting Exchangeable Note or a PM Non-Voting Note.

PM Voting Notes shall carry a right to vote in respect of, and be counted for the purposes of determining a quorum and the result of voting on, any PM Replacement Resolution and any PM Removal Resolution. PM Non-Voting Exchangeable Notes and PM Non-Voting Notes shall not carry any rights in respect of, or be counted for the purposes of determining a quorum and the result of voting on, any PM Removal Resolution or any PM Replacement Resolution but shall carry a right to vote on and be counted in respect of all other matters in respect of which the PM Voting Notes have a right to vote and be counted.

Form, Registration and Transfer of the Notes: ....

The Regulation S Notes of each Class (other than, in certain circumstances, the Class E Notes, the Class F Notes or the Subordinated Notes as described below) will be represented on issue by beneficial interests in one or more Regulation S Global Certificates in fully registered form, without interest coupons or principal receipts, which will be deposited on or about the Issue Date with, and registered in the name of, a nominee of a common depositary for Euroclear Bank S.A./N.V., as operator of the Euroclear System ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**"). Beneficial interests in a Regulation S Global Certificate may at any time be held only through, and transfers thereof will only be effected through, records maintained by Euroclear or Clearstream, Luxembourg. See "*Form of the Notes*" and "*Book-Entry Clearance Procedures*". Interests in any Regulation S Note may not at any time be held by any U.S. Person or U.S. Resident.

The Rule 144A Notes of each Class (other than, in certain circumstances, the Class E Notes, the Class F Notes or the Subordinated Notes as described below) will be represented on issue by one or more Rule 144A Global Certificates in fully registered form, without interest coupons or principal receipts, which will be deposited on or about the Issue Date with, and registered in the name of, a nominee of a common depositary for Euroclear and Clearstream, Luxembourg. Beneficial interests in a Rule 144A Global Certificate may at any time only be held through, and transfers thereof will only be effected through, records maintained by Euroclear or Clearstream, Luxembourg.

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

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

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

	The Portfolio Manager will enter into a placement agency agreement with the Joint Placement Agents in which the Portfolio Manager will certify as to, among other matters, its status under the Securities Act, the Investment Company Act and ERISA. Each initial investor and each transferee of any Class E Notes, Class F Notes or Subordinated Notes (or any interest therein) (other than the Portfolio Manager, provided it has given an ERISA certificate (substantially in the form of Annex A (*Form of ERISA Certificate*) to this Prospectus) to the Issuer, or as otherwise permitted in writing by the Issuer with respect to any interests in any Class E Notes, Class F Notes or Subordinated Notes acquired in the initial offering) will be required or deemed to represent (among other things) that it is not, and is not acting on behalf of, and, for so long as it holds such Note or an interest therein, it will not be, and will not be acting on behalf of, a Benefit Plan Investor or a Controlling Person. If an initial investor or a transferee is unable to make such deemed representation, such initial investor or transferee may not acquire such Note (or any interest therein) unless such transferee (i) obtains the written consent of the Issuer; (ii) provides an ERISA certificate to the Issuer as to its status as a Benefit Plan Investor or Controlling Person (substantially in the form of Annex A (*Form of ERISA Certificate*) to this Prospectus); (iii) holds such Class E Notes, Class F Notes and Subordinated Note in the Form of a Definitive Certificate; and (iv) agrees to certain transfer restrictions regarding its interest in such Class E Notes, Class F Notes, or Subordinated Notes. No proposed transfer of Class E Notes, Class F Notes or Subordinated Notes (or interests therein) will be permitted or recognised if a transfer to a transferee will cause 25 per cent. or more of the total value of the Class E Notes, Class F Notes or Subordinated Notes (determined separately by class) to be held by Benefit Plan Investors, disregarding Class E Notes, Class F Notes or Subordinated Notes (or interests therein) held by Controlling Persons. See "*Certain ERISA Considerations*". Transfers of interests in the Notes are subject to certain restrictions and must be made in accordance with the procedures set forth in the Trust Deed. See "*Form of the Notes*", "*Book-Entry Clearance Procedures*" and "*Transfer Restrictions*". Each purchaser of Notes in making its purchase will be required to make, or will be deemed to have made, certain acknowledgements, representations and agreements. See "*Transfer Restrictions*". The transfer of Notes in breach of certain of such representations and agreements will result in affected Notes becoming subject to certain forced transfer provisions. See Condition 2(h) (*Forced Transfer of Rule 144A Notes*) and Condition 2(i) (*Forced sale pursuant to FATCA*).
Governing Law:	The Notes, the Trust Deed, the Portfolio Management Agreement, the Agency Agreement and all other Transaction Documents will be governed by English law, except for the Issuer Corporate Services Agreement which will be governed by Irish law.
Listing:	Application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List and trading on its regulated market. There can be no assurance that any such approval will be granted or, if granted, that such listing will be maintained.
Forced sale and withholding:	Under FATCA (defined herein), the Issuer (and any intermediary) may require each Noteholder to provide documentation and identifying information about itself and certain of its owners. Other than the Retention Holder with respect to the Retention, the Issuer

	(and any intermediary) may force the sale of a Noteholder's Notes in order to comply with FATCA, including Notes held by a Noteholder that fails to provide the required information (and such sale could be for less than its then fair market value). In addition, the failure to provide such information, or the failure of certain non-U.S. financial institutions to comply with FATCA, may compel the Issuer (and any intermediary) to withhold on payments to such holders (and neither the Issuer nor any intermediary will pay any additional amounts with respect to such withholding).
Tax Status:	See "*Tax Considerations*".
Withholding Tax:	No gross up of any payments to the Noteholders in respect of amounts deducted from or withheld for or on account of any tax is required of the Issuer. See Condition 9 (*Taxation*).
Additional Issuances:	Subject to certain conditions being met additional Notes of all existing Classes may be issued and sold. See Condition 17 (*Additional Issuances*).
Retention Holder and Retention Requirements:	The Retention Holder will represent and undertake to hold the Retention (as defined in the section "*The Retention Holder and Retention Requirements*") on the terms set out in the Risk Retention Letter. See "*The Retention Holder and Retention Requirements*".

RISK FACTORS

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

1. General

1.1 General

It is intended that the Issuer will invest in Collateral Debt Obligations with certain risk characteristics as described below and subject to the investment policies, restrictions and guidelines described in "*The Portfolio*". There can be no assurance that the Issuer's investments will be successful, that its investment objectives will be achieved, that the Noteholders will receive the full amounts payable by the Issuer under the Notes or that they will receive any return on their investment in the Notes. Prospective investors are therefore advised to review this entire Prospectus carefully and should consider, among other things, the risk factors set out in this section before deciding whether to invest in the Notes. Except as is otherwise stated below, such risk factors are generally applicable to all Classes of Notes, although the degree of risk associated with each Class of Notes will vary in accordance with the position of such Class of Notes in the Priorities of Payment. See Condition 3(c) (*Priorities of Payment*). In particular, (i) payments in respect of the Class A Notes are generally higher in the Priorities of Payment than those in respect of the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Subordinated Notes; (ii) payments in respect of the Class B Notes are generally higher in the Priorities of Payment than those of the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Subordinated Notes; (iii) payments in respect of the Class C Notes are generally higher in the Priorities of Payment than those of the Class D Notes, the Class E Notes, the Class F Notes and the Subordinated Notes; (iv) payments in respect of the Class D Notes are generally higher in the Priorities of Payment than those of the Class E Notes, the Class F Notes and the Subordinated Notes; (v) payments in respect of the Class E Notes are generally higher in the Priorities of Payment than those of the Class F Notes and the Subordinated Notes; and (vi) payments in respect of the Class F Notes are generally higher in the Priorities of Payment than those of the Subordinated Notes. None of the Joint Placement Agents, the Joint Arrangers, the Collateral Administrator nor the Trustee undertakes to review the financial condition or affairs of the Issuer or the Portfolio Manager during the life of the arrangements contemplated by this Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of the Joint Placement Agents, the Joint Arrangers, the Collateral Administrator, or the Trustee which is not included in this Prospectus.

1.2 Suitability

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

1.3 Limited resources of funds to pay expenses of the Issuer

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

1.4 Business and regulatory risks for vehicles with investment strategies such as the Issuer's

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

1.5 Events in the CLO and Leveraged Finance Markets

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

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

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

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

Difficult macro-economic conditions may adversely affect the rating, performance and the realisation value of the Portfolio. Default rates on loans and other investments may continue to fluctuate and accordingly the performance of many collateralised loan obligation ("**CLO**") transactions and other types of investment vehicles may suffer as a result. It is also possible that the Portfolio will experience higher default rates than anticipated and that performance will suffer.

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

The result of the above is a significantly more restrictive regulatory environment including the implementation of new accounting and capital adequacy rules in addition to further regulation of derivative or securitised instruments. Such additional rules and regulations could, among other things, adversely affect Noteholders as well as the flexibility of the Portfolio Manager in managing 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 CLO, leveraged finance or structured finance markets will recover from the economic downturn at the same time or to the same degree as such other recovering sectors.

1.6 Illiquidity in the CLO, leveraged finance and fixed income markets may affect the Noteholders

The financial markets have experienced substantial fluctuations in prices for leveraged loans and limited liquidity for such obligations. During periods of limited liquidity and higher price volatility, the Issuer's ability to acquire or dispose of Collateral Debt Obligations at a price and time that the Issuer deems advantageous may be severely impaired. As a result, in periods of rising market prices, the Issuer may be unable to participate in price increases fully to the extent that it is unable to acquire desired positions quickly; and the Issuer's inability to dispose fully and promptly of positions in declining markets may exacerbate losses suffered by the Issuer when Collateral Debt Obligations are sold. Furthermore, significant additional risks for the Issuer and investors in the Notes exist. Those risks include, among others, (i) the possibility that, after the Issue Date, the prices at which Collateral Debt Obligations can be sold by the Issuer will have deteriorated from their effective purchase price, (ii) the possibility that opportunities for the Issuer to sell its Collateral Debt Obligations in the secondary market, including Credit Impaired Obligations and Defaulted Obligations, may be impaired, and (iii) increased illiquidity of the Notes because of reduced secondary trading in CLO securities. These additional risks may affect the returns on the Notes to investors or otherwise adversely affect Noteholders.

In addition, the primary market for a number of financial products, including leveraged loans, has been affected by such limited liquidity which may reduce opportunities for the Issuer to purchase new issuances of Collateral Debt Obligations. In addition, the ability of private equity sponsors and leveraged loan arrangers to effectuate new leveraged buy-outs and the ability of the Issuer to purchase such Collateral Debt Obligations may be partially or significantly limited. In Europe, primary leveraged loan activity has been limited, as such the ability of the Issuer to find suitable obligations to invest in may be limited. The impact of the lack of liquidity on the global credit markets may adversely affect the management flexibility of the Portfolio Manager in relation to the Portfolio and, ultimately, the returns on the Notes to investors.

1.7 European Union and Euro-zone risk

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

The economic crisis in Greece is particularly acute and topical. Extraordinary capital and banking controls were introduced which have been interpreted by certain market participants as a precursor to further adverse developments in Greece (including the possibility of a sovereign default by Greece and corporate defaults in Greece). These developments have heightened the already significant degree of uncertainty in the global markets generally and the importance of the risks described below.

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

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

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

A referendum on UK membership of the European Union will be held on 23 June 2016. The referendum may affect the Issuer's risk profile through introducing potentially significant new uncertainties and instability in financial markets ahead of the date of the referendum and, depending on the outcome, after the event. These uncertainties could have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects. In addition, it is unclear at this stage what the consequences would be for the Issuer, the Portfolio Manager (in its capacity as collateral manager and as a "sponsor" retention holder) or any other Transaction Party should the UK leave the European Union.

1.8 Flip Clauses

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

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

In the U.S. courts, the U.S. Bankruptcy Court for the Southern District of New York in *Lehman Brothers Special Financing Inc. v. BNY Corporate Trustee Services Limited. (In re Lehman Brothers Holdings Inc.)*, Adv. Pro. No. 09-1242-JMP (Bankr. S.D.N.Y. 20 May 2009) examined a flip clause and held that such a provision, which seeks to modify one creditor's position in a priority of payments when that creditor files for bankruptcy, is unenforceable under the U.S. Bankruptcy Code. Judge Peck acknowledged that this has resulted in the U.S. courts coming to a decision "directly at odds with the judgement of the English Courts". While BNY Corporate Trustee Services Ltd filed a motion for and was granted leave to appeal with the U.S. Bankruptcy Court, the case was settled before the appeal was heard. There remain several actions in the U.S. commenced by debtors of Lehman Brothers concerning the enforceability of flip clauses. In particular, in 2012, a new suit was filed in the U.S. Bankruptcy Court by claimants in the Belmont case asking, among other things, for the U.S. Bankruptcy Court to recognise and enforce the decision of the English Supreme Court and to declare that flip clauses are enforceable under U.S. bankruptcy law notwithstanding that court's earlier decision. Plaintiffs in that suit have also filed a companion motion alleging that the issues in their complaint are tangential to the bankruptcy before the U.S. Bankruptcy Court and that, therefore, the suit should be removed to a U.S. district court. Given the current state of U.S. and English law, this is likely to be an area of continued judicial focus particularly in respect of multi-jurisdictional insolvencies.

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

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

1.9 Third Party Litigation; Limited Funds Available

The Issuer's investment activities may subject it to the risks of becoming involved in litigation by third parties. This risk may be greater where the Issuer exercises control or significant influence over a company's direction. The expense of defending claims against the Issuer by third parties (including bankruptcy or insolvency proceedings) and paying any amounts pursuant to settlements or judgments would, except in the unlikely event that that Issuer is indemnified for such amounts, be borne by the Issuer and would reduce the funds available for distribution and the Issuer's net assets. The funds available to the Issuer to pay certain fees and expenses of the Trustee, the Collateral Administrator and for payment of the Issuer's other accrued and unpaid Administrative Expenses are limited amounts available in accordance with the Priorities of Payment. If such funds are not sufficient to pay the expenses incurred by the Issuer, the ability of the Issuer to operate effectively may be impaired, and the Issuer may not be able to defend or prosecute legal proceedings that may be bought against it or that the Issuer might otherwise bring to protect its interests.

1.10 Reliance on Rating Agency Ratings

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

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

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

The SEC adopted Rule 15Ga-2 and Rule 17g-10 under the United States Securities Exchange Act of 1934, on 27 August 2014, which require certain filings or certifications to be made in connection with

the performance of "due diligence services" for rated asset-backed securities on or after 15 June 2015. Under Rule 17g-10, a provider of third-party due diligence services must provide, to each nationally recognised statistical rating organisation that is rating the applicable transaction, a written certification in a prescribed form (which obligation may be satisfied if the Issuer posts such certification in the required form to the Rule 17g-5 website referred to above, maintained in connection with the transaction). It is presently unclear what, if any, services provided or to be provided by third parties to the Issuer in connection with the transaction described in this Prospectus would constitute "due diligence services" under Rule 17g-10, and consequently, no assurance can be given as to whether any certification will be given by the Issuer or any applicable third party service provider to the Rating Agencies in circumstances where such certification is deemed to have been required under the rules described in the preceding paragraph. If the Issuer or any third party that provides due diligence services to the Issuer does not comply with its obligations under Rule 17g-10, the Rating Agencies may withdraw (or fail to confirm) their ratings of the Notes. In such case, the price or transferability of the Notes (and any beneficial owner of Notes that relies on ratings of securities for regulatory or other compliance purposes) may be adversely affected.

1.12 LIBOR and EURIBOR reform

The London Inter-Bank Offered Rate ("**LIBOR**") is currently being reformed, including (i) the replacement of the BBA with ICE Benchmark Administration Limited as LIBOR administrator (completion of which has occurred), (ii) a new code of conduct for banks; (iii) reduction in the number of currencies and tenors for which LIBOR is calculated, and (iv) changes in the way that LIBOR is calculated, by compelling more banks to provide LIBOR submissions and basing these submissions on actual transaction data.

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. While further drafts of the Proposed Benchmark Regulation have been published as it progresses through the EU legislative process, it is presently unclear in what form it may be passed (including its broad scope and applicable extraterritorial and transitional provisions) and, if so, when it would be effective. It is possible however that the Proposed Benchmark Regulation may enter into force soon (with its application potentially following 12 months thereafter).

The Proposed Benchmark Regulation, if passed in its September 2013 form, would apply principally to "administrators" and also, in some respects, to "contributors" and certain "users" of "benchmarks", and would, among other things, (i) require benchmark administrators to be authorised (or, if non-EU-based, to be subject to an equivalent regulatory regime) and make significant changes to the way in which benchmarks falling within scope of the Proposed Benchmark Regulation are governed (including reforms of governance and control arrangements, obligations in relation to input data, certain transparency and record-keeping requirements and detailed codes of conduct for contributors) and (ii) prevent certain uses of "benchmarks" provided by unauthorised administrators by supervised entities in the EU. The scope of the Proposed Benchmark Regulation is wide and, in addition to so-called "critical benchmark" indices, could also potentially apply to many interest rate and foreign exchange rate indices, equity indices and other indices (including "proprietary" indices or strategies) where used to determine the amount payable under or the value or performance of certain financial instruments traded on a trading venue, financial contracts and investment funds.

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

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

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

Investors should be aware that:

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

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

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

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

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

(d) if the EURIBOR benchmarks referenced in Condition 6 (*Interest*) is discontinued, interest on the Notes will be calculated under Condition 6(e) (*Interest on the Rated Notes*); and

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

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

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

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

Of particular note is the Uniting and Strengthening America By Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the "**USA PATRIOT Act**"), signed into law on and effective as of 26 October 2001, which requires that financial institutions, a term that includes banks,

broker dealers and investment companies, establish and maintain compliance programs to guard against money laundering activities. The USA PATRIOT Act requires the Treasury to prescribe regulations in connection with anti-money laundering policies of financial institutions. The Financial Crimes Enforcement Network ("**FinCEN**"), an agency of the Treasury, has announced that it is likely that such regulations would require pooled investment vehicles such as the Issuer to enact anti-money laundering policies. It is possible that there could be promulgated legislation or regulations that would require the Issuer, the Joint Placement Agents, the Joint Arrangers, the Portfolio Manager or other service providers to the Issuer, in connection with the establishment of anti-money laundering procedures, to share information with governmental authorities with respect to investors in the Notes. Such legislation and/or regulations could require the Issuer to implement additional restrictions on the transfer of the Notes. The Issuer reserves the right to request such information as is necessary to verify the identity of a Noteholder and the source of the payment of subscription monies, or as is necessary to comply with any customer identification programs required by FinCEN and/or the SEC. If there is a delay or failure by the applicant to produce any information required for verification purposes, an application for or transfer of Notes and the subscription monies relating thereto may be refused.

2. Relating to Taxation

2.1 U.S. Tax Risks

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

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

U.S. trade or business

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

FATCA

Under FATCA, the Issuer may be subject to a 30 per cent. withholding tax on certain income, and on the gross proceeds from the sale, maturity, or other disposition of certain of its assets. Under an intergovernmental agreement entered into between the United States and Ireland, the Issuer will not be subject to withholding under FATCA if it complies with Irish regulations that require the Issuer to provide the name, address, and taxpayer identification number of, and certain other information with respect to, certain holders of Notes to the Office of the Revenue Commissioners of Ireland, which would then provide this information to the IRS. There can be no assurance that the Issuer will be able to comply with these regulations. Moreover, FATCA could be amended to require the Issuer to

withhold on "passthru" payments to holders that fail to provide certain information to the Issuer or are certain "foreign financial institutions" that do not comply with FATCA.

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

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

The Class E Notes and Class F Notes could be treated as representing equity in the Issuer for U.S. federal income tax purposes. If the Class E Notes or Class F Notes are so treated, gain on the sale of a Class E Note or Class F Note could be treated as ordinary income and subject to an additional tax in the nature of interest, and certain interest on the Class E Notes or Class F Notes could be subject to the additional tax. U.S. Holders (as defined in "*Tax Considerations—Certain U.S. Federal Income Tax Considerations*") may be able to avoid these adverse consequences by filing a protective "qualified electing fund" election with respect to their Class E Notes and Class F Notes. See "*Tax Considerations—Certain U.S. Federal Income Tax Considerations—U.S. Federal Tax Treatment of U.S. Holders of Rated Notes—Possible Treatment of Class E Notes and Class F Notes as Equity for U.S. Federal Tax Purposes*".

2.2 EU Financial Transaction Tax

In February 2013 the European Commission published a proposal for a Council Directive implementing enhanced cooperation for a financial transaction tax ("**FTT**") requested by Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Slovakia, Slovenia and Spain (the "**Participating Member States**"). Estonia has since stated that it will not participate. However, additional Member States may decide to participate.

In its current form, the proposed FTT would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a Participating Member State, or the financial instrument in which the parties are dealing is issued in a Participating Member State. The FTT will apply to both transaction parties where one of these circumstances applies.

At this stage, it is too early to say whether the proposed FTT will be adopted and in what form. Certain aspects of the current proposal are controversial and, if the FTT is progressed, may be altered prior to implementation. While the proposal for a Council Directive identified the date of introduction of the FTT across the Participating Member States as being 1 January 2014, a subsequent joint statement by the finance ministers of the Participating Member States (except for Slovenia) published on 6 May 2014 identified the revised date of introduction of the FTT as being 1 January 2016 at the latest.

The FTT may also apply to dealings in the Collateral to the extent the Collateral constitutes financial instruments within its scope, such as bonds. In such circumstances, there will be no gross-up by any party to the transaction and amounts due to Noteholders may be adversely affected.

The meeting of the European Union Economic and Financial Affairs Council on 7 November 2014 confirmed the aim among the Participating Member States of implementing the first phase of the FTT with effect from 1 January 2016. In a further joint statement by the finance ministers of the Participating Member States (except for Greece) published on 27 January 2015 reiterated that the anticipated implementation date remained 1 January 2016.

However, a publication by the Luxembourg Presidency of the Council of the European Union (the "**Luxembourg Presidency**") on 3 December 2015 set out the 'state of play' in relation to the FTT. In that publication, the Luxembourg Presidency concluded that further work was required on a number of open questions that constitute the 'building blocks' of the design of the FTT. A meeting of the

European Finance Ministers on 8 December 2015 took note of a statement made by 10 of the Participating Member States (excluding Estonia) relating to the scope and timetable for introduction of the FTT. In that statement, the Participating Member States (excluding Estonia) announced agreement on a number of features of the FTT which had been considered in the publication by the Luxembourg Presidency on 3 December 2015, but indicated that a decision on the remaining open issues would only be made at some point before the end of June 2016. The anticipated implementation date for the FTT of 1 January 2016 was not met, with earliest implementation of the FTT looking to be a practical possibility only at some date after 30 June 2016.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT and its potential impact on their dealings in the Notes before investing.

2.3 Evolution of international fiscal and taxation policy and Action Plan on Base Erosion and Profit Sharing

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

In July 2013 the OECD published its Action Plan on BEPS, which proposed fifteen actions intended to counter international tax base erosion and profit shifting. The focus of one of the action points ("**Action 6**") is the prevention of treaty abuse by developing model treaty provisions to prevent the granting of treaty benefits in inappropriate circumstances. The definition of "permanent establishment" and the scope of the exemption for an "agent of independent status" have also been considered under action point 7 ("**Action 7**"). Other action points may affect the tax position of the Issuer.

On 5 October 2015 the OECD released its final recommendations, including in respect of Action 6 and Action 7.

Action 6

Action 6 is intended to prevent the granting of treaty benefits in inappropriate circumstances. As noted below, whether the Issuer will be subject to United Kingdom corporation tax may depend on whether it can benefit from Article 5 of the UK-Ireland double tax treaty. Further, it is expected that the Issuer will rely on the interest and other articles of treaties entered into by Ireland to be able to receive payments from some Obligors free from withholding taxes that might otherwise apply. The final recommendation of the OECD for Action 6 is that treaties should include one or both of a "limitation of benefits" rule and a "principal purpose test". If a person were not to satisfy either a "limitation of benefits" rule or a "principal purpose test" in a treaty then it could be denied the benefits of the treaty.

The final form of a "limitation of benefits" rule is not yet certain. It is subject to further review pending finalisation of a revised "limitation of benefits" rule proposed by the United States for its own treaties. The recommended "principal purpose test" would deny a treaty benefit where it is reasonable to conclude, having regard to all relevant facts and circumstances, that obtaining that benefit was one of the principal purposes of any arrangement or transaction that resulted directly or indirectly in that benefit, unless it is established that granting that benefit in those circumstances would be in accordance with the object and purpose of the relevant provisions of the treaty. It is unclear how a "principal purpose test", if adopted, would be applied by the tax authorities of those jurisdictions from which payments are made to the Issuer. Further, the OECD has noted that further work needs to be undertaken during the first part of 2016 in relation to the treaty entitlement of funds that are not collective investment vehicles. This work may be relevant to the treaty entitlement of the Issuer.

If the Issuer were to be denied the benefits of the UK-Ireland treaty and it were trading as opposed to carrying on investment activities, then the Issuer could be treated as having a taxable permanent establishment in the United Kingdom. If United Kingdom tax were imposed on the net income or profits of the Issuer, the amount of tax due would likely be significant on the basis that some or all of the interest which it pays on the Notes may not be deductible. Profits from dealings in the Collateral Debt Obligations could also become taxable. If the United Kingdom tax imposed on the net income or profits of the Issuer in aggregate exceeds €1,000 per annum (or its equivalent), a Note Tax Event shall

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

Action 7

Action 7 is intended to prevent the artificial avoidance of permanent establishment status. As noted below, whether the Issuer will be subject to UK corporation tax may depend on whether the Portfolio Manager is regarded as an agent of independent status for the purpose of Article 5(6) of the UK-Ireland double tax treaty. The final recommendation for Action 7 would exclude the Portfolio Manager from the definition of an independent agent if it acts exclusively, or almost exclusively, on behalf of enterprises which, based on all the relevant facts and circumstances, it "controls". The draft OECD commentary published as part of the final recommendation gives the following as an example of what is meant by control: "where a person or enterprise controls an enterprise by virtue of a special arrangement that allows that person to exercise rights that are similar to those that it would hold if it possessed directly or indirectly more than 50 per cent of the beneficial interests in the enterprise". However, it is not clear in what other circumstances "control" might exist.

If the Issuer carries on investment activities as opposed to a trade, the final recommendations for Action 7 are not expected to affect the Issuer. However, if the Issuer were to be trading, and the UK-Ireland double tax treaty were amended to incorporate the final recommendations of the OECD in relation to Action 7, then the Issuer could be treated as having a taxable permanent establishment in the United Kingdom if it is "controlled" by the Portfolio Manager, and the Portfolio Manager acts exclusively or almost exclusively for enterprises that it "controls". If United Kingdom tax were imposed on the net income or profits of the Issuer, the amount of tax due would likely be significant on the basis that some or all of the interest which it pays on the Notes may not be deductible. Profits from dealings in the Collateral Debt Obligations could also become taxable. If the United Kingdom tax imposed on the net income or profits of the Issuer in aggregate exceeds €1,000 per annum (or its equivalent), a Note Tax Event shall occur, which may result in an optional redemption (in whole but not in part) of the Notes of each Class in accordance with Condition 7(d) (*Redemption following a Note Tax Event*).

Implementation of the final recommendations

In February 2015, the OECD approved a mandate (endorsed by the G20 Finance Ministers and Central Bank Governors) to develop a multilateral instrument which will implement some or all of those final recommendations that relate to double tax treaties, including those relating to Actions 6 and 7, by 31 December 2016. The multilateral instrument is being developed by an ad hoc Group of countries including the United Kingdom and Ireland. Nevertheless, it is not yet certain which countries will sign this multilateral instrument, nor whether and to what extent the final recommendations of the OECD will be implemented.

2.4 Taxation of the Issuer

The Issuer is incorporated in Ireland and is managed and controlled in Ireland for tax purposes and its directors are Irish resident individuals. The Issuer has been advised that it should thus be treated as resident in Ireland for Irish tax purposes and that it should fall within the Irish regime for the taxation of qualifying companies as set out in Section 110 of the Taxes Consolidation Act 1997 of Ireland, as amended ("**Section 110**"), and as such should be taxed only on the amount of its retained profit after deducting all amounts of interest and other revenue expenses due to be paid by the Issuer, provided

certain conditions are met. One such condition requires that all transactions entered into by the Issuer be on arms' length terms (apart from where that transaction is the payment of consideration for the use of principal in certain circumstances). As described in "*Relating to the Collateral – Acquisition of Collateral Debt Obligations prior to the Issue Date*" below, the price paid by the Issuer for the Issue Date Collateral Debt Obligations at the time of entry into binding commitments to purchase may be more or less than the market value of those Issue Date Collateral Debt Obligations on the Issue Date. It is therefore possible that the purchase of such Collateral Debt Obligations by the Issuer may be considered not to be on arms' length terms. The Issuer has been advised, however, that this would not necessarily be the case solely on account of this price arrangement. If, for any reason, the Issuer is not or ceases to be entitled to the benefits of Section 110, then profits or losses could arise in the Issuer which could have tax effects not contemplated in the cashflows for the transaction and as such adversely affect the tax treatment of the Issuer and consequently the payments on the Notes. The conditions to be met for the Issuer to be entitled to the benefits of Section 110 are outlined in "*Tax Considerations – Ireland Taxation – Taxation of the Issuer – Corporation Tax*".

The Issuer will be subject to UK corporation tax if and only if it is (i) tax resident in the UK or (ii) carries on a trade in the UK through a permanent establishment.

The Issuer will not be treated as being tax resident in the UK provided that the central management and control of the Issuer is not in the UK. The Directors intend to conduct the affairs of the Issuer in such a manner so that it does not become resident in the UK for taxation purposes.

The Issuer would generally be regarded as having a permanent establishment in the UK if it has a fixed place of business in the UK through which its business is wholly or partially carried on or it has an agent in the UK who has and habitually exercises authority in the UK to do business on the Issuer's behalf. The Issuer does not intend to have a place of business in the UK. The Portfolio Manager will, however, have and is expected to exercise authority to do business on behalf of the Issuer.

The Issuer should not be subject to UK corporation tax in consequence of the activities which the Portfolio Manager carries out on its behalf provided that the Issuer's activities are regarded as investment activities rather than trading activities.

Even if the Issuer is regarded as carrying on a trade in the UK through the agency of the Portfolio Manager for the purposes of UK corporation tax, it will not be subject to UK corporation tax if the exemption in Article 5(6) of the UK-Ireland tax treaty applies. This exemption will apply if the Portfolio Manager is regarded as an independent agent acting in the ordinary course of its business for the purpose of the UK-Ireland tax treaty. It is expected that, taking into account, among other things, the nature of the Portfolio Manager's business and the terms of its appointment and its role under the Portfolio Management Agreement, the Portfolio Manager will be regarded as an agent of independent status, acting in the ordinary course of business for these purposes. It should be noted that the specific domestic UK corporation tax exemption for profits generated in the UK by an investment manager on behalf of its non-resident clients (section 1146 of the Corporation Tax Act 2010) may not be available in the context of this transaction if the Portfolio Manager (or certain connected entities) holds more than 20 per cent. of the Subordinated Notes. However, in accordance with HM Revenue and Customs' guidance which is current as at the date of this Prospectus, the inapplicability of this domestic exemption should not have any effect on the UK corporation tax position of the Issuer if the exemption in Article 5(6) of the UK-Ireland tax treaty, as referred to above, applies.

Should the Portfolio Manager be assessed to UK tax on behalf of the Issuer, it may be entitled to an indemnity from the Issuer. Any payment to be made by the Issuer under this indemnity will be paid as Administrative Expenses of the Issuer. Administrative Expenses are payable by the Issuer on any Payment Date under the Priorities of Payment. It should be noted that UK tax legislation makes it possible for H.M. Revenue & Customs to seek to assess the Issuer to UK tax directly rather than through the Portfolio Manager as its UK representative. Should the Issuer be assessed on this basis, the Issuer will be liable to pay UK tax on its UK taxable profit attributable to its UK activities in accordance with the Priorities of Payment, as applicable. The Issuer would also be liable to pay UK tax on its UK taxable profits in the unlikely event that it were treated as being tax resident in the UK (such payment to be made in accordance with the Priorities of Payment, as applicable). If UK tax is imposed on the net income or profits of the Issuer, this may trigger a Note Tax Event and result in an optional redemption of the Notes in accordance with Condition 7(d) (*Redemption following a Note Tax Event*).

2.5 Diverted Profits Tax

With effect from 1 April 2015 a new tax has been introduced in the United Kingdom called the "diverted profits tax", which is charged at a rate of 25 per cent. on any "taxable diverted profits". The tax may apply in circumstances including where arrangements are designed to ensure that a non-UK resident company does not carry on a trade in the United Kingdom for corporation tax purposes through a permanent establishment. The tax may also apply in circumstances where a UK resident company, or a non-UK resident company carrying on a trade in the United Kingdom through a permanent establishment, secures a tax reduction through the involvement of entities or transactions lacking economic substance.

While it is not expected that the diverted profits tax would apply to the Issuer or the Portfolio Manager (in its capacity as UK tax representative of the Issuer), this is a new tax and its scope and the basis upon which it will be applied by HM Revenue & Customs remains uncertain. Should the Portfolio Manager be assessed to diverted profits tax, it will in certain circumstances be entitled to an indemnity from the Issuer. Any payment to be made by the Issuer under this indemnity will be paid as Administrative Expenses of the Issuer as specified in the Interest Proceeds Priorities of Payments, the Principal Proceeds Priority of Payments or the Post-Acceleration Priority of Payments, as applicable. It should be noted that H.M. Revenue & Customs would be entitled to seek to assess the Issuer to any diverted profits tax due directly rather than through the Portfolio Manager as its UK tax representative. Should the Issuer be assessed directly on this basis, the Issuer will be liable to pay such amounts in accordance with Interest Proceeds Priorities of Payments, the Principal Proceeds Priority of Payments or the Post-Acceleration Priority of Payments, as applicable.

If United Kingdom diverted profits tax were to be imposed upon the Issuer or upon the Portfolio Manager (in its capacity as UK tax representative of the Issuer), then in certain circumstances the Notes may be redeemed (in whole but not in part) at the option of each of the Controlling Class or the Subordinated Noteholders in each case acting by Extraordinary Resolution. See Condition 7(d) (*Redemption following a Note Tax Event*).

2.6 Withholding Tax on the Notes

So long as the Notes remain listed and admitted to trading on the Irish Stock Exchange or another recognised stock exchange and are held through a recognised clearing system, the Issuer does not currently expect that any withholding tax would be imposed on payments of interest or principal on the Notes, except to the extent discussed with respect to Noteholders that fail to provide information required for purposes of FATCA. However, there can be no assurance that the law will not change. In addition, as described under Condition 9 (*Taxation*) the Issuer is authorised to withhold or deduct from any such payments any amounts on account of tax where so required by law (including FATCA) or any relevant taxing authority.

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

In the event of the occurrence of a Note Tax Event, the Notes may be redeemed in whole but not in part at the direction of the holders of each of the Controlling Class or the Subordinated Notes, in each case acting by way of Extraordinary Resolution, subject to certain conditions including a threshold test pursuant to which determination is made as to whether the anticipated proceeds of liquidation of the security over the Collateral would be sufficient to pay all amounts due and payable on the Rated Notes in such circumstances in accordance with the Priorities of Payment. See Condition 7(d) (*Redemption following a Note Tax Event*).

2.7 Changes in Tax Law; No Gross-Up

The Eligibility Criteria require that, at the time Collateral Debt Obligations are acquired by the Issuer (or, if later, at the Issue Date), those payments of interest on the Collateral Debt Obligations either will generally not be reduced by any withholding tax imposed by any jurisdiction or, if and to the extent that any such withholding tax does apply, either such withholding tax can be sheltered by application being made under a double taxation treaty or the relevant Obligor will be obliged to make gross-up payments to the Issuer that cover the full amount of such withholding on an after tax basis. If the

Obligors of such Collateral Debt Obligations do not make "gross-up" payments that cover the full amount of any such withholding taxes, the amounts available to make payments on, or distributions to, the Noteholders would accordingly be reduced. However, there can be no assurance that, whether as a result of any change in any applicable law, rule or regulation or interpretation thereof or otherwise, the payments on the Collateral Debt Obligations will not be or become subject to withholding tax or increased withholding rates in respect of which the relevant Obligor might not be obliged to gross-up to the Issuer. In such circumstances, the Issuer may be able, but might not be obliged, to take advantage of (i) a double taxation treaty between Ireland and the jurisdiction from which the relevant payment is made, (ii) the current applicable law in the jurisdiction of the relevant Obligor, or (iii) the fact that the Issuer has taken a Participation in such Collateral Debt Obligations from a Selling Institution which is able to pay interest payable under such Participation gross without withholding or deduction of tax. If the Issuer receives any interest payments on any Collateral Debt Obligation net of any applicable withholding tax, the Interest Coverage Tests and the Minimum Weighted Average Spread Test will be determined by reference to such net receipts. Such tax would also reduce the amounts available to make payments on the Notes. There can be no assurance that remaining payments on the Collateral Debt Obligations would be sufficient to make timely payments of interest, principal on the Maturity Date and other amounts payable in respect of the Notes of each Class.

If the aggregate amount of any withholding tax on payments in respect of the Collateral Debt Obligations during any Due Period is in excess of 6 per cent. of the aggregate interest payments due on all Collateral Debt Obligations during such Due Period (other than any additional interest arising as a result of the operation of any gross-up provision), a Collateral Tax Event shall be deemed to have occurred following which the Notes may be redeemed (in whole but not in part) at the option of the Subordinated Noteholders, acting by Ordinary Resolution. See Condition 7(b) (*Optional Redemption*).

Although no withholding tax is currently expected to be imposed on payments of interest or principal on the Notes (except with respect to Noteholders that fail to provide information required for purposes of FATCA), there can be no assurance that the law will not change. See "*Tax Considerations*". In the event that any withholding tax is imposed on payments of interest or principal on any Class of Notes, the Issuer will not "gross up" payments to the holders of such Notes, but the Notes of each Class (in whole but not in part) may be subject to Optional Redemption (at the option of either the Controlling Class or the Subordinated Noteholders in each case acting by Extraordinary Resolution) if a Note Tax Event has occurred. See "*Tax Considerations*" and Condition 7(d) (*Redemption following a Note Tax Event*).

3. Regulatory Initiatives

3.1 Legislative and regulatory actions in the United States, Europe and elsewhere may adversely affect the Issuer and the Notes

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

This uncertainty is further compounded by the numerous regulatory efforts underway in Europe, the U.S. and globally. Certain of these efforts overlap. In addition, even where these regulatory efforts overlap, they generally have not been undertaken on a coordinated basis. Areas where divergence between regulation exists or has begun to develop (whether with respect to scope, interpretation, timing, approach or otherwise) include trading, clearing and reporting requirements for derivatives transactions, higher capital and margin requirements relating to uncleared derivatives transactions, and capital and liquidity requirements that may result in mandatory "ring-fencing" of capital or liquidity in certain jurisdictions, among others. Investors should be aware that those risks are material and that the Issuer and, consequently, an investment in the Notes could be materially and adversely affected thereby.

3.2 Basel III

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

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

3.3 U.S. Dodd-Frank Act

The Dodd-Frank Wall Street Reform and Consumer Protection Act (the "**Dodd-Frank Act**") was signed into law on 21 July 2010. The Dodd-Frank Act represents a comprehensive change to financial regulation in the United States, and affects virtually every area of the capital markets. Implementation of the Dodd-Frank Act requires many lengthy rulemaking processes resulting in the adoption of a multitude of new regulations applicable to entities which transact business in the U.S. or with U.S. persons outside the U.S. Once fully implemented, the Dodd-Frank Act will affect many aspects, in the U.S. and internationally, of the business of the Portfolio Manager, including securitisation, proprietary trading, investing, creation and management of investment funds, OTC derivatives and other activities. While many regulations implementing various provisions of the Dodd-Frank Act have been finalised and adopted, some implementing regulations currently exist only in draft form and are subject to comment and revision, and still other implementing regulations have not yet been proposed. It is therefore difficult to predict whether and to what extent the businesses of the Portfolio Manager and its subsidiaries and affiliates and the Issuer, will be affected by the Dodd-Frank Act as implementing regulations are finalised over time and come into effect. In addition, the joint final rule implementing the U.S. Risk Retention Rules was adopted on October 21 and October 22, 2014. See "Risk Retention and Due Diligence Requirements-U.S. Retention Requirements" below.

The Securities and Exchange Commission (the "**SEC**") had also proposed changes to Regulation AB (as defined under the Securities Act) under the Securities Act which would have had the potential to impose new disclosure requirements on securities offerings pursuant to Rule 144A under the Securities Act or pursuant to other SEC regulatory exemptions from registration. Such rules, if adopted, could have restricted the use of this Prospectus or required the publication of a new prospectus in connection with the issuance and sale of any additional Notes or any Refinancing. While on 27 August 2014, the SEC adopted final rules amending Regulation AB that did not implement these proposals, the SEC has indicated that it is continuing to consider amendments that were proposed with respect to Regulation AB but not adopted, and that further amendments may be forthcoming in the future.

None of the Issuer, the Portfolio Manager, the Joint Placement Agents or the Joint Arrangers makes any representation as to such matters. As such, investors should consult their own independent advisers and make their own assessment about the potential risks posed by the Dodd-Frank Act and the rules to be promulgated thereunder in making any investment decision in respect of the Notes.

3.4 Commodity Pool Regulation

Pursuant to the Dodd-Frank Act, the Commodity Futures Trading Commission ("**CFTC**") has promulgated or are expected to promulgate a range of new regulatory requirements (the "**CFTC Regulations**") that may affect the pricing, terms and compliance costs associated with the entry into any Hedge Transaction by the Issuer and the availability of such Hedge Transactions. Some or all of the Hedge Transactions that the Issuer may enter into may be affected by (i) the requirement that certain swaps be centrally cleared and in some cases traded on a designated contract market or swap execution facility, (ii) initial or variation margin requirements of any central clearing organisation (with respect to cleared swaps) or initial or variation margin requirements with respect to uncleared swaps, (iii) swap reporting and recordkeeping obligations, and other matters. These new requirements may significantly increase the cost to the Issuer and/or the Portfolio Manager of entering into Hedge Transactions such that the Issuer may be unable to purchase certain types of Collateral Debt Obligations, have unforeseen legal consequences on the Issuer or the Portfolio Manager or have other material adverse effects on the Issuer or the Noteholders.

The Issuer's ability to enter into Hedge Transactions may cause the Issuer to be a "commodity pool" as defined in the United States Commodity Exchange Act, as amended ("**CEA**") and the Portfolio Manager to be a "commodity pool operator" ("**CPO**") and/or a "commodity trading advisor" (a "**CTA**"), each as defined in the CEA in respect of the Issuer. The CEA, as amended by the Dodd-Frank Act, defines a "commodity pool" to include certain investment vehicles operated for the purpose of trading in "commodity interests" which includes swaps. CPOs and CTAs are subject to regulation by the CFTC and must register with the CFTC unless an exemption from registration is available. Based on recent CFTC interpretive guidance, the Issuer is not expected to fall within the definition of a "commodity pool" under the CEA and as such, the Issuer (or the Portfolio Manager on the Issuer's behalf) may enter into Hedge Agreements (or any other agreement that would fall within the definition of "swap" as set out in the CEA) subject to (i) a Hedge Transaction complying with the Hedge Agreement Eligibility Criteria at the time of entry into such Hedge Transaction or (ii) the receipt by the Portfolio Manager (on behalf of the Issuer) of legal advice from reputable U.S. legal counsel familiar with the Volcker Rule and collateralised loan obligation transactions to the effect that the entry into such arrangements shall not require any of the Issuer, its directors or officers or the Portfolio Manager to register with the United States Commodity Futures Trading Commission as a commodity pool operator or a commodity trading advisor pursuant to the United States Commodity Exchange Act of 1936, as amended, and that such Hedge Transaction would be considered a "permitted derivative" within the meaning of and subject to the "loan securitisation" exemption under the Volcker Rule (as defined herein), and the Portfolio Manager having confirmed to the Trustee in writing that such legal advice has been received.

In the event that trading or entering into one or more Hedge Agreements would result in the Issuer's activities falling within the definition of a "commodity pool", the Portfolio Manager may (x) rely on the relief set forth in the no-action letter of the United States Commodity Futures Trading Commission No. 12-45 of 7 December 2012 or (y) cause the Issuer to be operated in compliance with the exemption set forth in CFTC Rule 4.13(a)(3) as in effect on the Issue Date. Utilising such exemption from registration referenced in clause (y) of the preceding sentence may impose additional costs on the Portfolio Manager and the Issuer and may significantly limit the Portfolio Manager's ability to engage in hedging activities on behalf of the Issuer. Additionally, unlike a registered CPO, the Portfolio Manager will not be required to deliver a CFTC disclosure document to prospective investors, nor will it be required to provide investors with certified annual reports that satisfy the requirements of CFTC rules applicable to registered CPOs. Neither the CFTC nor the National Futures Association (the "**NFA**") pass upon the merits of participating in a pool or upon the adequacy or accuracy of offering memoranda. Consequently, neither the CFTC not the NFA has reviewed or approved this Prospectus or any related subscription agreement.

Notwithstanding the above, in the event that the recent CFTC guidance referred to above changes or the Issuer engages in one or more activities that might cause it to fall within the definition of a "commodity pool" under the CEA and no exemption from registration is available, registration of the Portfolio Manager as a CPO or a CTA may be required before the Issuer (or the Portfolio Manager on the Issuer's behalf) may enter into any Hedge Agreement. Registration of the Portfolio Manager as a CPO and/or a CTA could cause the Portfolio Manager to be subject to extensive compliance and reporting requirements that would involve material costs which may be passed on to the Issuer. The scope of such compliance costs is uncertain but could adversely affect the amount of funds available to

make payments on the Notes. In addition, in the event an exemption from registration were available and the Portfolio Manager elected to file for an exemption, the Portfolio Manager would not be required to deliver certain CFTC mandated disclosure documents or a certified annual report to investors or satisfy on-going compliance requirements under Part 4 of the CFTC Regulations, as would be the case for a registered CPO or CTA. Further, the conditions of such exemption may constrain the extent to which the Issuer may be able to enter into swap transactions. In particular, the limits imposed by such exemptions may prevent the Issuer from entering into a Hedge Transaction that the Portfolio Manager believes would be advisable or result in the Issuer incurring financial risks that would have been hedged pursuant to swap transactions absent such limits. In addition, the costs of obtaining and maintaining such exemption will be passed on to the Issuer.

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

3.5 Volcker Rule

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

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

The Issuer has structured its operations with the intention of being excluded from being considered a "covered fund" in reliance on the "loan securitisation" exemption.

It should be noted that a commodity pool as defined in the CEA (see 3.4 "*Commodity Pool Regulation*", above) will also fall within the definition of a covered fund as described above.

If the Issuer is deemed to be a covered fund, then in the absence of regulatory relief, the provisions of the Volcker Rule and its related regulatory provisions will severely limit the ability of "banking entities" to hold an ownership interest in the Issuer or enter financial transactions with the Issuer. Any entity that is a "banking entity" as defined under the Volcker Rule and is considering an investment in ownership interests of the Issuer should consult its own legal advisors and consider the potential impact of the Volcker Rule in respect of such investment. If investment by banking entities in the Notes of any Class is prohibited or restricted by the Volcker Rule, this could impair the marketability and liquidity of such Notes.

No assurance can be made as to the effect of the Volcker Rule on the ability of certain investors subject thereto to acquire or retain an interest in the Notes. Each prospective investor in the Notes is required to independently consider the potential impact of the Volcker Rule in respect of any investment in the Notes.

3.6 Risk Retention and Due Diligence Requirements

EU Risk Retention and Due Diligence Requirements

Investors should be aware of the risk retention and due diligence requirements in Europe (the "**EU Risk Retention and Due Diligence Requirements**") which currently apply, or are expected to apply in the future, in respect of various types of EU regulated investors including credit institutions, authorised alternative investment fund managers, investment firms, insurance and reinsurance undertakings and UCITS funds. Amongst other things, such requirements restrict an investor who is subject to the EU Risk Retention and Due Diligence Requirements from investing in securitisations unless: (i) the originator, sponsor or original lender in respect of the relevant securitisation has explicitly disclosed that it will retain, on an on-going basis, a net economic interest of not less than five per cent. in respect of certain specified credit risk tranches or securitised exposures; and (ii) such investor is able to demonstrate that they have undertaken certain due diligence in respect of various matters including but not limited to its note position, the underlying assets and (in the case of certain types of investors) the relevant sponsor or originator. Failure to comply with one or more of the requirements may result in various penalties including, in the case of those investors subject to regulatory capital requirements, the imposition of a punitive capital charge on the Notes acquired by the relevant investor.

Aspects of the requirements and what is or will be required to demonstrate compliance to national regulators remain unclear. Though some aspects of the detail and effect of all of these requirements remain unclear, these requirements and any other changes to the regulation or regulatory treatment of securitisations or of the Notes for investors may negatively impact the regulatory position of individual holders. In addition such regulations could have a negative impact on the price and liquidity of the Notes in the secondary market.

Each investor should consult with its own legal, accounting, regulatory and other advisors and/or its regulator to determine whether, and to what extent, the information set out in this Prospectus and in any investor report provided in relation to the transaction is sufficient for the purpose of satisfying such requirements. Investors are required to independently assess and determine the sufficiency of such information. None of the Issuer, the Portfolio Manager, the Joint Placement Agents, the Trustee, the Collateral Administrator, the Retention Holder, their respective Affiliates or any other Person makes any representation, warranty or guarantee that any such information is sufficient for such purposes or any other purpose or that the structure of the Notes and the transactions described herein are compliant with the EU Risk Retention and Due Diligence Requirements or any other applicable legal regulatory or other requirements and no such person shall have any liability to any prospective investor or any other person with respect to any deficiency in such information or any failure of the transactions contemplated hereby to comply with or otherwise satisfy such requirements. If a regulator determines that the transaction did not comply or is no longer in compliance with the EU Risk Retention and Due Diligence Requirements or any applicable legal, regulatory or other requirement, then investors may be required by their regulator to set aside additional capital against their investment in the Notes or take other remedial measures in respect of their investment in the Notes. In addition, such regulations could have a negative impact on the price and liquidity of the Notes in the secondary market.

On 30 September 2015, the European Commission published a proposal to amend the CRR (the "**Draft CRR Amendment Regulation**") and a proposed regulation relating to a European framework for simple, transparent and standardised securitisation (such proposed regulation, including any implementing regulation, technical standards and official guidelines related thereto the "**Securitisation Framework**" and, together with the Draft CRR Amendment Regulation, the "**STS Regulation**") which would, amongst other things, re-cast the EU risk retention rules as part of wider changes to establish a "Capital Markets Union" in Europe. The current Presidency of the Council of Ministers of the European Union has also published compromise proposals concerning the STS Regulation. The STS Regulation will need to be considered, finalised and adopted by the European Parliament and Council of Ministers. It is unclear at this time when the STS Regulation would become effective if adopted. Investors should be aware that there are material differences between the current EU Risk Retention and Due Diligence Requirements and the STS Regulation. The STS Regulation may also enter into force in a form that differs from the published proposals and drafts.

There can therefore be no assurances as to whether the transactions described herein will be affected by a change in law or regulation relating to the EU Retention Requirements, including as a result of any changes recommended in future reports or reviews. Investors should therefore make themselves aware

of the EU Risk Retention and Due Diligence Requirements, the proposed STS Regulation (and any corresponding implementing rules of their regulator), where applicable to them, in addition to any other regulatory requirements that are (or may become) applicable to them with respect to their investment in the Notes. With respect to the commitment of the Portfolio Manager to retain a material net economic interest in the securitisation, please see the statements set out in "*The Retention Holder and Retention Requirements*" below.

U.S. Risk Retention Requirements

On 21 October 2014, the final rules implementing the credit risk retention requirements of Section 941 of the Dodd-Frank Act (the "**U.S. Risk Retention Rules**") were issued. The U.S. Risk Retention Rules generally require the investment manager of a CLO to retain not less than five per cent. of the credit risk of the assets collateralising the CLO issuer's securities. The U.S. Risk Retention Rules will become effective with respect to CLO transactions on 24 December 2016. While the U.S. Risk Retention Rules will not apply to the issuance and sale of the Notes on the Issue Date, the U.S. Risk Retention Rules may have other adverse effects on the Issuer and/or the holders of the Notes. The U.S. Risk Retention Rules would apply to any additional Notes issued after the Issue Date or any Refinancing, if such subsequent issuance or Refinancing occurs on or after the effective date of the U.S. Risk Retention Rules. In addition, the SEC has indicated in contexts separate from the U.S. Risk Retention Rules that an "offer" and "sale" of securities may arise when amendments to securities are so material as to require holders to make an "investment decision" with respect to such securities. Thus, if the SEC were to take a similar position with respect to the U.S. Risk Retention Rules, they could apply to material amendments to the terms of the Notes, including a re-pricing, to the extent such amendments require investors to make a new investment decision with respect to the Notes. As a result, the U.S. Risk Retention Rules may adversely affect the Issuer (and the performance and market value of the Notes) if the Issuer is unable to undertake any such additional issuance or Refinancing and may affect the liquidity of the Notes. Furthermore, no assurance can be given as to whether the U.S. Risk Retention Rules would have any future material adverse effect on the business, financial condition or prospects of the Portfolio Manager or the Issuer or on the market value or liquidity of the Notes.

3.7 Restrictions on the Discretion of the Portfolio Manager in Order to Comply with Risk Retention

The aim behind the relevant retention requirements described in 3.6 (*Risk Retention and Due Diligence—EU Risk Retention and Due Diligence Requirements*) above is that Affected Investors should only invest in securitisations where the originator, sponsor or original lender for the securitisation has explicitly disclosed that it will retain on an ongoing basis, a net economic interest of not less than five per cent. in the securitisation. The five per cent. net economic interest is measured as the nominal value of the securitised exposures, calculated based on the Aggregate Collateral Balance (disapplying any haircuts or discounts contained in the definition thereof). The Retention Holder has agreed to retain such an interest in the transaction by holding Subordinated Notes having a Principal Amount Outstanding as of the Issue Date equal to no less than 5 per cent. of the Aggregate Collateral Balance.

Certain discretions of the Portfolio Manager acting on behalf of the Issuer are restricted where the exercise of the discretion would cause the retention holding described in "*The Retention Holder and Retention Requirements*" section of this Prospectus to be (or to be likely to be) insufficient to comply with the Retention Requirements.

In particular, if, at any time, the deposit of Trading Gains into the Principal Account would, in the sole discretion of the Portfolio Manager cause (or would be likely to cause) a Retention Deficiency, such Trading Gains which would have been deposited into the Principal Account and designated for reinvestment or used to redeem the Notes in accordance with the Principal Proceeds Priority of Payments will instead be deposited into the Interest Account. Such Trading Gains will then be distributed as Interest Proceeds if the reinvestment of such amount would, in the sole discretion of the Portfolio Manager, cause (or would be likely to cause) a Retention Deficiency in accordance with the Priorities of Payment. In addition, the Portfolio Manager is not permitted to reinvest in Substitute Collateral Debt Obligations where such reinvestment would cause a Retention Deficiency. As a result, the Portfolio Manager may be prevented from reinvesting available proceeds in Collateral Debt Obligations in circumstances where such reinvestment would cause (or would be likely to cause) a Retention Deficiency and therefore the Aggregate Principal Balance of Collateral Debt Obligations

securing the Notes may be less than what would have otherwise been the case if such amounts had been reinvested in Collateral Debt Obligations.

Also, the Issuer may not issue further Notes without the Retention Holder (a) consenting to such issuance and (b) subscribing for sufficient Subordinated Notes such that its holding of such Notes equals at least 5 per cent. of the Aggregate Collateral Balance.

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

3.8 European Market Infrastructure Regulation (EMIR)

The European Market Infrastructure Regulation EU 648/2012 ("**EMIR**") and its various delegated regulations and technical standards impose a range of obligations on parties to "over-the-counter" ("**OTC**") derivative contracts according to whether they are "financial counterparties" such as investment firms, alternative investment funds (see 3.9 (*Alternative Investment Fund Managers Directive*) below, credit institutions and insurance companies, or other entities which are "non-financial counterparties", or certain third country entities.

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

Non-financial counterparties (as defined in EMIR) are exempted from the clearing obligation and certain additional risk mitigation obligations (such as the posting of collateral) provided the gross notional value of all derivative contracts entered into by the non-financial counterparty and other non-financial counterparties within its "group", excluding eligible hedging transactions, does not exceed certain thresholds (set per asset class of OTC derivatives). If the Issuer is considered to be a member of a "group" (as defined in EMIR) (which may, for example, potentially be the case if the Issuer is consolidated by a Noteholder as a result of such Noteholder's holding of a significant proportion of the Subordinated Notes) and if the aggregate notional value of OTC derivative contracts entered into by the Issuer and any non-financial entities within such group exceeds the applicable thresholds, the Issuer would be subject to the clearing obligation, or if the relevant contract is not a type required to be cleared, to the risk mitigation obligations, including the margin requirement.

The clearing obligation does not yet apply but (in respect of certain classes of OTC derivative contract) will apply, and (in respect of certain other classes of OTC derivative contract) may apply, in each case from the second quarter of 2016. The margin requirement does not yet apply but may apply from September 2016 in respect of certain entities. Key details in respect of the clearing obligation that will be applicable to certain classes of OTC derivative contracts and the margin requirement are to be provided through corresponding regulatory technical standards in respect of various classes of OTC derivatives. Whilst certain of these are in force (including those relating to interest rate derivatives), others (including those relating to foreign exchange derivatives) are yet to be proposed.

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

The Conditions of the Notes allow the Issuer and oblige the Trustee without the consent of any of the Noteholders, to amend the Transaction Documents and/or the Conditions of the Notes to comply with the requirements of EMIR which may become applicable in future.

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

3.9 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 Portfolio Manager is not authorised under AIFMD but is authorised under MiFID. As the Portfolio Manager is not permitted to be authorised under AIFMD and also to conduct certain regulated activities under MiFID, it will not be able to apply for an authorisation under AIFMD unless it gives up its authorisation under MiFID (in which case it may not be able to hold the retention required under the Retention Requirements (see 3.6 "*Risk Retention and Due Diligence—EU Risk Retention*") above). If considered to be an AIF, the Issuer would also be classified as a "financial counterparty" under EMIR and may be required to comply with clearing obligations with respect to Hedge Transactions and obligations to post margin to any central clearing counterparty or market counterparty. See also 3.8 "*European Market Infrastructure Regulation (EMIR)*" above.

There is an exemption from the definition of AIF in AIFMD for "securitisation special purpose entities" (the "**SSPE Exemption**"). The European Securities and Markets Authority ("**ESMA**") has not yet given any formal guidance on the application of the SSPE Exemption or whether a vehicle such as the Issuer would fall within it. However, the Central Bank has confirmed that pending such further clarification from ESMA, "registered financial vehicle corporations" within the meaning of Article 1(2) of Regulation (EC) No 24/2009 of the European Central Bank, such as the Issuer, do not need to seek authorisation as an AIF or appoint an AIFM unless the Central Bank issues further guidance advising them to do so.

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

The Conditions of the Notes allow the Issuer and oblige the Trustee, without the consent of any of the Noteholders, to concur with the Issuer in the making of modifications to the Transaction Documents and/or the Conditions of the Notes to comply with the requirements of AIFMD which may become applicable at a future date.

3.10 CRA3

CRA Regulation in Europe

Regulation (EU) 462/2013 of the European Parliament and of the European Council amending Regulation EC 1060/2009 on credit rating agencies ("**CRA3**") came into force on 20 June 2013. Article 8(b) of CRA3 requires issuers, sponsors and originators of structured finance instruments such as the Notes to make detailed disclosures of information relating to those structured finance instruments. Such disclosures will need to be made via a website to be set up by the European Securities and Markets Authority ("**ESMA**"). As yet, this website has not been set up so issuers, originators and sponsors cannot currently comply with Article 8(b). The European Commission has adopted a delegated

regulation, detailing the scope and nature of the required disclosure however, the reporting requirements will only become effective on 1 January 2017. In their current form, the regulatory technical standards only apply to structured finance instruments for which a reporting template has been specified. Currently there is no template for CLO transactions but if a template for CLO transactions were to be published and the website for disclosure were to be set up by ESMA, on and after the application date of the disclosure obligations, the Issuer may incur additional costs and expenses to comply with such disclosure obligations. Such costs and expenses would be payable by the Issuer as Administrative Expenses.

Additionally, Article 8(c) of CRA3 has introduced a requirement that where an issuer or a related third party intends to solicit a credit rating of a structured finance instruments, it shall obtain two independent ratings for such instruments. Article 8(d) of CRA3 has introduced a requirement that where an issuer or a related third party intends to appoint at least two credit rating agencies to rate the same instrument, the issuer or a related third party shall consider appointing at least one rating agency having less than a 10 per cent. market share among agencies capable of rating that instrument. The Issuer intends to have two rating agencies appointed, but does not make any representation as to market share of either agency, and any consequences for the Issuer, related third parties and investors if an agency does not have a less than 10 per cent. market share are not specified. Investors should consult their legal advisors as to the applicability of CRA3 and any consequence of non-compliance in respect of their investment in the Notes.

3.11 Lending

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

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

3.12 EU Savings Directive

Under Council Directive 2003/48/EC (as amended) on the taxation of savings income (the "**EU Savings Directive**"), member states of the European Union have been required to provide to the tax authorities of other member states details of certain payments of interest or similar income paid or secured by a person established in a member state to or for the benefit of an individual resident in another member state or certain limited types of entities established in another member state. For a transitional period, Austria is required (unless during that period it elects otherwise) to operate a withholding system in relation to such payments. A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

However, in order to prevent overlap between the EU Savings Directive and provisions relating to a common reporting standard framework (being the Standard for Automatic Exchange of Financial Account Information in Tax Matters published on 21 July 2014 by the OECD and Council Directive 2014/107/EU on Administrative Co-operation in the Field of Taxation), the Council of the European Union, on 10 November 2015, published a directive which repealed the EU Savings Directive from 1 January 2017 in the case of Austria and 1 January 2016 in the case of all other member states) (in each case subject to transitional arrangements). The repeal is subject to transitional provisions imposing on-

going requirements to fulfil certain administrative obligations such as reporting and exchange of information relating to, or accounting for withholding taxes, on payments made before those dates.

If a payment were to be made or collected through a member state of the European Union which operates a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor the Principal Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. Pursuant to Condition 8(d) (*Principal Paying Agent and Transfer Agent*), the Issuer is required to maintain a paying agent in an EU member state that is not obliged to withhold or deduct tax pursuant to, the EU Savings Directive, or any other directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any other law implementing or complying with, or introduced in order to conform to, the EU Savings Directive or any arrangement entered into between the EU member states and certain third countries and territories in connection with such Directive.

3.13 Common Reporting Standard (CRS)

The Common Reporting Standard ("**CRS**") framework was first released by the OECD in February 2014. To date, more than 90 jurisdictions have publically committed to implementation, many of which are early adopter countries, including Ireland. On 21 July 2014, the Standard for Automatic Exchange of Financial Account Information in Tax Matters (the "**Standard**") was published, involving the use of two main elements, the Competent Authority Agreement ("**CAA**") and the CRS.

The goal of the Standard is to provide for the annual automatic exchange between governments of financial account information reported to them by local Financial Institutions ("**FIs**") relating to account holders tax resident in other participating countries to assist in the efficient collection of tax. The OECD, in developing the CRS, have used FATCA concepts and as such the Standard is broadly similar to the FATCA requirements, albeit with numerous alterations. It will result in a significantly higher number of reportable persons due to the increased instances of potentially in-scope accounts and the inclusion of multiple jurisdictions to which accounts must be reported.

3.14 EU Bank Recovery and Resolution Directive

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

3.15 S&P

On 21 January 2015, the SEC entered into administrative settlement agreements with S&P with respect to, among other things, multiple allegations of making misleading public statements with respect to its ratings methodology and certain misleading publications concerning criteria and research, in each case relating to commercial mortgage-backed securities transactions. S&P neither admitted nor denied the charges in these settlements. As a result of these settlement agreements, the SEC ordered S&P censured

and enjoined S&P from violating the statutory provisions and rules related to the allegations described above. Additionally, S&P agreed to pay civil penalties and other disgorgements exceeding $76 million. Finally, S&P agreed to refrain from giving preliminary or final ratings for any new issue U.S. conduit commercial mortgage-backed securities transaction until 21 January 2016.

On 3 February 2015, S&P entered into a settlement agreement with the United States Justice Department, 19 States and the District of Columbia, to settle lawsuits relating to S&P's alleged inflation of ratings on subprime mortgage bonds. S&P did not admit to any wrongdoing in connection with such settlement. Also on 3 February 2015, S&P entered into a settlement agreement with the California Public Employees Retirement System to resolve claims over three structured investment vehicles. Under the 3 February 2015 settlement agreements, S&P agreed to pay approximately $1.5 billion in the aggregate to the related claimants.

None of these settlement agreements involve S&P's collateralised loan obligation rating business.

4. Relating to the Notes

4.1 The Notes will have limited liquidity and are subject to substantial transfer restrictions

Neither the Joint Arrangers nor the Joint Placement Agents (or any of their affiliates) are under any obligation to make a market for the Notes. The Notes are illiquid investments. There can be no assurance that any secondary market for any of the Notes will develop or, if a secondary market does develop, that it will provide the Noteholders with liquidity of investment or that it will continue for the life of the Notes. Over the past few years, notes issued in securitisation transactions have experienced historically high volatility and significant fluctuations in market value. Additionally, some potential buyers of such notes now view securitisation products as an inappropriate investment, thereby reducing the number of potential buyers and/or potentially affecting liquidity in the secondary market. Consequently, Noteholders must be prepared to hold such Notes for an indefinite period of time or until the Maturity Date. In addition, no sale, assignment, participation, pledge or transfer of the Notes may be effected if, among other things, it would require any of the Issuer or any of their officers or directors to register under, or otherwise be subject to the provisions of, the Investment Company Act or any other similar legislation or regulatory action. Furthermore, the Notes will not be registered under the Securities Act or any U.S. state securities laws, and the Issuer has no plans, and is under no obligation, to register the Notes under the Securities Act or any U.S. state securities laws. The Notes are subject to certain other transfer restrictions and can be transferred only to certain transferees, See "*Plan of Distribution*" and "*Transfer Restrictions*". Such restrictions on the transfer of the Notes may further limit their liquidity.

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

4.2 Limited recourse obligations

The Notes are limited recourse obligations of the Issuer and are payable solely from amounts received in respect of the Collateral securing the Notes. Payments on the Notes both prior to and following enforcement of the security over the Collateral or the aggregate proceeds of liquidation of the Collateral are subordinated to the prior payment of certain fees and expenses of, or payable by, the Issuer and, if applicable, to payment of principal and interest on prior ranking Classes of Notes. See Condition 4(c) (*Limited Recourse*). None of the Portfolio Manager, the Noteholders of any Class, the Joint Placement Agents, the Joint Arrangers, the Trustee, the Collateral Administrator, the Custodian, any Agent or any Affiliates of any of the foregoing or any other person or entity (other than the Issuer) will be obliged to make payments on the Notes of any Class. Consequently, Noteholders must rely solely on distributions on the Collateral Debt Obligations and amounts received under the Hedge Transactions and any other Collateral securing the Notes for the payment of principal and interest thereon. There can be no assurance that the distributions on the Collateral Debt Obligations and amounts received under the Hedge Transactions and any other Collateral securing the Notes will be sufficient to make payments on any Class of Notes after making payments on more senior Classes of Notes and any other required amounts payable to other creditors ranking senior to or *pari passu* with such Class pursuant to the Priorities of Payment. If distributions on the Collateral are insufficient to

make payments on the Notes, no other assets (and, in particular, no assets of the Portfolio Manager, the Noteholders, the Joint Placement Agents, the Joint Arrangers, the Trustee, the Collateral Administrator, the Custodian, any Agent or any Affiliates of any of the foregoing) will be available for payment of the deficiency and following realisation of the Collateral and the application of the proceeds thereof in accordance with the Priorities of Payment, the obligations of the Issuer to pay such deficiency shall be extinguished. Such shortfall will be borne first by (a) the Subordinated Noteholders, (b) thereafter, the Class F Noteholders, (c) thereafter, the Class E Noteholders, (d) thereafter, the Class D Noteholders, (e) thereafter, the Class C Noteholders, (f) thereafter, the Class B Noteholders, and finally (g) the Class A Noteholders, in accordance with the Priorities of Payment.

In addition, at any time while the Notes are Outstanding, none of the Noteholders, the Trustee (other than in the circumstances contemplated by the Trust Deed) nor any other Secured Party (nor any other person acting on behalf of any of them) shall be entitled at any time to institute against the Issuer, its officers or directors or join in any institution against the Issuer of, any bankruptcy, reorganisation, arrangement, insolvency, winding-up, examinership or liquidation proceedings or any proceedings for the appointment of a liquidator, an examiner or administrator or a similar official, or other proceedings under any applicable bankruptcy or similar law in connection with any obligations of the Issuer relating to the Notes, the Trust Deed or otherwise owed to the Noteholders, save for lodging a claim in the liquidation of the Issuer which is initiated by another party or taking proceedings to obtain a declaration or judgment as to the obligations of the Issuer nor shall any of them have a claim arising in respect of the issued share capital of the Issuer.

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

Each Noteholder will agree, and each beneficial owner of Notes will be deemed to agree, pursuant to the Trust Deed, that it will be subject to non-petition covenants. If such provision failed to be enforceable under applicable bankruptcy laws, and a winding-up (or similar) position was presented in respect of the Issuer, then the presentation of such a petition could (subject to certain Conditions) result in one or more payments on the Notes made during the period prior to such presentation being deemed to be preferential transfers subject to avoidance by the bankruptcy trustee or similar official exercising authority with respect to the Issuer's bankruptcy estate. It could also result in the bankruptcy court, trustee or receiver liquidating the assets of the Issuer without regard to any votes or directions required for such liquidation pursuant to the Trust Deed and could result in any payments under the Notes made during the period prior to such presentation being deemed to be a fraudulent or improper disposition of the Issuer's assets.

4.4 Subordination of the Class B Notes, Class C Notes, Class D Notes, Class E Notes, Class F Notes and Subordinated Notes

The Class B Notes are fully subordinated to the Class A Notes, the Class C Notes are fully subordinated to the Class A Notes and the Class B Notes, the Class D Notes are fully subordinated to the Class A Notes, the Class B Notes and the Class C Notes, the Class E Notes are fully subordinated to the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes, the Class F Notes are fully subordinated to the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes and the Subordinated Notes are fully subordinated to the Rated Notes.

No payments of interest will be made on the Class B Notes on any Payment Date until interest on the Class A Notes has been paid. No payments of interest will be made on the Class C Notes on any Payment Date until interest on the Class A Notes and the Class B Notes has been paid. No payments of interest will be made on the Class D Notes on any Payment Date until interest on the Class A Notes, the Class B Notes and the Class C Notes has been paid. No payments of interest will be made on the Class E Notes on any Payment Date until interest on the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes has been paid. No payments of interest will be made on the Class F Notes on any Payment Date until interest on the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes has been paid. Payments of interest on the Subordinated Notes will be made by the Issuer to the extent of available funds and no payments thereon will be made until the payment of certain fees and expenses and other amounts payable in priority thereto pursuant to the Priorities of Payment have been made and until interest on the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes has been paid and, subject always to the requirement to transfer amounts which would have been payable in respect of interest on the Subordinated Notes to the Principal Account for reinvestment in Substitute Collateral Debt

Obligations or in redemption of the Rated Notes in each case to the extent necessary to meet the Additional Reinvestment Test in accordance with the Conditions.

No payment of principal on the Class B Notes will be made until the Class A Notes have been paid in full. No payment of principal on the Class C Notes will be made until the Class A Notes and the Class B Notes have been paid in full. No payment of principal on the Class D Notes will be made until the Class A Notes, the Class B Notes and the Class C Notes have been paid in full. No payment of principal on the Class E Notes will be made until the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes have been paid in full. No payment of principal on the Class F Notes will be made until the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes have been paid in full. No payment out of Principal Proceeds will be made on the Subordinated Notes until the Rated Notes have been paid in full.

Payments of principal and interest on each Class of Notes are also subordinated to the payment of certain other amounts payable by the Issuer in priority thereto pursuant to the Priorities of Payment.

The risk of delays in payments or ultimate non-payment of principal and/or interest will be borne disproportionately by the holders of the Subordinated Notes as compared to the Rated Notes and, as among the holders of the Rated Notes will be borne disproportionately by the holders of the more junior Classes of Notes as compared to the more senior Classes of Notes. In addition, as described herein, payments of interest on each of the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes may be deferred and an amount of interest equal to any shortfall in payment of the relevant interest amount added to the principal amount of the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes as applicable, to the extent that the required interest payment is not made on the relevant Payment Date and the more senior Classes of Notes have not been redeemed in full. Any such deferral of interest will increase the effect of the subordination of the Subordinated Notes and of the Classes of Notes in respect of which payment was deferred.

In the event of any redemption in whole pursuant to the Conditions (other than pursuant to a Refinancing) or upon acceleration of the Notes and enforcement of the security, the Collateral will, in either case, be liquidated. Liquidation of the Collateral at such time or remedies pursued by the Trustee at the direction of the holders of the Class A Notes (as the Controlling Class) over the Collateral following an acceleration of the Notes could be adverse to the interests of the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders, the Class F Noteholders or the Subordinated Noteholders, as the case may be (although following the occurrence of certain Events of Default and the acceleration of the Notes, the consent of each Class of Rated Notes may be required before enforcement action can be taken. To the extent that any losses are incurred by the Issuer in respect of any Collateral, such losses will be borne first by the Subordinated Noteholders, then by the Class F Noteholders, Class E Noteholders, then by the Class D Noteholders, then by the Class C Noteholders, then by the Class B Noteholders, and, finally, by the Class A Noteholders. The Subordinated Noteholders will not be able to exercise any remedies following a Note Event of Default unless the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes have been redeemed and paid in full, nor will they receive any distribution until interest on the Rated Notes and certain other amounts have been paid.

The Trust Deed provides that in the event of any conflict of interest among or between the Noteholders, save where expressly provided, the interests of the Controlling Class will prevail. If the holders of the Controlling Class do not have an interest in the outcome of the conflict, the Trustee shall give priority to the interests of the most senior Class of Notes Outstanding. In the event that the Trustee shall receive conflicting or inconsistent requests from two or more groups of holders of the Controlling Class (or another Class given priority as described in this paragraph), each representing less than the majority by principal amount of the Controlling Class (or other Class so given priority), the Trustee shall give priority to the group which holds the greater amount of Notes Outstanding of such Class. The Trust Deed provides further that the Trustee will act upon the directions of the holders of the Controlling Class (or other Class is given priority as described in this paragraph) in such circumstances, and shall not be obliged to consider the interests of the holders of any other Class of Notes. See Condition 14(e) (*Entitlement of the Trustee and Conflicts of Interest*).

4.5 Calculation of Rate of Interest

If the relevant EURIBOR screen rate does not appear, or the relevant page is unavailable, in the manner described in Condition 6(e)(i) (*Rate of Interest*) there can be no guarantee that the Portfolio Manager (on behalf of the Issuer) will be able to select four Reference Banks to provide quotations, in order to determine any Rate of Interest in respect of the Notes. Certain financial institutions that have historically acted as Reference Banks have indicated that they will not currently provide quotations and there can be no assurance that they will agree to do so in the future. No Reference Banks have been selected as at the date of this Prospectus.

If a EURIBOR screen rate does not appear, or the relevant page is unavailable, and the Portfolio Manager (on behalf of the Issuer) is unable to select Reference Banks to provide quotations in the manner described in Condition 6(e)(i)(B) (*Rate of Interest*), the relevant Rate of Interest in respect of such Payment Date shall be determined, pursuant to Condition 6(e)(i)(C) (*Rate of Interest*), as the last available offered rate for three or six month Euro deposits as determined by the Calculation Agent.

4.6 Amount and Timing of Payments

Other than where the relevant Class of Notes is the Controlling Class and such Payment Date is on or after the Payment Date immediately following the occurrence of a Frequency Switch Event, to the extent that interest payments on the Class C Notes, the Class D Notes, the Class E Notes or the Class F Notes are not made on a relevant Payment Date, such unpaid interest amounts will be deferred and the amount thereof added to the principal amount Outstanding of the Class C Notes, the Class D Notes, the Class E Notes, or the Class F Notes, as the case may be, and earn interest at the interest rate applicable to such Notes. Any failure to pay scheduled interest on the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes (other than where the relevant Class of Notes is the Controlling Class and such Payment Date is on or after the Payment Date immediately following the occurrence of a Frequency Switch Event), or to pay interest and principal on the Subordinated Notes at any time, due to there being insufficient funds available to pay such interest and/or principal (as applicable) in accordance with the applicable Priority of Payments, will not be a Note Event of Default. Payments of interest and principal on the Subordinated Notes will only be made to the extent that there are Interest Proceeds and Principal Proceeds available for such purpose in accordance with the Priorities of Payment. No interest or principal may therefore be payable on the Subordinated Notes for an unlimited period of time, to maturity or at all.

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

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

4.7 Leveraged Structure and Volatility of the Subordinated Notes

Subordinated Notes represent a highly leveraged investment in the underlying Collateral Debt Obligations. Accordingly, it is expected that changes in the market value of the Subordinated Notes will be greater than changes in the market value of the underlying Collateral Debt Obligations, which themselves are subject to credit, liquidity, interest rate and other risks. Utilisation of leverage is a speculative investment technique and involves certain risks to investors and will generally magnify the Subordinated Noteholders' opportunities for gain and risk of loss. In certain scenarios, the Notes may not be paid in full, and the Subordinated Notes and one or more Classes of Rated Notes may be subject to a partial or a complete loss of invested capital. The Subordinated Notes represent the most junior

securities in a leveraged capital structure. As a result, any deterioration in performance of the asset portfolio, including defaults and losses, a reduction of realised yield or other factors, will be borne first by holders of the Subordinated Notes, and then by the holders of the Rated Notes in reverse order of seniority.

In addition, the failure to meet certain Coverage Tests will result in cash flow that may have been otherwise available for distribution to the Subordinated Notes, to pay interest on one or more subordinate Classes of Rated Notes or for reinvestment in Collateral Debt Obligations being applied on the next Payment Date to make principal payments on the more senior classes of Rated Notes until such Coverage Tests have been satisfied. This feature will likely reduce the return on the Subordinated Notes and/or one or more subordinate Classes of Rated Notes and cause temporary or permanent suspension of distributions to the Subordinated Notes and/or one or more subordinate Classes of Rated Notes. See "*Mandatory Redemption*" below.

Issuer expenses (including management fees) are generally based on a percentage of the total asset portfolio of the Issuer, including the assets obtained through the use of leverage.

4.8 Net proceeds less than aggregate amount of the Notes

It is anticipated that the proceeds received by the Issuer on the Issue Date from the issuance of the Notes, net of certain fees and expenses, will be less than the aggregate principal amount of the Notes. Consequently, it is anticipated that on the Issue Date the proceeds of the Collateral will be insufficient to redeem the Notes upon the occurrence of a Note Event of Default on or about that date.

4.9 The Notes are subject to Special Redemption at the option of the Portfolio Manager

The Notes will be subject to redemption in part by the Issuer on any Payment Date during the Reinvestment Period if the Portfolio Manager in its sole discretion notifies the Trustee that it has been unable, for a period of at least 20 consecutive Business Days, to identify additional Collateral Debt Obligations that are deemed appropriate by the Portfolio Manager in its sole discretion and which would meet the Eligibility Criteria and where acquisition by the Issuer would be in compliance with, to the extent applicable, the Reinvestment Criteria in sufficient amounts to permit the investment or reinvestment of all or a portion of the funds then in the Principal Account to be invested in additional Collateral Debt Obligations. On the Special Redemption Date, the Special Redemption Amount will be applied in accordance with the Priorities of Payment. The application of funds in that manner could result in an elimination, deferral or reduction of amounts available to make payments with respect to the Subordinated Notes.

4.10 Mandatory Redemption

The Notes may be subject to mandatory redemption in certain circumstances, including upon breach of any Coverage Test or following the occurrence of an Effective Date Rating Event, in each case, to the extent required, respectively, to procure that such Coverage Test would be satisfied if recalculated immediately following such redemption or that the Initial Ratings of the Notes would be reinstated or confirmed, following such Effective Date Rating Event. In such circumstances, the Classes of Notes will be redeemed in accordance with the Priorities of Payment, starting with the most senior Class of Notes Outstanding followed by each Class of Notes junior thereto in accordance with the Priorities of Payment until the earlier of the redemption in full of each Class of Notes included in such test or until the breach of such Coverage Test is no longer continuing or the Effective Date Rating Event is no longer continuing (as applicable) (in each case, pursuant to the Priorities of Payment). In addition, the Notes may be redeemed at the discretion of the Portfolio Manager (acting on behalf of the Issuer) if at any time during the Reinvestment Period, the Portfolio Manager has been unable for a period of 20 consecutive Business Days, to identify additional Collateral Debt Obligations that are deemed appropriate by the Portfolio Manager in sufficient amounts to permit the investment or reinvestment of any Principal Proceeds received. The Notes may also be subject to redemption during the Reinvestment Period out of Interest Proceeds if and to the extent that the Additional Reinvestment Test is not satisfied on any Determination Date (if the Portfolio Manager determines that it is unable to identify additional Collateral Debt Obligations that it considers appropriate for investment).

Any such mandatory redemption may result in an elimination, deferral or reduction in the interest payments or principal repayments made to the Class C Noteholders, the Class D Noteholders, the Class

E Noteholders and the Class F Noteholders or the level of the returns to the Subordinated Noteholders, including such arrangements in relation to the breach of any of the Coverage Tests or an Effective Date Rating Event. See Condition 7(c) (*Redemption upon Breach of Coverage Tests*).

4.11 The Reinvestment Period may Terminate Early

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

4.12 Certain actions may prevent the failure of Coverage Tests and a Note Event of Default

Subject to certain conditions, the Issuer may, with the consent of the Class A Noteholders (acting by Ordinary Resolution, for so long as any Class A Notes remain Outstanding), the Subordinated Noteholders (acting by Ordinary Resolution) and the Retention Holder in writing, issue and sell additional Notes and use the net proceeds to purchase additional Collateral Debt Obligations and, if applicable, enter into additional Hedge Transactions in connection with the Issuer's issuance of, and making payments on, the Notes and in the case of additional Subordinated Notes only, for other Permitted Uses. See Condition 17 (*Additional Issuances*). Additional Subordinated Note issue proceeds must be used for certain Permitted Uses (which include, at the option of the Issuer, the application of such net proceeds as Interest Proceeds pursuant to the Interest Priority of Payments). See Condition 17 (*Additional Issuances*).

Pursuant to the Transaction Documents, the Portfolio Manager may (in its sole discretion), pursuant to the Priorities of Payment, apply funds by either deferring or designating for reinvestment in Collateral Debt Obligations or the purchase of Notes pursuant to Condition 7(k) (*Purchase*) or irrevocably waiving all or a portion of the Subordinated Portfolio Management Fee that would otherwise have been payable to it.

Any such action described above may have the effect of causing a Coverage Test that was otherwise failing to be cured and therefore potentially decrease the occurrence of principal prepayments of the highest ranking Class of Notes. Likewise, any such action could prevent the occurrence of a Note Event of Default which would otherwise have occurred and therefore potentially result in the Notes continuing to be outstanding in circumstances where the Controlling Class may otherwise have had the right to direct the Trustee to accelerate the Notes. Consequentially, the average life of the Notes may be longer than it would otherwise be (see 4.22 (*Average life and prepayment considerations*)).

4.13 Additional issuances of Subordinated Notes not subject to anti-dilution rights

The Issuer may issue and sell additional Notes, subject to the satisfaction of a number of conditions, including that the holders of the relevant Class of Notes in respect of which further Notes are issued shall have been afforded the opportunity to purchase additional Notes of the relevant Class in an amount not to exceed the percentage of the relevant Class of Notes each holder held immediately prior to the issuance of such additional Notes. However, this requirement does not apply to any additional issuance of Subordinated Notes if such issuance is required in order to prevent or cure a Retention Deficiency for any reason. Accordingly, the proportion of Subordinated Notes held by a Subordinated Noteholder may be diluted following an additional issuance of Subordinated Notes. See Condition 17 (*Additional Issuances*).

4.14 Optional Redemption and Market Volatility

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

market value of the Portfolio would adversely affect the amount of proceeds which could be realised upon liquidation of the Portfolio and ultimately the ability of the Issuer to redeem the Notes.

The Rated Notes may be redeemed in whole but not in part from Sale Proceeds and/or Refinancing Proceeds (A) in the case of a redemption on any Payment Date falling on or after the expiry of the Non-Call Period at the direction of (i) the Retention Holder or (ii) the Subordinated Noteholders (acting by Ordinary Resolution) or (B) on any Payment Date following the occurrence of a Collateral Tax Event at the written direction of the Subordinated Noteholders (acting by Ordinary Resolution) or the Retention Holder. In addition, the Rated Notes may be redeemed in whole or in part by Class from Refinancing Proceeds at the applicable Redemption Prices, on any Payment Date falling on or after expiry of the Non-Call Period at the written direction of the Subordinated Noteholders (acting by Ordinary Resolution). See Condition 7(b) (*Optional Redemption*).

The Portfolio Manager may also cause the Issuer to redeem the Rated Notes in whole but not in part from Sale Proceeds on any Business Day falling on or after the expiry of the Non-Call Period, if the Aggregate Collateral Balance is less than 20 per cent. of the Target Par Amount and if directed by the Portfolio Manager. See Condition 7(b) (*Optional Redemption*).

Where effected by Refinancing, a redemption in whole of all Classes of Rated Notes will only be effective if certain conditions are satisfied including but not limited to (i) the Issuer provides prior written notice thereof to the Rating Agencies; (ii) the Refinancing Proceeds, Principal Proceeds and Sale Proceeds, if any, received in accordance with the procedures set forth in the Trust Deed, and all other available funds, will be at least sufficient to pay any Refinancing Costs and all amounts due and payable in respect of all Classes of Notes save for the Subordinated Notes (including without limitation Deferred Interest on the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes) and all amounts payable in priority thereto pursuant to the Priorities of Payment (subject to any election to receive less than 100 per cent. of the applicable Redemption Price in accordance with the Conditions) on such Redemption Date when applied in accordance with the Post-Acceleration Priority of Payments; and (iii) all Refinancing Proceeds, Principal Proceeds and all Sale Proceeds, if any, from the sale of Collateral Debt Obligations and Eligible Investments are received by (or on behalf of) the Issuer prior to the applicable Redemption Date.

In the case of a Refinancing upon a redemption of the Rated Notes in part by Class, such Refinancing will only be effective if certain conditions are satisfied including but not limited to: i) the Issuer provides prior written notice thereof to the Rating Agencies; (ii) the Refinancing Obligations are in the form of notes; (iii) any redemption of a Class of Notes is a redemption of the entire Class which is subject to the redemption; (iv) the sum of (A) the Refinancing Proceeds and (B) the amount of Interest Proceeds standing to the credit of the Interest Account in excess of the aggregate amount of Interest Proceeds which would be applied in accordance with the Interest Proceeds Priority of Payments prior to paying any amount in respect of the Subordinated Notes will be at least sufficient to pay in full: (x) the aggregate Redemption Prices of the entire Class or Classes of Rated Notes subject to the Optional Redemption; *plus* (y) all Refinancing Costs; (v) the Refinancing Proceeds are used (to the extent necessary) to make such redemption; (vi) each agreement entered into by the Issuer in respect of such Refinancing contains limited recourse and non-petition provisions substantially the same as those contained in the Trust Deed; (vii) the aggregate principal amount of the Refinancing Obligations is equal to the aggregate Principal Amount Outstanding of the Class or Classes of Notes being redeemed with the Refinancing Proceeds; (viii) the maturity date of each class of Refinancing Obligation is the same as the Maturity Date of the Class or Classes of Notes being redeemed; (ix) the interest rate of any Refinancing Obligations will not be greater than the interest rate of the Rated Notes subject to such Optional Redemption; (x) payments in respect of the Refinancing Obligations are subject to the Priorities of Payment and rank at the same priority pursuant to the Priorities of Payment as the relevant Class or Classes of Rated Notes being redeemed; (xi) the voting rights, consent rights, redemption rights and all other rights of the Refinancing Obligations are the same as the rights of the corresponding Class of Rated Notes being redeemed; and (xii) all Refinancing Proceeds are received by (or on behalf of) the Issuer prior to the applicable Redemption Date.

The Trust Deed provides that none of the holders of the Subordinated Notes (nor any other party) will have any cause of action against any of the Issuer, the Portfolio Manager, the Collateral Administrator or the Trustee for any failure to effect a Refinancing.

The Notes may also be redeemed on any Payment Date in whole but not in part at the written direction of (x) the Controlling Class or (y) the Subordinated Noteholders, in each case acting by way of Extraordinary Resolution, following the occurrence of a Note Tax Event, subject to (i) the Issuer having failed to cure the Note Tax Event and (ii) certain minimum time periods. See Condition 7(d) (*Redemption following a Note Tax Event*). For the avoidance of doubt, where such an Extraordinary Resolution is passed by the Controlling Class (or the Subordinated Noteholders as applicable), such Extraordinary Resolution shall take effect in accordance with the Conditions without regard to whether or not such an Extraordinary Resolution is also passed by the Subordinated Noteholders (or the Controlling Class, as applicable).

The Subordinated Notes may be redeemed at their Redemption Prices, in whole but not in part, on any Payment Date on or after the redemption or repayment in full of the Rated Notes, either (i) at the direction of the Subordinated Noteholders (acting by Extraordinary Resolution), or (ii) at the direction of the Portfolio Manager.

If an early redemption occurs, the Noteholders will be repaid prior to the Maturity Date. Where the Notes are to be redeemed by liquidation of Collateral Debt Obligations, there can be no assurance that the conditions to such redemption specified in the Conditions will be satisfied or that the Sale Proceeds realised and other available funds would permit any distribution on the Subordinated Notes after all required payments are made to the holders of the Rated Notes. In addition, an Optional Redemption could require the Portfolio Manager to liquidate positions more rapidly than would otherwise be desirable, which could adversely affect the realised value of the Collateral Debt Obligations sold. The Trust Deed provides that the cancellation of an Optional Redemption for failure to satisfy the relevant redemption conditions, will not constitute a Note Event of Default.

4.15 Certain ERISA considerations

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

4.16 Forced Transfer

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

The Trust Deed provides that if, notwithstanding the restrictions on transfer contained therein, the Issuer determines at any time that any holder of an interest in a Rule 144A Note is a U.S. person as defined under Regulation S under the Securities Act (a "**U.S. Person**") and is not both a QIB and a QP (any such person, a "**Non-Permitted Holder**") or a Noteholder is a Non-Permitted ERISA Holder, the Issuer may, promptly after determination that such person is a Non-Permitted Holder or Non-Permitted ERISA Holder by the Issuer, send notice to such Non-Permitted Holder or Non-Permitted ERISA Holder (as applicable) demanding that such Non-Permitted Holder or Non-Permitted ERISA Holder (as applicable) transfer its interest to a person that is not a Non-Permitted Holder or Non-Permitted ERISA Holder (as applicable) within 30 days (or 10 days in the case of a Non-Permitted ERISA Holder) of the date of such notice. If such Non-Permitted Holder or Non-Permitted ERISA Holder (as applicable) fails to effect the transfer required within such 30-day period (or 10 day period in the case of a Non-Permitted ERISA Holder), (a) the Issuer shall cause such beneficial interest to be transferred to a person or entity that certifies in writing, in connection with such transfer, that it either is not a U.S. Person or is a QIB and a QP and is not a Non-Permitted ERISA Holder and (b) pending such transfer, no further payments will be made in respect of such beneficial interest.

In addition, the Trust Deed generally provides that, if a Noteholder fails to provide the Issuer or its agents with any correct, complete and accurate information or documentation that may be required for

the Issuer to comply with FATCA and to prevent the imposition of U.S. federal withholding tax under FATCA on payments to or for the benefit of the Issuer, or if the Noteholder's ownership of any Notes would otherwise cause the Issuer to be subject to tax under FATCA, the Issuer is authorised to withhold amounts otherwise distributable to the Noteholder, to compel such Noteholder (other than the Retention Holder with respect to the Retention) to sell its Notes, and, if such Noteholder does not sell its Notes within 10 Business Days after notice from the Issuer, to sell such Noteholder's Notes on behalf of that Noteholder. See "*Tax Considerations—Certain U.S. Federal Income Tax Considerations—FATCA*".

4.17 Investment Company Act

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

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

Each initial purchaser of an interest in a Rule 144A Note and each transferee of an interest in a Rule 144A Note will be deemed to represent at the time of purchase that, amongst other things, the purchaser is a QIB/QP.

4.18 Potential changes to Note ratings

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

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

The Rating Agencies may change their published ratings criteria or methodologies for securities such as the Rated Notes at any time in the future. Further, the Rating Agencies may retroactively apply any new standards to the ratings of the Rated Notes. Any such action could result in a substantial lowering (or even withdrawal) of any rating assigned to any Rated Note, despite the fact that such Rated Note might still be performing fully to the specifications set forth for such Rated Note in this Prospectus and the Transaction Documents. The rating assigned to any Rated Note may also be lowered following the occurrence of an event or circumstance despite the fact that the related Rating Agency previously provided confirmation that such occurrence would not result in the rating of such Rated Note being lowered. Additionally, any Rating Agency may, at any time and without any change in its published ratings criteria or methodology, lower or withdraw any rating assigned by it to any Class of Rated Notes. If any rating initially assigned to any Note is subsequently lowered or withdrawn for any reason,

holders of the Notes may not be able to resell their Notes without a substantial discount. Any reduction or withdrawal to the ratings on any Class of Rated Notes may significantly reduce the liquidity of the Notes and may adversely affect the Issuer's ability to make certain changes to the composition of the Collateral.

As at the date of this Prospectus, each of the Rating Agencies is established in the European Union and is registered under CRA3. As such each Rating Agency is included in the list of credit rating agencies published by ESMA on its website in accordance with CRA3. ESMA may determine that one or both of the Rating Agencies no longer qualifies for registration under CRA3 and that determination may also have an adverse effect on the market prices and liquidity of the Rated Notes.

4.19 Rating Agencies may refuse to give Rating Agency Confirmations

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

If a Rating Agency announces or informs the Trustee, the Portfolio Manager or the Issuer that confirmation from such Rating Agency is not required for a certain action or that its practice is to not give such confirmations for certain types of actions, the requirement for confirmation from such Rating Agency will not apply. Further, in connection with the Effective Date, if either Rating Agency has not yet confirmed its initial ratings of the applicable Rated Notes, the applicable Rated Notes will be subject to redemption in part in an amount and in the manner described under Condition 7(f) (*Redemption upon Effective Date Rating Event*).

In addition, if the Effective Date Determination Requirements have not been met as of the Effective Date (unless Rating Agency Confirmation is received from each Rating Agency in respect of such failure) and Moody's does not provide Rating Agency Confirmation in connection with a Rating Confirmation Plan submitted by the Portfolio Manager (or the Portfolio Manager fails to provide such a Rating Confirmation Plan to Moody's), then an Effective Date Rating Event will have occurred. There can be no assurance that Rating Agencies will provide such rating confirmations upon request, regardless of the terms agreed to among transaction participants, or not subsequently withdraw or downgrade its ratings on one or more Classes of Rated Notes, which could materially adversely affect the value or liquidity of the Notes.

4.20 Requirements imposed on Rating Agencies could result in withdrawal of ratings if certain actions are not taken by Issuer

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

Each Rating Agency must be able to reasonably rely on the arranger's (in this case the Issuer's) certifications. If the Issuer does not comply with its undertakings to any Rating Agency with respect to this transaction, such Rating Agency may withdraw its ratings of the Rated Notes. In such case, the

withdrawal of ratings by any Rating Agency may adversely affect the price or transferability of the Rated Notes and may adversely affect any beneficial owner that relies on ratings of securities for regulatory or other compliance purposes.

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

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

4.21 The Rating Agencies may have certain conflicts of interest

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

4.22 Average life and prepayment considerations

The Maturity Date of the Notes is the Payment Date falling on 22 May 2029 (subject to adjustment for non-Business Days); however, the principal of the Notes of each Class is expected to be repaid in full prior to the Maturity Date. Average life refers to the average amount of time that will elapse from the date of delivery of a Note until each Euro of the principal of such Note will be paid to the investor. The average lives of the Notes will be determined by the amount and frequency of principal payments, which are dependent upon, among other things, the amount of payments received at or in advance of the scheduled maturity of the Collateral Debt Obligations (whether through sale, maturity, redemption, default or other liquidation or disposition). The actual average lives and actual maturities of the Notes will be affected by the financial condition of the obligors of the underlying Collateral Debt Obligations and the characteristics of such assets, including the existence and frequency of exercise of any optional or mandatory redemption features, the prevailing level of interest rates, the redemption price, any prepayment fees, the actual default rate, the actual level of recoveries on any Defaulted Obligations and the timing of defaults and recoveries, and the frequency of tender or exchange offers for such Collateral Debt Obligations. Collateral Debt Obligations may be subject to optional prepayment by the Obligor of such loans. Any disposition of a Collateral Debt Obligation may change the composition and characteristics of the remaining Portfolio and the rate of payment thereon and, accordingly, may affect the actual average lives of the Notes. The rate of and timing of future defaults and the amount and timing of any cash realisation from Defaulted Obligations also will affect the maturity and average lives of the Notes.

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

4.23 Net Proceeds less than Aggregate Amount of the Notes

It is anticipated that the net proceeds received by the Issuer on the Issue Date from the issuance of the Notes will be less than the aggregate Principal Amount Outstanding of the Notes. Consequently, it is anticipated that on the Issue Date the Collateral would be insufficient to redeem the Notes upon the occurrence of an Event of Default on or about that date.

4.24 Reports provided by the Collateral Administrator will not be audited

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

4.25 Resolutions, amendments and waivers

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

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

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

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

There are, however, quorum provisions which provide that a minimum number of Noteholders representing a minimum amount of the Principal Amount Outstanding of the applicable Class or Classes of Notes be present at any meeting to consider an Extraordinary Resolution or Ordinary Resolution. In the case of an Extraordinary Resolution, this is one or more persons holding or representing not less than $66^2/_3$ per cent. of the aggregate Principal Amount Outstanding of the Notes (or the relevant Class or Classes only, if applicable) and, in the case of an Ordinary Resolution, this is one or more persons holding or representing not less than 50 per cent. of the aggregate Principal Amount Outstanding of the Notes (or the relevant Class or Classes only, if applicable). Such quorum provisions still, however, require considerably lower thresholds than would be required for a Written Resolution. In addition, if a quorum requirement is not satisfied at any meeting, lower quorum thresholds will apply at any meeting previously adjourned for want of a quorum as set out in Condition 14(b) (*Decisions and Meetings of Noteholders*) and in the Trust Deed.

Notes constituting the Controlling Class that are in the form of PM Non-Voting Exchangeable Notes or PM Non-Voting Notes will have no right to vote in connection with and will not be counted for the purposes of determining a quorum or the result of voting on any PM Removal Resolution or any PM Replacement Resolution. As a result, for so long as the Class A Notes, Class B Notes, Class C Notes or Class D Notes constitute the Controlling Class, only Notes of such Class that are in the form of PM

Voting Notes may vote and be counted in respect of a PM Removal Resolution or a PM Replacement Resolution. Notes in the form of PM Voting Notes may form a small percentage of the Controlling Class and/or be held by a concentrated group of Noteholders. Investors should be aware that such PM Voting Notes will be entitled to vote to pass a PM Removal Resolution or a PM Replacement Resolution and the remaining percentage of the Controlling Class (in the form of PM Non-Voting Exchangeable Notes and/or PM Non-Voting Notes) will be bound by such Resolution. Furthermore, investors should be aware that if the entirety of the Class A Notes which represents the most senior Class outstanding is held in the form of PM Non-Voting Exchangeable Notes and/or PM Non-Voting Notes, as the holders of such Class will not be entitled to vote in respect of a PM Removal Resolution or PM Replacement Resolution, such right shall pass to a more junior Class of Notes.

Certain entrenched rights relating to the Conditions, including the currency thereof, Payment Dates applicable thereto, the Priorities of Payment, the provisions relating to quorums and the percentages of votes required for the passing of an Extraordinary Resolution, cannot be amended or waived by Ordinary Resolution but require an Extraordinary Resolution of each Class of Notes. It should however be noted that amendments may still be effected and waivers may still be granted in respect of such provisions in circumstances where Noteholders do not agree with the terms thereof and any amendments or waivers once passed in accordance with the Conditions and the provisions of the Trust Deed will be binding on all such dissenting Noteholders.

Certain amendments and modifications may be made without the consent of Noteholders. See Condition 14(c) (*Modification and Waiver*). Such amendment or modification could be adverse to certain Noteholders. In addition to the Trustee's right to agree to changes to the Transaction Documents to correct a manifest error, or to changes which, in its opinion, are not materially prejudicial to the interests of the Noteholders of any Class without the consent of the Noteholders, modifications may be made and waivers granted in respect of certain other matters without the consent of the Noteholders (or the Trustee, who shall concur with the Issuer in the taking of such actions subject to the conditions described in Condition 14(c) (*Modification and Waiver*)) as set out in Condition 14(c) (*Modification and Waiver*).

Each Hedge Counterparty may also need to be notified and its consent required to the extent provided for in the applicable Hedge Agreement in respect of a modification, amendment or supplement to any provision of a Transaction Document. Any such consent, if withheld in accordance with the terms of the applicable Hedge Agreement, may prevent the Transaction Documents from being modified in a manner beneficial to Noteholders.

4.26 Enforcement rights following a Note Event of Default

If a Note Event of Default occurs and is continuing, the Trustee may, at its discretion and, shall (subject to being indemnified and/or secured and/or prefunded to its satisfaction) at the request of the Controlling Class acting by Ordinary Resolution, give notice to the Issuer and the Portfolio Manager that the Notes are to be immediately due and payable (other than in the circumstances described in Condition 10(b)(ii) (*Acceleration*) where the Notes shall be accelerated automatically), following which the security over the Collateral may be enforced by the Trustee in its discretion or (subject to being indemnified and/or secured and/or prefunded to its satisfaction) at the direction of the Controlling Class acting by Ordinary Resolution (*provided that* in circumstances where the Enforcement Threshold has not been met and the Note Event of Default is in respect of events other than those specified in sub-paragraphs (i), (ii) or (iv) of Condition 10(a) (*Note Events of Default*), the consent of the holders of each Class of Rated Notes (acting by Ordinary Resolution) shall be required before any such Enforcement Action is taken). In circumstances where the Enforcement Threshold has not been met and the Note Event of Default is in respect of events specified in sub-paragraphs (i), (ii) or (iv) of Condition 10(a) (*Note Events of Default*), the consent of the Controlling Class (acting by Extraordinary Resolution) shall be required before any such Enforcement Action is taken. A failure to pay interest on the Subordinated Notes as a result of the insufficiency of available Interest Proceeds shall at no time constitute a Note Event of Default even if such Class is the Controlling Class and a Frequency Switch Event has occurred. A failure to pay interest on the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes as a result of the insufficiency of available Interest Proceeds shall not constitute a Note Event of Default unless the relevant Class is the Controlling Class and such non-payment of interest is in respect of a Payment Date on or after the Payment Date immediately following the occurrence of a Frequency Switch Event.

The requirements described above could result in the Controlling Class being unable to procure enforcement of the security over the Collateral in circumstances in which they desire such enforcement and may also result in the enforcement of such security (at the direction of the Controlling Class) 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 all Classes of Notes in accordance with the Priorities of Payment and/or at a time when enforcement thereof may be adverse to the interest of certain Classes of Notes and in particular the Subordinated Notes.

5. Relating to the Collateral

5.1 The Portfolio

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

None of the Issuer, the Joint Placement Agents nor the Joint Arrangers has made any investigation into the Obligors of the Collateral Debt Obligations. The value of the Portfolio may fluctuate from time to time (as a result of substitution or otherwise) and none of the Issuer, the Trustee, the Joint Placement Agents, the Joint Arrangers, the Custodian, the Portfolio Manager, the Retention Holder, the Collateral Administrator, any Hedge Counterparty or any of their Affiliates is under any obligation to maintain the value of the Collateral Debt Obligations at any particular level. None of the Issuer, the Trustee, the Joint Placement Agents, the Joint Arrangers, the Custodian, the Portfolio Manager, the Retention Holder, the Collateral Administrator, any Hedge Counterparty or any of their Affiliates has any liability to the Noteholders as to the amount or value of, or any decrease in the value of, the Collateral Debt Obligations nor any decrease in the level of distributions receivable therefrom from time to time.

5.2 Nature of non-investment grade collateral; defaults

The Collateral on which the Notes and the claims of the other Secured Parties are secured will be subject to credit, liquidity, interest rate and exchange rate risks. The Portfolio of Collateral Debt Obligations which will secure the Notes will be predominantly comprised of Senior Secured Loans, Second Lien Loans, Unsecured Senior Loans, Mezzanine Loans, Corporate Rescue Loans and Bridge Loans lent to a variety of Obligors with a principal place of business in a Non-Emerging Market Country which are primarily rated below investment grade.

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

To the extent that a default occurs with respect to any Collateral Debt Obligation securing the Notes and the Issuer or Trustee sells or otherwise disposes of such Collateral Debt Obligation, it is likely that the proceeds of such sale or disposition will be less than the unpaid principal and interest thereon.

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

5.3 Acquisition of Collateral Debt Obligations prior to the Issue Date

On behalf of the Issuer, the Portfolio Manager has acquired, and will continue to enter into binding commitments to acquire, Collateral Debt Obligations prior to the Issue Date pursuant to a financing arrangement (the "**Warehouse Arrangements**"). The Warehouse Arrangements were provided by senior lenders and subordinated lenders (the "**Warehouse Providers**"). Some of the Collateral Debt Obligations may have been acquired from the Warehouse Providers. The Warehouse Arrangements must be terminated in all respects on the Issue Date, and all amounts owing to the Warehouse Providers in connection with such arrangements must be repaid by the Issue Date from the proceeds of the issuance of the Notes.

The Issuer (or the Portfolio Manager on behalf of the Issuer) has purchased or entered into certain agreements to purchase a substantial portion of the Portfolio on or prior to the Issue Date and will use the proceeds of the issuance of the Notes to settle any outstanding trades on the Issue Date and to repay the Warehouse Providers in respect of the Warehouse Arrangements which were used to finance the purchase of such Collateral Debt Obligations prior to the Issue Date.

The prices paid for such Collateral Debt Obligations will be the market value thereof on the date the Issuer entered into the commitment to purchase, which may be greater or less than the market value thereof on the Issue Date. Events occurring between the date of the Issuer first acquiring a Collateral Debt Obligation and on or prior to the Issue Date, including changes in prevailing interest rates, prepayments of principal, developments or trends in any particular industry, changes in the financial condition of the Obligors of Collateral Debt Obligations, the timing of purchases prior to the Issue Date and a number of other factors beyond the Issuer's control, including the condition of certain financial markets, general economic conditions and international political events, could adversely affect the market value of the Collateral Debt Obligations acquired prior to the Issue Date.

The Issuer may also acquire Collateral Debt Obligations from 3i Group Plc's synthetic warehouse with a third party prior to the Issue Date using the financing provided through the Warehouse Arrangements or for a short period of time following the Issue Date. Any loss or gain in the value of such Collateral Debt Obligation in the period it was held in 3i Group Plc's synthetic warehouse will be for the account of the Issuer. A synthetic warehouse participation amount equal to the amount of any such net loss will be payable by the Issuer to 3i Group Plc and 3i Group Plc will pay the amount of any such net gain to the Issuer.

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

5.4 Acquisitions of Collateral Debt Obligations and purchase price for such acquisitions

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

The requirement that the Eligibility Criteria be satisfied applies only at the time that any commitment to purchase a Collateral Debt Obligation is entered into and any failure by such obligation to satisfy the Eligibility Criteria at a later stage will not result in any requirement to sell it or take any other action; *provided that* Collateral Debt Obligations acquired before the Issue Date under the Warehouse Arrangements, as described above, must satisfy the Eligibility Criteria as at the Issue Date (in addition to the relevant eligibility criteria under the Warehouse Arrangements as at the date that a commitment to purchase the relevant asset was entered into) and Restructured Obligations must satisfy the Restructured Obligation Criteria on the applicable Restructuring Date.

5.5 Collateral reinvestment provisions; restrictions on acquisition and disposition

Subject to the restrictions specified in "*The Portfolio – Management of the Portfolio*", during the Reinvestment Period and, to the limited extent described more fully herein, after the Reinvestment Period, so long as certain requirements are met, the Portfolio Manager will have discretion in accordance with the Portfolio Management Agreement to reinvest Principal Proceeds and in some cases Interest Proceeds and dispose of Collateral Debt Obligations and to reinvest the Sale Proceeds in Substitute Collateral Debt Obligations, in each case in compliance with the Reinvestment Criteria and certain other requirements set forth herein. The exercise by the Portfolio Manager of its discretion in accordance with the Portfolio Management Agreement in disposing of such Collateral Debt Obligations and purchasing Substitute Collateral Debt Obligations in compliance with the Reinvestment Criteria and such other requirements will expose the Issuer to the market conditions prevailing at the time of such sale and reinvestment. 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 Notes. Further, due to the significant restrictions imposed by the Portfolio Management Agreement on the Portfolio Manager's ability to buy and sell Collateral Debt Obligations, during certain periods or in certain circumstances the Portfolio Manager may be unable as a result of such restrictions to buy or sell securities or loans or to take other actions which it might consider to be in the best interests of the Issuer and the Noteholders. The Portfolio Manager may also be restricted in its ability to reinvest if a Retention Deficiency has occurred or would occur following such reinvestment. See "*Restrictions on the Discretion of the Portfolio Manager in Order to Comply with Risk Retention*".

5.6 Reinvestment risk/uninvested cash balances

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

During the Reinvestment Period, subject to compliance with certain criteria and limitations described herein, the Portfolio Manager will have discretion to dispose of certain Collateral Debt Obligations and to reinvest the proceeds thereof in Substitute Collateral Debt Obligations in compliance with the Reinvestment Criteria. In addition, during the Reinvestment Period, to the extent that any Collateral Debt Obligations prepay or mature prior to the Maturity Date, the Portfolio Manager will seek, to invest the proceeds thereof in Substitute Collateral Debt Obligations, subject to the Reinvestment Criteria. In addition, following the expiry of the Reinvestment Period, the Portfolio Manager may reinvest some types of Principal Proceeds (see "*Following the Expiry of the Reinvestment Period*"). The yield with respect to such Substitute Collateral Debt Obligations will depend, among other factors, on reinvestment rates available at the time, on the availability of investments which satisfy the Reinvestment Criteria and are acceptable to the Portfolio Manager, and on market conditions related to

high yield securities and bank loans in general. The need to satisfy such Reinvestment Criteria and identify acceptable investments may require the purchase of Collateral Debt Obligations with a lower yield than those replaced, with different characteristics than those replaced (including, but not limited to, coupon, maturity, call features and/or credit quality) or require that such funds be maintained in cash or Eligible Investments pending reinvestment in Substitute Collateral Debt Obligations, which will further reduce the Par Value Test Adjusted Principal Amount. Any decrease in the Par Value Test Adjusted Principal Amount will have the effect of reducing the amounts available to make distributions of interest on the Notes which will adversely affect cash flows available to make payments on the Notes, especially the most junior Class or Classes of Notes. There can be no assurance that in the event Collateral Debt Obligations are sold, prepaid, or mature, yields on Collateral Debt Obligations that are eligible for purchase will be at the same levels as those replaced and there can be no assurance that the characteristics of any Substitute Collateral Debt Obligations purchased will be the same as those replaced and there can be no assurance as to the timing of the purchase of any Substitute Collateral Debt Obligations.

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

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

5.7 Considerations relating to the Initial Investment Period

During the Initial Investment Period, the Portfolio Manager, acting on behalf of the Issuer, will seek to acquire additional Collateral Debt Obligations in order to satisfy as at the Effective Date, the Target Par Amount and each of the Coverage Tests (other than the Interest Coverage Tests which are required to be satisfied on or after the Determination Date immediately preceding the second Payment Date), the Collateral Quality Tests and the Portfolio Profile Tests. See "*The Portfolio*". The ability to satisfy such targets and tests will depend on a number of factors beyond the control of the Issuer and the Portfolio Manager, including the availability of obligations that satisfy the Eligibility Criteria and other Portfolio-related requirements in the primary and secondary loan markets, the condition of the financial markets, general economic conditions and international political events. Therefore, there can be no assurance that such targets and tests will be met. To the extent it is not possible to purchase such additional Collateral Debt Obligations during the Initial Investment Period, the level of income receivable by the Issuer on the Collateral and therefore its ability to meet its interest payment obligations under the Notes, together with the weighted average lives of the Notes, may be adversely affected. In addition, the ability of the Issuer to enter into additional Hedge Transactions will also depend upon a number of factors outside the control of the Issuer and the Portfolio Manager, including

its ability to identify a suitable Hedge Counterparty with whom the Issuer may enter into additional Hedge Transactions. Any failure by the Issuer to acquire such additional Collateral Debt Obligations because of its inability to enter into required additional Hedge Transactions could result in an Effective Date Rating Event or downgrade or withdrawal by a Rating Agency of its Initial Ratings of any Class or Classes of Notes. Such downgrade or withdrawal may result in the redemption in part of the Notes and therefore reduce the leverage ratio of the Subordinated Notes to the other Classes of Notes which could adversely affect the level of returns to the Subordinated Noteholders. Any such redemption of the Notes may also adversely affect the risk profile of other Classes of Rated Notes in addition to the Subordinated Notes to the extent that the amount of excess spread capable of being generated in the transaction is reduced as a result of redemption of the most senior ranking Classes of Notes in accordance with the Priorities of Payment which bear interest at a lower rate of interest than the remaining Classes of Rated Notes.

5.8 Nature of the Collateral

The Collateral on which the Notes and the claims of the other Secured Parties are secured will be subject to credit, liquidity, interest rate, exchange rate and other market risks (each of which are described in more detail below). The Portfolio of Collateral Debt Obligations which will secure the Notes will be comprised of Senior Secured Loans, Second Lien Loans, Unsecured Senior Loans, Mezzanine Loans, Corporate Rescue Loans and Bridge Loans lent to various Obligors with a principal place of business or significant operations in a Qualifying Country which will be rated or assigned an implied rating. The majority of these ratings are likely to be below investment grade.

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

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

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

5.9 Characteristics and risks relating to the Portfolio

The Portfolio Manager is not permitted to purchase Bonds on behalf of the Issuer (*provided that* the Issuer may acquire and retain Exchanged Securities in accordance with and to the extent permitted by the Trust Deed, the Conditions and the Portfolio Management Agreement).

Characteristics of Senior Loans and Mezzanine Obligations

Senior Loans ("**Senior Loans**", when the term is used in this paragraph 5.9, being Senior Secured Loans, Unsecured Senior Loans and Second Lien Loans) and Mezzanine Loans are of a type generally incurred by the Obligors thereunder in connection with highly leveraged transactions, often (although not exclusively) to finance internal growth, pay dividends or other distributions to the equity holders in the Obligor, or finance acquisitions, mergers, and/or stock purchases. As a result of the additional debt incurred by the Obligor in the course of such a transaction, the Obligor's creditworthiness is typically judged by the rating agencies to be below investment grade. Senior Secured Loans and Unsecured Senior Loans are typically at the most senior level of the capital structure with Second Lien Loans being subordinated thereto and Mezzanine Loans being subordinated to any Senior Loans or to any other senior debt of the Obligor. Senior Secured Loans are often secured by specific collateral, including but not limited to, trademarks, patents, accounts receivable, inventory, equipment, buildings, real estate, franchises and common and preferred stock of the Obligor and its subsidiaries and any applicable associated liens relating thereto. In continental Europe, security is often limited to shares in certain group companies, accounts receivable, bank account balances and certain intellectual property rights. Mezzanine Loans may have the benefit of a second priority charge over such assets. Unsecured Senior Loans do not have the benefit of such security. Senior Secured Loans usually have shorter terms than more junior obligations and often require mandatory prepayments from excess cash flow, asset dispositions and offerings of debt and/or equity securities.

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

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

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

Limited liquidity, prepayment and default risk in relation to Senior Loans and Mezzanine Loans

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

Increased Risks for Mezzanine Loans

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

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

Credit Risk

Risks applicable to Senior Loans, Second Lien Loans and Mezzanine Loans also include the possibility that earnings of the obligor may be insufficient to meet its debt service obligations thereunder and the declining creditworthiness and potential for insolvency of the obligor of such loans during periods of rising interest rates and economic downturn. An economic downturn could severely disrupt the market for leveraged loans and adversely affect the value thereof and the ability of the obligor thereunder to repay principal and interest.

Prepayment Risk

Loans are generally prepayable in whole or in part at any time at the option of the obligor thereof at par *plus* accrued and unpaid interest thereon. Prepayments on loans may be caused by a variety of factors, which are difficult to predict. Accordingly, there exists a risk that loans purchased at a price greater than par may experience a capital loss as a result of such a prepayment. In addition, Principal Proceeds received upon such a prepayment are subject to reinvestment risk. Any inability of the Issuer to reinvest payments or other proceeds in Collateral Debt Obligations with comparable interest rates that satisfy the Reinvestment Criteria may adversely affect the timing and amount of payments and distributions received by the Noteholders and the yield to maturity of the Notes. There can be no assurance that the Issuer will be able to reinvest proceeds in Collateral Debt Obligations with comparable interest rates that satisfy the Reinvestment Criteria or (if it is able to make such reinvestments) as to the length of any delays before such investments are made.

Defaults and Recoveries

There is limited historical data available as to the levels of defaults and/or recoveries that may be experienced on Senior Loans and Mezzanine Loans, and no assurance can be given as to the levels of default and/or recoveries that may apply to such Collateral Debt Obligations purchased by the Issuer. As referred to above, the actual terms of any such Collateral Debt Obligations will have been a matter of negotiation and will thus be unique. The types of protection afforded to creditors will therefore vary from investment to investment. Recoveries on such Collateral Debt Obligations may also be affected by the different bankruptcy and restructuring regimes applicable in different jurisdictions, the availability of comprehensive security packages in different jurisdictions and the enforceability of claims against the Obligors thereunder. Forum shopping for a favourable legal regime for a restructuring is not uncommon and English law schemes of arrangement have in particular become a popular tool for European incorporated companies, even for borrowers with little connection to the UK. In such instance, a lender may be forced by a court to accept restructuring terms.

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

A non-investment grade loan or an interest in a non-investment grade loan is generally considered speculative in nature and may become a Defaulted Obligation for a variety of reasons. Upon any Collateral Debt Obligation becoming a Defaulted Obligation, such Defaulted Obligation may become subject to either substantial workout negotiations or restructuring, which may entail, among other things, a substantial reduction in the interest rate, a substantial write down of principal and a substantial change in the terms, conditions and covenants with respect to such Defaulted Obligation. In addition, such negotiations or restructuring may be quite extensive and protracted over time, and therefore may result in uncertainty with respect to ultimate recovery on such Defaulted Obligation. The liquidity for Defaulted Obligations may be limited, and to the extent that Defaulted Obligations are sold, it is highly unlikely that the proceeds from such sale will be equal to the amount of unpaid principal and interest thereon. Furthermore, there can be no assurance that the ultimate recovery in any Defaulted Obligation will be at least equal either to the minimum recovery rate assumed by the Rating Agencies in rating the Notes or any recovery rate used in the analysis of the Notes by investors in determining whether to purchase the Notes.

Characteristics of Second Lien Loans

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

Liens arising by operation of law may take priority over the Issuer's liens on an Obligor's underlying collateral in connection with a Second Lien Loan and impair the Issuer's recovery on a Collateral Debt Obligation if a default or foreclosure on that Collateral Debt Obligation occurs. An example of a lien arising under law is a tax or other government lien on property of an Obligor. A tax lien may have priority over the Issuer's lien on such collateral. To the extent a lien having priority over the Issuer's

lien exists with respect to the collateral related to any Collateral Debt Obligation, the Issuer's interest in the asset will be subordinate to such lien. If the creditor holding such lien exercises its remedies, it is possible that, after such creditor is repaid, sufficient cash proceeds from the underlying collateral will not be available to pay the outstanding principal amount of such Collateral Debt Obligation.

Characteristics of Unsecured Senior Loans

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

Characteristics of Cov-Lite Loans

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

Characteristics of Corporate Rescue Loans

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

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

Although a Corporate Rescue Loan is secured, where the Obligor is subject to U.S. bankruptcy law, it has a priority permitted by Section 364(c) or Section 364(d) under the United States Bankruptcy Code and at the time that it is acquired by the Issuer is required to be current with respect to scheduled payments of interest and principal (if any). Where an Obligor is not subject to U.S. bankruptcy law, such legal protections are generally not available.

5.10 Bridge Loans

The Portfolio Profile Tests provide that not more than 2.5 per cent. of the Aggregate Collateral Balance may be comprised of Bridge Loans. Bridge Loans are generally a temporary financing instrument and as such the interest rate may increase after a short period of time in order to encourage an Obligor to refinance the Bridge Loan with more long-term financing. If an Obligor is unable to refinance a Bridge

Loan, the interest rate may be subject to an increase and as such Bridge Loans may have greater credit and liquidity risk than other types of loans.

5.11 Limited Control of Administration and Amendment of Collateral Debt Obligations

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

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

5.12 Participations, Novations and Assignments

The Portfolio Manager, acting on behalf of the Issuer, may acquire interests in Collateral Debt Obligations which are loans either directly (by way of novation or assignment) or indirectly (by way of sub-participation). Each institution from which such an interest is taken by way of participation or acquired by way of novation or assignment is referred to herein as a "**Selling Institution**". Interests in loans acquired directly by way of novation or assignment are referred to herein as "**Assignments**". Interests in loans acquired indirectly by way of sub-participation are referred to herein as "**Participations**". 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 and, in respect of novations, obligations (if any) of the assigning Selling Institution and becomes entitled to the benefit of the loans and the other rights of the lender under the loan agreement. The Issuer, as an assignee, will generally have the right to receive directly from the borrower all payments of principal and interest to which it is entitled, *provided that* notice of such Assignment has been given to the borrower. As a purchaser of an Assignment, the Issuer will typically have the same voting rights as other lenders under the applicable loan agreement and will have the right to vote to waive enforcement of breaches of covenants. The Issuer will generally also have the same rights as other lenders to enforce compliance by the borrower with the terms of the loan agreement, to set off claims against the borrower and to have recourse to collateral supporting the loan. As a result, the Issuer will generally not bear the credit risk of the Selling Institution and the insolvency of the Selling Institution should have no effect on the ability of the Issuer to continue to receive payment of principal or interest from the borrower. The Issuer will, however, assume the credit risk of the borrower. The purchaser of an Assignment also typically succeeds to and becomes entitled to the benefit of any other rights of the Selling Institution in respect of the loan agreement including the right to the benefit of any security granted in respect of the loan interest transferred. The loan agreement usually contains mechanisms for the transfer of the benefit of the loan and the security relating thereto. The efficacy of these mechanisms is rarely tested, if ever, and there is debate amongst counsel in continental jurisdictions over their effectiveness. With regard to some of the loan agreements, security will have been granted over assets in different jurisdictions. Some of the jurisdictions will require registrations, filings and/or other formalities to be carried out not only in relation to the transfer of the loan but, depending on the mechanism for transfer, also with respect to the transfer of the benefit of the security.

Participations by the Issuer in a Selling Institution's portion of a loan typically results in a contractual relationship only with such Selling Institution and not with the borrower under such loan. The Issuer would, in such case, only be entitled to receive payments of principal and interest to the extent that the Selling Institution has received such payments from the borrower. In purchasing Participations, the

Issuer generally will have no rights of set-off against the borrower and no right to enforce compliance by the borrower with the terms of the applicable loan agreement and the Issuer may not directly benefit from the collateral supporting the loan in respect of which it has purchased a Participation. As a result, the Issuer will assume the credit risk of both the borrower and the Selling Institution selling the Participation. In the event of the insolvency of the Selling Institution selling a Participation, the Issuer may experience delays in receiving payments made to the Selling Institution by the borrower 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 borrower and the Issuer may suffer a loss to the extent that the borrower 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 Portfolio Manager has not and will not perform independent credit analyses of Selling Institutions. Each Selling Institution (or an entity guaranteeing such institution) is required to satisfy the applicable Rating Requirement. The Issuer may purchase a Participation from a Selling Institution that does not itself retain any economic interest in the loan, and therefore, may have limited interest in monitoring the terms of the loan agreement and the continuing creditworthiness of the borrower. When the Issuer holds a Participation in a loan it generally will not have the right to participate directly in any vote to waive enforcement of any covenants breached by a borrower. A Selling Institution voting in connection with a potential waiver of a restrictive covenant may have interests which are different from those of the Issuer and such Selling Institution may not be required to consider the 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. The Portfolio Profile Tests provide that the Aggregate Principal Balance including the Bivariate Risk Table (but excluding Defaulted Obligations) of Collateral Debt Obligations that are Participations must not represent more than 5 per cent. of the Aggregate Collateral Balance (excluding Defaulted Obligations). In addition, the Bivariate Risk Table set out in the Portfolio Management Agreement (and under "*The Portfolio – Bivariate Risk Table*") specifies certain individual and aggregate third party credit exposure limits for Selling Institutions determined by reference to their S&P and Moody's ratings.

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 borrowers, the documentation of the loans or any collateral securing the loans. In addition, the Issuer will be bound by provisions of the underlying loan agreements, if any, that require the preservation of the confidentiality of information provided by the borrower.

5.13 Voting Restrictions on Syndicated Loans for Minority Holders

The Issuer will generally purchase each underlying asset in the form of an assignment of, or participation interest in, a note or other obligation issued under a loan facility to which more than one lender is a party. These loan facilities are administered for the lenders by a lender or other agent acting as the lead administrator. The terms and conditions of these loan facilities may be amended, modified or waived only by the agreement of the lenders. Generally, any such agreement requires the consent of a majority or a super-majority (measured by outstanding loans or commitments) or, in certain circumstances, a unanimous vote of the lenders, and the Issuer may have a minority interest in such loan facilities. Consequently, the terms and conditions of an underlying asset issued or sold in connection with a loan facility could be modified, amended or waived in a manner contrary to the preferences of the Issuer if the amendment, modification or waiver of such term or condition does not require the unanimous vote of the lenders and a sufficient number of the other lenders concur with such modification, amendment or waiver. There can be no assurance that any Collateral Debt Obligations issued or sold in connection with any loan facility will maintain the terms and conditions to which the Issuer or a predecessor in interest to the Issuer originally agreed.

5.14 Counterparty risk

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

If a Hedge Counterparty is subject to a rating withdrawal or downgrade by a Rating Agency to below the applicable Rating Requirement, there will be a termination event under the applicable Hedge Agreement unless, within the applicable remedy period following such rating withdrawal or downgrade such Hedge Counterparty either transfers its obligations under the applicable Hedge Agreement to a replacement counterparty with the requisite ratings, obtains a guarantee of its obligations by a guarantor with the requisite ratings, collateralises its obligations in a manner satisfactory to the relevant Rating Agency or employs some other such strategy as may be approved by the relevant Rating Agency. There can be no assurance that the applicable Hedge Counterparty will be able to transfer its obligations to a suitable replacement counterparty or exercise any of the other aforementioned remedies within the specified remedy period. Failure to do so may result in interest rate or currency mismatches, which could adversely affect the ability of the Issuer to make payments on the Notes as the Issuer may not receive payments it would otherwise be entitled to from such Hedge Counterparty to cover its interest rate risk exposure or currency risk exposure in respect of Non-Euro Obligations for so long as the Issuer has not entered into a replacement Hedge Transaction (see 5.17 (*Interest rate risk*) and 5.18 (*Currency risk*) below). For further information, see "*Hedging Arrangements*" below.

Similarly, the Issuer will be exposed to the credit risk of the Account Bank and the Custodian to the extent of, respectively, all cash of the Issuer held in the Accounts and all Collateral of the Issuer held by the Custodian. If the Account Bank or the Custodian is subject to a rating withdrawal or downgrade by a Rating Agency to below the applicable Rating Requirement, the Issuer shall (subject to certain limits, at the expense of the Account Bank or Custodian, as the case may be) use its reasonable endeavours to procure the appointment of a replacement Account Bank or Custodian, as the case may be, with the applicable Rating Requirement within the time limits prescribed for such action in the applicable Transaction Documents.

5.15 Concentration risk

The Issuer will invest in a Portfolio of Collateral Debt Obligations consisting of Senior Secured Loans, Unsecured Senior Loans, Second Lien Loans, Mezzanine Loans, Corporate Rescue Loans and Bridge Loans. Although no significant concentration with respect to any particular Obligor, industry or country is expected to exist at the Effective Date, the concentration of the Portfolio in any one Obligor would subject the Notes to a greater degree of risk with respect to defaults by such Obligor, and the concentration of the Portfolio in any one industry would subject the Notes to a greater degree of risk with respect to economic downturns relating to such industry. Although the Portfolio Profile Tests and Collateral Quality Tests attempt to mitigate any concentration risk in the Portfolio and limit the amount of Collateral Debt Obligations that are permitted to be obligations of a single Obligor and industry classification by S&P, no assurances can be made that they will be successful in doing so. See "*The Portfolio – Portfolio Profile Tests and Collateral Quality Tests*".

5.16 Credit risk

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

5.17 Interest rate risk

The Floating Rate Notes bear interest at a floating rate based on EURIBOR. It is possible that Collateral Debt Obligations may bear interest at fixed rates and there is no requirement that the amount or portion of Collateral Debt Obligations securing the Notes must bear interest on a particular basis, save for the Portfolio Profile Test which requires that not more than 5 per cent. of the Aggregate Collateral Balance may comprise Unhedged Fixed Rate Collateral Debt Obligations.

In addition, any payments of principal or interest received in respect of Collateral Debt Obligations and not otherwise reinvested during the Reinvestment Period in Substitute Collateral Debt Obligations will generally be invested in Eligible Investments until shortly before the next Payment Date. There is no requirement that such Eligible Investments bear interest on a particular basis, and the interest rates available for such Eligible Investments are inherently uncertain. As a result of these factors, it is

expected that there will be a fixed/floating rate basis mismatch and/or a floating rate basis mismatch (including in the case of Collateral Debt Obligations or Eligible Investments which pay a floating rate based on a benchmark other than EURIBOR), maturity date mismatch and mismatch in timing of determination of the applicable floating rate benchmark, in each case between the Notes and the underlying Collateral Debt Obligations and Eligible Investments. Such mismatch may be material and may change from time to time as the composition of the related Collateral Debt Obligations and Eligible Investments change and as the liabilities of the Issuer accrue or are repaid. As a result of such mismatches, changes in the level of EURIBOR could adversely affect the ability to make payments on the Notes. Pursuant to the Portfolio Management Agreement, the Portfolio Manager, acting on behalf of the Issuer, is authorised to enter into the Hedge Transactions in order to mitigate such interest rate mismatch from time to time, subject to receipt in each case of Rating Agency Confirmation in respect thereof and the Portfolio Manager shall only cause the Issuer to enter into a Hedge Transaction (i) that at the time such Hedge Transaction is entered into, satisfies the Hedge Agreement Eligibility Criteria (as defined in the Portfolio Management Agreement); or (ii) in respect of which the Portfolio Manager (on behalf of the Issuer) obtains legal advice of reputable U.S. legal counsel familiar with the Volcker Rule and collateralised loan obligation transactions to the effect that the entry into such arrangements shall not require any of the Issuer, its directors or officers or the Portfolio Manager to register with the United States Commodity Futures Trading Commission as a commodity pool operator or a commodity trading advisor pursuant to the United States Commodity Exchange Act of 1936, as amended, and that such Hedge Transaction would be considered a "permitted derivative" within the meaning of and subject to the "loan securitisation" exemption under the Volcker Rule, and the Portfolio Manager having confirmed to the Trustee in writing that such legal advice has been received. See "*Hedging Arrangements*" and certain regulatory considerations in relation to swaps, discussed in "*Commodity Pool Regulation*" above. However, the Issuer will depend on each Hedge Counterparty to perform its obligations under any Hedge Transaction to which it is a party and if any Hedge Counterparty defaults or becomes unable to perform due to insolvency or otherwise, the Issuer may not receive payments it would otherwise be entitled to from such Hedge Counterparty to cover its interest rate risk exposure. Furthermore, the terms of the Hedge Agreements may provide for the ability of the Hedge Counterparty to terminate such Hedge Agreement upon the occurrence of certain events, including related to certain regulatory matters. Any such termination in the case of an Interest Rate Hedge Transaction would result in the Issuer's exposure to interest rate exposure increasing, and may result in the Issuer being required to pay a termination amount to the relevant Hedge Counterparty. See further "*European Market Infrastructure Regulation (EMIR)*" above and "*Hedging Arrangements*" below.

In addition, some Collateral Debt Obligations permit the Obligor to re-set the interest period applicable to it from quarterly to semi-annual and vice versa. Interest Amounts are due and payable in respect of the Notes on a quarterly basis in arrear in respect of Accrual Periods commencing at any time prior to the occurrence of a Frequency Switch Event and, in respect of all other Accrual Periods, in arrear on a semi-annual basis following the occurrence of a Frequency Switch Event. If a significant number of Collateral Debt Obligations re-set to semi-annual interest payments there may be insufficient interest received to make quarterly interest payments on the Notes although the switch to semi-annual Accrual Periods and Payment Dates following the occurrence of a Frequency Switch Event should mitigate such reset risk to some extent. In addition, the Portfolio Manager (acting on behalf of the Issuer) may elect to hold back a portion of the interest received on Collateral Debt Obligations which pay interest less frequently than quarterly in order to make quarterly payments of interest on the Notes ("**Interest Smoothing**") (at all times other than in relation to Payment Dates following the occurrence of a Frequency Switch Event, when interest on the Notes will switch to semi-annual pay in respect of each Accrual Period commencing after the occurrence of a Frequency Switch Event in order to mitigate reset risk). However, there can be no assurance that any Interest Smoothing will be sufficient to mitigate such timing mismatch between payments received in respect of Semi-Annual Obligations and quarterly payment dates on the Notes, prior to the occurrence of a Frequency Switch Event.

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

There can also be no assurance that the Collateral Debt Obligations and Eligible Investments securing the Notes will in all circumstances generate sufficient Interest Proceeds to make timely payments of interest on the Notes or that any particular levels of return will be generated on the Subordinated Notes.

On 5 June 2014, the European Central Bank announced that it would charge a negative rate of interest on bank deposits with the European Central Bank. To the extent the European Central Bank's or other central bank's deposit rate from time to time results in the Account Bank incurring negative deposit rates as a result of maintaining any accounts on the Issuer's behalf, the Issuer will be required to reimburse the Account Bank in an amount equal to the chargeable interest incurred on such accounts as a result of such negative deposit rates. Prospective investors should note that given recent levels of, and moves in respect of, deposit rates, it appears likely the Issuer will be required to make such payments in reimbursement of the Account Bank. Any such payments shall be paid as Administrative Expenses, subject to and in accordance with the Priorities of Payment and may, accordingly, have a negative impact on the amounts available to the Issuer to apply as payments on the Notes.

5.18 Currency risk

It is anticipated that on the Effective Date a portion of the Aggregate Principal Balance of the Collateral Debt Obligations will be comprised of Non-Euro Obligations. The percentage of the Portfolio that is comprised of these types of securities may increase or decrease over the life of the Notes (even though the Portfolio Profile Tests require that not more than 30 per cent. of the Aggregate Collateral Balance (excluding Defaulted Obligations) be invested in Non-Euro Obligations). The Issuer is required to enter into Asset Swap Transactions with respect to all Non-Euro Obligations upon settlement of the acquisition thereof. See "*Hedging Arrangements*".

Notwithstanding that Non-Euro Obligations may be subject to Asset Swap Transactions, fluctuations in the currency exchange rates for currencies in which Collateral Debt Obligations are denominated may lead to the proceeds of the Portfolio being insufficient to pay all amounts due to the respective Classes of Noteholders. In addition, fluctuations in euro exchange rates may result in a decrease in value of the Portfolio for the purposes of sale thereof upon enforcement of the security over it. The Portfolio Manager may also be limited at the time of reinvestment in its choice of Collateral Debt Obligations because of the cost of entry into Asset Swap Transactions and due to restrictions in the Portfolio Management Agreement with respect thereto. In particular, the Portfolio Manager shall only cause the Issuer to enter into a Hedge Transaction (i) that at the time such Hedge Transaction is entered into, satisfies the Hedge Agreement Eligibility Criteria; or (ii) in respect of which the Portfolio Manager (on behalf of the Issuer) obtains legal advice of reputable U.S. legal counsel familiar with the Volcker Rule and collateralised loan obligation transactions to the effect that the entry into such arrangements shall not require any of the Issuer, its directors or officers or the Portfolio Manager to register with the United States Commodity Futures Trading Commission as a commodity pool operator or a commodity trading advisor pursuant to the United States Commodity Exchange Act of 1936, as amended, and that such Hedge Transaction would be considered a "permitted derivative" within the meaning of and subject to the "loan securitisation" exemption under the Volcker Rule, and the Portfolio Manager having confirmed to the Trustee in writing that such legal advice has been received. The Issuer may also be unable to or may only have a limited ability to enter into Hedge Transactions due to recent regulatory changes. The Portfolio Manager may also be unable to find suitable Asset Swap Counterparties willing to provide Asset Swap Transactions. There are also currently a number of regulatory initiatives which may make it difficult or impossible for the Issuer to enter into Asset Swap Transactions or Interest Rate Hedge Transactions. See "*Commodity Pool Regulation*", "*European Market Infrastructure Regulation (EMIR)*" and "*Hedging Arrangements*".

In addition, it may be necessary for the Issuer to make substantial up-front payments in order to enter into any Asset Swap Transactions on the terms required by the Portfolio Management Agreement.

The Issuer's ongoing payment obligations under such Asset Swap Transactions (including termination payments) may also be significant. The payments associated with such hedging arrangements generally rank senior to payments on the Notes. Defaults, prepayments, trading and other events may increase the risk of a mismatch between the foreign exchange hedges and Collateral Debt Obligations. This may cause losses. In addition, the Portfolio Manager may be limited at the time of reinvestment in its choice of Collateral Debt Obligations because of the cost of such hedging and due to restrictions in the Portfolio Management Agreement with respect to such hedging.

The Issuer will depend upon each Asset Swap Counterparty to perform its obligations under any Asset Swap Transactions. If an Asset Swap Counterparty defaults or becomes unable to perform due to insolvency or otherwise, the Issuer may not receive payments it would otherwise be entitled to from such counterparty to cover its foreign exchange exposure. The applicable Asset Swap Counterparty may also have the right to terminate an Asset Swap Transaction following the occurrence of certain events relating to the applicable Asset Swap Obligation, including related to certain regulatory matters. Any such termination in the case of an Asset Swap Transaction would result in the Issuer being exposed to currency risk in respect of the related Non-Euro Obligations for so long as the Issuer has not entered into a replacement Asset Swap Transaction, and may result in the Issuer being required to pay a termination amount to the relevant Hedge Counterparty. Accordingly, fluctuations in Euro exchange rates may still adversely affect the Issuer's ability to make payments on the Notes from proceeds received (once converted to Euro at the applicable spot exchange rate).

5.19 Insolvency considerations relating to Collateral Debt Obligations

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

The different insolvency regimes applicable in the different European jurisdictions result in a corresponding variability of recovery rates for Collateral Debt Obligations entered into by Obligors in such jurisdictions. No reliable historical data is available in respect of such recovery rates.

5.20 Lender liability considerations; equitable subordination

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

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

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

5.21 Loan Repricing

Leveraged loans may experience volatility in the spread that is paid on such leveraged loans. Such spreads will vary based on a variety of factors, including, but not limited to, the level of supply and demand in the leveraged loan market, general economic conditions, levels of relative liquidity for leveraged loans, the actual and perceived level of credit risk in the leveraged loan market, regulatory changes, changes in credit ratings, and the methodology used by credit rating agencies in assigning credit ratings, and such other factors that may affect pricing in the leveraged loan market. Since leveraged loans may generally be prepaid at any time without penalty, the obligors of such leveraged loans would be expected to prepay or refinance such leveraged loans if alternative financing were available at a lower cost. For example, if the credit ratings of an obligor were upgraded, the obligor were recapitalised or if credit spreads were declining for leveraged loans, such obligor would likely seek to refinance at a lower credit spread. Declining credit spreads in the leveraged loan market and increasing rates of prepayments and refinancings will likely result in a reduction of portfolio yield and interest collection on the Collateral Debt Obligations, which would have an adverse effect on the amount available for distributions on Notes, beginning with the subordinated Notes as the most junior Classes.

5.22 Acquisition and Disposition of Collateral Debt Obligations

The estimated net proceeds of the issue of the Notes after payment of fees and expenses payable on or about the Issue Date (including, without duplication amounts deposited into the Expense Reserve Account) will be used by the Issuer for the repayment of any amounts borrowed by the Issuer under the Warehouse Arrangements (together with any interest thereon) and all other amounts due in order to finance the acquisition of warehoused Collateral Debt Obligations purchased by the Issuer prior to the Issue Date. The remaining proceeds shall be retained in the Unused Proceeds Account and used to purchase (or enter into agreements to purchase) additional Collateral Debt Obligations during the Initial Investment Period (as defined in the Conditions). The Portfolio Manager's decisions concerning purchases of Collateral Debt Obligations will be influenced by a number of factors, including market conditions and the availability of securities and loans satisfying the Eligibility Criteria, Reinvestment Criteria and the other requirements of the Portfolio Management Agreement. The failure or inability of the Portfolio Manager to acquire Collateral Debt Obligations with the proceeds of the offering or to reinvest Sale Proceeds or payments and prepayments of principal in Substitute Collateral Debt Obligations in a timely manner will adversely affect the returns on the Notes, in particular with respect to the most junior Class or Classes.

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

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

5.23 Ratings on Collateral Debt Obligations

The Collateral Quality Tests, the Portfolio Profile Tests, the Coverage Tests and the Additional Reinvestment Test are sensitive to variations in the ratings applicable to the underlying Collateral Debt Obligations. Generally, deteriorations in the business environment or increases in the business risks facing any particular Obligor may result in downgrade of its obligations, which may result in such obligation becoming a Credit Impaired Obligation, a S&P CCC Obligation or Moody's Caa Obligation or a Defaulted Obligation (and therefore potentially subject to haircuts in the determination of the Par Value Tests and the Additional Reinvestment Test and restrictions in the Portfolio Profile Tests and/or the Collateral Quality Tests). The Portfolio Management Agreement contains detailed provisions for determining the Moody's Rating and the S&P Rating of Collateral Debt Obligations. In some

instances, the Moody's Rating and S&P Rating will not be based on or derived from a public rating of the Obligor or the actual Collateral Debt Obligation but may be based on either a private rating of the Obligor or, in certain cases, on a confidential credit estimate determined separately by Moody's or S&P (as applicable). Such private ratings and confidential credit estimates are private and therefore not capable of being disclosed to Noteholders.

In addition, some ratings will be derived by the Portfolio Manager based on, among other things, Obligor group or affiliate ratings, comparable ratings provided by a different rating agency and, in certain circumstances, temporary ratings applied by the Portfolio Manager. The Portfolio Profile Tests contain limitations on the proportions of the Aggregate Collateral Balance that may be made up of Collateral Debt Obligations where the S&P Rating is derived from a Moody's Rating and vice versa.

Furthermore, such derived ratings will not reflect detailed credit analysis of the particular Collateral Debt Obligation and may reflect a more or less conservative view of the actual credit risk of such Collateral Debt Obligation than any such fundamental credit analysis might, if conducted, warrant; and model-derived variations in such ratings may occur (and have consequential effects on the Collateral Quality Tests, the Portfolio Profile Tests and the Coverage Tests) without necessarily reflecting comparable variation in the actual credit quality of the Collateral Debt Obligation in question. Please see "*The Portfolio*" and "*Ratings of the Notes*" sections of this Prospectus.

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

6. Portfolio Manager

The Portfolio Manager is given authority in the Portfolio Management Agreement to act as portfolio manager to the Issuer in respect of the Portfolio pursuant to, and in accordance with, the parameters and criteria set out in the Portfolio Management Agreement. See "*The Portfolio*" and "*Description of the Portfolio Management Agreement*". The powers and duties of the Portfolio Manager in relation to the Portfolio include (a) the selection and purchase, on behalf of the Issuer, of Collateral Debt Obligations during the Reinvestment Period (subject to certain limits), (b) the selection and purchase, on behalf of the Issuer, of Collateral Debt Obligations following the Reinvestment Period (subject to certain limits), (c) the sale of Collateral Debt Obligations (subject to various limits and conditions) at any time, and (d) the participation in restructuring and work-outs of Collateral Debt Obligations on behalf of the Issuer, in each case in accordance with the provisions of the Portfolio Management Agreement. See "*Description of the Portfolio Management Agreement*".

Any analysis by the Portfolio Manager (on behalf of the Issuer) of Obligors under Collateral Debt Obligations which it purchases on behalf of the Issuer or which are held in the Portfolio from time to time will be limited to a review of readily available public information in respect of Collateral Debt Obligations which are Assignments or Participations of loans and in relation to which the Portfolio Manager has non-public information, such analysis will include due diligence of the kind common in relation to loans of the applicable kind.

The Issuer is a newly formed entity and, other than in respect of the Warehouse Arrangements, has no operating history or performance record of its own. The actual performance of the Issuer will depend on numerous factors which are difficult to predict and may be beyond the control of the Portfolio Manager.

The performance of any investment in the Notes will be dependent in part on the ability of the Portfolio Manager to monitor the Portfolio and its selection of Collateral Debt Obligations for sale or purchase by or on behalf of the Issuer.

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

The performance of other collateralised debt obligation vehicles ("**CLO Vehicles**"), other similar investment funds ("**Other Funds**") or accounts managed or advised by the Portfolio Manager or Affiliates of the Portfolio Manager should not be relied upon as an indication or prediction of the performance or investment returns of the Issuer. Such other CLO Vehicles, Other Funds or accounts may have significantly different characteristics, including but not limited to their structures, composition of the collateral pool, investment objectives, strategies, leverage, financing costs, fees and expenses, management personnel and other terms, including by reason of the diversity and other parameters required by the Portfolio Management Agreement when compared to the Issuer and may have been formed and managed under significantly different market conditions than those which apply to the Issuer and its Portfolio. There can be no assurance that the Issuer's investments will perform as well as the past investments for any such accounts.

The loss by the Portfolio Manager of a number of key individuals could have a material adverse effect on the ability of the Portfolio Manager to perform its obligations under the Portfolio Management Agreement. In addition, the Portfolio Manager may be removed or may resign in certain circumstances described herein under "*Description of the Portfolio Management Agreement"*. In such circumstances, however, the Issuer may not be able to find a replacement portfolio manager with similar skills or willing to act on equivalent terms. There can be no assurance that any successor investment manager would have the same level of skill in performing the obligations of the Portfolio Manager, in which event payments on the Notes could be reduced or delayed.

Although the professional staff of the Portfolio Manager will devote as much time to the Issuer as the Portfolio Manager deems appropriate to perform its duties in accordance with the Portfolio Management Agreement, those staff may have conflicts in allocating their time and services among the Issuer and the Portfolio Manager's other accounts. See "*Certain conflicts of interest regarding the Portfolio Manager, the Joint Placement Agents and the Joint Arrangers*".

The Portfolio Manager's information and technology systems may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunications failures, infiltration by unauthorised persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Although the Portfolio Manager may have implemented various measures to manage risks relating to these types of events, the failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the Portfolio Manager's operations and result in a failure to maintain the security, confidentiality or privacy or sensitive data. Such a failure could impede the ability of the Portfolio Manager to perform its duties under the Transaction Documents.

7. No arranger or placement agent role post-closing

None of the Joint Arrangers nor the Joint Placement Agents takes any responsibility for, or has any obligations in respect of, the Issuer and will have no obligation to monitor the performance of the Portfolio or the actions of the Portfolio Manager or the Issuer and no authority to advise the Portfolio Manager or the Issuer or to direct their actions, which will be solely the responsibility of the Portfolio Manager and the Issuer. If any of the Joint Arrangers or the Joint Placement Agents or any of their respective Affiliates owns Notes, they will have no responsibility to consider the interests of any other owner of Notes with respect to actions they take or refrain from taking in such capacity.

8. Projections, forecasts and estimates

Estimates for the average lives of the Notes, together with any projections, forecasts and estimates provided to prospective purchasers of the Notes are forward looking statements. Projections are necessarily speculative in nature, and it should be expected that some or all of the assumptions underlying the projections will not materialise and may vary significantly from actual results. Accordingly, actual results will vary from the projections, and such variations may be material.

Some important factors that could cause actual results to differ materially from those in any forward looking statements include changes in interest rates, exchange rates and default and recovery rates, market, financial or legal uncertainties, the timing of acquisitions of the Collateral, differences in the actual allocation of the Collateral among asset categories from those assumed, mismatches between the time of accrual and receipt of Interest Proceeds from the Collateral Debt Obligations, and the effectiveness of the Hedge Transactions, among others.

None of the Issuer, the Joint Arrangers, the Joint Placement Agents, the Portfolio Manager, the Retention Holder, the Collateral Administrator, the Trustee, any Hedge Counterparty, the Account Bank, any of their respective Affiliates or any other party to this transaction has any obligation to update or otherwise revise any projections, forecasts or estimates, including any revisions to reflect changes in economic conditions or other circumstances arising after the date of this Prospectus or to reflect the occurrence of unanticipated events, even if the underlying assumptions do not come to fruition.

9. Security; fixed charge

Clearing systems: Collateral Debt Obligations or other assets forming part of the Collateral which are securities (if any) will be held by the Custodian on behalf of the Issuer. 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 the Portfolio will be created under English law pursuant to the Trust Deed on the Issue Date which will, in relation to the Collateral Debt Obligations that are held through the Custodian, take effect as a security interest over (i) the beneficial interest of the Issuer in its share of the pool of securities fungible with the relevant Collateral Debt Obligations held in the accounts of the Custodian on trust for the Issuer and (ii) the Issuer's ancillary contractual rights against the Custodian in accordance with the terms of the Agency Agreement (as defined in "*Terms and Conditions of the Notes*"). However, the charge created pursuant to the Trust Deed may be insufficient or ineffective to secure the Collateral comprising securities for the benefit of 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 Notes or the custody and clearance risks which may be associated with assets comprising the Portfolio must be borne by the Noteholders without recourse to the Issuer, the Trustee, the Joint Arrangers, the Joint Placement Agents, the Portfolio Manager, the Collateral Administrator, the Custodian, the Hedge Counterparties or any other party.

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

Fixed Security: Although the security constituted by the Trust Deed over the Collateral Debt Obligations and Eligible Investments held from time to time, including the security over the Accounts, is expressed to take effect as a fixed charge, under English law it is likely (as a result of, amongst other things, the substitutions of Collateral Debt Obligations or Eligible Investments contemplated by the Portfolio Management Agreement and the payments to be made from the Accounts in accordance with the Conditions and the Trust Deed) to take effect as a floating charge which, in particular, would rank after a subsequently created fixed security interest. Although 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 prior written consent of the Trustee, no assurances can be made that such subsequent security interests will not arise, whether as a result of the actions of the Issuer, by operation of law or otherwise.

Pursuant to the Trust Deed, the Issuer and the Portfolio Manager will covenant that they will notify the Trustee and (to the extent applicable) each other if the Issuer holds any asset which is a security as opposed to a loan.

10. Valuation information; limited information

None of the Joint Arrangers, the Joint Placement Agents, the Portfolio Manager, the Retention Holder or any other transaction party will be required to provide periodic pricing or valuation information to investors (except to the extent expressly required under the Transaction Documents or, in respect of the Retention Holder only, CRR Retention Requirements). Investors will receive limited information with regard to the Collateral Debt Obligations and none of the transaction parties (including the Issuer, Trustee, or Portfolio Manager) will be required to provide any information other than what is required in the Trust Deed or the Portfolio Management Agreement. Furthermore, if any information is provided to the Noteholders (including required reports under the Trust Deed), such information may not be audited. Finally, the Portfolio Manager may be in possession of material, non-public information with regard to the Collateral Debt Obligations and will not be required to disclose such information to the Noteholders.

11. Certain conflicts of interest regarding the Portfolio Manager, the Joint Placement Agents and the Joint Arrangers

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

Various potential and actual conflicts of interest may arise from the overall management, advisory, investment and other activities of the Portfolio Manager, its Affiliates and their respective clients and from the conduct by the Joint Arrangers, the Joint Placement Agents and their respective Affiliates of other transactions with the Issuer, including, without limitation, acting as counterparty with respect to Hedge Agreements and Participations or as party to, or in connection with the investment of, any funds in Eligible Investments. The following briefly summarises some of these conflicts, but is not intended to be an exhaustive list of all such conflicts. In addition, conflicts of interest may arise in connection with the exercise by the Portfolio Manager of its powers and discretions under the Portfolio Management Agreement and its undertakings as Retention Holder under the Risk Retention Letter. See "*Restrictions on the Discretion of the Portfolio Manager in Order to Comply with Risk Retention*".

Portfolio Manager

The Portfolio Manager and/or its Affiliates and its clients may invest in collateral that would be appropriate as security for the Notes. Such investments may be different from those made on behalf of the Issuer. The Portfolio 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 Notes and may own equity or debt securities issued by issuers of, and other obligors on, Collateral Debt Obligations. As a result, individuals or Affiliates of the Portfolio Manager may possess information relating to issuers of Collateral Debt Obligations which is not known to the individuals at the Portfolio Manager responsible for monitoring the Collateral Debt Obligations and performing the other obligations under the Portfolio Management Agreement. In addition, Affiliates and clients of the Portfolio Manager may invest in loans and securities that are senior to, or have interests different from or adverse to, the Collateral Debt Obligations that are pledged to secure the Notes. The Portfolio 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 that all Collateral Debt Obligations will be purchased and sold by the Issuer on terms prevailing in the market. The Portfolio Manager may effect any transaction with or for the Issuer in which the Portfolio Manager has a relationship with another person which may involve or conflict with the Portfolio Manager's duty to the Issuer. Neither the Portfolio 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 for (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 Portfolio 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 Portfolio 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 Portfolio Manager and/or its Affiliates manage or advise. Furthermore, Affiliates of the Portfolio Manager may make an investment on their own behalf without offering the investment opportunity to, or the Portfolio Manager making any investment on behalf of, the Issuer. Affirmative obligations may exist or may arise in the future, whereby Affiliates of the Portfolio Manager are obliged to offer certain investments to funds or accounts that such Affiliates manage or advise before or without the Portfolio Manager offering those investments to the Issuer. Affiliates of the Portfolio 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 Portfolio Manager will endeavour to resolve conflicts with respect to investment opportunities arising therefrom in a manner which it deems equitable to the extent possible under the prevailing facts and circumstances and applicable law. Although the professional staff of the Portfolio Manager will devote as much time to the Issuer as the Portfolio Manager deems appropriate to perform its duties in accordance with the Portfolio Management Agreement, those staff may have conflicts in allocating their time and services among the Issuer and the Portfolio Manager's other accounts.

The Portfolio Manager may, subject to the provisions of the Portfolio Management Agreement, deal or arrange for the dealing on the Issuer's behalf in (i) securities or other obligations of which the issue or offer for sale was undertaken, underwritten, managed or arranged by the Portfolio Manager or an Affiliate of the Portfolio Manager; (ii) securities or other obligations which have been issued by, held or acquired for the account of any Affiliate of the Portfolio Manager or the Portfolio Manager itself; and (iii) securities or other obligations which have been issued by, held or acquired for the account of any Affiliate of the Portfolio Manager or the Portfolio Manager itself, and (ii) securities or other obligations issued by, purchased or sold to anyone with whom any Affiliate of the Portfolio Manager or the Portfolio Manager itself has a banking or other relationship, *provided that* any activity or decision made by the Portfolio Manager on behalf of the Issuer shall take place outside the United States.

Notwithstanding any other provision of the Portfolio Management Agreement, while the Portfolio Manager is a subsidiary of 3i Group plc the Portfolio Manager shall not, for the purposes of avoiding any conflicts of interest, deal or arrange for the dealing on the Issuer's behalf in securities or other obligations of which the equity was financed by the Portfolio Manager or an Affiliate of the Portfolio Manager.

The Portfolio Manager shall act as Retention Holder and shall undertake to subscribe for, and retain, Subordinated Notes having a Principal Amount Outstanding equal to no less than 5 per cent. of the Aggregate Collateral Balance as of the Issue Date. There is no restriction on the ability of the Portfolio Manager, an Affiliate of the Portfolio Manager or the employees of the Portfolio Manager (the "**Portfolio Manager Parties**") to acquire additional Subordinated Notes or any Notes of any Class at any time. It is possible that one or more Portfolio Manager Parties may acquire Subordinated Notes in addition to those held by the Retention Holder. The interests and incentives of a Portfolio Manager Party that is a Subordinated Noteholder may conflict with or be adverse to the interests and incentives of the holders of other Classes of Notes or the other Subordinated Noteholders.

In addition, no termination or resignation of the Portfolio Manager shall be effective unless and until the Issuer has appointed a replacement Portfolio Manager who has agreed to assume all the duties and obligations arising out of the Portfolio Management Agreement and the Trust Deed, in accordance with the terms and conditions of the Portfolio Management Agreement (except in circumstances where it has become illegal for the Portfolio Manager to carry on its duties under the Portfolio Management Agreement) and, amongst other things, Rating Agency Confirmation has been received in respect thereof and such appointment has not been rejected by the Noteholders of the Controlling Class acting by Ordinary Resolution (or if the Controlling Class is comprised entirely of Notes held by or on behalf of the Portfolio Manager or any Portfolio Manager Related Person, by an Ordinary Resolution of the next Class of Notes ranking immediately behind the Controlling Class of Notes that is not comprised entirely of Notes held by or on behalf of the Portfolio Manager or any Portfolio Manager Related Person) within 30 days of such appointment, see "*Description of the Portfolio Management Agreement*". Any Notes held by or on behalf of the Portfolio Manager, or one or more of its Affiliates thereof, will have no voting rights with respect to any vote (or written direction or consent) in connection with a PM Removal Resolution or a PM Replacement Resolution and will be deemed not to be Outstanding in connection with any such vote, *provided, however, that* any Notes held by the

Portfolio Manager, or one or more of its Affiliates thereof, will, save as otherwise expressly provided, have voting rights (including in respect of written directions and consents) with respect to all other matters as to which Noteholders of PM Voting Notes are entitled to vote. In addition, where the consent of the holders of the Notes is sought with respect to the delegation of the duties by the Portfolio Manager pursuant to the terms of the Portfolio Management Agreement, any Notes held by (but not on behalf of) the Portfolio Manager or one or more of its Affiliates shall be excluded. See "*Description of the Portfolio Management Agreement*".

The Portfolio Manager, on behalf of the Issuer and in accordance with the provisions of the Portfolio Management Agreement, may conduct principal trades with itself and its Affiliates, subject to applicable law. The Portfolio Manager may also effect client cross transactions where the Portfolio Manager causes a transaction to be effected between the Issuer and another account advised or managed by any of its Affiliates. Client cross transactions enable the Portfolio Manager to purchase or sell a block of securities for the Issuer at a set price and possibly avoid an unfavourable price movement that may be created through entrance into the market with such purchase or sell order. In addition, with the prior authorisation of the Issuer, which may be revoked at any time, the Portfolio Manager may enter into agency cross transactions where any of its Affiliates acts as broker for the Issuer and for the other party to the transaction, in which case any such Affiliate will receive commissions from, and have a potentially conflicting division of loyalties and responsibilities regarding, both parties to the transaction.

The Portfolio Manager may, notwithstanding any other provisions of the Portfolio Management Agreement, at any time refrain from directing the acquisition or sale of obligations (i) of persons of which the Portfolio Manager, its Affiliates, or any of their or their Affiliates' officers, partners, directors or employees are partners, directors or officers, (ii) of persons for which the Portfolio Manager or any of its Affiliates act as financial advisers or underwriter, (iii) of persons about which the Portfolio Manager has information which the Portfolio Manager deems confidential, non-public, price sensitive or which otherwise might prohibit it from trading such assets in accordance with applicable laws, including, without limitation, any insider dealing laws or (iv) of persons whose obligations the Portfolio Manager has recommended be acquired by a vehicle or fund in respect of whose assets the Portfolio Manager acts as portfolio manager. In addition, the Portfolio Manager shall not be obliged to provide to the Issuer any particular investment opportunity of which it becomes aware.

The Portfolio Manager may, in its sole discretion, agree with one or more Noteholders to rebate a portion of its Portfolio Management Fees and, if such agreement is made, the Portfolio Manager will not be obliged to enter into similar agreements with or to notify other Noteholders. Such rebates may affect the incentives of the Portfolio Manager in managing the Collateral Debt Obligations and may also affect the actions of the relevant Noteholders in taking any actions it may be permitted to take in respect of the Notes, including votes concerning amendments.

Joint Placement Agents and Joint Arrangers

Each of the Joint Arrangers and Joint Placement Agents (the " **Joint Arranger Parties**") will play various roles in relation to the offering and in other roles described below. Certain Affiliates of the Joint Arranger Parties also acted as Warehouse Providers in respect of the Warehouse Arrangements. See "*Acquisition of Collateral Debt Obligations prior to the Issue Date*" above for further details.

The Joint Arranger Parties have been involved (together with the Portfolio Manager) in the formulation of the Portfolio Profile Tests, Coverage Tests, Collateral Quality Tests, the Reinvestment Par Value Test, Priorities of Payment and other criteria in and provisions of the Trust Deed and the Portfolio Management Agreement. These may be influenced by discussions that the Joint Placement Agents may have or have had with investors and there is no assurance that investors would agree with the views of one another or that the resulting modifications will not adversely affect the performance of the Notes or any particular Class of Notes.

The Joint Placement Agents will purchase some or all of the Notes from the Issuer on the Issue Date and resell them in individually negotiated transactions at varying prices, which may result in a higher or lower fee being paid to the Joint Placement Agents in respect of those Notes. The Joint Placement Agents may elect in their sole discretion to rebate a portion of their fees in respect of the Notes to certain investors, including the Retention Holder. The Joint Placement Agents may assist clients and counterparties in transactions related to the Notes (including assisting clients in future purchases and

sales of the Notes and hedging transactions). The Joint Placement Agents expect to earn fees and other revenues from these transactions.

The Joint Arranger Parties may retain a certain proportion of the Notes in their portfolios with an intention to hold to maturity or to trade. The holding or any sale of the Notes by these parties may adversely affect the liquidity of the Notes and may also affect the prices of the Notes in the primary or secondary market. The Joint Arranger Parties are each part of global investment banking and securities and investment management firms that provide a wide range of financial services to a substantial and diversified client base that includes corporations, financial institutions, governments and high-net-worth individuals. As such, they actively make markets in and trade financial instruments for their own account and for the accounts of customers in the ordinary course of their business. The financial services that the Joint Arranger Parties may provide also include financing and, as such, the Joint Arranger Parties may have and/or may provide financing to the Portfolio Manager or a Portfolio Manager Related Person and such financing may directly or indirectly involve financing the Retention. In the case of any such financing, the Joint Arranger Parties may have received security over assets of the Portfolio Manager and/or its Affiliates, including security over the Retention, resulting in the financing parties having enforcement rights and remedies which may include the right to appropriate or sell the Retention. The Joint Arranger Parties may have positions in and will likely have placed or underwritten certain of the Collateral Debt Obligations (or other obligations of the obligors of Collateral Debt Obligations) when they were originally issued and may have provided or may be providing investment banking services and other services to obligors of certain Collateral Debt Obligations. In addition, the Joint Arranger Parties and their clients may invest in debt obligations and securities that are senior to, or have interests different from or adverse to, Collateral Debt Obligations. Each of the Joint Arranger Parties will act in its own commercial interest in its various capacities without regard to whether its interests conflict with those of the holders of the Notes or any other party including, without limitation, in deciding whether to enforce its security granted in connection with any financing. Moreover, the Issuer may invest in loans of obligors Affiliated with the Joint Arranger Parties or in which one or more of the Joint Arranger Parties hold an equity, participation or other interest. The purchase, holding or sale of such Collateral Debt Obligations by the Issuer may increase the profitability of the Joint Arranger Parties' own investments in such obligors.

From time to time the Portfolio Manager may purchase from or sell Collateral Debt Obligations through, from or to the Joint Arranger Parties (including a portion of the Collateral Debt Obligations to be purchased on or prior to the Issue Date). One or more Joint Arranger Parties may also act as the selling institution with respect to participation interests and/or as a counterparty under a Hedge Agreement. Each of the Joint Arranger Parties may act as a placement agent and/or an initial purchaser or an investment manager in other transactions involving issues of collateralised debt obligations or other investment funds with assets similar to those of the Issuer, which may have an adverse effect on the availability of collateral for the Issuer and/or on the price of the Notes.

The Joint Arranger Parties do not disclose specific trading positions or their hedging strategies, including whether they are in long or short positions in any Notes or obligations referred to in this Prospectus except where required in accordance with the applicable law. Nonetheless, in the ordinary course of business, the Joint Arranger Parties and employees or customers of the Joint Arranger Parties may actively trade in and/or otherwise hold long or short positions in the Notes, Collateral Debt Obligations and Eligible Investments or enter into transactions similar to or referencing the Notes, Collateral Debt Obligations and Eligible Investments or the Obligors thereof for their own accounts and for the accounts of their customers. If an Joint Arranger Party becomes an owner of any of the Notes, through market-making activity or otherwise, any actions that it takes in its capacity as owner, including voting, providing consents or otherwise will not necessarily be aligned with the interests of other owners of the same Class or other Classes of the Notes. To the extent an Joint Arranger Party makes a market in the Notes (which it is under no obligation to do), it would expect to receive income from the spreads between its bid and offer prices for the Notes. In connection with any such activity, it will have no obligation to take, refrain from taking or cease taking any action with respect to these transactions and activities based on the potential effect on an investor in the Notes. The price at which an Joint Arranger Party may be willing to purchase Notes, if it makes a market, will depend on market conditions and other relevant factors and may be significantly lower than the issue price for the Notes and significantly lower than the price at which it may be willing to sell the Notes.

There is no limitation or restriction on the Portfolio Manager or the Joint Arranger Parties or any of their respective Affiliates with regard to acting as portfolio manager (or in a similar role) or initial

purchaser to other parties or persons in other transactions involving issues of collateralised debt obligations or other investment funds with assets similar to those of the Issuer. This and other future activities of the Portfolio Manager or the Joint Arranger Parties and/or their Affiliates may give rise to additional conflicts of interest or an adverse effect on the availability of collateral for the Issuer and/or the price of the Notes.

12. Preferred creditors under Irish law and floating charges

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

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

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

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

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

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

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

Depending upon the level of control actually exercised by the chargor, there is therefore a possibility that the fixed security over the Issuer's account and the Eligible Investments would be regarded by the Irish courts as a floating charge.

Floating charges have certain weaknesses, including the following:

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

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

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

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

(e) they rank after fixed charges.

Examinership

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

The Issuer, the directors of the Issuer, a contingent, prospective or actual creditor of the Issuer, or shareholders of the Issuer holding, at the date of presentation of the petition, not less than one-tenth of the voting share capital of the Issuer are each entitled to petition the court for the appointment of an examiner. The examiner, once appointed, has the power to set aside contracts and arrangements entered into by the company after this appointment and, in certain circumstances, can avoid a negative pledge given by the company prior to this appointment. Furthermore, the examiner may sell assets, the subject of a fixed charge. However, if such power is exercised, the examiner must account to the holders of the fixed charge for the amount realised and discharge the amount due to the holders of the fixed charge out of the proceeds of the sale.

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

In considering proposals by the examiner, it is likely that secured and unsecured creditors would form separate classes of creditors. In the case of the Issuer, if the Trustee represented the majority in number and value of claims within the secured creditor class (which would be likely given the restrictions agreed to by the Issuer in the Conditions), the Trustee would be in a position to reject any proposal not in favour of the Noteholders. The Trustee would also be entitled to argue at the Irish High Court hearing at which the proposed scheme of arrangement is considered that the proposals are unfair and inequitable in relation to the Noteholders, especially if such proposals included a writing down to the value of amounts due by the Issuer to the Noteholders. The primary risks to the holders of Notes if an examiner were appointed to the Issuer are as follows:

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

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

(c) in the event that a scheme of arrangement is not approved and the Issuer subsequently goes into liquidation, the examiner's remuneration and expenses (including certain borrowings incurred by the examiner on behalf of the Issuer and approved by the Irish High Court) will take priority over the monies and liabilities which from time to time are or may become due, owing or payable by the Issuer to each of the Secured Parties under the Notes or the Transaction Documents.

13. Not a Bank Deposit

Any investment in the Notes does not have the status of a bank deposit in Ireland and is not within the scope of the deposit protection scheme operated by the Central Bank. The Issuer is not regulated by the Central Bank by virtue of the issue of the Notes.

TERMS AND CONDITIONS OF THE NOTES

The following are the conditions of each of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Subordinated Notes substantially in the form in which they will be endorsed on such Notes if issued in definitive certificated form, and which will be incorporated by reference into the Global Certificates of each Class representing the Notes, subject to the provisions of such Global Certificates.

The issue of €232,000,000 Class A Senior Secured Floating Rate Notes due 2029 (the "**Class A Notes**"), €54,000,000 Class B Senior Secured Floating Rate Notes due 2029 (the "**Class B Notes**"), €26,000,000 Class C Senior Secured Deferrable Floating Rate Notes due 2029 (the "**Class C Notes**"), €21,000,000 Class D Senior Secured Deferrable Floating Rate Notes due 2029 (the "**Class D Notes**"), €25,000,000 Class E Senior Secured Deferrable Floating Rate Notes due 2029 (the "**Class E Notes**"), €13,000,000 Class F Senior Secured Deferrable Floating Rate Notes due 2029 (the "**Class F Notes**") (the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes together, the "**Rated Notes**") and €42,000,000 Subordinated Notes due 2029 (the "**Subordinated Notes**") (the Rated Notes and the Subordinated Notes, together the "**Notes**") of Harvest CLO XV DAC (the "**Issuer**") was authorised by resolution of the board of Directors of the Issuer dated on or about 12 May 2016. The Notes are constituted by a trust deed (together with all other security documents or agreements entered into from time to time by the Issuer in order to grant security over any of the Collateral to the Trustee, the "**Trust Deed**") dated on or about the Issue Date between (amongst others) the Issuer and U.S. Bank Trustees Limited, in its capacity as trustee for the Noteholders and security trustee for the Secured Parties (the "**Trustee**", which expression shall include all persons for the time being the trustee under the Trust Deed).

These Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed (which includes the forms of the certificates representing the Notes). The following agreements have been entered into in relation to the Notes: (a) a placement agency agreement dated on or about the Issue Date (the "**Placement Agency Agreement**") between the Issuer and the Joint Placement Agents; (b) an agency agreement dated on or about the Issue Date (the "**Agency Agreement**") between (among others), the Issuer, U.S. Bank National Association as registrar (the "**Registrar**", which term shall include any successor or substitute registrar appointed pursuant to the terms of the Agency Agreement), Elavon Financial Services Limited as account bank, custodian, principal paying agent, calculation agent, transfer agent and information agent (respectively, the "**Account Bank**", the "**Custodian**", "**Principal Paying Agent**", the "**Calculation Agent**", the "**Transfer Agent**" and the "**Information Agent**", which terms shall include any successor or substitute account bank, custodian, principal paying agent, calculation agent, transfer agent or information agent respectively, appointed pursuant to the terms of the Agency Agreement or, in the case of the information agent, the Portfolio Management Agreement), Elavon Financial Services Limited as collateral administrator (the "**Collateral Administrator**" which term shall include any successor or substitute collateral administrator appointed pursuant to the terms of the Portfolio Management Agreement) and the Trustee; (c) a portfolio management agreement dated on or about the Issue Date (the "**Portfolio Management Agreement**") between (among others), 3i Debt Management Investments Limited as portfolio manager in respect of the Portfolio (the "**Portfolio Manager**" which term shall include any successor or substitute portfolio manager appointed pursuant to the terms of the Portfolio Management Agreement), the Issuer, the Custodian and Collateral Administrator, the Information Agent and the Trustee; (d) the Initial Hedge Agreements entered into on or about the Issue Date; and (e) an issuer corporate services agreement between the Issuer and the Issuer Corporate Services Provider entered into on or about 12 May 2016 (the "**Issuer Corporate Services Agreement**"). Copies of the Trust Deed, the Agency Agreement, the Portfolio Management Agreement, each Hedge Agreement and the Issuer Corporate Services Agreement are available for inspection during usual business hours at the principal office of the Issuer (presently at 3rd Floor, Kilmore House, Park Lane, Spencer Dock, Dublin 1, Ireland) and at the specified offices of the Principal Paying Agent for the time being. The holders of each Class of Notes are entitled to the benefit of, are bound by and are deemed to have notice of all the provisions of the Trust Deed, and are deemed to have notice of all the provisions of the Agency Agreement and the Portfolio Management Agreement applicable to them.

1. Definitions

"**Accounts**" means the Principal Account, the Interest Account, the Unused Proceeds Account, the Payment Account, the Non-Euro Account, each Counterparty Downgrade Collateral Account, the Custody Account, the Expense Reserve Account, each Revolving Reserve Account, the Interest Reserve Account, the Interest Rate Hedge and Asset Swap Termination Receipt Account, the Interest Smoothing Account and the Collection Account.

"**Accrual Period**" means, (i)(a) in respect of each Class of Notes other than the Class A Notes, the period from (and including) the Issue Date to (but excluding) the first Payment Date; and (b) in respect of the Class A Notes, each of the Class A First EURIBOR Period and the Class A Second EURIBOR Period; and (ii) in respect of each Class of Notes, each successive period from (and including) the prior Payment Date to (but excluding) the current Payment Date.

"**Additional Reinvestment Test**" means the test which will apply as of any Measurement Date on or after the Effective Date during the Reinvestment Period and which will be satisfied on such Measurement Date if the Class F Par Value Ratio is at least 104.8 per cent.

"**Additional Subordinated Note Proceeds**" means the net proceeds of an additional issuance of Subordinated Notes pursuant to Condition 17 (*Additional Issuances*).

"**Administrative Expenses**" means amounts due and payable by the Issuer in the following order of priority including, other than where expressly set out below, any amounts in respect of VAT payable to that party:

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

(i) to the Agents pursuant to the Agency Agreement and, in the case of the Collateral Administrator and the Information Agent, the Portfolio Management Agreement including amounts due and payable by way of indemnity; and

(ii) to the Irish Stock Exchange, or such other stock exchange or exchanges upon which any of the Notes are listed from time to time, including amounts in respect of annual listing fees;

(b) to the STS Designated Person pursuant to the Portfolio Management Agreement including amounts due and payable by way of indemnity;

(c) on a *pro-rata* basis and *pari passu*, to (i) the Issuer Corporate Services Provider under the Issuer Corporate Services Agreement; (ii) the directors of the Issuer in respect of their fees and expenses; (iii) any advisors appointed by them, if any (including, but not limited to, tax adviser fees, costs of tax compliance, legal fees, auditors' fees, anticipated winding-up costs of the Issuer and company secretarial expenses); and (iv) each Reporting Delegate pursuant to any Reporting Delegation Agreement including amounts due and payable by way of indemnity;

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

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

(ii) to the Portfolio Manager pursuant to the Portfolio Management Agreement (including indemnities provided for therein), but excluding any Portfolio Management Fees or any VAT payable thereon and excluding any amounts in respect of Portfolio Manager Advances;

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

(iv) on a *pro rata* basis to any other Person in respect of any other fees or expenses contemplated in the Conditions of the Notes and in the Transaction Documents or any other documents delivered pursuant to or in connection with the issue and sale of the Notes, including, without

limitation, an amount up to €10,000 per annum in respect of fees and expenses incurred by the Issuer (in its sole and absolute discretion) in assisting in the preparation, provision or validation of data for the purposes of Noteholder tax jurisdictions;

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

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

(vii) to third parties in respect of amounts which are payable by the Issuer to such third parties under obligations incurred in the ordinary course of the Issuer's business and which are not provided for payment elsewhere under Condition 3(c)(i) (*Application of Interest Proceeds*);

(viii) to any Person in connection with satisfying the requirements of Rule 17g-5 of the Exchange Act;

(ix) on a *pro rata* basis to any other Person in connection with satisfying the requirements of EMIR, the CRA, the AIFMD and/or the United States Commodity Exchange Act of 1936 (in each case, as may be amended, replaced or supplemented from time to time, including rules and regulations promulgated thereunder);

(x) on a *pro rata* basis, to any other Person in connection with complying with FATCA and complying with any other applicable international automatic exchange of tax information regime; and

(xi) to the Joint Placement Agents pursuant to the Placement Agency Agreement in respect of any indemnity payable to them thereunder;

(e) on a *pro rata* basis any Refinancing Costs; and

(f) on a *pro rata* basis payment of any indemnities payable to any Person as contemplated in these Conditions or the Transaction Documents and not otherwise provided for above,

provided that:

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

(y) the Portfolio Manager may direct a payment to be made other than in the order required by paragraph (d) above, but otherwise in accordance with the priorities specified in paragraphs (a) to (f) above, if required to ensure the delivery referred to in paragraph (d) above of certain accounting services and reports, or if in the judgement of the Portfolio Manager, such payment is otherwise required to be made in the interests of the Issuer's business (but subject to, in all cases, the prior consent of the Joint Placement Agents (not to be unreasonably withheld or delayed) if such payment would decrease an amount otherwise payable to the Joint Placement Agents pursuant to paragraph (d) above).

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

(a) any other Person who, directly or indirectly, is in control of, or controlled by, or is under common control with, such Person; or

(b) any other Person who is a director, officer or employee:

(i) of such Person;

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

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

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

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

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

(a) the Aggregate Principal Balance of all Collateral Debt Obligations (unless otherwise specified), save that for the purpose of calculating the Aggregate Principal Balance:

(i) for the purposes of:

(A) the Portfolio Profile Tests (other than where otherwise specified) and the Collateral Quality Tests (other than the S&P CDO Monitor Test); and

(B) determining whether a Note Event of Default has occurred in accordance with Condition 10(a)(iv) (*Collateral Debt Obligations*),

the Principal Balance of each Defaulted Obligation shall be excluded; and

(ii) for the purposes of calculating the CCC Excess, the Principal Balance of each Defaulted Obligation shall be the lower of its Moody's Collateral Value and its S&P Collateral Value;

(b) the Balances standing to the credit of the Principal Account and the Unused Proceeds Account (to the extent such amounts represent Principal Proceeds) and any Eligible Investments which represent Principal Proceeds (excluding, for the avoidance of doubt, any interest accrued on Eligible Investments) (provided that for the purposes of determining the Balances herein, Principal Proceeds to be used to purchase Collateral Debt Obligations in respect of which the Issuer has entered into a binding commitment to purchase the relevant Collateral Debt Obligations but such purchase(s) have not yet settled shall be excluded from the Balances in the calculation of the Aggregate Collateral Balance as if such purchase had been completed and Principal Proceeds to be received in respect of the sale of Collateral Debt Obligations in respect of which the Issuer has entered into a binding commitment to sell the relevant Collateral Debt Obligations but such sale has not yet settled shall be included in the Balances in the calculation of the Aggregate Collateral Balance as if such sale had been completed); and

(c) solely for the purposes of calculating the Aggregate Collateral Balance for the purposes of determining compliance with the Retention Requirements, including whether a Retention Deficiency has occurred, the Principal Balance of any Exchanged Security or any other obligation which does not constitute a Collateral Debt Obligation shall be:

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

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

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

For the avoidance of doubt, for the purposes of calculating the Aggregate Collateral Balance for the purposes of determining compliance with the Retention Requirements or in determining whether a Retention Deficiency has occurred, the Principal Balance of any Collateral Debt Obligation shall be its Principal Balance (where applicable, converted into Euro at the Applicable Exchange Rate) without any adjustments for purchase price or the application of haircuts or other adjustments.

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

"**AIFMD**" means EU Directive 2011/61/EU on Alternative Investment Fund Managers (as amended from time to time and as implemented by Member States of the European Union) together with any implementing or delegated regulation, technical standards and guidance related thereto as may be amended, replaced or supplemented from time to time.

"**AIFMD Retention Requirements**" means Article 51 of Regulation (EU) No 231/2013 (the **AIFM Regulation**) as amended from time to time and Article 17 of the AIFMD, as implemented by Section 5 of the European Union Commission Delegated Regulation (EU) No. 231/2013 of 19 December 2012 supplementing the AIFMD), including any guidance published in relation thereto and any implementing laws or regulations in force in any Member State of the European Union, *provided that* references to the AIFMD Retention Requirements shall be deemed to include any successor or replacement provisions of Section 5 included in any European Union directive or regulation subsequent to AIFMD or the European Union Commission Delegated Regulation (EU) No. 231/2013.

"**Annual Obligations**" means Collateral Debt Obligations which, at the relevant date of measurement, pay interest less frequently than semi-annually.

"**Applicable Exchange Rate**" means, in relation to any Asset Swap Obligation, the exchange rate set forth in the relevant Asset Swap Transaction, and in any other case, the Spot Rate of Exchange.

"**Applicable Margin**" has the meaning given thereto in Condition 6 (*Interest*).

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

"**Asset Swap Agreement**" means each 1992 Master Agreement (Multicurrency-Cross Border) or 2002 Master Agreement published by the International Swaps and Derivatives Association (as applicable) (including any confirmations evidencing the transactions thereunder and any annexes or schedules thereto) between the Issuer and an Asset Swap Counterparty in connection with Non-Euro Obligations under which the Issuer swaps cash flows receivable on such Non-Euro Obligations for Euro denominated cash flows from the Asset Swap Counterparty, as the same may be supplemented, amended or replaced from time to time and including any Replacement Asset Swap Agreement entered into in replacement thereof.

"**Asset Swap Counterparty**" means each financial institution with which the Issuer enters into an Asset Swap Agreement or any permitted assignee or successor thereto under the terms of the related Asset Swap Agreement in each case, which is required to satisfy the applicable Rating Requirement (taking into account any guarantor thereof), and provided always that such financial institution has the regulatory capacity to enter into derivative transactions with the Issuer.

"**Asset Swap Counterparty Principal Exchange Amount**" means each interim and final principal exchange amount scheduled to be paid to the Issuer by the Asset Swap Counterparty pursuant to the terms of an Asset Swap Transaction and excluding any Scheduled Periodic Asset Swap Counterparty Payments but including any amounts described as termination payments in the relevant Asset Swap Agreement which relate to payments to be made as a result of the relevant Asset Swap Obligation being sold or becoming subject to a credit event or debt restructuring.

"**Asset Swap Counterparty Termination Payment**" means any amount payable by the Asset Swap Counterparty to the Issuer upon termination or modification of an Asset Swap Transaction pursuant to the relevant Asset Swap Agreement excluding, for all purposes other than determining the amount payable by the Asset Swap Counterparty to the Issuer under the relevant Asset Swap Agreement, the portion thereof representing any due and unpaid Scheduled Periodic Asset Swap Counterparty Payments and Asset Swap Counterparty Principal Exchange Amounts.

"**Asset Swap Issuer Principal Exchange Amount**" means each interim and final principal exchange amount scheduled to be paid by the Issuer to the Asset Swap Counterparty pursuant to the terms of an Asset Swap Transaction and excluding any Scheduled Periodic Asset Swap Issuer Payments but including any amounts described as termination payments in the relevant Asset Swap Agreement which relate to payments to be made

as a result of the relevant Asset Swap Obligation being sold or becoming subject to a credit event or debt restructuring.

"**Asset Swap Issuer Termination Payment**" means any amount payable to the Asset Swap Counterparty by the Issuer upon termination or modification of an Asset Swap Transaction pursuant to the relevant Asset Swap Agreement excluding, for all purposes other than determining the amount payable by the Issuer to the Asset Swap Counterparty under the relevant Asset Swap Agreement and the payment thereof pursuant to the Priorities of Payment, the portion thereof representing any due and unpaid Asset Swap Issuer Principal Exchange Amounts and Scheduled Periodic Asset Swap Issuer Payments.

"**Asset Swap Obligation**" means a Non-Euro Obligation in respect of which a related Asset Swap Transaction is entered into by the Issuer.

"**Asset Swap Replacement Payment**" means any amount payable to a replacement Asset Swap Counterparty by the Issuer upon entry into a Replacement Asset Swap Transaction.

"**Asset Swap Replacement Receipt**" means any amount received by the Issuer in respect of amounts payable to the Issuer by a replacement Asset Swap Counterparty upon entry into a Replacement Asset Swap Transaction.

"**Asset Swap Transaction**" means in respect of a Non-Euro Obligation, an asset swap transaction entered into in respect thereof on the terms described in the Portfolio Management Agreement under an Asset Swap Agreement.

"**Asset Swap Transaction Exchange Rate**" means the exchange rate specified in each Asset Swap Transaction.

"**Assignment**" means an interest in a loan acquired directly by way of novation or assignment.

"**Authorised Denomination**" means, in respect of any Note, the Minimum Denomination thereof and any denomination equal to one or more multiples of the Authorised Integral Amount in excess of the Minimum Denomination thereof.

"**Authorised Integral Amount**" means in respect of the Notes of each Class, €1,000.

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

"**Average Aggregate Collateral Balance**" means, in respect of a Due Period, (a) the sum of the Aggregate Collateral Balance as at the first Business Day of the Due Period *plus* the Aggregate Collateral Balance as at the last Business Day of the Due Period (b) divided by two.

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

save in the case of calculating the Aggregate Collateral Balance for the purposes of determining compliance with the Retention Requirements or in determining whether a Retention Deficiency has occurred, if a default as to payment of principal and/or interest has occurred and is continuing (disregarding any grace periods provided for pursuant to the terms thereof) in respect of any Eligible Investment or any obligation of the obligor thereunder which is senior or equal in right of payment to such Eligible Investment, such Eligible Investment shall have a value equal to the lesser of its Moody's Collateral Value and its S&P Collateral Value (determined as if such Eligible Investment were a Collateral Debt Obligation).

"**Benefit Plan Investor**" means:

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

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

(c) any entity whose underlying assets are deemed for purposes of ERISA to include plan assets by reason of such an employee benefit plan's or plan's investment in such entity.

"**Bond**" means an obligation or security that is:

(a) a Senior Secured Bond,

(b) a High Yield Bond;

(c) a PIK Security;

(d) an Unsecured Senior Loan, a Senior Secured Loan or a Mezzanine Loan, in each case evidenced by the issue of notes;

(e) a Collateral Enhancement Obligation;

(f) any other obligation or security with attached warrants or options; or

(g) any other obligation issued in the form of a security.

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

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

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

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

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

(a) the excess of the Principal Balance of all Moody's Caa Obligations over an amount equal to 7.5 per cent. of the Aggregate Collateral Balance as of the current date of determination; and

(b) the excess of the Principal Balance of all S&P CCC Obligations over an amount equal to 7.5 per cent. of the Aggregate Collateral Balance as of the current date of determination,

provided that in determining which of the S&P CCC Obligations or Moody's Caa Obligations, as applicable, shall be included under part (a) or (b) above, the S&P CCC Obligations or Moody's Caa Obligations, as applicable, with the lowest Market Values shall be deemed to constitute the CCC Excess.

"**CCC Excess Haircut**" means, as of any date of determination, an amount equal to the greater of zero and:

(a) the Aggregate Principal Balance of all Collateral Debt Obligations included in the CCC Excess; *minus*

(b) the sum of the products of (i) the Market Value and (ii) the Principal Balance in respect of each Collateral Debt Obligation included in the CCC Excess.

"**CFTC**" means the Commodity Futures Trading Commission.

"**Class A First EURIBOR Period**" means, in respect of the Class A Notes, the period from (and including) the Issue Date, to (but excluding) the Class A First EURIBOR Period End Date.

"**Class A First EURIBOR Period End Date**" means 22 August 2016.

"**Class A Second EURIBOR Period**" means, in respect of the Class A Notes, the period from (and including) the Class A First EURIBOR Period End Date, to (but excluding) the first Payment Date.

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

"**Class A/B Coverage Tests**" means the Class A/B Interest Coverage Test and the Class A/B Par Value Test (as applicable with respect to the Class A Notes and Class B Notes).

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

"**Class A/B Interest Coverage Test**" means the test which will apply as of any Measurement Date occurring on or after the Determination Date immediately preceding the second Payment Date and which will be satisfied on such Measurement Date, if the Class A/B Interest Coverage Ratio is at least 120.0 per cent.

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

"**Class A/B Par Value Test**" means the test which will apply as of any Measurement Date on or after the Effective Date and which will be satisfied on such Measurement Date, if the Class A/B Par Value Ratio is at least 129.9 per cent.

"**Class A PM Non-Voting Exchangeable Notes**" means the Class A Notes in the form of PM Non-Voting Exchangeable Notes.

"**Class A PM Non-Voting Notes**" means the Class A Notes in the form of PM Non-Voting Notes.

"**Class A PM Voting Notes**" means the Class A Notes in the form of PM Voting Notes.

"**Class B Noteholders**" means, together, the Class B Noteholders.

"**Class B PM Non-Voting Exchangeable Notes**" means the Class B Notes in the form of PM Non-Voting Exchangeable Notes.

"**Class B PM Non-Voting Notes**" means the Class B Notes in the form of PM Non-Voting Notes.

"**Class B PM Voting Notes**" means the Class B Notes in the form of PM Voting Notes.

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

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

"**Class C Interest Coverage Test**" means the test which will apply as of any Measurement Date occurring on or after the Determination Date immediately preceding the second Payment Date and which will be satisfied on such Measurement Date, if the Class C Interest Coverage Ratio is at least 115.0 per cent.

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

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

"**Class C Par Value Test**" means the test which will apply as of any Measurement Date on or after the Effective Date and which will be satisfied on such Measurement Date, if the Class C Par Value Ratio is at least 121.2 per cent.

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

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

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

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

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

"**Class D Interest Coverage Test**" means the test which will apply as of any Measurement Date occurring on or after the Determination Date immediately preceding the second Payment Date and which will be satisfied on such Measurement Date, if the Class D Interest Coverage Ratio is at least 110.0 per cent.

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

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

"**Class D Par Value Test**" means the test which will apply as of any Measurement Date on or after the Effective Date and which will be satisfied on such Measurement Date, if the Class D Par Value Ratio is at least 114.1 per cent.

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

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

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

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

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

"**Class E Interest Coverage Test**" means the test which will apply as of any Measurement Date occurring on or after the Determination Date immediately preceding the second Payment Date and which will be satisfied as such Measurement Date, if the Class E Interest Coverage Ratio is at least 105.0 per cent.

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

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

"**Class E Par Value Test**" means the test which will apply as of any Measurement Date on or after the Effective Date and which will be satisfied on such Measurement Date, if the Class E Par Value Ratio is at least 106.7 per cent.

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

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

"**Class F Par Value Test**" means the test which will apply as of any Measurement Date on or after the Effective Date and which will be satisfied on such Measurement Date, if the Class F Par Value Ratio is at least 103.8 per cent.

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

(a) the Class A Notes;

(b) the Class B Notes;

(c) the Class C Notes;

(d) the Class D Notes;

(e) the Class E Notes;

(f) the Class F Notes; and

(g) the Subordinated Notes,

and "**Class of Noteholders**" and "**Class**" shall be construed accordingly, except that notwithstanding that: the Class A PM Voting Notes, the Class A PM Non-Voting Notes and the Class A PM Non-Voting Exchangeable Notes are in the same Class; (B) the Class B PM Voting Notes, the Class B PM Non-Voting Notes and the Class B PM Non-Voting Exchangeable Notes are in the same Class; (C) the Class C PM Voting Notes, Class C PM Non-Voting Exchangeable Notes and the Class C PM Non-Voting Notes are in the same Class; and (D) the Class D PM Voting Notes, Class D PM Non-Voting Exchangeable Notes and the Class D PM Non-Voting Notes are in the same Class, they shall not be treated as a single Class in respect of any vote or determination of quorum under the Trust Deed in connection with any PM Removal Resolution or PM Replacement Resolution, as further described in the Conditions, the Trust Deed and the Portfolio Management Agreement but shall be treated as a single Class for all other purposes;

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

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

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

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

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

"**Collateral Debt Obligation**" means any debt obligation purchased or acquired by or on behalf of the Issuer from time to time (or, if the context so requires, to be purchased by or on behalf of the Issuer) in accordance with the provisions of the Portfolio Management Agreement, each of which the Portfolio Manager has determined satisfies the Eligibility Criteria in accordance with the Portfolio Management Agreement or, where the context so requires, contemplated to be purchased for inclusion in the Portfolio from time to time which at the time of entering into a binding commitment to acquire such Collateral Debt Obligation satisfies the Eligibility Criteria. References to Collateral Debt Obligations shall not include Eligible Investments, or Exchanged Securities. Obligations which are to constitute Collateral Debt Obligations in respect of which the Issuer has entered into a binding commitment to purchase but which have not yet settled shall be included as Collateral Debt Obligations in the calculation of the Portfolio Profile Tests, Collateral Quality Tests, Coverage Tests and Additional Reinvestment Test (in accordance with the Portfolio Management Agreement) at any time as if such purchase had been completed. Collateral Debt Obligations in respect of which the Issuer has entered into a binding commitment to sell but which have not yet settled shall be excluded as Collateral Debt Obligations in the calculation of the Portfolio Profile Tests, Collateral Quality Tests, Coverage Tests and Additional Reinvestment Test (in accordance with the Portfolio Management Agreement) as if such sale had been completed. For the avoidance of doubt, the failure of any obligation to satisfy the Eligibility Criteria at any time after the Issuer or the Portfolio Manager on behalf of the Issuer has entered into a binding agreement to purchase it, shall not cause such obligation to cease to constitute a Collateral Debt Obligation unless it is an Issue Date Collateral Debt Obligation which does not satisfy the Eligibility Criteria on the Issue Date. A Collateral Debt Obligation which has been restructured (whether effected by way of an amendment to the terms of such Collateral Debt Obligation (including but not limited to an extension of its maturity) or by way of substitution of new obligations and/or a change of Obligor) shall only constitute a Collateral Debt Obligation if it is a Restructured Obligation.

"**Collateral Enhancement Obligation**" means any warrant or equity security, excluding Exchanged Securities, but including, without limitation, any equity security received upon conversion or exchange of, or exercise of an option under, or otherwise in respect of a Collateral Debt Obligation; or any warrant or equity security purchased as part of a unit with a Collateral Debt Obligation (but in all cases, excluding, for the avoidance of doubt, the Collateral Debt Obligation).

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

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

    (i) the Moody's Minimum Diversity Test;

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

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

(b) so long as any Notes rated by S&P are Outstanding:

    (i) (as of the Effective Date and until the expiry of the Reinvestment Period only) the S&P CDO Monitor Test; and

    (ii) the S&P Minimum Weighted Average Recovery Rate Test; and

(c) so long as any Rated Notes are Outstanding:

    (i) the Minimum Weighted Average Spread Test; and

    (ii) the Weighted Average Life Test,

each as defined in the Portfolio Management 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 as a result of any judicial

decision or interpretation or statement of any relevant tax authority, issued in either case, after the date of incorporation of the Issuer (whether proposed, temporary or final) in any jurisdiction:

(a) interest, discount or premium payments due from the Obligors (or from Selling Institutions in the case of Participations) of any Collateral Debt Obligations in relation to any Due Period becoming properly subject to the imposition of withholding tax, other than where such withholding tax is compensated for by a "gross-up" provision in the terms of the Collateral Debt Obligation, or such requirement to withhold is eliminated, or any withholding can be recovered pursuant to a double taxation treaty or otherwise so that the Issuer as holder thereof either directly or indirectly through a Participation is held completely harmless from the full amount of such withholding tax on an after-tax basis, so that the aggregate amount of any such withholding tax on all Collateral Debt Obligations in relation to such Due Period is equal to or in excess of 6 per cent. of the aggregate interest payments due (other than any additional interest arising as a result of the operation of any gross-up provision) on all Collateral Debt Obligations in relation to such Due Period; and

(b) a substitution of the Issuer or other reasonable measures would fail to remedy (a) above.

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

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

"**Conditions**" means these terms and conditions, being the terms and conditions of the Notes from time to time.

"**Controlling Class**" means the most senior-ranking Class of Notes Outstanding at the relevant time, being:

(a) whilst any Class A Notes are Outstanding, the Class A Notes;

(b) (i) if the Class A Notes have been redeemed in full, whilst any Class B Notes are Outstanding; or

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

the Class B Notes;

(c) (i) if the Class A Notes and the Class B Notes have been redeemed in full, whilst any Class C Notes are Outstanding; or

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

the Class C Notes;

(d) (i) if the Class A Notes, the Class B Notes and the Class C Notes have been redeemed in full, whilst any Class D Notes are Outstanding; or

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

the Class D Notes;

(e) (i) if the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes have been redeemed in full, whilst any Class E Notes are Outstanding; or

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

the Class E Notes;

(f) (i) if the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes have been redeemed in full, whilst any Class F Notes are Outstanding; or

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

the Class F Notes; or

(g) (i) if the Rated Notes have been redeemed in full, whilst any Subordinated Notes are Outstanding; or

(ii) prior to the redemption and payment in full of the Rated Notes and solely in connection with a PM Removal Resolution or a PM Replacement Resolution, if 100 per cent. of the Principal Amount Outstanding of the Rated Notes are held by the Portfolio Manager or a Portfolio Manager Related Person,

the Subordinated Notes.

"**Controlling Person**" means a person (other than a Benefit Plan Investor) who has discretionary authority or control with respect to the assets of the Issuer or who provides investment advice for a fee (direct or indirect) with respect to such assets or any affiliate of any such person.

"**Corporate Rescue Loan**" shall mean, as determined by the Portfolio Manager, any interest in a loan or financing facility that is acquired directly by way of assignment or novation which is paying interest and principal if applicable on a current basis and either:

(a) is an obligation of a debtor in possession as described in § 1107 of the United States Bankruptcy Code or a trustee (if appointment of such trustee has been ordered pursuant to § 1104 of the United States Bankruptcy Code) (a "**Debtor**") organised under the laws of the United States or any State therein, the terms of which have been approved by an order of the United States Bankruptcy Court, the United States District Court, or any other court of competent jurisdiction, the enforceability of which order is not subject to any pending contested matter or proceeding (as such terms are defined in the Federal Rules of Bankruptcy Procedure) and which order provides that (x) such Corporate Rescue Loan is secured by liens on the Debtor's otherwise unencumbered assets pursuant to § 364(c)(2) of the United States Bankruptcy Code; or (y) such Corporate Rescue Loan is secured by liens of equal or senior priority on property of the Debtor's estate that is otherwise subject to a lien pursuant to § 364(d) of the United States Bankruptcy Code; or (z) such Corporate Rescue Loan is secured by junior liens on the Debtor's encumbered assets and such Corporate Rescue Loan is fully secured based upon a current valuation or appraisal report; or (aa) if the Corporate Rescue Loan or any portion thereof is unsecured, the repayment of such Corporate Rescue Loan retains priority over all other administrative expenses pursuant to § 364(c)(1) of the United States Bankruptcy Code; or

(b) is a credit facility or other advance made available to a company or group, not organised under the laws of the United States or any State therein, in a restructuring or insolvency process which (i) constitutes the most senior secured obligations of the entity which is the Obligor thereof and either (ii) ranks *pari*

passu in all respects with the other senior secured debt of the Obligor, *provided that* such facility is entitled to recover proceeds of enforcement of security shared with the other senior secured indebtedness (e.g. bonds) of the Obligor and its subsidiaries in priority to all such other senior secured indebtedness, or (iii) achieves priority over other senior secured obligations of the Obligor otherwise than through the grant of security, such as pursuant to the operation of applicable insolvency legislation (including as an expense of the restructuring or insolvency process) or other applicable law.

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

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

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

"**Cov-Lite Loan**" means a Collateral Debt Obligation, as determined by the Portfolio Manager in its reasonable commercial judgement, that is an interest in a loan, the Underlying Instruments for which do not (i) contain any financial covenants or (ii) require the Obligor thereunder to comply with any Maintenance Covenant (regardless of whether compliance with one or more Incurrence Covenants is otherwise required by such Underlying Instruments) *provided that*, for all purposes other than a determination of the S&P Recovery Rate, if such a loan either contains a cross-default provision to or is *pari passu* with or is senior to another loan (including for the benefit of the doubt a revolving obligation) of the Obligor that requires the Obligor to comply with one or more Maintenance Covenants, such loan shall be deemed not to be a Cov-Lite Loan.

"**Cov-Lite Obligation**" means a Collateral Debt Obligation, as determined by the Portfolio Manager in its reasonable commercial judgement, that is an interest in a loan, the Underlying Instruments for which do not (i) contain any financial covenants or (ii) require the Obligor thereunder to comply with any Maintenance Covenant (regardless of whether compliance with one or more Incurrence Covenants is otherwise required by such Underlying Instruments).

"**CRA**" means Regulation EC 1060/2009 on credit rating agencies as may be amended, replaced or supplemented, including any implementing and/or delegated regulation, technical standards and guidance related thereto.

"**Credit Impaired Obligation**" means any Collateral Debt Obligation that:

(a) where such assessment is made during the Reinvestment Period, in the Portfolio Manager's reasonable commercial opinion has a significant risk of declining in credit quality or price or satisfies the Credit Impaired Obligation Criteria; or

(b) where such assessment is made after the Reinvestment Period, satisfies the Credit Impaired Obligation Criteria.

"**Credit Impaired Obligation Criteria**" means the criteria that will be met in respect of a Collateral Debt Obligation if any of the following apply to such Collateral Debt Obligation, as determined by the Portfolio Manager in its reasonable discretion:

(a) the price of such Collateral Debt Obligation has changed during the period from the date on which the Issuer entered into a binding commitment to purchase such Collateral Debt Obligation to the proposed date the Issuer intends to enter into a binding commitment to sell such Collateral Debt Obligation by a percentage which is (i) in the case of Senior Secured Loans, either at least 0.25 per cent. more negative or at least 0.25 per cent. less positive and (ii) in the case of Unsecured Senior Loans, Second Lien Loans or Mezzanine Loans, either at least 0.50 per cent. more negative or at least 0.50 per cent. less positive, in each case, than the percentage change in the average price of the Eligible Loan Index over the same period;

(b) the price of such Collateral Debt Obligation has decreased by at least 1.00 per cent. of the price paid by the Issuer for such Collateral Debt Obligation;

(c) if such Collateral Debt Obligation is a Floating Rate Collateral Debt Obligation, the spread over the applicable reference rate for such Collateral Debt Obligation has been increased in accordance with the underlying Collateral Debt Obligation since the date the Issuer or the Portfolio Manager acting on behalf of the Issuer entered into a binding commitment to purchase such obligation by (i) 0.25 per cent. or more (in the case of such Collateral Debt Obligation with a spread (prior to such increase) less than or equal to 2.00 per cent.), (ii) 0.375 per cent. or more (in the case of such Collateral Debt Obligation with a spread (prior to such increase) greater than 2.00 per cent. but less than or equal to 4.00 per cent.) or (iii) 0.50 per cent. or more (in the case of such Collateral Debt Obligation with a spread (prior to such increase) greater than 4.00 per cent.), due, in each case, to a deterioration in the Obligor's financial ratios or financial results;

(d) if such Collateral Debt Obligation has a projected cash flow interest coverage ratio (earnings before interest and taxes divided by cash interest expense as estimated by the Portfolio Manager) of the Obligor of such Collateral Debt Obligation of less than 1.00 or that is expected to be less than 0.85 times the current year's projected cash flow interest coverage ratio; or

(e) it has been and remains downgraded by any Rating Agency by at least one rating sub-category or has been placed and remains on a watch list for possible downgrade or on negative outlook by either Rating Agency since it was acquired by the Issuer.

"**Credit Improved Obligation**" means any Collateral Debt Obligation which:

(a) where such assessment is made during the Reinvestment Period, in the Portfolio Manager's reasonable commercial opinion has significantly improved in credit quality after it was acquired by the Issuer or satisfies the Credit Improved Obligation Criteria; or

(b) where such assessment is made after the Reinvestment Period, satisfies the Credit Improved Obligation Criteria.

"**Credit Improved Obligation Criteria**" means the criteria that will be met in respect of a Collateral Debt Obligation if any of the following apply to such Collateral Debt Obligation, as determined by the Portfolio Manager in its reasonable discretion:

(a) the Sale Proceeds (excluding Sale Proceeds that constitute Interest Proceeds) of such obligation would be at least 101.00 per cent. of the purchase price paid by the Issuer at the time of its acquisition;

(b) the price of such Collateral Debt Obligation has changed during the period from the date on which the Issuer or the Portfolio Manager acting on behalf of the Issuer entered into a binding commitment to purchase such Collateral Debt Obligation to the proposed date the Issuer intends to enter into a binding commitment to sell such Collateral Debt Obligation by a percentage either at least 0.25 per cent. more positive, or 0.25 per cent. less negative, as the case may be, than the percentage change in the average price of the Eligible Loan Index over the same period;

(c) if such Collateral Debt Obligation is a Floating Rate Collateral Debt Obligation, the spread over the applicable reference rate for such Collateral Debt Obligation has been decreased in accordance with the underlying Collateral Debt Obligation since the date the Issuer or the Portfolio Manager acting on behalf of the Issuer entered into a binding commitment to purchase such obligation by (i) 0.25 per cent. or more (in the case of such Collateral Debt Obligation with a spread (prior to such decrease) less than or equal to 2.00 per cent), (ii) 0.375 per cent. or more (in the case of such Collateral Debt Obligation with a spread (prior to such decrease) greater than 2.00 per cent. but less than or equal to 4.00 per cent) or (iii) 0.50 per cent. or more (in the case of such Collateral Debt Obligation with a spread (prior to such decrease) greater than 4.00 per cent) due, in each case, to an improvement in the Obligor's financial ratios or financial results;

(d) it has a projected cash flow interest coverage ratio (earnings before interest and taxes divided by cash interest expense as estimated by the Portfolio Manager) of the Obligor of such Collateral Debt Obligation that is expected to be more than 1.15 times the current year's projected cash flow interest coverage ratio; or

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

"**CRR**" means Regulation (EU) No 575/2013 of the European Parliament and of the Council.

"**CRR Retention Requirements**" means Part 5 of the CRR as amended from time to time and including any guidance or any technical standards published in relation thereto, *provided that* any reference to the CRR Retention Requirements shall be deemed to include any successor or replacement provisions to Part 5 of the CRR.

"**CRS**" means the new automatic exchange of information regime to be implemented under Council Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU) or the Organisation for Economic Co-operation and Development's Common Reporting Standard.

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

(a) the Portfolio Manager determines in accordance with its Standard of Care that the Obligor of such Collateral Debt Obligation will continue to make scheduled payments of interest thereon and will pay the principal thereof by maturity or as otherwise contractually due;

(b) the Market Value of such Collateral Debt Obligation is at least 80 per cent. of its current Principal Balance (subject to (d) below);

(c) if the Obligor is subject to bankruptcy or insolvency proceedings, a bankruptcy court has authorised the payment of interest and principal payments due thereunder which in each case has not been discharged within 30 days; and

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

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

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

"**Custody Account**" 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 to which will be credited Collateral comprising securities.

"**Defaulted Asset Swap Issuer Termination Payment**" means any amount payable by the Issuer to an Asset Swap Counterparty upon termination of any Asset Swap Transaction including any due and unpaid scheduled amounts thereunder in respect of which the Asset Swap Counterparty was either:

(a) the "Defaulting Party" (as defined in the applicable Hedge Agreement); or

(b) the sole "Affected Party" (as such term is defined in the applicable Hedge Agreement) in respect of:

    (i) any termination event, howsoever described, resulting from a rating downgrade of the Hedge Counterparty and/or its failure or inability to take any specified action in relation to such rating downgrade within any specified period within the applicable Hedge Agreement; or

    (ii) a termination event that is a "Tax Event Upon Merger" (as defined in the applicable Hedge Agreement).

"**Defaulted Deferring Mezzanine Loan**" means a Mezzanine Loan which by its contractual terms provides for the deferral of interest and is a Defaulted Obligation;

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

(a) the "**Defaulting Party**" (as defined in the applicable Hedge Agreement); or

(b) the sole "**Affected Party**" (as such term is defined in the applicable Hedge Agreement) in respect of:

(i) any termination event, howsoever described, resulting from a rating downgrade of the Hedge Counterparty and/or its failure or inability to take any specified action in relation to such rating downgrade within any specified period within the applicable Hedge Agreement; or

(ii) a termination event that is a "**Tax Event Upon Merger**" (as defined in the applicable Hedge Agreement).

"**Defaulted Mezzanine Excess Amounts**" means in respect of a Mezzanine Loan, the greater of:

(a) zero; and

(b) (i) the aggregate of all amounts received in respect of such Mezzanine Loan for so long as it is a Defaulted Deferring Mezzanine Loan (which for the avoidance of doubt shall exclude any amounts which were received prior to such Collateral Debt Obligation becoming a Defaulted Deferring Mezzanine Loan); minus

(ii) the sum of (A) the Principal Balance of such Mezzanine Loan outstanding immediately prior to receipt of such amounts; and (B) any Purchased Accrued Interest or Ramp Accrued Interest which, in each case, for the avoidance of doubt, has not been capitalised in the Principal Balance of such Collateral Debt Obligation.

"**Defaulted Obligation**" means a Collateral Debt Obligation as determined by the Portfolio Manager in accordance with its Standard of Care:

(a) in respect of which there has occurred and is continuing a default with respect to the payment of interest or principal, disregarding any grace periods applicable thereto; *provided that* in the case of any Collateral Debt Obligation in respect of which the Portfolio Manager has confirmed to the Trustee and the Collateral Administrator in writing that, to the knowledge of the Portfolio Manager, such default has resulted from non-credit related causes, such Collateral Debt Obligation shall not constitute a Defaulted Obligation for the lesser of five Business Days, seven calendar days or any grace period applicable thereto; in each case which default entitles the holders thereof, with notice or passage of time or both, to accelerate the maturity of all or a portion of the principal amount of such obligation, but only until such default has been cured;

(b) in respect of which any bankruptcy, insolvency or receivership proceeding has been initiated in connection with the Obligor of such Collateral Debt Obligation which in each case has not been discharged within 30 days;

(c) in respect of which the Portfolio Manager knows or becomes aware (based upon publicly available information) the Obligor thereunder is in default as to payment of principal and/or interest on another obligation, save for obligations constituting trade debts which the applicable Obligor is disputing in good faith (and such default has not been cured), but only if:

(i) such other obligation and the Collateral Debt Obligation are full recourse, secured obligations secured by identical collateral;

(ii) the security interest securing the other obligation is senior to or *pari passu* with the security interest securing the Collateral Debt Obligation; and

(iii) the other obligation is senior to or *pari passu* with the Collateral Debt Obligation in right of payment;

(d) which has (i) a Moody's Rating of "Ca" or "C" or below or (ii) a S&P Rating of "CC", "SD" or "D" or, in each case, had such rating immediately prior to the withdrawal of its rating by Moody's or S&P as applicable;

(e) which the Portfolio Manager, acting on behalf of the Issuer, determines should be treated as a Defaulted Obligation;

(f) in respect of a Collateral Debt Obligation that is a Participation:

(i) the Selling Institution has defaulted in respect of any of its payment obligations under the terms of such Participation;

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

(iii) the Selling Institution has (A) a Moody's Rating of "Ca" or "C" or below or (B) a S&P Rating of "CC", "SD" or "D" or in each case had such rating immediately prior to the withdrawal of its rating by Moody's or S&P as applicable; or

(g) if the Obligor thereof offers holders of such Collateral Debt Obligation a new security, obligation or package of securities or obligations that amount to a diminished financial obligation (such as preferred or common stock, or debt with a lower coupon or par amount) of such Obligor and in the opinion of the Portfolio Manager, such offer has the apparent purpose of helping the Obligor avoid default; *provided, however*, such obligation will cease to be a Defaulted Obligation under this paragraph if such new obligation is (i) a Restructured Obligation; and (ii) such Restructured Obligation does not otherwise constitute a Defaulted Obligation pursuant to any other paragraph of the definition hereof,

provided that:

(i) a Collateral Debt Obligation which is a Corporate Rescue Loan shall constitute a Defaulted Obligation if such Corporate Rescue Loan satisfies this definition of Defaulted Obligation other than paragraph (b) and (g) hereof;

(ii) a Collateral Debt Obligation which is a Current Pay Obligation shall not constitute a Defaulted Obligation except in the case that such Collateral Debt Obligation results or, if acquired, would result, in the Aggregate Principal Balance of all Collateral Debt Obligations which constitute Current Pay Obligations exceeding 2.5 per cent. of the Aggregate Collateral Balance (in calculating the Aggregate Collateral Balance for this purpose a Defaulted Obligation shall be deemed to have a Principal Balance equal to the lesser of its Moody's Collateral Value and S&P Collateral Value) such Collateral Debt Obligation will be treated as a Defaulted Obligation; and

(iii) any Collateral Debt Obligation shall cease to be a Defaulted Obligation on the date such obligation no longer satisfies this definition of Defaulted Obligation.

"**Defaulted Obligation Excess Amounts**" means in respect of a Defaulted Obligation, the greater of:

(a) zero; and

(b) (i) the aggregate of all amounts received in respect of such Defaulted Obligation for so long as it is a Defaulted Obligation (which for the avoidance of doubt shall exclude any amounts which were received prior to such Collateral Debt Obligation becoming a Defaulted Obligation); minus

(ii) the sum of (A) the Principal Balance of such Defaulted Obligation outstanding immediately prior to receipt of such amounts; and (B) any Purchased Accrued Interest and Ramp Accrued Interest which, in each case, for the avoidance of doubt, has not been capitalised in the Principal Balance of such Collateral Debt Obligation.

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

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

"**Delayed Drawdown Collateral Obligation**" means any debt obligation or Participation that (i) satisfies the requirements set forth in the Eligibility Criteria, (ii) requires the Issuer to make one or more future advances to the borrower under the underlying instruments relating to such obligation, interest or security, (iii) specifies a maximum amount that can be borrowed on one or more fixed borrowing dates, and (iv) does not permit the re-borrowing of any amount previously repaid; *provided that* any such obligation, interest or security will be a Delayed Drawdown Collateral Obligation only until all commitments to make advances to the borrower expire or are terminated or reduced to zero.

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

"**Director**" means Keat Cheng Chin and Anne Mayden or such other person(s) who may be appointed as director(s) of the Issuer from time to time.

"**Discount Obligation**" means any Collateral Debt Obligation that is not a Swapped Non-Discount Obligation and that the Portfolio Manager determines, is acquired by the Issuer for a purchase price of less than 80 per cent. of the Principal Balance of such Collateral Debt Obligation (or, if such Collateral Debt Obligation has a Moody's Rating below "B3", such Collateral Debt Obligation is acquired by the Issuer for a purchase price of lower than 85 per cent. of its Principal Balance); *provided that* such Collateral Debt Obligation shall cease to be a Discount Obligation at such time as the Market Value for such Collateral Debt Obligation on each day during any period of 30 consecutive days (none of which were determined pursuant to sub-paragraph (e) of the definition of "Market Value" below) since the acquisition by the Issuer of such Collateral Debt Obligation equals or exceeds 90 per cent. of the Principal Balance of such Collateral Debt Obligation, *provided that* where the Principal Balance of a Collateral Debt Obligation is partially composed of a Discount Obligation, any sale, repayment or prepayment in respect of such Collateral Debt Obligation will be applied *pro rata* to (1) the discounted portion of such Collateral Debt Obligation and (2) the non discounted portion of such Collateral Debt Obligation; and *provided further* if such interest is a Revolving Collateral Obligation or Delayed Drawdown Collateral Obligation, the purchase price of such Revolving Collateral Obligation or Delayed Drawdown Collateral Obligation for such purpose shall include an amount equal to the Unfunded Amount of such Revolving Collateral Obligation or Delayed Drawdown Collateral Obligation which is required to be deposited in the Revolving Reserve Accounts.

"**Discounted Collateral Haircut**" means as of any date of determination, an amount equal to the greater of zero and:

(a) the Aggregate Principal Balance of all Discount Obligations; less

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

"**Distribution**" means any payment of principal or interest or any dividend or premium or other amount (including any proceeds of sale) or asset paid or delivered on or in respect of any Collateral Debt Obligation, any Eligible Investment, any Exchanged Security or under or in respect of any Hedge Agreement.

"**Dodd-Frank Act**" means the Dodd-Frank Wall Street Reform and Consumer Protection Act of 21 July 2010, as may be amended, replaced or supplemented from time to time.

"**Domicile**" or "**Domiciled**" means with respect to any Obligor with respect to a Collateral Debt Obligation:

(a) except as provided in clause (b) below, its country of organisation or incorporation; or

(b) the jurisdiction and the country in which, in the Portfolio Manager's opinion, a substantial portion of such Obligor's operations are located or from which a substantial portion of its revenue is derived, in each case directly or through subsidiaries (which shall be any jurisdiction and country known at the time of designation by the Portfolio Manager to be the source of the majority of revenues, if any, of such Obligor).

"**Due Period**" means with respect to any Class of Notes and a Payment Date the period commencing on and including the day immediately following the seventh Business Day prior to the preceding Payment Date (or on the Issue Date, in the case of the Due Period relating to the first Payment Date) and ending on and including, the

seventh Business Day prior to such Payment Date (or, in the case of the Due Period applicable to the Payment Date on which the Notes are redeemed in full, ending on and including the Business Day preceding such Payment Date).

"**Effective Date**" means the earlier of:

(a) the date designated as such by the Portfolio Manager by written notice to the Trustee, the Issuer and the Collateral Administrator pursuant to the Portfolio Management Agreement, subject to the Effective Date Determination Requirements having been satisfied; and

(b) 22 November 2016 or, if such day is not a Business Day, the immediately following Business Day.

"**Effective Date Determination Requirements**" means, as at the Effective Date, each of the Portfolio Profile Tests, the Collateral Quality Tests and the Coverage Tests (save for the Interest Coverage Tests) being satisfied on such date, and the Issuer having acquired or having entered into binding commitments to acquire Collateral Debt Obligations the Aggregate Principal Balance of which equals or exceeds the Target Par Amount by such date (*provided that*, for the purposes of determining the Aggregate Principal Balance as provided above, any repayments or prepayments of any Collateral Debt Obligations subsequent to the Issue Date and not subsequently reinvested shall be disregarded and the Principal Balance of a Collateral Debt Obligation which is a Defaulted Obligation will be the lower of its Moody's Collateral Value and its S&P Collateral Value).

"**Effective Date Moody's Condition**" means a condition satisfied if (a) the Issuer, Portfolio Manager and the Trustee are provided with an accountants' certificate recalculating and comparing each element of the Effective Date Report and confirming that the Effective Date Determination Requirements are satisfied and (b) Moody's is provided with the Effective Date Report.

"**Effective Date Rating Event**" means:

(a) the Effective Date Determination Requirements not having been satisfied as at the Effective Date (unless Rating Agency Confirmation from each Rating Agency is received in respect of such failure to satisfy any of the Effective Date Determination Requirements) and either:

    (i) the failure by the Portfolio Manager (acting on behalf of the Issuer) to present a Rating Confirmation Plan to Moody's; or

    (ii) the Portfolio Manager (acting on behalf of the Issuer) presents a Rating Confirmation Plan to Moody's and Rating Agency Confirmation has not been obtained from Moody's for the Rating Agency Confirmation Plan upon request thereof by the Portfolio Manager;

(b) the Effective Date Moody's Condition not being satisfied and, following a request therefor from the Portfolio Manager after the Effective Date, Rating Agency Confirmation from Moody's not having been received; or

(c) Rating Agency Confirmation from S&P not having been received following the Effective Date,

provided that any downgrade or withdrawal of any of the Initial Ratings of the Notes which is not directly related to a request for confirmation thereof or which occurs after confirmation thereof by the Rating Agencies shall not constitute an Effective Date Rating Event.

"**Effective Date Report**" has the meaning given to it in the Portfolio Management Agreement.

"**Eligibility Criteria**" means the Eligibility Criteria specified in the Portfolio Management Agreement which are required to be satisfied in respect of each Collateral Debt Obligation acquired by, or on behalf of, the Issuer at the time of entering into a binding commitment to acquire such obligation (for the avoidance of doubt, the failure of any obligation to satisfy the Eligibility Criteria at any time after the Issuer or the Portfolio Manager on behalf of the Issuer has entered into a binding agreement to purchase it, shall not cause such obligation to cease to constitute a Collateral Debt Obligation save for each Issue Date Collateral Debt Obligation which must also satisfy the Eligibility Criteria on the Issue Date and save for an obligation which has been restructured whether effected by way of an amendment to the terms of such obligation (including but not limited to an extension of its maturity) or by way of substitution of new obligations and/or a change of Obligor which shall only constitute a Collateral Debt Obligation if it is a Restructured Obligation).

"**Eligible Investments**" means any investment denominated in Euro that is one or more of the following obligations (other than obligations which are Zero Coupon Obligations or Bonds), including, without limitation, any Eligible Investments for which the Custodian, the Trustee or the Portfolio Manager or an Affiliate of any of them provides services:

(a) direct obligations of, and obligations the timely payment of principal of and interest under which is fully and expressly guaranteed (such guarantee to comply with the relevant S&P criteria on guarantees) by, a Qualifying Country or any agency or instrumentality of a Qualifying Country, the obligations of which are fully and expressly guaranteed by a Qualifying Country in each case satisfying the Eligible Investments Minimum Rating (but excluding (i) "General Services Administration" participation certificates; (ii) "U.S. Maritime Administration guaranteed Title XI financings"; (iii) "Financing Corp. debt obligations"; (iv) "Farmers Home Administration Certificates of Beneficial Ownership"; and (v) "Washington Metropolitan Area Transit Authority guaranteed transit bonds");

(b) demand and time deposits in, certificates of deposit of and bankers' acceptances issued by any depository institution (including the Account Bank) or trust company incorporated under the laws of a Qualifying Country with, in each case, a maturity of no more than 90 days (or 180 days at any time following the first Payment Date after the occurrence of a Frequency Switch Event) and subject to supervision and examination by governmental banking authorities so long as the depository institution or trust company will also satisfy the Eligible Investments Minimum Rating;

(c) commercial paper or other short-term obligations having, at the time of such investment, a credit rating of not less than the applicable Eligible Investments Minimum Rating and that either are bearing interest or are sold at a discount to the face amount thereof and have a maturity of not more than 90 days (or 180 days at any time following the first Payment Date after the occurrence of a Frequency Switch Event) from their date of issuance;

(d) offshore funds investing in the money markets rated, at all times, "AAAm" or "AAAm-G" by S&P and "Aaa-mf" by Moody's, *provided that* such fund issues shares, units or participations that may be lawfully acquired in Ireland; and

(e) any other investment similar to those described in paragraphs (a) to (d) (inclusive) above (which for the avoidance of doubt, shall not include any obligations which are Zero Coupon Obligations or Bonds):

    (i) in respect of which Rating Agency Confirmation has been received as to its inclusion in the Portfolio as an Eligible Investment; and

    (ii) which has, in the case of an investment with a maturity of longer than 91 days, a long-term credit rating not less than the applicable Eligible Investments Minimum Rating,

and, in each case, (1) such investment is a "cash equivalent" for purposes of Section 10(c)(8) of the Volcker Rule in accordance with any applicable interpretive guidance thereunder, (2) such instrument or investment provides for payment of a pre-determined fixed amount of principal on maturity that is not subject to change, and (3) has a Stated Maturity (giving effect to any applicable grace period) which is not more than 365 days, and either (A) has a Stated Maturity (giving effect to any applicable grace period) which is not later than the Business Day immediately preceding the next following Payment Date or (B) is capable of being liquidated at par on demand without penalty, *provided, however, that* Eligible Investments shall not include any mortgage backed obligations, interest only obligations, obligations subject to withholding or similar taxes, obligations rated with an "r" or "t" subscript by S&P, obligations purchased at a price in excess of 100 per cent. of par, obligations whose repayment is subject to substantial non-credit related risk (as determined by the Portfolio Manager in its discretion), or investments the acquisition of which would give rise to stamp duty, stamp duty reserve tax or any other transfer duty or tax (except to the extent that such duty or tax is taken into account by the Portfolio Manager (on the Issuer's behalf) in deciding whether to acquire the investments, such that the Issuer is not required to pay an additional amount in respect of such tax or duty compared to the amount that would be payable by the Issuer in order to acquire the relevant investment had no such tax or duty been payable). In addition, any Eligible Investment shall be a "cash equivalent" for the purposes of the Volcker Rule in accordance with any applicable interpretative guidance thereunder.

"**Eligible Investments Minimum Rating**" means:

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

(i) where such commercial paper or debt obligations do not have a short-term senior unsecured debt or issuer (as applicable) credit rating from Moody's, a long-term senior unsecured debt or issuer (as applicable) credit rating of "Aaa" from Moody's; or

(ii) where such commercial paper or debt obligations have a short-term senior unsecured debt or issuer (as applicable) credit rating, such short-term rating is at least "P-1" from Moody's and the long-term senior unsecured debt or issuer (as applicable) credit rating is at least "A1" from Moody's;

(b) for so long any Notes rated by S&P are Outstanding:

(i) in the case of Eligible Investments with a maturity of more than 60 days:

(A) a long-term senior unsecured debt or issuer (as applicable) credit rating of at least "AA-" from S&P; or

(B) a short-term senior unsecured debt or issuer credit rating of at least "A-1+" from S&P; or

(C) a money market fund rating of "AAAm+" from S&P; or

(ii) a short term debt or issuer (as applicable) credit rating of at least "A-1" from S&P in the case of Eligible Investments with a maturity of 60 days or less.

"**Eligible Loan Index**" means S&P European Leveraged Loan Index or any other index subject to Rating Agency Confirmation from Moody's and S&P.

"**EMIR**" means the European Market Infrastructure Regulation (Regulation (EU) No 648/2012) as may be amended, replaced or supplemented, including any implementing and/or delegated regulation, technical standards and guidance related thereto.

"**Enforcement Action**" has the meaning given to it in Condition 11(b) (*Enforcement*).

"**Enforcement Threshold**" has the meaning given to it in Condition 11(b)(i)(A) (*Enforcement*).

"**Enforcement Threshold Determination**" has the meaning given to it in Condition 11(b)(i)(A) (*Enforcement*).

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

"**EURIBOR**" means, where used in these Conditions in connection with interest on the Notes, the rate determined in accordance with Condition 6(e) (*Interest on the Rated Notes*).

"**Euro**", "**Euros**", "**euro**", "**EUR**" and "**€**" means the lawful currency of the Member States of the European Union that have adopted and retain the single currency in accordance with the Treaty establishing the European Community, as amended from time to time; *provided that* if any Member State ceases to have such single currency as its lawful currency (such Member State(s) being the "**Exiting State(s)**"), the euro shall, for the avoidance of doubt, mean for all purposes the single currency adopted and retained as the lawful currency of the remaining Member States and shall not include any successor currency introduced by the Exiting State(s).

"**Euroclear**" means Euroclear Bank S.A./N.V., as operator of the Euroclear system.

"**Euro-zone**" means the region comprised of Member States of the European Union that have adopted the single currency in accordance with the Treaty establishing the European Community, as amended.

"**Exchange Act**" means the United States Security Exchange Act of 1934, as amended.

"**Exchanged Security**" means:

(a) an equity security, convertible security, option or warrant, the acquisition of which would not cause the breach of applicable selling or transfer restrictions relating to the offering of securities or of collective investment schemes and which is delivered to the Issuer upon acceptance of an Offer in respect of a Defaulted Obligation or received by the Issuer as a result of restructuring of the terms of a Defaulted

Obligation (including any security received upon any subsequent conversion or exercise of any such convertible security, option or warrant) or

(b) a Collateral Debt Obligation which has been restructured (whether effected by way of an amendment to the terms of such Collateral Debt Obligation or by way of substitution of new obligations and/or a change of Obligor) for so long as it does not satisfy the Restructured Obligation Criteria on the applicable Restructuring Date,

provided that:

(i) in the case of (a) above, the relevant equity security, convertible security, option or warrant; and

(ii) in the case of (b) above, if such restructured Collateral Debt Obligation is not a loan, such restructured Collateral Debt Obligation,

is received by the Issuer in the ordinary course of the workout, foreclosure or collection of a debt previously contracted in good faith.

"**Expense Reserve Account**" means the interest bearing account of the Issuer with the Account Bank into which amounts are to be paid in accordance with Condition 3(c)(i) (*Application of Interest Proceeds*) (and on the Issue Date from proceeds of the issuance of the Notes in accordance with Condition 3(j)(viii)(A) (*Expense Reserve Account*)) and out of which Trustee Fees and Expenses and Administrative Expenses shall be paid.

"**Extraordinary Resolution**" means an Extraordinary Resolution as described in Condition 14 (*Meetings of Noteholders, Modification, Waiver and Substitution*) and as further described in, and as defined in, the Trust Deed.

"**FATCA**" means:

(a) Sections 1471 to 1474 of the Code or any associated regulations or other official guidance;

(b) any treaty, law, regulation or other official guidance enacted in any other jurisdiction, or relating to an intergovernmental agreement between the U.S. and any other jurisdiction, which (in either case) facilitates the implementation of any law, regulation or official guidance referred to in paragraph (a) above; or

(c) any agreement pursuant to or in connection with the implementation of any treaty, law, regulation or official guidance referred to in paragraphs (a) or (b) above with the IRS, the U.S. government or any governmental or taxation authority in any other jurisdiction.

"**First Lien Last Out Loan**" means a Collateral Debt Obligation that is an interest in a loan (i) the Underlying Instruments for which may by its terms become subordinate in right of payment to any other secured obligation of the Obligor of such loan solely upon the occurrence of a default or event of default by the Obligor of such loan and (ii) that is secured by a valid perfected first priority security interest or lien in, to or on specified collateral securing the Obligor's obligations under the loan. A First Lien Last Out Loan shall be treated in all cases as a Second Lien Loan.

"**Fixed Rate Collateral Debt Obligation**" means a Collateral Debt Obligation which bears interest at a fixed rate *provided that* if such obligation is subject to a Hedge Agreement where payments received by the Issuer from a Hedge Counterparty are calculated by reference to a floating interest rate or index such obligation shall not constitute a Fixed Rate Collateral Debt Obligation but will be classified as a Floating Rate Collateral Debt Obligation for as long as such obligation is subject to such Hedge Agreement.

"**Floating Rate Collateral Debt Obligation**" means a Collateral Debt Obligation, interest payable in respect of which is calculated by reference to a floating interest rate or index, *provided that* if such obligation is subject to a Hedge Agreement where payments received by the Issuer from a Hedge Counterparty are calculated by reference to a fixed interest rate, such obligation shall not constitute a Floating Rate Collateral Debt Obligation but will be classified as a Fixed Rate Collateral Debt Obligation for as long as such obligation is subject to such Hedge Agreement.

"**Floating Rate Eligible Investments**" means Eligible Investments, interest payable in respect of which is calculated by reference to a floating rate or index.

"**Floating Rate Notes**" means the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes.

"**Floating Rate of Interest**" means the Class A Floating Rate of Interest, the Class B Floating Rate of Interest, the Class C Floating Rate of Interest, the Class D Floating Rate of Interest, the Class E Floating Rate of Interest and the Class F Floating Rate of Interest as applicable and each as defined in Condition 6(e)(i) (*Interest on the Rated Notes*).

"**Form-Approved Asset Swap**" means an Asset Swap Transaction pursuant to an Asset Swap Agreement, the documentation for and structure both of which conforms (save for the amount and timing of periodic payments, the name and economics of the related Non-Euro Obligation, the notional amount, the effective date, the termination date and other consequential and immaterial changes) to a form previously presented to the Rating Agencies and in respect of which Rating Agency Confirmation has been received, *provided that* Rating Agency Confirmation shall be deemed to have been so received in respect of any such form approved by the Rating Agencies prior to the Issue Date.

"**Form-Approved Interest Rate Hedge**" means an Interest Rate Hedge Transaction pursuant to an Interest Rate Hedge Agreement, the documentation for and structure of which conforms (save for the amount and timing of periodic payments, the name and economics of the related Collateral Debt Obligation, the notional amount, the effective date, the termination date and other consequential and immaterial changes) to a form previously presented to the Rating Agencies and in respect of which Rating Agency Confirmation has been received, *provided that* Rating Agency Confirmation shall be deemed to have been so received in respect of any such form that has been reviewed and approved by the Rating Agencies prior to the Issue Date.

"**Frequency Switch Event**" shall occur if, on any Frequency Switch Measurement Date:

(a) (i) the Aggregate Principal Balance (determined in accordance with the definition thereof, excluding Defaulted Obligations) of all Collateral Debt Obligations which have become Semi-Annual Obligations in the Due Period ending on such Frequency Switch Measurement Date as a result of the change in the frequency of interest payment on such Collateral Debt Obligations, is equal to or greater than 20 per cent. of the Aggregate Collateral Balance (the Aggregate Collateral Balance being determined in accordance with the definition thereof, excluding Defaulted Obligations); (ii) for so long as any of the Class A Notes or the Class B Notes remain outstanding, the Frequency Switch Ratio is less than 120.0 per cent.; and (iii) for so long as any of the Class A Notes and the Class B Notes remain outstanding, the Frequency Switch Amount is equal to or greater than the amount determined pursuant to paragraph (b) of the definition of Frequency Switch Ratio; or

(b) the Portfolio Manager declares in its sole discretion that a Frequency Switch Event shall have occurred (*provided that* for so long as any of the Class A Notes or the Class B Notes remain outstanding, the requirements of paragraph (a)(iii) above are satisfied),

with the projected interest amounts described above being calculated in respect of such Frequency Switch Measurement Date on the basis of the following assumptions:

(X) in respect of each Floating Rate Collateral Debt Obligation, projected interest payable on such Floating Rate Collateral Debt Obligation on each future payment date thereunder during the immediately following Due Period shall be determined based on the applicable base rate and applicable margin pursuant to the relevant Underlying Instrument as determined as at such Frequency Switch Measurement Date;

(Y) the frequency of interest payments on each Collateral Debt Obligation shall not change following such Frequency Switch Measurement Date; and

(Z) EURIBOR for the purposes of calculating Interest Amounts in respect of the Class A Notes and the Class B Notes at all times following such Frequency Switch Measurement Date shall be equal to EURIBOR as determined as at such Frequency Switch Measurement Date.

To avoid doubt, a Frequency Switch Event may occur regardless of whether or not the Class A Notes or the Class B Notes remain outstanding.

“**Frequency Switch Measurement Date**” means each Determination Date, *provided that* following the occurrence of a Frequency Switch Event, no further Frequency Switch Measurement Date shall occur.

“**Frequency Switch Ratio**” means, in respect of a Frequency Switch Measurement Date, the ratio (expressed as a percentage) obtained by dividing:

(a) the sum of:

(i) the aggregate of scheduled and projected interest payments (and any commitment fees in respect of any Revolving Collateral Obligations or Delayed Drawdown Collateral Obligations) which will be due to be paid on each Collateral Debt Obligation during the immediately following Due Period (which, in the case of each such Non-Euro Obligation, to the extent that a related Asset Swap Transaction is in place, shall be converted into Euro at the applicable Asset Swap Transaction Exchange Rate for the related Asset Swap Transaction and, to the extent that no related Asset Swap Transaction is in place, shall be converted into Euro at the Spot Rate of Exchange) but excluding (i) such payments on Defaulted Obligations; and (ii) any such payments as to which the Issuer or the Portfolio Manager has actual knowledge that such payment will not be made when due; and

(ii) the Balance standing to the credit of the Interest Smoothing Account on the Business Day following such Frequency Switch Measurement Date (on the assumption that no Frequency Switch Event shall have occurred on such Frequency Switch Measurement Date and the Portfolio Manager has credited the applicable Interest Smoothing Amount to the Interest Smoothing Account from the Interest Account on the Business Day following such Frequency Switch Measurement Date pursuant to Condition 3(j)(xi) (*Interest Smoothing Account*)); by

(b) the sum of the scheduled Interest Amounts which will fall due on the Class A Notes and the Class B Notes on the second Payment Date following such Frequency Switch Measurement Date and all amounts due and payable pursuant to paragraphs (A) to (E) of the Interest Proceeds Priority of Payments on such date,

“**Frequency Switch Amount**” means, in respect of a Frequency Switch Measurement Date, the sum of:

(a) the amount determined pursuant to paragraph (a) of the definition of Frequency Switch Ratio (*provided that* scheduled and projected principal payments that become due to be paid in the circumstances described therein shall be deemed to be included in addition to scheduled and projected interest payments); and

(b) the aggregate of scheduled and projected interest payments (and any commitment fees in respect of Revolving Collateral Obligations or Delayed Drawdown Collateral Obligations) which will be accrued but not yet paid as at the end of the immediately following Due Period in respect of each Collateral Debt Obligation that has become a Semi-Annual Obligation within the Due Period ending on such Frequency Switch Measurement Date (which, in the case of each such Non-Euro Obligation, to the extent that a related Asset Swap Transaction is in place, shall be converted into Euro at the applicable Asset Swap Transaction Exchange Rate for the related Asset Swap Transaction and, to the extent that no related Asset Swap Transaction is in place, shall be converted into Euro at the Spot Rate of Exchange), but excluding (x) such payments on Defaulted Obligations; and (y) any such payments as to which the Issuer or the Portfolio Manager has actual knowledge that such payment will not be made when due,

“**Funded Amount**” means, at any time with respect to any Revolving Collateral Obligation or Delayed Drawdown Collateral Obligation at any time, the aggregate principal amount of advances or other extensions of credit made thereunder by the Issuer that are outstanding at such time.

“**Global Certificate**” means a certificate representing one or more Notes in global, fully registered, form.

“**Hedge Agreement**” means any Interest Rate Hedge Agreement or any Asset Swap Agreement (as applicable) and “**Hedge Agreements**” means any of them and for the avoidance of doubt, includes the Initial Hedge Agreements and the Initial Asset Swap Agreements and any Replacement Interest Rate Hedge Agreement and/or Replacement Asset Swap Agreement entered into in replacement thereof.

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

"**Hedge Counterparty**" means any Interest Rate Hedge Counterparty or any Asset Swap Counterparty (as applicable) or any financial institution (or its credit support provider) which is required to satisfy the applicable Rating Requirements and "**Hedge Counterparties**" means any of them.

"**Hedge Counterparty Termination Payment**" means Asset Swap Counterparty Termination Payments and Interest Rate Hedge Counterparty Termination Payments.

"**Hedge Issuer Termination Payment**" means Asset Swap Issuer Termination Payments and Interest Rate Hedge Issuer Termination Payments.

"**Hedge Replacement Payment**" means Asset Swap Replacement Payments and Interest Rate Hedge Replacement Payments.

"**Hedge Replacement Receipts**" means Asset Swap Replacement Receipts and Interest Rate Hedge Replacement Receipts.

"**Hedge Transaction**" means any Interest Rate Hedge Transaction or any Asset Swap Transaction and "**Hedge Transactions**" means any of them.

"**High Yield Bond**" means a debt security other than a Senior Secured Bond which, on acquisition by the Issuer, is either rated below Baa3 by Moody's or BBB- by S&P or equivalent by at least one internationally recognised credit rating agency (*provided that*, if such debt security is, at any time following acquisition by the Issuer, no longer rated by at least one internationally recognised rating agency as below investment grade, it will not, as a result of such change in rating, fall outside this definition) or which is a high yielding debt security, in each case as determined by the Portfolio Manager, excluding any debt security which is secured directly on, or represents the ownership of, a pool of consumer receivables, auto loans, auto leases, equipment leases, home or commercial mortgages, corporate debt or sovereign debt obligations or similar assets, including, without limitation, collateralised bond obligations, collateralised loan obligations or any similar security.

"**Incentive Management Fee**" means the fee payable to the Portfolio Manager pursuant to the Portfolio Management Agreement in an amount, as calculated by the Collateral Administrator, equal to the amount (such amount to be exclusive of VAT) specified at paragraph (CC) of the Interest Proceeds Priority of Payments, paragraph (T) of the Principal Proceeds Priority of Payments and paragraph (Z) of the Post-Acceleration Priority of Payments *provided that* such amount will only be payable to the Portfolio Manager if the Incentive Management Fee IRR Threshold has been reached.

"**Incentive Management Fee IRR Threshold**" means the threshold which will have been reached on the relevant Payment Date if the Subordinated Notes then Outstanding have received an IRR of at least 12 per cent. on the par value of the Subordinated Notes on the Issue Date, as of the last day of the Due Period preceding such Payment Date (after giving effect to all payments in respect of the Subordinated Notes to be made on such Payment Date).

"**Incurrence Covenant**" means a covenant by any Obligor to comply with one or more financial covenants only upon the occurrence of certain actions of the Obligor, including a debt issuance, dividend payment, share purchase, merger, acquisition or divestiture.

"**Initial Asset Swap Agreements**" means the initial Asset Swap Agreements entered into on or about the Issue Date.

"**Initial Hedge Agreements**" means the Initial Asset Swap Agreements and/or the Initial Interest Rate Hedge Agreements entered into on or about the Issue Date.

"**Initial Interest Rate Hedge Agreements**" means the initial Interest Rate Hedge Agreements entered into on or about the Issue Date.

"**Initial Investment Period**" means the period from, and including, the Issue Date to, but excluding, the Effective Date.

"**Initial Ratings**" means, in respect of any Class of Notes and any Rating Agency, the ratings assigned to such Class of Notes by such Rating Agency as at the Issue Date and "**Initial Rating**" means each such rating.

"**Insolvency Law**" has the meaning given thereto in Condition 10(a) (*Events of Default*).

"**Interest Amount**" means, in the case of the Floating Rate Notes, the amount calculated in accordance with Condition 6(e)(ii) (*Determination of Floating Rate of Interest and Calculation of Interest Amount on Floating Rate Notes*).

"**Interest Account**" means an interest-bearing account of the Issuer with the Account Bank into which Interest Proceeds are to be paid.

"**Interest Coverage Amount**" means, on any Measurement Date:

(a) the Balance standing to the credit of the Interest Account, the Interest Reserve Account and the Expense Reserve Account (to the extent such amounts are not designated as Principal Proceeds for transfer to the Principal Account in accordance with these Conditions);

(b) *plus* the scheduled interest payments (including (x) any commitment fees due but not yet received in respect of any Revolving Collateral Obligations or Delayed Drawdown Collateral Obligations, all amendment and waiver fees, all late payment fees, syndication fees, delayed compensation and all other fees and commission, (y) any amounts which the applicable Obligor has agreed to pay by way of gross-up in respect of amounts withheld at source or otherwise deducted in respect of taxes and (z) any amounts which the Portfolio Manager determines will be received within the same Due Period by way of recovery from an applicable tax authority under a double tax treaty) due but not yet received (in each case regardless of whether the applicable due date has yet occurred) in the Due Period in which such Measurement Date occurs on the Collateral Debt Obligations and the Eligible Investments, but only to the extent not representing Principal Proceeds, and the Accounts (other than each Counterparty Downgrade Collateral Account, but including interest on third party collateral accounts of the kind referred to in Condition 3(j)(ix) (*Revolving Reserve Accounts*)) excluding:

  (i) accrued and unpaid interest on Defaulted Obligations (excluding Current Pay Obligations);

  (ii) interest on any Collateral Debt Obligation to the extent that such Collateral Debt Obligation does not provide for the scheduled payment of interest in cash;

  (iii) any amounts which have accrued, to the extent that such amounts if not paid, will not give rise to a default under the relevant Collateral Debt Obligation;

  (iv) any amounts expected to be withheld at source or otherwise deducted in respect of taxes;

  (v) interest on any Collateral Debt Obligation which has not paid cash interest on a current basis for the lesser of 12 months and its most recent two interest periods;

  (vi) any scheduled interest payments as to which the Issuer or the Portfolio Manager has actual knowledge that such payment will not be made; and

  (vii) any Purchased Accrued Interest; and

  (viii) any Ramp Accrued Interest,

  provided that, in respect of a Non-Euro Obligation (i) that is an Asset Swap Obligation, this paragraph (b) shall be deemed to refer to the related Scheduled Periodic Asset Swap Counterparty Payment, subject to the exclusions set out above and (ii) that is not subject to an Asset Swap Transaction, the amount taken into account for this paragraph (b) should be an amount equal to the scheduled interest payments due but not yet received in respect of such Collateral Debt Obligation, subject to the exclusions set out above, converted into Euros at the then prevailing Spot Rate of Exchange;

(c) *minus* the amounts payable pursuant to paragraphs (A) to (E) of the Interest Proceeds Priority of Payments on the following Payment Date;

(d) *minus* any of the above amounts that would be payable into the Interest Smoothing Account on the Business Day after the Determination Date at the end of the Due Period in which such Measurement Date falls;

(e) *minus* any accrued but unpaid interest in respect of a Mezzanine Loan that has been deferred (but only to the extent such amount has not already been excluded in accordance with paragraph (b) above);

(f) *plus* any amounts that would be payable from the Interest Smoothing Account to the Interest Account in the Due Period in which such Measurement Date falls (without double counting any such amounts which have been already transferred to the Interest Account); and

(g) *plus* any Scheduled Periodic Interest Rate Hedge Counterparty Payments under any Interest Rate Hedge Transaction (as determined by the Portfolio Manager in consultation with the Collateral Administrator) but to the extent not already included in accordance with paragraph (a) above.

For the purposes of calculating the Interest Coverage Amount, the expected or scheduled interest income on Collateral Debt Obligations and Eligible Investments and on any relevant Account and on any Class of Notes shall be calculated using the then current interest rates applicable thereto.

"**Interest Coverage Ratio**" means the Class A/B Interest Coverage Ratio, the Class C Interest Coverage Ratio, the Class D Interest Coverage Ratio and the Class E Interest Coverage Ratio. For the purposes of calculating an Interest Coverage Ratio, the expected interest income on Collateral Debt Obligations, Eligible Investments and the Accounts (to the extent applicable) and the expected interest payable on the relevant Rated Notes will be calculated using the then current interest rates applicable thereto.

"**Interest Coverage Test**" means the Class A/B Interest Coverage Test, the Class C Interest Coverage Test, the Class D Interest Coverage Test and the Class E Interest Coverage Test.

"**Interest Determination Date**" means the second Business Day prior to the commencement of each Accrual Period. For the avoidance of doubt, in respect of the Issue Date, the Calculation Agent will determine the offered rate or rates, as applicable, by reference to the rate or rates applicable to Euro deposits for the applicable tenor or tenors on the Issue Date, but such offered rate or rates shall be calculated as of the second Business Day prior to the Issue Date. The "Interest Determination Date" in respect of the Class A First EURIBOR Period shall be the Issue Date (with the applicable rates determined on the Issue Date in accordance with the foregoing), and the "Interest Determination Date" in respect of the Class A Second EURIBOR Period shall be the second Business Day immediately preceding the First EURIBOR Period End Date.

"**Interest Proceeds**" means all amounts paid or payable into the Interest Account from time to time in accordance with Condition 3(j)(ii) (*Interest Account*) (and with respect to any Payment Date, means the Interest Proceeds received or receivable by or on behalf of the Issuer during the related Due Period including all Scheduled Periodic Interest Rate Hedge Counterparty Payments and Scheduled Periodic Asset Swap Counterparty Payments to be applied in accordance with the applicable Priorities of Payment on such Payment Date together with any other amounts to be disbursed as Interest Proceeds on such Payment Date pursuant to Condition 3(c)(i) (*Application of Interest Proceeds*) including, for the avoidance of doubt, amounts being transferred to the Interest Smoothing Account pursuant to Condition 3(j)(ii)(M)(7)).

"**Interest Proceeds Priority of Payments**" means the priority of payments in respect of Interest Proceeds set out in Condition 3(c)(i) (*Application of Interest Proceeds*).

"**Interest Rate Hedge Agreement**" means each 1992 Master Agreement (Multicurrency – Cross-Border) or 2002 Master Agreement published by the International Swaps and Derivatives Association (as applicable) (including any confirmations evidencing the transactions thereunder and any annexes or schedules thereto) between the Issuer and an Interest Rate Hedge Counterparty evidencing interest rate swap, cap and/or floor transactions entered into between the Issuer and such Interest Rate Hedge Counterparty from time to time, as the same may be supplemented, amended or replaced from time to time and including any Replacement Interest Rate Hedge Agreement entered into in replacement thereof.

"**Interest Rate Hedge and Asset Swap Termination Receipt Account**" means the interest bearing account (or accounts) of the Issuer with the Account Bank into which Hedge Counterparty Termination Payments and Hedge Replacement Receipts shall be paid, which account (or accounts) shall be maintained in each relevant currency in relation to the Asset Swap Transactions.

"**Interest Rate Hedge Counterparty**" means any financial institution which, at the time it enters into an Interest Rate Hedge Agreement, is required to satisfy the applicable Rating Requirement (taking into account any guarantor thereof) and is authorised to conduct derivatives business with residents domiciled in Ireland.

"**Interest Rate Hedge Counterparty Termination Payment**" means the amount payable by the Interest Rate Hedge Counterparty to the Issuer upon termination or modification of an Interest Rate Hedge Transaction pursuant to the relevant Interest Rate Hedge Agreement excluding, for all purposes other than determining the amount payable by the Interest Rate Hedge Counterparty to the Issuer under the relevant Interest Rate Hedge Agreement, the portion thereof representing any due and unpaid Scheduled Periodic Interest Rate Hedge Counterparty Payments.

"**Interest Rate Hedge Issuer Termination Payment**" means the amount payable to the Interest Rate Hedge Counterparty by the Issuer upon termination or modification of an Interest Rate Hedge Transaction pursuant to the relevant Interest Rate Hedge Agreement excluding, for all purposes other than determining the amount payable by the Issuer to the Interest Rate Hedge Counterparty under the relevant Interest Rate Hedge Agreement, any due and unpaid Scheduled Periodic Interest Rate Hedge Issuer Payments.

"**Interest Rate Hedge Replacement Payment**" means any amount payable to a replacement Interest Rate Hedge Counterparty by the Issuer upon entry into a Replacement Interest Rate Hedge Transaction.

"**Interest Rate Hedge Replacement Receipt**" means any amount received by the Issuer in respect of amounts payable to the Issuer by a replacement Interest Rate Hedge Counterparty upon entry into a Replacement Interest Rate Hedge Transaction.

"**Interest Rate Hedge Transaction**" means each interest rate transaction entered into under an Interest Rate Hedge Agreement which may be an interest rate swap transaction or an interest rate cap transaction or an interest rate floor transaction or any combination thereof. The entry into any Interest Rate Hedge Transaction, save for a Form-Approved Interest Rate Hedge, will be subject to (among other things) Rating Agency Confirmation.

"**Interest Reserve Account**" means an interest-bearing account of the Issuer with the Account Bank.

"**Interest Reserve Replenishment Threshold**" means, in respect of any Payment Date, the threshold which is attained when all payments of interest on the Subordinated Notes amount to at least 15 per cent. of the Principal Amount Outstanding of the Subordinated Notes on such Payment Date (taking into account all prior payments of interest made to the Subordinated Notes on preceding Payment Dates and taking into account any payments of interest to be made on such Payment Date).

"**Interest Smoothing Account**" means the account described as such in the name of the Issuer with the Account Bank to which the Issuer will procure amounts are deposited in accordance with Condition 3(j)(xi) (*Interest Smoothing Account*).

"**Interest Smoothing Amount**" means (i) in respect of each Determination Date following (and including) the Determination Date upon which a Frequency Switch Event occurs, zero; and, (ii) in respect of each other Determination Date and for so long as any Rated Notes are Outstanding, an amount equal to the sum of all payments of interest received during the related Due Period in respect of each Semi-Annual Obligation (that was a Semi-Annual Obligation at all times during such Due Period but excluding Semi-Annual Obligations that are Defaulted Obligations (other than Defaulted Obligation Excess Amounts)) divided by two; *provided that* (x) such amount may not be less than zero and (y) following redemption in full of the Rated Notes, such amount shall be deemed to be zero.

"**Intermediary Obligation**" means an interest in relation to a loan which is structured to be acquired indirectly by lenders therein at or prior to primary syndication thereof, including pursuant to a collateralised deposit or guarantee, a sub-participation or other arrangement which has the same commercial effect and in each case, in respect of any obligation of the lender to a "fronting bank" in respect of non-payment by the Obligor, is 100 per cent. collateralised by such lenders.

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

"**Irish Account**" means the bank account of the Issuer in which the Issuer's share capital and Issuer Profit are deposited.

"**Irish Business Day**" means a day on which commercial banks and foreign exchange markets settle payments in the Republic of Ireland (other than a Saturday or Sunday).

"**Irish Excluded Assets**" means the Irish Account and the Issuer Corporate Services Agreement.

"**Irish Stock Exchange**" means Irish Stock Exchange plc.

"**IRR**" means the internal rate of return calculated using the "**XIRR**" function in Microsoft Excel or any equivalent function in another software package that would result in a net present value of zero, assuming: (i) the par value of the Subordinated Notes as the initial cash outflow and all distributions to the Subordinated Notes on the current and each preceding Payment Date as subsequent cash inflows (including the Redemption Date, if applicable); (ii) the initial date for the calculation as the Issue Date; and (iii) the number of days to each subsequent Payment Date from the Issue Date calculated on the basis of the actual number of days in an Accrual Period divided by 365.

"**IRS**" means the United States Internal Revenue Service or any successor thereto.

"**Issue Date**" means 12 May 2016 (or such other date as may shortly follow such date as may be agreed between the Issuer, the Joint Arrangers and the Portfolio Manager).

"**Issue Date Collateral Debt Obligation**" means an obligation for which the Issuer (or the Portfolio Manager acting on behalf of the Issuer) has entered into a binding commitment to purchase on or prior to the Issue Date.

"**Issuer Corporate Services Agreement**" means the corporate services agreement dated on or about 12 May 2016 entered into between the Issuer Corporate Services Provider and the Issuer.

"**Issuer Corporate Services Provider**" means TMF Administration Services Limited in its capacity as Issuer Corporate Services Provider pursuant to the Issuer Corporate Services Agreement.

"**Issuer Profit**" means €1,000 per annum payable to the Issuer in equal instalments in arrear in accordance with the Priorities of Payment quarterly (or, following the occurrence of a Frequency Switch Event, semi-annually) on each Payment Date.

"**Joint Arrangers**" means each of Resource Capital Markets, Inc. and RBC Capital Markets, LLC as joint arrangers.

"**Joint Placement Agents**" means each of Resource Securities, Inc., Resource Europe Management Ltd. and RBC Europe Limited as joint placement agents pursuant to the Placement Agency Agreement.

"**Maintenance Covenant**" means a covenant by any Obligor to comply with one or more financial covenants during each reporting period, whether or not such Obligor has taken any specified action.

"**Mandatory Redemption**" means a redemption of the Notes pursuant to and in accordance with Condition 7(c) (*Redemption upon Breach of Coverage Tests*), Condition 7(f) (*Redemption upon Effective Date Rating Event*) or Condition 7(g) (*Redemption following expiry of the Reinvestment Period*) as applicable.

"**Margin Stock**" means margin stock as defined under Regulation U issued by the Federal Reserve Board, including any debt security which is by its terms convertible into such margin stock.

"**Market Value**" means, on any date of determination and as provided by the Portfolio Manager to the Collateral Administrator (in each case expressed as a percentage of par):

(a) the bid price of such Collateral Debt Obligation determined by an independent recognised pricing service; or

(b) if such independent recognised pricing service is not available, the mean of the bid prices determined by three independent broker-dealers active in the trading of such Collateral Debt Obligations; or

(c) if three such broker-dealer prices are not available, the lower of the bid side prices determined by two such broker-dealers; or

(d) if two such broker-dealer prices are not available, the bid side price determined by one independent broker-dealer (unless, in each case, the fair market value thereof determined by the Portfolio Manager pursuant to (e) hereafter would be lower); or

(e) if the determinations of such broker-dealers or independent recognised pricing service are not available, the fair market value thereof determined by the Portfolio Manager on a best efforts basis in a manner consistent with reasonable and customary market practice,

provided that if the Portfolio Manager is not subject to Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 (or other comparable regulation), where the Market Value is determined by the Portfolio Manager in accordance with (e) above, such Market Value shall only be valid for 30 days, after which time if the Market Value cannot be ascertained by a third party the Market Value shall be deemed to be zero; and

provided further that where the Market Value is determined by the Portfolio Manager in accordance with paragraph (e) above and solely for the purposes of (i) calculating the CCC Excess Haircut with respect to S&P CCC Obligations, or (ii) determining whether a Collateral Debt Obligation constitutes a "Current Pay Obligation", in each case in accordance with the definition thereof, such Market Value shall be deemed for such purposes to be equal to the applicable S&P Recovery Rate.

For the purposes of this definition, "independent" shall mean: (A) that each pricing service and broker-dealer from whom a bid price is sought is independent from each of the other pricing services and broker-dealers from whom a bid price is sought and (B) each pricing service and broker dealer is not an Affiliate of the Portfolio Manager.

"**Maturity Date**" means 22 May 2029 or, in the event that such day is not a Business Day, the next following Business Day (unless it would thereby fall in the following month, in which case it shall be brought forward to the immediately preceding Business Day).

"**Measurement Date**" means:

(a) the Effective Date;

(b) for the purposes of determining satisfaction of the Reinvestment Criteria after the Effective Date, firstly, immediately prior to receipt of any Principal Proceeds which are to be reinvested without taking into account and, secondly, taking into account the proposed sale, repayment or prepayment and reinvestment of the proceeds thereof in Substitute Collateral Debt Obligations;

(c) the date of acquisition of any additional Collateral Debt Obligation following the Effective Date;

(d) each Determination Date;

(e) the date as at which any Report is prepared; and

(f) with reasonable (and not less than two Business Days') notice in writing, any Business Day requested by any Rating Agency.

"**Mezzanine Loan**" means a mezzanine loan or other comparable loan obligation (but excluding any such loan obligation with attached warrants and excluding any such loan obligation which is evidenced by an issue of notes), as determined by the Portfolio Manager, or a Participation therein.

"**Minimum Denomination**" means:

(a) in the case of the Regulation S Notes of each Class, €100,000; and

(b) in the case of the Rule 144A Notes of each Class, €250,000.

"**Minimum Weighted Average Spread Test**" has the meaning given to it in the Portfolio Management Agreement.

"**Monthly Report**" means any monthly report defined as such in the Portfolio Management Agreement which is prepared by the Collateral Administrator (in consultation with the Portfolio Manager) on behalf of the Issuer on such dates as are set forth in the Portfolio Management Agreement, and which is made available in pdf format,

with the underlying portfolio data being made available in excel format, via a secured website currently located at https://usbtrustgateway.usbank.com/portal/login.do (or such other website as may be notified in writing by the Collateral Administrator to the Issuer, Trustee, Portfolio Manager, Hedge Counterparties, Rating Agencies and the Noteholders from time to time), which shall be accessible to the Issuer, the Trustee, the Portfolio Manager, each Hedge Counterparty and the Rating Agencies and, upon request therefor in accordance with Condition 4(e) (*Information regarding the Collateral*), to any Noteholder by way of a unique password which in the case of each Noteholder may be obtained from the Collateral Administrator subject to receipt by the Collateral Administrator of certification that such holder is a holder of a beneficial interest in any Notes, and which shall include (among other things) information regarding the status of certain of the Collateral pursuant to the Portfolio Management Agreement.

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

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

"**Moody's Collateral Value**" means for each Defaulted Obligation as at the applicable Measurement Date, the lower of:

(a) its prevailing Market Value; and

(b) the relevant Moody's Recovery Rate,

in each case, multiplied by its Principal Balance.

"**Moody's Issuer Credit Rating**" means in respect of a Collateral Debt Obligation, a publicly available issuer credit rating by Moody's in respect of the Obligor thereof.

"**Moody's Matrix**" has the meaning given to it in the Portfolio Management Agreement.

"**Moody's Matrix Spread**" has the meaning given to it in the Portfolio Management Agreement.

"**Moody's Minimum Weighted Average Recovery Rate Test**" has the meaning given to it in the Portfolio Management Agreement.

"**Moody's Rating**" has the meaning given to it in the Portfolio Management Agreement.

"**Moody's Recovery Rate**" means in respect of any Collateral Debt Obligation and each Class of Rated Notes, the Moody's recovery rate determined in accordance with the Portfolio Management Agreement or as advised by Moody's.

"**Non-Call Period**" means the period from, and including, the Issue Date, up to, but excluding, 22 May 2018, or if such day is not a Business Day, the next following day that is a Business Day (unless it would fall in the next calendar month, in which case such date shall be brought forward to the immediately preceding Business Day).

"**Non-Eligible Issue Date Collateral Debt Obligation**" means any Issue Date Collateral Debt Obligation that does not satisfy the Eligibility Criteria as at the Issue Date.

"**Non-Euro Account**" means each segregated account in the name of the Issuer held with the Account Bank (as instructed by the Issuer, or the Portfolio Manager on its behalf, to be opened) into which amounts due to the Issuer in respect of each Non-Euro Obligation (and any initial principal exchange amount due from an Asset Swap Counterparty under an Asset Swap Transaction) and out of which amounts due from the Issuer to each Asset Swap Counterparty under each relevant Asset Swap Transaction (including Scheduled Periodic Asset Swap Issuer Payments and Asset Swap Issuer Principal Exchange Amounts) are to be paid.

"**Non-Euro Obligation**" means any Collateral Debt Obligation purchased by or on behalf of the Issuer in accordance with the Portfolio Management Agreement which is denominated in a Qualifying Currency other than Euro and which satisfies the Eligibility Criteria.

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

"**Noteholders**" means the persons in whose name the Notes are registered from time to time in accordance with and subject to their terms and the terms of the Trust Deed, and "**holder**" (in respect of the Notes) shall be construed accordingly.

"**Note Payment Sequence**" means the application of Interest Proceeds or Principal Proceeds, as applicable, in accordance with the relevant Priority of Payments in the following order:

(a) *firstly*, to the redemption of the Class A Notes (on a *pro rata* and *pari passu* basis) at the applicable Redemption Price in whole or in part until the Class A Notes have been fully redeemed,

(b) *secondly*, to the redemption of the Class B Notes (on a *pro rata* and *pari passu* basis) at the applicable Redemption Price in whole or in part until the Class B Notes have been fully redeemed;

(c) *thirdly*, to the redemption of the Class C Notes including any Deferred Interest thereon (on a *pro rata* and *pari passu* basis) at the applicable Redemption Price in whole or in part until the Class C Notes have been fully redeemed;

(d) *fourthly*, to the redemption of the Class D Notes including any Deferred Interest thereon (on a *pro rata* and *pari passu* basis) at the applicable Redemption Price in whole or in part until the Class D Notes have been fully redeemed;

(e) *fifthly*, to the redemption of the Class E Notes including any Deferred Interest thereon (on a *pro rata* and *pari passu* basis) at the applicable Redemption Price in whole or in part until the Class E Notes have been fully redeemed; and

(f) *sixthly*, to the redemption of the Class F Notes including any Deferred Interest thereon (on a *pro rata* and *pari passu* basis) at the applicable Redemption Price in whole or in part until the Class F Notes have been fully redeemed,

provided that, for the purposes of any redemption of the Notes in accordance with the Note Payment Sequence following any breach of Coverage Tests, the Note Payment Sequence shall terminate immediately after the paragraph above that refers to the Class of Notes to which such Coverage Test relates.

"**Note Purchase Agreement**" means each note purchase agreement (or, as the context may require, any one or more of them) entered into between the Issuer and the applicable Noteholder and dated on or before the Issue Date.

"**Note Tax Event**" means, at any time:

(a) the introduction of a new, or any change in, any statute, treaty, regulation, rule, ruling, practice, procedure or judicial decision or interpretation (whether proposed, temporary or final) which results in (or would on the next Payment Date result in) any payment of principal or interest on any Class of Notes becoming properly subject to any withholding tax in any jurisdiction other than:

  (i) a payment in respect of Deferred Interest becoming properly subject to any withholding tax;

  (ii) withholding tax in respect of FATCA or under Council Directive 2003/48/6C (as amended) on the taxation of savings income; and

  (iii) by reason of the failure by the relevant Noteholder to comply with any applicable procedures required to establish non-residence or other similar claim for exemption from such tax or to provide information concerning nationality, residency or connection with Ireland or any other jurisdiction to any tax authority; or

(b) United Kingdom, Ireland or U.S. federal, state or governmental tax authorities impose net income, profits, diverted profits or similar tax upon the Issuer (or its representative) which in aggregate exceeds €1,000 per annum or its equivalent in another currency converted into Euro at the Applicable Exchange Rate (other than any U.S. federal, state or local income or franchise tax imposed solely with respect to an equity security or "United States real property interest" (as defined for U.S. federal income tax purposes) received in an Offer).

"**Obligor**" means, in respect of a Collateral Debt Obligation, the borrower thereunder or issuer thereof or, in either case, the guarantor thereof (as determined by the Portfolio Manager on behalf of the Issuer).

"**Offer**" means, with respect to any Collateral Debt Obligation, (a) any offer by the Obligor under such obligation or by any other Person made to all of the creditors of such Obligor in relation to such obligation to purchase or otherwise acquire such obligation (other than pursuant to any redemption in accordance with the terms of the related Underlying Instruments) or to convert or exchange such obligation into or for cash, securities or any other type of consideration or (b) any solicitation by the Obligor of such obligation or any other Person to amend, modify or waive any provision of such obligation or any related Underlying Instrument.

"**Optional Redemption**" means a redemption pursuant to and in accordance with Condition 7(b) (*Optional Redemption*) or 7(d) (*Redemption following a Note Tax Event*).

"**Ordinary Resolution**" means an Ordinary Resolution as described in Condition 14 (*Meetings of Noteholders, Modification, Waiver and Substitution*) and as further described in, and as defined in, the Trust Deed.

"**Outstanding**" means, in relation to the Notes of a Class as of any date of determination, all of the Notes of such Class issued, as further defined in and subject to the provisions of the Trust Deed.

"**Participation**" means an undivided 100 per cent. interest in a Collateral Debt Obligation taken indirectly by the Issuer by way of sub-participation from a Selling Institution which shall include, for the purposes of the Bivariate Risk Table set forth in the Portfolio Management Agreement, Intermediary Obligations.

"**Participation Agreement**" means an agreement between the Issuer and a Selling Institution in relation to the purchase by the Issuer of a Participation.

"**Par Value Ratio**" means the Class A/B Par Value Ratio, the Class C Par Value Ratio, the Class D Par Value Ratio, the Class E Par Value Ratio or the Class F Par Value Ratio (as applicable).

"**Par Value Test**" means the Class A/B Par Value Test, the Class C Par Value Test, the Class D Par Value Test, the Class E Par Value Test or the Class F Par Value Test (as applicable).

"**Par Value Test Adjusted Principal Amount**" means, at any date of determination:

(a) the Aggregate Principal Balance of the Collateral Debt Obligations (other than Defaulted Obligations); *plus*

(b) without duplication, the amounts on deposit in the Principal Account and the Unused Proceeds Account (to the extent such amounts represent Principal Proceeds) (including Eligible Investments therein which represent Principal Proceeds); *plus*

(c) in relation to a Defaulted Obligation, the lower of its S&P Collateral Value and its Moody's Collateral Value, *provided that* the Par Value Test Adjusted Principal Amount of a Defaulted Obligation that has been a Defaulted Obligation for a continuous period of more than three years after the date on which it became a Defaulted Obligation and continues to be a Defaulted Obligation on such date of determination shall be zero; *minus*

(d) the Discounted Collateral Haircut; *minus*

(e) the CCC Excess Haircut,

provided that, with respect to any Collateral Debt Obligation that satisfies more than one of paragraphs (c) through (e) above, such Collateral Debt Obligation shall, for the purposes of this definition, be treated as belonging to the category of Collateral Debt Obligations which results in the lowest Par Value Test Adjusted Principal Amount on any date of determination.

"**Payment Account**" means the non-interest bearing account in the name of the Issuer held with the Account Bank to which amounts shall be transferred by the Account Bank on the instructions of the Collateral Administrator on the second Business Day prior to each Payment Date out of certain of the other Accounts in accordance with Condition 3(j) (*Payments to and from the Accounts*) and out of which the amounts required to be paid on each Payment Date pursuant to the Priorities of Payment shall be paid.

"**Payment Date**" means

(a) 22 February, 22 May, 22 August and 22 November at any time prior to the occurrence of a Frequency Switch Event; and

(b) 22 February and 22 August (where the Payment Date immediately following the occurrence of a Frequency Switch Event falls in either February or August), or 22 May and 22 November (where the Payment Date immediately following the occurrence of a Frequency Switch Event falls in either May or November), following the occurrence of a Frequency Switch Event,

in each case, in each year, commencing on 22 November 2016 up to and including the Maturity Date and any Redemption Date, *provided that* if any Payment Date would otherwise fall on a day which is not a Business Day, it shall be postponed to the next day that is a Business Day (unless it would thereby fall in the following month, in which case it shall be brought forward to the immediately preceding Business Day).

"**Payment Date Report**" means the accounting report defined as such in the Portfolio Management Agreement which is prepared by the Collateral Administrator (in consultation with the Portfolio Manager) on behalf of the Issuer and made available in PDF format, with the underlying portfolio data being made available in excel format, via a secured website currently located at https://usbtrustgateway.usbank.com/portal/login.do (or such other website as may be notified in writing by the Collateral Administrator to the Issuer, Trustee, Portfolio Manager, Hedge Counterparties, Rating Agencies, the Joint Arrangers and the Noteholders from time to time), which shall be accessible to the Issuer, the Trustee, the Portfolio Manager, the Joint Arrangers, each Hedge Counterparty, each Rating Agency and, upon request therefor in accordance with Condition 4(e) (*Information regarding the Collateral*), to any Noteholder by way of a unique password which in the case of each Noteholder may be obtained from the Collateral Administrator subject to receipt by the Collateral Administrator of certification that such holder is a holder of a beneficial interest in any Notes, not later than the second Business Day preceding the related Payment Date.

"**Permitted Use**" means, with respect to Additional Subordinated Note Proceeds, any of the following uses: (i) the transfer of the applicable portion of such amount to the Interest Account for application as Interest Proceeds on any Payment Date in accordance with the Interest Proceeds Priority of Payments and (ii) the transfer of the applicable portion of such amount to the Principal Account for application as Principal Proceeds on any Payment Date in accordance with the Principal Proceeds Priority of Payments or for the purchase of Collateral Debt Obligations subject to the satisfaction of the Reinvestment Criteria in each case provided such deposit into the Principal Account or such purchase will not cause a Retention Deficiency, in each case subject to the limitations set forth in the Transaction Documents.

"**Person**" means an individual, corporation (including a business trust), partnership, joint venture, association, joint stock company, trust (including any beneficiary thereof), unincorporated association or government or any agency or political subdivision thereof.

"**PIK Security**" means any Collateral Debt Obligation which is a security, the terms of which permit the deferral of the payment of interest thereon (but excluding a Collateral Debt Obligation which permits such deferral only upon unavailability of proceeds for the Obligor to make such payments and excluding any Collateral Debt Obligation which pays interest in part in cash), including without limitation by way of capitalising interest thereon.

"**Placement Agency Agreement**" means the placement agency agreement dated on or about the Issue Date between the Issuer and the Joint Placement Agents.

"**PM Non-Voting Exchangeable Notes**" means Rated Notes which:

(a) do not carry a right to vote in respect of or be counted for the purposes of determining a quorum and the result of voting on a PM Removal Resolution or a PM Replacement Resolution but which do carry a right to vote on and be so counted in respect of all other matters in respect of which the PM Voting Notes have a right to vote and be so counted; and

(b) are exchangeable into:

    (i) PM Non-Voting Notes at any time; or

(ii) PM Voting Notes only in connection with the transfer of such Rated Notes to an entity that is not an Affiliate of the transferor.

"**PM Non-Voting Notes**" means Rated Notes which:

(a) do not carry a right to vote in respect of or be counted for the purposes of determining a quorum and the result of voting on a PM Removal Resolution or a PM Replacement Resolution but which do carry a right to vote on and be so counted in respect of all other matters in respect of which the PM Voting Notes have a right to vote and be so counted; and

(b) are not exchangeable into PM Voting Notes or PM Non-Voting Exchangeable Notes at any time.

"**PM Removal Resolution**" means any Resolution, vote, written direction or consent of the Holders in relation to the removal of the Portfolio Manager in accordance with the Portfolio Management Agreement following the occurrence of a Portfolio Manager Event of Default (other than pursuant to paragraph (viii) of the definition thereof).

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

"**PM Voting Notes**" means Rated Notes which:

(a) carry a right to vote, in respect of and be counted for the purposes of determining a quorum and the result of voting on a PM Removal Resolution or a PM Replacement Resolution and all other matters as to which Holders are entitled to vote; and

(b) are exchangeable into PM Non-Voting Notes or PM Non-Voting Exchangeable Notes at any time.

"**Portfolio**" means the Collateral Debt Obligations, Exchanged Securities and Eligible Investments held by or on behalf of the Issuer from time to time.

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

"**Portfolio Manager Advance**" means any amount which may be advanced by the Portfolio Manager to the Issuer pursuant to the Portfolio Management Agreement on the terms set out therein for the purpose of acquiring or exercising rights under any Exchanged Security.

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

"**Portfolio Manager Related Person**" means the Portfolio Manager's Affiliates or any fund or account for which the Portfolio Manager or its Affiliates exercises discretionary voting authority on behalf of such fund or account in respect of the Notes.

"**Portfolio Profile Tests**" means the Portfolio Profile Tests each as defined in the Portfolio Management Agreement.

"**Post-Acceleration Priority of Payments**" has the meaning given in Condition 11(b)(iii) (*Enforcement*).

"**Presentation Date**" means a day which (subject to Condition 12 (*Prescription*)):

(a) is a Business Day;

(b) is or falls after the relevant due date or, if the due date is not or was not a Business Day in the place of presentation, is or falls after the next following Business Day which is a Business Day in the place of presentation; and

(c) is a Business Day in which the account specified by the payee is open.

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

"**Principal Amount Outstanding**" means, in relation to any Class of Notes and at any time, the aggregate principal amount outstanding under such Class of Notes at that time, which in the case of the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes shall, for the avoidance of doubt, include that element of the principal amount outstanding which represents Deferred Interest which has been capitalised pursuant to Condition 6(c)(i) (*Deferred Interest*) save that Deferred Interest shall not be included for the purposes of determining voting rights or the right to give directions or instructions attributable to the Class C Notes, the Class D Notes, Class E Notes and the Class F Notes, as applicable, and the applicable quorum at any meeting of the Noteholders pursuant to Condition 14 (*Meetings of Noteholders, Modification, Waiver and Substitution*) and *provided that* solely:

(a) in connection with a PM Removal Resolution or a PM Replacement Resolution, no Notes held in the form of PM Non-Voting Exchangeable Notes or PM Non-Voting Notes shall (i) be entitled to vote in respect of such PM Removal Resolution or PM Replacement Resolution, or (ii) be counted for the purposes of determining a quorum or the result of voting in respect of such PM Removal Resolution or PM Replacement Resolution; and

(b) in connection with a PM Removal Resolution or a PM Replacement Resolution, no Notes held by a Portfolio Manager or a Portfolio Manager Related Person shall (i) be entitled to vote in respect of such PM Removal Resolution or PM Replacement Resolution, or (ii) be counted for the purposes of determining a quorum or the result of voting in respect of such PM Removal Resolution or PM Replacement Resolution.

"**Principal Balance**" means, with respect to any Collateral Debt Obligation, Eligible Investment, or Exchanged Security, as of any date of determination, the outstanding principal amount thereof (excluding any interest capitalised pursuant to the terms of such instrument other than, with respect to a Mezzanine Loan, any such interest capitalised pursuant to the terms thereof which is paid for on the date of acquisition of such Mezzanine Loan), *provided, however, that*:

(a) the Principal Balance of any Revolving Collateral Obligation and Delayed Drawdown Collateral Obligation as of any date of determination, shall be the outstanding principal amount of such Revolving Collateral Obligation or Delayed Drawdown Collateral Obligation, *plus* any undrawn commitments that have not been irrevocably cancelled with respect to such Revolving Collateral Obligation or Delayed Drawdown Collateral Obligation;

(b) the Principal Balance of each Exchanged Security shall be deemed to be zero (*provided that* for the purposes of determining compliance with the Retention Requirements, the Principal Balance of any Exchanged Security shall be determined as provided for in the definition of Aggregate Collateral Balance herein);

(c) the Principal Balance of any Non-Euro Obligation shall be the Euro notional amount of the related Asset Swap Transaction and if no Asset Swap Transaction is effective with respect to such Non-Euro Obligation, the Principal Balance of such Non-Euro Obligation shall be zero, *provided that*:

    (i) in the period prior to settlement of the purchase of a Non-Euro Obligation; or

    (ii) following the termination of a related Asset Swap Transaction for a period not exceeding three calendar months, for so long as no Asset Swap Transaction or Replacement Asset Swap Transaction is effective with respect to such Non-Euro Obligation,

    the Principal Balance of the applicable Non-Euro Obligation shall be an amount equal to the outstanding principal amount of such Non-Euro Obligation converted into Euro at the Spot Rate of Exchange prevailing at the date of determination;

(d) the Principal Balance of any cash shall be the amount of such cash converted where applicable into Euro at the Applicable Exchange Rate;

(e) the Principal Balance of any Corporate Rescue Loan in respect of which either (x) both a S&P Rating and a Moody's Rating are unavailable or (y) no credit estimate has been assigned to it by either S&P or Moody's, in each case, within 90 days following the Issuer entering into a binding commitment to acquire such Corporate Rescue Loan, shall be zero unless and until either a S&P Rating or a Moody's Rating or credit estimate is available or assigned thereto by S&P or Moody's (unless any other provision of this definition sets a lower value); *provided further* that for the purposes of determining

compliance with the Retention Requirements, the Principal Balance of any Corporate Rescue Loan shall be the outstanding principal amount thereof (including any accrued interest which is paid for on the date of acquisition thereof); and

(f) in respect of a Collateral Debt Obligation, (x) the S&P Rating of which has been determined pursuant to paragraph (e)(ii) of the definition of S&P Rating for a consecutive period of 90 days during which S&P has not provided a credit estimate in respect of such Collateral Debt Obligation and (y) that has not had a public rating by S&P withdrawn or suspended within six months prior to the date of application for a credit estimate in respect of such Collateral Debt Obligation, following the earlier of (A) S&P notifying the Portfolio Manager that no credit estimate will be provided for such Collateral Debt Obligation after the expiry of the 90-day period during which S&P has not provided a credit estimate and (B) the expiry of a period of six months during which the S&P Rating of such Collateral Debt Obligation has been continuously determined in accordance with paragraph (e)(ii) of the S&P Rating definition without a credit estimate having been assigned to it during such period, the Principal Balance of such Collateral Debt Obligation shall be zero, unless S&P has agreed to extend such period, and until an S&P Rating can be determined in respect of such Collateral Debt Obligation pursuant to paragraphs (a), (b) or (e)(i) of the definition of S&P Rating, a credit estimate being assigned by S&P in respect of such Collateral Debt Obligation or such other treatment being applied to such Collateral Debt Obligation as may be advised by S&P; *and provided further that* for the purposes of calculating the Aggregate Collateral Balance for the purposes of determining compliance with the Retention Requirements, the Principal Balance of any such Collateral Debt Obligation shall be the outstanding principal amount thereof.

"**Principal Proceeds**" means all amounts paid or payable into the Principal Account from time to time in accordance with Condition 3(j)(i) (*Principal Account*) (and with respect to any Payment Date, means Principal Proceeds received or receivable by the Issuer during the related Due Period to be applied in accordance with Condition 3(c)(ii) (*Application of Principal Proceeds*)) on such Payment Date and, in each case, shall include any other amounts to be disbursed as Principal Proceeds on such Payment Date pursuant to Condition 3(c)(ii) (*Application of Principal Proceeds*)).

"**Principal Proceeds Priority of Payments**" means the priority of payments in respect of Principal Proceeds set out in Condition 3(c)(iii) (*Application of Principal Proceeds*).

"**Priorities of Payment**" means:

(a) save for (i) in connection with any Optional Redemption of the Notes in whole pursuant to Condition 7(b) (*Optional Redemption*), or Condition 7(d) (*Redemption following a Note Tax Event*); or (ii) upon an acceleration of the Notes which has not subsequently been rescinded and annulled in accordance with Condition 10(c) (*Curing of Note Event of Default*):

  (i) in the case of Interest Proceeds, the Interest Proceeds Priority of Payments; and

  (ii) in the case of Principal Proceeds, the Principal Proceeds Priority of Payments; and

(b) in the event of any Optional Redemption of the Notes in whole pursuant to Condition 7(b) (*Optional Redemption*) or Condition 7(d) (*Redemption following a Note Tax Event*); or upon an acceleration of the Notes which has not subsequently been rescinded and annulled in accordance with Condition 10(c) (*Curing of Note Event of Default*), the Post-Acceleration Priority of Payments.

"**Purchased Accrued Interest**" means, with respect to any Due Period, all payments of interest and proceeds of sale received during such Due Period in relation to any Collateral Debt Obligation, in each case, to the extent that such amounts represent accrued interest in respect of such Collateral Debt Obligation (including, in respect of a Mezzanine Loan, any accrued interest which, at the time of the purchase had been capitalised and added to the principal amount of such Mezzanine Loan in accordance with its terms) (other than Ramp Accrued Interest), which was purchased at the time of acquisition thereof with Principal Proceeds.

"**QIB**" means a Person who is a qualified institutional buyer as defined in Rule 144A.

"**QIB/QP**" means a Person who is both a QIB and a QP.

"**Qualified Purchaser**" and "**QP**" mean a Person who is a qualified purchaser as defined in section 2(a)(51)(A) of the Investment Company Act.

"**Qualifying Country**" means each of Australia, Austria, Belgium, Canada, the Channel Islands, Croatia, Czech Republic, Denmark, Finland, France, Germany, Ireland, Italy, Japan, Liechtenstein, Luxembourg, The Netherlands, New Zealand, Norway, Poland, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom and the United States and any country having a foreign currency issuer credit rating, at the time of acquisition of the relevant Collateral Debt Obligation or Eligible Investment, of at least "Baa3" by Moody's and "BBB-" by S&P or any other country in respect of which Rating Agency Confirmation has been received, at the time of acquisition of the relevant Collateral Debt Obligation from each Rating Agency.

"**Qualifying Currency**" means Euro, Sterling, U.S. Dollars, Swedish Krona, Norwegian Krone, Danish Krone, Australian Dollars, Canadian Dollars or such other currency in respect of which Rating Agency Confirmation from each of Moody's and S&P is received and for which the Account Bank has confirmed it is able to hold deposits.

"**Ramp Accrued Interest**" means, with respect to any Due Period, all payments of interest and proceeds of sale received during such Due Period in relation to any Collateral Debt Obligation, in each case, to the extent that such amounts represent accrued and/or capitalised interest in respect of such Collateral Debt Obligation (including, in respect of a Mezzanine Loan, any accrued interest which, as at the time of purchase, had been capitalised and added to the principal amount of such Mezzanine Loan in accordance with its terms), which was purchased at the time of the acquisition thereof with amounts paid out of the Unused Proceeds Account and/or amounts paid to the warehouse providers under the Warehouse Arrangements.

"**Rate of Interest**" means, in the case of any Class of Floating Rate Notes, the applicable Floating Rate of Interest; and

"**Rated Notes**" means, so long as any Notes of the relevant Class remains Outstanding, each Class of Notes other than the Subordinated Notes.

"**Rating Agency**" means S&P and Moody's, *provided that* if at any time S&P and/or Moody's ceases to provide rating services, any other nationally recognised investment rating agency or rating agencies (as applicable) selected by the Issuer (a "**Replacement Rating Agency**", and "**Rating Agency**" means any such rating agency). If at any time a Rating Agency is replaced by a Replacement Rating Agency, references to rating categories of the original Rating Agency in these Conditions, the Trust Deed and the Portfolio Management Agreement shall be deemed instead to be references to the equivalent categories of the relevant Replacement Rating Agency as of the most recent date on which such other rating agency published ratings for the type of security in respect of which such Replacement Rating Agency is used and all references herein to "**Rating Agencies**" shall be construed accordingly.

"**Rating Agency Confirmation**" means, with respect to any specified action, determination or appointment, receipt by the Issuer and the Trustee of written confirmation (which may take the form of a bulletin, press release, email or other written communication) by each Rating Agency which has assigned ratings to the Rated Notes that are Outstanding (or, if applicable, the Rating Agency specified) that such specified action, determination or appointment will not result in the reduction or withdrawal of any of the ratings currently assigned to the Rated Notes by such Rating Agency. Notwithstanding anything to the contrary in any Transaction Document and these Conditions, no Rating Agency Confirmation shall be required from a Rating Agency in respect of any action, determination or appointment if such Rating Agency has declined a request from the Trustee, the Portfolio Manager or the Issuer to review the effect of such action, determination or appointment or if such Rating Agency announces or confirms to the Trustee, the Portfolio Manager or the Issuer that Rating Agency Confirmation from such Rating Agency is not required, or that its practice is to not give such confirmations for such type of action, determination or appointment.

"**Rating Confirmation Plan**" means a plan provided by the Portfolio Manager (acting on behalf of the Issuer) setting forth the timing and manner of acquisition of additional Collateral Debt Obligations and/or any other intended action which will cause confirmation of the Initial Ratings, as further described in the Portfolio Management Agreement.

"**Rating Requirement**" means:

(a) in the case of any Hedge Counterparty:

(i) a long-term issuer credit rating of at least "A" by S&P and a short-term issuer credit rating of at least "A-1" by S&P or, if it does not have such short-term rating, a long term issuer credit rating of at least "A+" by S&P; and

(ii) a counterparty risk assessment of at least "P-1", or at least "A2", by Moody's;

(b) in the case of the Account Bank:

(i) a long-term issuer credit rating of at least "A" by S&P and a short-term issuer credit rating of at least "A-1" by S&P or, if it does not have such short-term rating, a long term issuer credit rating of at least "A+" by S&P; and

(ii) a deposit rating of at least "P-1", or at least "A-2", by Moody's;

(c) in the case of the Custodian or any sub-custodian appointed thereby, a counterparty risk assessment of at least "P-1", or at least "A-2", by Moody's;

(d) in the case of a Selling Institution with regards to a Participation only, a counterparty which satisfies the ratings set out in the Bivariate Risk Table set forth in the Portfolio Management Agreement;

(e) in the case of the Principal Paying Agent, a counterparty risk assessment of at least "P-3", or at least "Baa3", by Moody's;

(f) in each case, (x) such other rating or ratings as may be agreed by the relevant Rating Agency, or (y) if any of the requirements described in this definition are not satisfied by any of the parties referred to herein, Rating Agency Confirmation from the relevant Rating Agency is received in respect of such party.

"**Receiver**" means a receiver, receiver and manager or an administrative receiver.

"**Record Date**" means:

(a) in respect of Notes represented by a Definitive Certificate, the fifteenth day before the relevant due date for payment of principal and interest in respect of a Note; and

(b) in respect of Notes represented by a Global Certificate, the close of business on the Business Day before the relevant Payment Date.

"**Recovery Rate Case**" has the meaning given to it in the Portfolio Management Agreement.

"**Redemption Date**" means each date specified for a redemption of the Notes of a Class pursuant to Condition 7 (*Redemption and Purchase*) or if such day is not a Business Day, the next day that is a Business Day (unless it would fall in the following month, in which case such date shall be brought forward to the immediately preceding Business Day), or the date on which the Notes of such Class are accelerated pursuant to Condition 10 (*Events of Default*).

"**Redemption Notice**" means a redemption notice in the form available from the Transfer Agent which has been duly completed by a Noteholder and which specifies, amongst other things, the applicable Redemption Date.

"**Redemption Price**" means, when used with respect to:

(a) any Subordinated Note, 100 per cent. of the Principal Amount Outstanding thereof (if any) or, if greater, such Subordinated Note's *pro rata* share (calculated in accordance with paragraph (CC) of the Interest Proceeds Priority of Payments, paragraph (T) of the Principal Proceeds Priority of Payments and paragraph (Z) of the Post-Acceleration Priority of Payments as applicable) of the proceeds of liquidation of the Collateral, or realisation of the security thereover in such circumstances, remaining following application thereof in accordance with the Post-Acceleration Priority of Payments; and

(b) any Class A Note, Class B Note, Class C Note, Class D Note, Class E Note or Class F Note, 100 per cent. of the Principal Amount Outstanding thereof (if any), together with any accrued but unpaid interest (including Deferred Interest (if applicable)) thereon to the date of redemption.

"**Redemption Threshold Amount**" means the aggregate of all amounts which would be due and payable on redemption of the Rated Notes in whole on the scheduled Redemption Date and all amounts which rank in priority to payments on the Subordinated Notes in accordance with the Post-Acceleration Priority of Payments.

"**Reference Banks**" has the meaning given thereto in Condition 6(e)(i)(B) (*Floating Rate of Interest*).

"**Refinancing**" has the meaning given to it in Condition 7(b) (*Optional Redemption*).

"**Refinancing Costs**" means the fees, costs, charges and expenses incurred by or on behalf of the Issuer in respect of a Refinancing (for the avoidance of doubt including any Trustee Fees and Expenses and any Administrative Expenses in connection with the same and including any VAT thereon whether payable to a tax authority or a third party) and in each case that have been incurred as a direct result of a Refinancing, as determined by the Portfolio Manager.

"**Refinancing Obligations**" has the meaning given to it in Condition 7(b) (*Optional Redemption*).

"**Refinancing Proceeds**" means the cash proceeds from a Refinancing.

"**Register**" means the register of holders of the legal title to the Notes kept by the Registrar pursuant to the terms of the Agency Agreement.

"**Regulation S**" means Regulation S under the Securities Act.

"**Regulation S Notes**" means the Notes offered for sale to non-U.S. Persons in offshore transactions outside the United States in reliance on Regulation S.

"**Reinvestment Criteria**" has the meaning given to it in the Portfolio Management Agreement.

"**Reinvestment Period**" means the period from and including the Issue Date up to, and including, 22 May 2020 or, if such day is not a Business Day, the immediately following 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), (b) the date of the acceleration of the Notes pursuant to Condition 10(b) (*Acceleration*) (*provided that* such acceleration has not been rescinded and annulled in accordance with Condition 10(c) (*Curing of Note Event of Default*)) and (c) the date on which the Portfolio Manager notifies the Issuer, each Rating Agency and the Trustee that it can no longer reinvest in additional Collateral Debt Obligations in accordance with the Reinvestment Criteria.

"**Reinvestment Target Par Balance**" means, as at any date of determination, the Target Par Amount *minus* the sum of the amount of any reduction in the Principal Amount Outstanding of the Notes *plus* the Principal Amount Outstanding of any additional Notes issued pursuant to Condition 17 (*Additional Issuances*) or if greater, the aggregate amount of Principal Proceeds that result from the issuance of such additional Notes.

"**Replacement Asset Swap Agreement**" means any Asset Swap Agreement entered into by the Issuer in accordance with the provisions of the Portfolio Management Agreement upon termination of an existing Asset Swap Agreement on substantially the same terms as such existing Asset Swap Agreement, that preserves for the Issuer the economic effect of the terminated Asset Swap Transactions outstanding thereunder, subject to such amendments thereto as may be agreed by the Portfolio Manager acting on behalf of the Issuer and in respect of which Rating Agency Confirmation is obtained unless such Replacement Asset Swap Agreement is a Form-Approved Asset Swap.

"**Replacement Asset Swap Transaction**" means any Asset Swap Transaction entered into by the Issuer, or the Portfolio Manager on its behalf, pursuant to a Replacement Asset Swap Agreement.

"**Replacement Interest Rate Hedge Agreement**" means any Interest Rate Hedge Agreement entered into by the Issuer upon termination of an existing Interest Rate Hedge Agreement on substantially the same terms as the original Interest Rate Hedge Agreement that preserves for the Issuer the economic equivalent of the terminated Interest Rate Transactions outstanding thereunder subject to such amendments as may be agreed by the Portfolio Manager acting on behalf of the Issuer and in respect of which Rating Agency Confirmation is obtained unless such Replacement Interest Rate Hedge Agreement is a Form-Approved Interest Rate Hedge.

"**Replacement Interest Rate Hedge Transaction**" means any Interest Rate Hedge Transaction entered into by the Issuer or the Portfolio Manager on its behalf, pursuant to a Replacement Interest Rate Hedge Agreement.

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

"**Reporting Delegate**" means a Hedge Counterparty or third party that undertakes to provide delegated reporting in connection with certain derivative transaction reporting obligations of the Issuer.

"**Reporting Delegation Agreement**" means an agreement in a form approved by the Rating Agencies for the delegation by the Issuer of certain derivative transaction reporting obligations to one or more Reporting Delegates.

"**Resolution**" means any Ordinary Resolution or Extraordinary Resolution.

"**Restricted Trading Period**" means the period during which:

(a) the S&P Rating of the Class A Notes is withdrawn (and not reinstated) or is one or more sub categories below its rating on the Issue Date, provided the Class A Notes are Outstanding; or

(b) the S&P Rating of the Class B Notes, the Class C Notes, the Class D Notes or the Class E Notes is withdrawn (and not reinstated) or is two or more sub categories below its rating on the Issue Date, provided the Class B Notes, the Class C Notes, the Class D Notes or the Class E Notes (as applicable) are Outstanding; or

(c) the Moody's Rating of the Class A Notes is withdrawn (and not reinstated) or is one or more sub categories below its rating on the Issue Date, provided the Class A Notes are Outstanding; or

(d) the Moody's Rating of the Class B Notes, the Class C Notes, the Class D Notes or the Class E Notes is withdrawn (and not reinstated) or is two or more sub categories below its rating on the Issue Date, provided the Class B Notes, the Class C Notes, the Class D Notes or the Class E Notes (as applicable) are Outstanding,

provided that, in each case, such period will not be a Restricted Trading Period:

(i) if:

(A) the sum of: (1) the Aggregate Principal Balance of all Collateral Debt Obligations (excluding the Collateral Debt Obligation being sold but including, without duplication, any related reinvestment and the anticipated cash proceeds, if any, of such sale), and (2) amounts standing to the credit of the Principal Account and the Unused Proceeds Account (to the extent such amounts have not and will not be designated as Interest Proceeds to be credited to the Interest Account and including Eligible Investments therein but save for any interest accrued on Eligible Investments) is equal to or greater than the Reinvestment Target Par Balance; and

(B) each of the Coverage Tests is satisfied; and

(C) if the downgrade or withdrawal of such rating is as a result of either (1) regulatory change or (2) a change in the relevant Rating Agency's structured finance rating criteria; or

(ii) upon the direction of the Issuer with the consent of the Controlling Class acting by Ordinary Resolution,

provided further, that no Restricted Trading Period shall restrict any sale of a Collateral Debt Obligation entered into by the Issuer at a time when a Restricted Trading Period is not in effect, regardless of whether such sale has settled.

"**Restructured Obligation**" means a Collateral Debt Obligation which has been restructured (whether effected by way of an amendment to the terms of such Collateral Debt Obligation (including but not limited to an extension of its maturity) or by way of substitution of new obligations and/or a change of Obligor) and which satisfies the Restructured Obligation Criteria as at its applicable Restructuring Date.

"**Restructured Obligation Criteria**" means the restructured obligation criteria specified in the Portfolio Management Agreement which are required to be satisfied in respect of each Restructured Obligation at the applicable Restructuring Date.

"**Restructuring Date**" means the date a restructuring of a Collateral Debt Obligation becomes binding on the holders thereof *provided that* if an obligation satisfies the Restructured Obligation Criteria at a later date, such later date shall be deemed to be the Restructuring Date for the purposes of determining whether such obligation shall constitute a Restructured Obligation.

"**Retention**" has the meaning given to it in the Risk Retention Letter.

"**Retention Deficiency**" means, as of any date of determination, an event which occurs if the Principal Amount Outstanding of Subordinated Notes held by the Retention Holder is less than 5 per cent. of the Aggregate Collateral Balance and the Retention Requirements are not or would not be complied with as a result.

"**Retention Holder**" means 3i Debt Management Investments Limited in its capacity as retention holder in accordance with the Risk Retention Letter and any successor, assign or transferee, to the extent permitted under the Risk Retention Letter and the Retention Requirements.

"**Retention Requirements**" means CRR Retention Requirements, the AIFMD Retention Requirements and the Solvency II Retention Requirements.

"**Revolving Collateral Obligation**" means any Collateral Debt Obligation (other than a Delayed Drawdown Collateral Obligation) 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 facilities, unfunded commitments under specific facilities and other similar loans and investments) that by its terms requires the Issuer to make one or more future advances to the borrower, *provided that* any such obligation, interest or security will be a "**Revolving Collateral Obligation**" only until all commitments to make advances to the borrower expire or are irrevocably terminated or reduced to zero.

"**Revolving Reserve Accounts**" means the interest bearing accounts of the Issuer with the Account Bank into which amounts equal to the Unfunded Amounts in respect of Revolving Collateral Obligations and Delayed Drawdown Collateral Obligations and certain principal payments received in respect of Revolving Collateral Obligations and Delayed Drawdown Collateral Obligations are paid.

"**Risk Retention Letter**" means the letter entered into between the Issuer, the Retention Holder, the Trustee and the Joint Arrangers, dated on or about the Issue Date as may be amended or supplemented from time to time.

"**Rule 144A**" means Rule 144A under the Securities Act.

"**Rule 144A Notes**" means Notes offered for sale within the United States or to U.S. Persons in reliance on Rule 144A.

"**Rule 17g-5**" means Rule 17g-5 under the Exchange Act.

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

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

"**S&P CDO Monitor Test**" has the meaning given to it in the Portfolio Management Agreement.

"**S&P Collateral Value**" means for each Defaulted Obligation as at the applicable Measurement Date, the lower of:

(a) its prevailing Market Value; and

(b) the relevant S&P Recovery Rate,

in each case, multiplied by its Principal Balance.

"**S&P Issuer Credit Rating**" means in respect of a Collateral Debt Obligation, a publicly available issuer credit rating by S&P in respect of the Obligor thereof.

"**S&P Matrix**" has the meaning given to it in the Portfolio Management Agreement.

"**S&P Matrix Spread**" has the meaning given to it in the Portfolio Management Agreement.

"**S&P Minimum Weighted Average Recovery Rate Test**" has the meaning given to it in the Portfolio Management Agreement.

"**S&P Rating**" has the meaning given to it in the Portfolio Management Agreement.

"**S&P Recovery Rate**" means in respect of any Collateral Debt Obligation and each Class of Rated Notes, the S&P recovery rate determined in accordance with the Portfolio Management Agreement or as advised by S&P.

"**Sale Proceeds**" means:

(a) all proceeds received upon the sale of any Collateral Debt Obligation (save for any Asset Swap Obligation) or Exchanged Security excluding any sale proceeds representing accrued interest designated as Interest Proceeds by the Portfolio Manager, *provided that* no such designation may be made in respect of: (i) Purchased Accrued Interest; (ii) Ramp Accrued Interest; (iii) proceeds representing interest received in respect of any Mezzanine Loan for so long as it is a Defaulted Deferring Mezzanine Loan other than Defaulted Mezzanine Excess Amounts; or (iv) proceeds representing interest received in respect of any Defaulted Obligation other than Defaulted Obligation Excess Amounts; and

(b) in the case of any Asset Swap Obligation, all amounts in Euro (or other currencies if applicable) payable to the Issuer in Euro following exchange of the sale proceeds of any Collateral Debt Obligation as described in paragraph (a) above under the related Hedge Transaction (and for the avoidance of doubt after increasing such amount by any Asset Swap Counterparty Termination Payment (without regard to the exclusion of unpaid amounts set forth in the definition thereof) and reducing such amount by any Asset Swap Issuer Termination Payment), in each case net of any amounts expended by or payable by the Issuer or the Collateral Administrator (on behalf of the Issuer) in connection with the sale, disposition or termination of such Collateral Debt Obligation and, where applicable, converted into Euro at the Applicable Exchange Rate.

"**Scheduled Periodic Asset Swap Counterparty Payment**" means, with respect to any Asset Swap Transaction, the periodic amounts in the nature of coupon (and not the principal) scheduled to be paid to the Issuer by the applicable Asset Swap Counterparty pursuant to the terms of such Asset Swap Transaction (for the avoidance of doubt excluding any Asset Swap Counterparty Principal Exchange Amounts and any Asset Swap Counterparty Termination Payments).

"**Scheduled Periodic Asset Swap Issuer Payment**" means, with respect to any Asset Swap Transaction, the periodic amounts in the nature of coupon (and not the principal) scheduled to be paid by the Issuer to the applicable Asset Swap Counterparty pursuant to the terms of such Asset Swap Transaction (for the avoidance of doubt excluding any Asset Swap Issuer Termination Payments and any Asset Swap Issuer Principal Exchange Amounts).

"**Scheduled Periodic Interest Rate Hedge Counterparty Payment**" means, with respect to any Interest Rate Hedge Transaction, the amount scheduled to be paid to the Issuer by the applicable Interest Rate Hedge Counterparty pursuant to the terms of such Interest Rate Hedge Transaction (for the avoidance of doubt excluding any Interest Rate Hedge Counterparty Termination Payment).

"**Scheduled Periodic Interest Rate Hedge Issuer Payment**" means, with respect to any Interest Rate Hedge Transaction, the amount scheduled to be paid to the applicable Interest Rate Hedge Counterparty by the Issuer pursuant to the terms of such Interest Rate Hedge Transaction (for the avoidance of doubt excluding any Interest Rate Hedge Issuer Termination Payments).

"**Scheduled Principal Proceeds**" means:

(a) in the case of any Collateral Debt Obligation, save for any Asset Swap Obligation, scheduled principal repayments received by the Issuer (including scheduled amortisation, instalment or sinking fund payments); and

(b) in the case of any Asset Swap Obligation, Asset Swap Counterparty Principal Exchange Amounts payable to the Issuer by the applicable Asset Swap Counterparty under the related Asset Swap Transaction.

"**Second Lien Loan**" means a loan obligation (other than a Senior Secured Loan) with a junior contractual claim on tangible or intangible property (which property is subject to a prior lien (other than customary permitted liens, such as, but not limited to, any tax liens)) to secure payments of a debt or fulfilment or a contractual obligation, and includes a First Lien Last Out Loan.

"**Secured Party**" means each of the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders, the Class F Noteholders, the Subordinated Noteholders, the Joint Placement Agents, the Portfolio Manager, the Retention Holder, the Trustee, any Reporting Delegate, any Receiver appointed by the Trustee or other Appointee, the Joint Arrangers, the Agents, the Issuer Corporate Services Provider and each Hedge Counterparty and "**Secured Parties**" means any two or more of them as the context so requires.

"**Securities Act**" means the United States Securities Act of 1933, as amended.

"**Selling Institution**" means an institution which satisfies the applicable Rating Requirement from whom a Participation is granted.

"**Semi-Annual Obligations**" means Collateral Debt Obligations which, at the relevant date of measurement, pay interest less frequently than quarterly.

"**Senior Debt**" means, in respect of an Obligor, all debt securities issued by, and loan obligations of, such Obligor that are secured:

(a) by assets of such Obligor if and to the extent that the provision of security over assets is permissible under applicable law (save in the case of assets where the failure to take such security is consistent with reasonable secured lending practices); and otherwise

(b) by at least 80 per cent. of the equity interests in the shares of an entity owning such assets either directly or indirectly,

provided, in each case, that no other obligation of such Obligor has any higher priority security interest in such assets or shares.

"**Senior Expenses Cap**" means, in respect of each Due Period, the sum of:

(a) €300,000 per annum (pro rated for the Due Period in respect of the related Payment Date on the basis of (i) in respect of the first Payment Date, a 360 day year and the actual number of days elapsed in the related Due Period and (ii) in respect of any other Payment Date, a 360 day year comprised of twelve 30-day months with each anniversary of the first Payment Date being the start of such 360 day period); and

(b) 0.0225 per cent. per annum (pro rated for the Due Period in respect of the related Payment Date on the basis of (i) in respect of the first Payment Date, a 360 day year and the actual number of days elapsed in the related Due Period and (ii) in respect of any other Payment Date, a 360 day year and the actual number of days elapsed in such Due Period with each anniversary of the first Payment Date being the start of such 360 day period) of the Aggregate Collateral Balance as at the Determination Date immediately preceding the Payment Date in respect of such Due Period,

provided however that if the aggregate amount of Trustee Fees and Expenses and Administrative Expenses paid on each Payment Date in the calendar year ending on the relevant Payment Date (including the Payment Date falling one calendar year prior to the relevant Payment Date), and during each related Due Period (including the Due Period relating to the relevant Payment Date), is less than the Senior Expenses Cap (determined on a per

annum basis), the amount of such shortfall will be added to the Senior Expenses Cap with respect to the then relevant Payment Date. For the avoidance of doubt, any such amount may not at any time result in an increase of the Senior Expenses Cap on a per annum basis.

"**Senior Portfolio Management Fee**" means the fee payable to the Portfolio Manager in arrear on each Payment Date in respect of each Due Period pursuant to the Portfolio Management Agreement in an amount, as determined by the Collateral Administrator, equal to 0.15 per cent. per annum (calculated quarterly (or, following the occurrence of a Frequency Switch Event, semi-annually) in respect of each Due Period, in each case, on the basis of a 360-day year comprised of twelve 30-day months) of the Average Aggregate Collateral Balance (*provided that* for such purpose the Principal Balance of each Defaulted Obligation shall be the lesser of its Moody's Collateral Value and its S&P Collateral Value) (exclusive of VAT).

"**Senior Secured Bond**" means a Collateral Debt Obligation that is a senior secured debt security in the form of, or represented by, a bond, note, certificated debt security or other debt security (that is not a Senior Secured Loan) as determined by the Portfolio Manager, or a Participation therein, *provided that*:

(a) it is secured by (i) specified fixed assets of the Obligor thereof and/or the Obligor group (which may, for the avoidance of doubt, include intellectual property rights), if and to the extent that security over such fixed assets is permissible under applicable law (save in the case of assets so numerous or diverse where the failure to take such security is consistent with reasonable secured lending practices), and/or (ii) tangible current assets, and otherwise (iii) at least 80 per cent. of the equity interests, in the stock of an entity or entities owning, either directly or indirectly, a substantial majority of such fixed assets; and

(b) no other obligation of the Obligor has any higher priority security interest in such assets or shares referred to in (a) above *provided that* a revolving loan of the Obligor that, pursuant to its terms, may require one or more future advances to be made to the borrower may have a higher priority security interest in such assets or shares in the event of an enforcement in respect of such loan representing up to 15 per cent. of the Obligor's Senior Debt (or more if Rating Agency Confirmation has been obtained).

"**Senior Secured Loan**" means an obligation that is a senior secured loan obligation as determined by the Portfolio Manager or a Participation therein, *provided that*:

(a) it is secured by (i) specified fixed assets of the Obligor thereof and/or the Obligor's group (which may, for the avoidance of doubt, include intellectual property rights), if and to the extent that security over such fixed assets is permissible under applicable law (save in the case of assets so numerous or diverse where the failure to take such security is consistent with reasonable secured lending practices), and/or (ii) tangible current assets, and otherwise (iii) at least 80 per cent. of the equity interests in the stock of an entity or entities owning, either directly or indirectly, a substantial majority of such fixed assets; and

(b) no other obligation of the Obligor has any higher priority security interest in such fixed assets or stock referred to in paragraph (i) above, *provided that* a revolving loan of the Obligor that, pursuant to its terms, may require one or future advances to be made to the Obligor may have a higher priority security interest in such assets or shares in the event of an enforcement in respect of such loan representing up to 15 per cent. of the Obligor's Senior Debt.

"**Similar Law**" means any federal, state, local or non-U.S. law or regulation that is substantially similar to the prohibited transaction provisions of Section 406 of ERISA and/or Section 4975 of the Code.

"**Solvency II**" means Directive 2009/138/EC including any implementing and/or delegated regulation, technical standards and guidance related thereto as may be amended, replaced or supplemented from time to time.

"**Solvency II Retention Requirements**" means the risk retention requirements and due diligence requirements set out in Articles 254 and Article 256 of Commission Delegated Regulation (EU) 2015/35 as amended from time to time.

"**Special Redemption**" has the meaning given to it in Condition 7(e) (*Special Redemption*).

"**Special Redemption Amount**" has the meaning given to it in Condition 7(e)(ii) (*Special Redemption*).

"**Special Redemption Date**" has the meaning given to it in Condition 7(e)(ii) (*Special Redemption*).

"**Spot Rate of Exchange**" means in relation to any exchange of non-Euro denominated proceeds, the rate determined by the Collateral Administrator in consultation with the Portfolio Manager which shall be the prevailing market spot rate, which conversion shall be conducted in a commercially reasonable manner, similar to that which is effected for the Collateral Administrator's other customers.

"**Standard of Care**" has the meaning given to it in the Portfolio Management Agreement.

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

"**Sterling**" and "**£**" shall mean the lawful currency of the United Kingdom.

"**STS Designated Person**" means the Issuer or, if the Issuer is not notified pursuant to Condition 4(e), such other person as agrees with the Portfolio Manager to accept responsibility for the additional reporting requirements under the STS Regulation.

"**STS Regulation**" shall mean the proposed regulation of the European Union relating to a European framework for simple, transparent and standardised securitisation including any implementing regulation, technical standards and official guidance related thereto.

"**Subordinated Noteholders**" means the holders of the Subordinated Notes from time to time.

"**Subordinated Portfolio Management Fee**" means the fee payable to the Portfolio Manager in arrear on each Payment Date in respect of the immediately preceding Due Period pursuant to the Portfolio Management Agreement equal to 0.35 per cent. per annum (calculated quarterly (or, following the occurrence of a Frequency Switch Event, semi-annually) in respect of each Due Period, in each case, on the basis of a 360-day year comprised of twelve 30-day months) of the Average Aggregate Collateral Balance, as determined by the Collateral Administrator (*provided that* for such purpose the Principal Balance of each Defaulted Obligation shall be the lesser of its Moody's Collateral Value and its S&P Collateral Value) (exclusive of VAT).

"**Substitute Collateral Debt Obligation**" means a Collateral Debt Obligation purchased out of Principal Proceeds (or Interest Proceeds pursuant to paragraph (V) of the Interest Proceeds Priority of Payments) pursuant to the terms of the Portfolio Management Agreement and which satisfies both the Eligibility Criteria and the Reinvestment Criteria.

"**Swap Tax Credits**" means any credit, allowance, set-off or repayment received by the Issuer in respect of tax from the tax authorities of any jurisdiction relating to any deduction or withholding for or on account of tax in respect of which a gross-up payment has been made by a Hedge Counterparty to the Issuer under any Hedge Transaction, or relating to any deduction or withholding for or on account of tax made by the Issuer from a payment under a Hedge Transaction to a Hedge Counterparty in respect of which no gross up payment has been made.

"**Swapped Non-Discount Obligation**" means, as determined by the Portfolio Manager, any Collateral Debt Obligation that would otherwise be considered a Discount Obligation, but that is purchased with the Sale Proceeds of a Collateral Debt Obligation that was not a Discount Obligation at the time of its purchase, and will not be considered a Discount Obligation so long as such purchased Collateral Debt Obligation:

(a) is purchased or committed to be purchased within 30 days of the sale of the sold Collateral Debt Obligation;

(b) is purchased at a price (as a percentage of par) greater than or equal to the sale price of the sold Collateral Debt Obligation;

(c) is purchased at a price (as a percentage of par) greater than or equal to 65 per cent of the Principal Balance thereof; and

(d) the Moody's Rating thereof is equal to or higher than the Moody's Rating of the Original Obligation,

provided that:

(i) to the extent the cumulative Aggregate Principal Balance of all Swapped Non-Discount Obligations held by the Issuer as at the relevant date of determination exceeds 5 per cent. of the Aggregate Collateral Balance, such excess will not constitute Swapped Non-Discount Obligations (and for the avoidance of doubt, such excess will instead constitute Discount Obligations);

(ii) to the extent the cumulative Aggregate Principal Balance of all Swapped Non-Discount Obligations acquired by the Issuer on or after the Issue Date exceeds 10 per cent. of the Target Par Amount, such excess will not constitute Swapped Non-Discount Obligations (and, for the avoidance of doubt, such excess will instead constitute Discount Obligations); and

(iii) such Collateral Debt Obligation will cease to be a Swapped Non-Discount Obligation (and shall not constitute a Discount Obligation) at such time as the Market Value for such Collateral Debt Obligation on each day during any period of 30 consecutive days (none of which were determined pursuant to sub-paragraph (e) of the definition of "Market Value" above) since the acquisition of such Collateral Debt Obligation equals or exceeds (i) for a Floating Rate Collateral Debt Obligation, 90 per cent. or (ii) for all other Collateral Debt Obligations, 85 per cent.

"**Target Par Amount**" means, in respect of the initial Portfolio, €400,000,000.

"**TARGET2**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer System (or, if such system ceases to be operative, such other system (if any) determined by the Trustee to be a suitable replacement).

"**Trading Gains**" means, in respect of any Collateral Debt Obligation which is repaid, prepaid, redeemed or sold, any excess of (a) the Principal Proceeds or Sale Proceeds received in respect thereof over (b) the Principal Balance thereof (where for such purpose "**Principal Balance**" shall be determined as set out in the definition of Aggregate Collateral Balance for the purposes of compliance with the Retention Requirements), in each case net of (i) any expenses incurred in connection with any repayment, prepayment, redemption or sale thereof, and (ii) in the case of a sale of such Collateral Debt Obligation, any interest accrued but not paid thereon which has not been capitalised as principal and included in the sale price thereof.

"**Transaction Documents**" means the Trust Deed (including these Conditions), the Agency Agreement, the Portfolio Management Agreement, the Placement Agency Agreement, any Hedge Agreements, any Reporting Delegation Agreement, each Collateral Acquisition Agreement, the Risk Retention Letter, each Note Purchase Agreement and the Issuer Corporate Services Agreement.

"**Trustee Fees and Expenses**" means the fees, costs and expenses and all other liabilities (including by way of indemnity) (including, without limitation, legal fees), together with any applicable VAT thereon, and other amounts payable to the Trustee or any other agent, delegate or Appointee thereof (including any Receiver appointed) pursuant to the Trust Deed and/or these Conditions and/or any other Transaction Document from time to time.

"**Underlying Instrument**" means the agreements or instruments pursuant to which a Collateral Debt Obligation has been issued or created and each other agreement that governs the terms of, or secures the obligations represented by, such Collateral Debt Obligation or under which the holders or creditors under such Collateral Debt Obligation are the beneficiaries.

"**Unfunded Amount**" means, with respect to any Revolving Collateral Obligation or Delayed Drawdown Collateral Obligation, the excess, if any, of (i) the Commitment Amount under such Revolving Collateral Obligation or Delayed Drawdown Collateral Obligation, as the case may be, at such time over (ii) the Funded Amount thereof at such time.

"**Unhedged Fixed Rate Collateral Debt Obligation**" means a Fixed Rate Collateral Debt Obligation (other than a Non-Euro Obligation), the Aggregate Principal Balance of which exceeds the notional amount of any Interest Rate Hedge Transactions that are interest rate swaps whereby the Issuer pays a series of fixed amounts in exchange for a series of payments determined on the basis of EURIBOR *plus* an applicable spread.

"**Unscheduled Principal Proceeds**" means:

(a) with respect to any Collateral Debt Obligation (other than an Asset Swap Obligation), principal repayments prior to the Stated Maturity thereof received as a result of optional redemptions, prepayments (including any acceleration) or Offers (excluding any premiums or make whole amounts in excess of the principal amount of such Collateral Debt Obligation) and any other principal repayments with respect to Collateral Debt Obligations (to the extent not included in Sale Proceeds); and

(b) in the case of any Asset Swap Obligation, the Asset Swap Counterparty Principal Exchange Amount payable in respect of the amounts referred to in (a) above pursuant to the related Asset Swap Transaction, together with any Asset Swap Counterparty Termination Payments (without regard to the exclusion of unpaid amounts set forth in the definition thereof) less any Asset Swap Issuer Termination Payments in each case payable under the related Asset Swap Transaction.

"**Unsecured Senior Loan**" means a Collateral Debt Obligation that:

(a) is a loan obligation senior to any unsecured, subordinated obligation of the Obligor as determined by the Portfolio Manager; and

(b) is not secured:

(i) by assets of the Obligor or guarantor thereof if and to the extent that the granting of security over assets is permissible under applicable law; or

(ii) by at least 80 per cent. of the equity interests in the shares of an entity owning such fixed assets.

"**Unused Proceeds Account**" means an interest bearing account in the name of the Issuer with the Account Bank into which the Issuer will procure amounts are deposited in accordance with Condition 3(j)(iii)) (*Unused Proceeds Account*).

"**US Dollar**" "**U.S. Dollar**" "**US dollar**", "**USD**" or "**$**" shall mean the lawful currency of the United States of America.

"**U.S. Person**" means a U.S. person as such term is defined under Regulation S.

"**VAT**" means:

(a) any tax, interest or penalties imposed in compliance with the European Council directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112) (including, in relation to Ireland, value added tax imposed by Value Added Tax Consolidation Act 2010 and supplemental legislation and regulations and, in relation to the United Kingdom, value added tax imposed by the Value Added Tax Act 1994 and supplemental legislation and regulations); and

(b) any other tax, interest or penalties of a similar nature, whether imposed in a member state of the European Union in substitution for, or levied in addition to, such tax referred to in paragraph (a) above, or elsewhere.

"**Volcker Rule**" means Section 619 of the Dodd Frank Act and the corresponding implementing rules.

"**Warehouse Arrangements**" means the warehouse financing arrangements entered into by the Issuer prior to the Issue Date to finance the acquisition of Collateral Debt Obligations prior to the Issue Date.

"**Weighted Average Life Test**" has the meaning given to it in the Portfolio Management Agreement.

"**Weighted Average Spread**" has the meaning given to it in the Portfolio Management Agreement.

"**Written Resolution**" means any Resolution of the Noteholders in writing as described in Condition 14 (*Meetings of Noteholders, Modification, Waiver and Substitution*) and as further described in, and as further defined in, the Trust Deed.

"**Zero Coupon Obligation**" means a debt obligation the terms of which provide for repayment of a stated principal amount at a stated maturity date but which do not provide for periodic payments of interest in cash at any time while such obligation is outstanding.

2. Form and Denomination, Title and Transfer

(a) Form and Denomination

The Notes of each Class may be issued in (i) global, certificated, fully registered form, without interest coupons, talons and principal receipts attached or (ii) definitive, certificated, fully registered form, without interest coupons, talons or principal receipts attached, in each case in the applicable Authorised Denomination. A Global Certificate or a Definitive Certificate (as applicable) will be issued to each Noteholder in respect of its registered holding or holdings of Notes. Each Definitive Certificate will be numbered serially with an identifying number which will be recorded in the Register which the Issuer shall procure to be kept by the Registrar. An up-to-date copy of the Register shall be kept at the registered office of the Issuer.

(b) Title to the Registered Notes

Title to the Notes passes upon registration of transfers in the Register in accordance with the provisions of the Agency Agreement and the Trust Deed. Notes will be transferable only on the books of the Issuer and its agents. The registered holder of any Note will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it, any writing on it, or its theft or loss) and no person will be liable for so treating the holder. A duplicate copy of the Register shall be kept at the registered office of the Issuer. In case of inconsistency between the duplicate copy of the Register kept at the registered office of the Issuer and the Register kept by the Registrar, the duplicate copy of the Register at the registered office of the Issuer shall prevail. The Issuer shall procure that at all times the Register (or any entire counterpart thereof) is kept and maintained outside the UK.

(c) Transfer

In respect of Notes represented by a Definitive Certificate, one or more Notes may be transferred in whole or in part in nominal amounts of the applicable Authorised Denomination only upon the surrender, at the specified office of the Registrar or the Transfer Agent, of the Definitive Certificate representing such Note(s) to be transferred, with the form of transfer endorsed on such Definitive Certificate duly completed and executed and together with such other evidence as the Registrar or Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Notes represented by one Definitive Certificate, a new Definitive Certificate will be issued to the transferee in respect of the part transferred and a further new Definitive Certificate in respect of the balance of the holding not transferred will be issued to the transferor.

Interests in a Global Certificate will be transferable in accordance with the rules and procedures for the time being of the relevant Clearing System.

(d) Delivery of New Certificates

Each new Definitive Certificate to be issued pursuant to Condition 2(c) (*Transfer*) will be available for delivery within five Business Days of receipt of such form of transfer or of surrender of an existing Definitive Certificate upon partial redemption. Delivery of new Definitive Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar, as the case may be, to whom delivery or surrender shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the form of transfer or otherwise in writing, shall be mailed by pre-paid first class post, at the risk of the holder entitled to the new Definitive Certificate, to such address as may be so specified. In this Condition 2(d), "**Business Day**" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified offices of the Transfer Agent and the Registrar.

(e) Transfer Free of Charge

Transfer of Notes and Global Certificates or Definitive Certificates (as applicable) representing such Notes in accordance with these Conditions on registration or transfer will be effected without charge by

or on behalf of the Issuer, the Registrar or the Transfer Agent, but upon payment (or the giving of such indemnity as the Registrar or the Transfer Agent may require in respect thereof) of any tax or other governmental charges which may be imposed in relation to it.

(f) Closed Periods

No Noteholder may require the transfer of a Note to be registered (i) during the period of 15 calendar days ending on the due date for redemption (in full) of that Note or (ii) during the period of seven calendar days ending on (and including) any Record Date.

(g) Regulations Concerning Transfer and Registration

All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning the transfer of Notes scheduled to the Trust Deed, including, without limitation, that a transfer of Notes in breach of certain of such regulations will result in such transfer being void ab initio. The regulations may be changed by the Issuer in any manner which is reasonably required by the Issuer (after consultation with the Trustee) to reflect changes in legal or regulatory requirements or in any other manner which, in the opinion of the Issuer (after consultation with the Trustee), is not prejudicial to the interests of the holders of the relevant Class of Notes. A copy of the current regulations may be inspected at the offices of the Transfer Agent during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) for the term of the Notes and will be sent by the Registrar to any Noteholder who so requests.

(h) Forced Transfer of Rule 144A Notes

If the Issuer determines at any time that a U.S. holder of Rule 144A Notes is not a QIB/QP (any such person, a "**Non-Permitted Holder**"), the Issuer shall promptly after determination that such person is a Non-Permitted Holder by the Issuer, send notice to such Non-Permitted Holder demanding that such Non-Permitted Holder transfer its interest outside the United States to a non-U.S. Person or within the United States to a U.S. Person that is a QIB/QP within 30 days of the date of such notice. If such Non-Permitted Holder fails to effect the transfer of its Rule 144A Notes within such period, (a) upon direction from the Issuer or the Portfolio Manager on its behalf, the Transfer Agent, on behalf of and at the expense of the Issuer, shall cause such Rule 144A Notes to be transferred in a sale to a person or entity that certifies to such Transfer Agent and the Issuer, in connection with such transfer, that such person or entity either is not a U.S. Person or is a QIB/QP and (b) pending such transfer, no further payments will be made in respect of such Rule 144A Notes. The Issuer may select the purchaser by soliciting one or more bids from one or more brokers or other market professionals that regularly deal in securities similar to the Rule 144A Notes and selling such Rule 144A Notes to the highest such bidder. However, the Issuer may select a purchaser by any other means determined by it in its sole discretion. Each Noteholder and each other person in the chain of title from the permitted Noteholder to the Non-Permitted Holder by its acceptance of an interest in the Rule 144A Notes agrees to co-operate with the Issuer to effect such transfers. The proceeds of such sale, net of any commissions, expenses and taxes due in connection with such sale shall be remitted to the selling Noteholder. The terms and conditions of any sale hereunder shall be determined in the sole discretion of the Issuer, subject to the transfer restrictions set out herein, and neither the Issuer nor the Trustee shall be liable to any person having an interest in the Notes sold as a result of any such sale or the exercise of such discretion. The Issuer reserves the right to require any holder of Notes to submit a written certification substantiating that it is a QIB/QP or a non-U.S. Person. If such holder fails to submit any such requested written certification on a timely basis, the Issuer has the right to assume that the holder of the Notes from whom such a certification is requested is not a QIB/QP or a non-U.S. Person. Furthermore, the Issuer reserves the right to refuse to honour a transfer of beneficial interests in a Rule 144A Note to any Person who is not either a non-U.S. Person or a U.S. Person that is a QIB/QP.

(i) Forced sale pursuant to FATCA

Each Noteholder (which, for the purposes of this Condition 2(i) (*Forced sale pursuant to FATCA*) will include a nominee or beneficial owner of a Note) will agree to provide the Issuer and its agents with any correct, complete and accurate information or documentation that may be required for the Issuer to comply with FATCA and to prevent the imposition of tax under FATCA on payments to or for the benefit of the Issuer. In the event the Noteholder fails to provide such information or documentation, or to the extent that its ownership of the Notes would otherwise cause the Issuer to be subject to tax under

FATCA, (A) the Issuer and its agents are authorised to withhold amounts otherwise distributable to the Noteholder as compensation for any taxes to which the Issuer is subject under FATCA as a result of such failure or the Noteholder's ownership of Notes, and (B) in the case of any Noteholder other than the Retention Holder with respect to the Retention, to the extent necessary to avoid an adverse effect on the Issuer as a result of such failure or the Noteholder's ownership of Notes, the Issuer will have the right to compel the Noteholder to sell its Notes, and, if the Noteholder does not sell its Notes within 10 Business Days after notice from the Issuer or any agent of the Issuer, the Issuer will have the right to sell such Notes at a public or private sale called and conducted in any manner permitted by law, and to remit the net proceeds of such sale (taking into account any costs, charges, and any taxes incurred by the Issuer in connection with such sale) to the Noteholder as payment in full for such Notes. The Issuer may also assign each such Note a separate ISIN in the Issuer's sole discretion. For the avoidance of doubt, the Issuer shall have the right under the immediately preceding sentence to sell a Noteholder's interest in a Note in its entirety, notwithstanding that the sale of a portion of such an interest would permit the Issuer to comply with FATCA.

(j) Forced Transfer pursuant to ERISA

If any Noteholder is determined by the Issuer to be a Noteholder who has made or is deemed to have made a prohibited transaction, Benefit Plan Investor, Controlling Person, or Similar Law representation that is subsequently shown to be false or misleading, or whose beneficial ownership otherwise causes a violation of the 25 per cent. limitation set out in Title I of ERISA and Section 4975 of the Code (any such Noteholder a "**Non-Permitted ERISA Holder**"), the Issuer may send notice to such Non-Permitted ERISA Holder demanding that such Non-Permitted ERISA Holder transfer its interest to a person that is not a Non-Permitted ERISA Holder (selected by the Issuer) within 10 days of the date of such notice, subject to the transfer restrictions set out in the Trust Deed. If such Non-Permitted ERISA Holder fails to effect the transfer required within the 10 day period (a) the Issuer shall direct, for so long as the Notes are in global form, Euroclear and Clearstream, Luxembourg or, for so long as the Notes are in definitive form, the Transfer Agent, on behalf of and at the expense of the Issuer, to cause the transfer of such Noteholder's interest in its Notes to be transferred to a person or entity that certifies in writing, in connection with such transfer that it is not a Non-Permitted ERISA Holder, and (b) pending such transfer no further payments will be made in respect of such beneficial interest. Each Noteholder and each other Person in the chain of title from the Non-Permitted ERISA Holder, by its acceptance of an interest in such Notes, agrees to cooperate with the Issuer, to the extent required to effect such transfers. None of the Issuer, the Trustee and the Registrar shall be liable to any Noteholder having an interest in the Notes sold or otherwise transferred as a result of any such sale or transfer. The Issuer shall be entitled to deduct from the sale or transfer price an amount equal to all the expenses and costs incurred and any loss suffered by the Issuer as a result of such forced transfer. The Non-Permitted ERISA Holder will receive the balance, if any.

(k) PM Voting Notes and PM Non-Voting Notes

Each Class A Note, Class B Note, Class C Note and Class D Note may be in the form of a PM Voting Note, a PM Non-Voting Exchangeable Note or a PM Non-Voting Note.

PM Voting Notes shall carry a right to vote in respect of, and be counted for the purposes of determining a quorum and the result of voting on, any PM Replacement Resolution and any PM Removal Resolution. PM Non-Voting Exchangeable Notes and PM Non-Voting Notes shall not carry any rights in respect of, or be counted for the purposes of determining a quorum and the result of voting on, any PM Removal Resolution or any PM Replacement Resolution but shall carry a right to vote on and be counted in respect of all other matters in respect of which the PM Voting Notes have a right to vote and be counted.

PM Voting Notes shall be exchangeable at any time upon request by the relevant Noteholder into PM Non-Voting Exchangeable Notes or PM Non-Voting Notes. PM Non-Voting Exchangeable Notes shall be exchangeable (a) upon request by the relevant Holder at any time into PM Non-Voting Notes or (b) into PM Voting Notes only in connection with the transfer of such Rated Notes to an entity that is not an Affiliate of the transferor upon request of the relevant transferee or transferor and in no other circumstance. PM Non-Voting Notes shall not be exchangeable at any time into PM Voting Notes or PM Non-Voting Exchangeable Notes.

Any such right to exchange a Class A Note, Class B Note, Class C Note and Class D Note, as described and subject to the limitations set out in the immediately prior paragraph, may be exercised by a Noteholder holding a Definitive Certificate or a beneficial interest in a Global Certificate delivering to the Registrar or a Transfer Agent a duly completed exchange request substantially in the form provided in the Trust Deed.

3. Status

(a) Status

The Notes of each Class constitute direct, general, secured, unconditional obligations of the Issuer, recourse in respect of which is limited in the manner described in Condition 4(c) (*Limited Recourse*). The Notes of each Class are secured in the manner described in Condition 4(a) (*Security*) and, within each Class, shall at all times rank *pari passu* and without any preference amongst themselves.

(b) Relationship Among the Classes

The Notes of each Class are constituted by the Trust Deed and are secured on the Collateral as further described in the Trust Deed. Payments of interest on each Class of Notes will be subordinated to payments of interest on each Class of Notes (if any) ranking in priority thereto pursuant to the Priorities of Payment and payments of principal on each Class of Notes will be subordinated to payments of principal on each Class of Notes (if any) ranking in priority thereto pursuant to the Priorities of Payment. Notwithstanding the foregoing, in the circumstances described below, payment of interest on a more junior ranking Class of Notes may be paid prior to payment of principal on a Class of Notes ranking senior in priority thereto as a result of the operation of the Priorities of Payment.

(c) Priorities of Payment

The Collateral Administrator shall (on the basis of the Payment Date Report prepared by the Collateral Administrator pursuant to the terms of the Portfolio Management Agreement on each Determination Date), on behalf of the Issuer and in consultation with the Portfolio Manager on each Payment Date (i) prior to the acceleration of the Notes in accordance with Condition 10(b) (*Acceleration*), (ii) following such acceleration of the Notes which has subsequently been rescinded and annulled in accordance with Condition 10(c) (*Curing of Note Event of Default*); and (iii) other than in connection with an Optional Redemption in whole under Condition 7(b) (*Optional Redemption*) or Condition 7(d) (*Redemption following a Note Tax Event*); cause the Account Bank to disburse Interest Proceeds and Principal Proceeds (other than the amount of any Swap Tax Credits received by the Issuer in the related Due Period which shall be paid out of the Interest Account to the relevant Hedge Counterparty as provided in Condition 3(j) (*Payments to and from the Accounts*) outside the Priorities of Payment) transferred to the Payment Account on the second Business Day prior thereto, in accordance with the following Priorities of Payment. For the avoidance of doubt, Interest Proceeds are to be distributed initially, followed by Principal Proceeds.

(i) Application of Interest Proceeds

Interest Proceeds in respect of a Due Period shall be paid on each Payment Date immediately following the applicable Due Period in the following order of priority:

(A) in payment on a *pro rata* basis of:

(1) taxes or statutory fees owing by the Issuer (other than any Irish corporation tax payable in relation to the Issuer Profit referred to in (2) below) and certified as such by a director of the Issuer due in respect of the related Due Period (save for any VAT or any other tax payable in relation to any amount payable to a party pursuant to the Priorities of Payment and which arises as a result of the payment of that amount to the relevant party); and

(2) the Issuer Profit, payable to the Irish Account;

(B) in payment on a *pro rata* basis of due and unpaid Trustee Fees and Expenses, up to an amount equal to the Senior Expenses Cap in respect of the related Due Period; *provided that* the Senior Expenses Cap shall not apply in respect of Trustee Fees and Expenses arising during the period from (and including) the date of the occurrence of a Note Event of Default to (and

including) the date upon which such Note Event of Default is cured or waived and any Trustee Fees and Expenses outstanding as at the date of the occurrence of such Note Event of Default, and such Trustee Fees and Expenses shall not be taken into account in any determination regarding whether the Senior Expenses Cap is exceeded;

(C) in payment:

(1) *firstly*, of due and unpaid Administrative Expenses (in the order of priority specified in the definition thereof) up to an amount equal to the Senior Expenses Cap in respect of the related Due Period less any amounts paid under paragraph (B) above; and

(2) *secondly*, except on the Payment Date on which the Subordinated Notes are to be redeemed in full, of an amount equal to the lesser of (i) €100,000 and (ii) the Senior Expenses Cap in respect of the related Due Period less any amounts paid under paragraph (B) and paragraph (C)(1) above, into the Expense Reserve Account;

(D) to the payment of any accrued and unpaid Senior Portfolio Management Fee due and payable but not paid pursuant to this paragraph (D) on any prior Payment Date *plus* any VAT in respect thereof (whether payable to the Portfolio Manager or directly to the relevant tax authority) and, thereafter, to the payment of any Senior Portfolio Management Fee *plus* the payment of any VAT in respect thereof (whether payable to the Portfolio Manager or directly to the relevant tax authority) due and payable on such Payment Date;

(E) to the payment on a *pro rata* and *pari passu* basis, of any Scheduled Periodic Interest Rate Hedge Issuer Payments due and payable (to the extent not already paid out of the Interest Account), Scheduled Periodic Asset Swap Issuer Payments due and payable (to the extent not already paid out of the Non-Euro Account) and Hedge Issuer Termination Payments due and payable (other than Defaulted Interest Rate Hedge Issuer Termination Payments and Defaulted Asset Swap Issuer Termination Payments) (in each case to the extent not already paid out of the Interest Rate Hedge and Asset Swap Termination Receipt Account or the Interest Account);

(F) to the payment on a *pro rata* and *pari passu* basis of all Interest Amounts due and payable on the Class A Notes in respect of the Accrual Period ending immediately prior to such Payment Date (including, for the avoidance of doubt in relation to the first Payment Date, in respect of the Class A First EURIBOR Period), and all other Interest Amounts due and payable on such Class A Notes;

(G) to the payment on a *pro rata* and *pari passu* basis of all Interest Amounts due and payable on the Class B Notes in respect of the Accrual Period ending immediately prior to such Payment Date and all other Interest Amounts due and payable on such Class B Notes;

(H) if either of the Class A/B Coverage Tests is not satisfied on any Determination Date on or after the Effective Date, or in the case of the Class A/B Interest Coverage Test on the Determination Date preceding the second Payment Date or on any Determination Date thereafter, to the redemption of the Notes in accordance with the Note Payment Sequence to the extent necessary to cause each Class A/B Coverage Test to be satisfied if recalculated immediately following such redemption;

(I) to the payment on a *pro rata* and *pari passu* basis of all Interest Amounts due and payable on the Class C Notes in respect of the Accrual Period ending immediately prior to such Payment Date (excluding any Deferred Interest but including interest on Deferred Interest in respect of the relevant Accrual Period);

(J) to the payment on a *pro rata* and *pari passu* basis of any Deferred Interest on the Class C Notes which is due and payable pursuant to Condition 6(c) (*Deferral of Interest*);

(K) if either of the Class C Coverage Tests is not satisfied on any Determination Date on or after the Effective Date, or in the case of the Class C Interest Coverage Test on the Determination Date preceding the second Payment Date or on any Determination Date thereafter, to the redemption of the Notes in accordance with the Note Payment Sequence to the extent

necessary to cause each Class C Coverage Test to be met if recalculated immediately following such redemption;

(L) to the payment on a *pro rata* and *pari passu* basis of all Interest Amounts due and payable on the Class D Notes in respect of the Accrual Period ending immediately prior to such Payment Date (excluding any Deferred Interest but including interest on Deferred Interest in respect of the relevant Accrual Period);

(M) to the payment on a *pro rata* and *pari passu* basis of any Deferred Interest on the Class D Notes which is due and payable pursuant to Condition 6(c) (*Deferral of Interest*);

(N) if either of the Class D Coverage Tests is not satisfied on any Determination Date on or after the Effective Date, or in the case of the Class D Interest Coverage Test on the Determination Date preceding the second Payment Date or on any Determination Date thereafter, to the redemption of the Notes in accordance with the Note Payment Sequence to the extent necessary to cause each Class D Coverage Test to be met if recalculated immediately following such redemption;

(O) to the payment on a *pro rata* and *pari passu* basis of all Interest Amounts due and payable on the Class E Notes in respect of the Accrual Period ending immediately prior to such Payment Date (excluding any Deferred Interest but including interest on Deferred Interest in respect of the relevant Accrual Period);

(P) to the payment on a *pro rata* and *pari passu* basis of any Deferred Interest on the Class E Notes which is due and payable pursuant to Condition 6(c) (*Deferral of Interest*);

(Q) if either of the Class E Coverage Tests is not satisfied on any Determination Date on or after the Effective Date, or in the case of the Class E Interest Coverage Test on the Determination Date preceding the second Payment Date or on any Determination Date thereafter, to the redemption of the Notes in accordance with the Note Payment Sequence to the extent necessary to cause each Class E Coverage Test to be met if recalculated immediately following such redemption;

(R) to the payment on a *pro rata* and *pari passu* basis of all Interest Amounts due and payable on the Class F Notes in respect of the Accrual Period ending immediately prior to such Payment Date (excluding any Deferred Interest but including interest on Deferred Interest in respect of the relevant Accrual Period);

(S) to the payment on a *pro rata* and *pari passu* basis of any Deferred Interest on the Class F Notes which is due and payable pursuant to Condition 6(c) (*Deferral of Interest*);

(T) if the Class F Par Value Test is not satisfied on any Determination Date on or after the Effective Date, to the redemption of the Notes in accordance with the Note Payment Sequence to the extent necessary to cause the Class F Par Value Test to be met if recalculated immediately following such redemption;

(U) on the Payment Date following the Effective Date and each Payment Date thereafter to the extent required, in the event of the occurrence of an Effective Date Rating Event which is continuing on the Business Day prior to such Payment Date, to redeem the Notes in full in accordance with the Note Payment Sequence or, if earlier, until an Effective Date Rating Event is no longer continuing;

(V) during the Reinvestment Period if, after giving effect to the payment of all amounts payable in respect of paragraphs (A) through (U) above, the Additional Reinvestment Test is not satisfied on the applicable Determination Date, an amount (the "**Required Diversion Amount**") equal to the lesser of (x) 50 per cent. of the remaining Interest Proceeds; and (y) the amount which, after giving effect to the payment to the Principal Account or the redemption of the Notes pursuant to this paragraph (V), would be sufficient to cause the Additional Reinvestment Test to be satisfied if recalculated immediately following such payment or redemption, shall be deposited in the Principal Account as Principal Proceeds for investment in Substitute Collateral Debt Obligations or shall be used to redeem the Notes in accordance with Condition 7(e) (*Special Redemption*) (if the Portfolio Manager determines in its discretion that

it is unable to obtain such additional Collateral Debt Obligations that it considers appropriate for investment);

(W) in payment of any due and unpaid Trustee Fees and Expenses to the extent not paid pursuant to paragraph (B) above by reason of the Senior Expenses Cap;

(X) in payment, in the order of priority specified in the definition thereof, of any due and unpaid Administrative Expenses to the extent not paid pursuant to paragraph (C)(1) above by reason of the Senior Expenses Cap;

(Y) to the payment on a *pro rata* basis of any Defaulted Interest Rate Hedge Issuer Termination Payments and any Defaulted Asset Swap Issuer Termination Payments due to any Hedge Counterparty above (and to the extent not previously paid out of the Interest Rate Hedge and Asset Swap Termination Receipt Account);

(Z) in payment to the Portfolio Manager of any accrued and unpaid Subordinated Portfolio Management Fee due and payable but not paid pursuant to this paragraph (Z) or paragraph (S) of the Principal Proceeds Priority of Payments on any prior Payment Date *plus* any VAT in respect thereof (whether payable to the Portfolio Manager or directly to the relevant tax authority) and *plus* any accrued but unpaid interest thereon in accordance with the Portfolio Management Agreement, until such amount has been paid in full and thereafter in payment to the Portfolio Manager of the Subordinated Portfolio Management Fee (*plus* any VAT in respect thereof whether payable to the Portfolio Manager or directly to the relevant tax authority) due and payable on such Payment Date, except that the Portfolio Manager may, in its sole discretion, elect to (x) designate for reinvestment or (y) defer payment of some or all of the amounts that would have been payable to the Portfolio Manager under this paragraph (Z) (any such amounts referred to in (y) being "**Deferred Subordinated Portfolio Manager Amounts**") on any Payment Date *provided that* any such amount in the case of (x) shall (a) be deposited in the Principal Account and used to purchase Substitute Collateral Debt Obligations (provided such deposit or purchase would not cause a Retention Deficiency) and (b) not be treated as unpaid for the purposes of this paragraph (Z), and in the case of (y), such Deferred Subordinated Portfolio Manager Amounts shall be applied to the payment of amounts in accordance with paragraphs (AA) through (CC) below, subject to the Portfolio Manager having notified the Collateral Administrator in writing not later than one Business Day prior to the relevant Determination Date of any amounts to be so applied (and for the avoidance of doubt such amounts shall be treated as unpaid and shall bear interest in accordance with the Portfolio Management Agreement);

(AA) to the repayment of any Portfolio Manager Advances together with any accrued interest thereon, *provided that* on the first Payment Date only, payments made under this paragraph (AA) shall not exceed €250,000 in aggregate;

(BB) upon satisfaction of the Interest Reserve Replenishment Threshold, in payment of an amount determined at the discretion of the Portfolio Manager to the Interest Reserve Account;

(CC) (1) until the Incentive Management Fee IRR Threshold has been reached, any remaining Interest Proceeds to the payment of interest on the Subordinated Notes on a *pro rata* basis (determined upon redemption in full thereof by reference to the proportion that the principal amount of the Subordinated Notes held by Subordinated Noteholders bore to the Principal Amount Outstanding of the Subordinated Notes immediately prior to such redemption); and

(2) if, after taking into account all prior distributions to Subordinated Noteholders and any distributions to be made to Subordinated Noteholders on such Payment Date in accordance with the Interest Proceeds Priority of Payments and the Principal Proceeds Priority of Payments, the Incentive Management Fee IRR Threshold has been reached (on or prior to such Payment Date):

(a) *firstly*, 20 per cent. of any remaining Interest Proceeds, to the payment to the Portfolio Manager as an Incentive Management Fee;

(b) *secondly*, to the payment of any VAT in respect of the Incentive Management Fee referred to in (a) above (whether payable to the Portfolio Manager or directly to the relevant taxing authority); and

(c) *thirdly*, any remaining Interest Proceeds, to the payment of interest on the Subordinated Notes on a *pro rata* basis (determined upon redemption in full thereof by reference to the proportion that the principal amount of the Subordinated Notes held by Subordinated Noteholders bore to the Principal Amount Outstanding of the Subordinated Notes immediately prior to such redemption).

For the avoidance of doubt, in the event that any withholding or deduction referred to in Condition 9 (*Taxation*) is payable in respect of any payment made under this Condition 3(c)(i) (*Application of Interest Proceeds*), such withholding, deduction or other tax shall be paid to the relevant tax or other governmental authority at such time as the relevant payment under this Condition 3(c)(i) (*Application of Interest Proceeds*) is made.

(ii) Application of Principal Proceeds

Principal Proceeds in respect of a Due Period shall be paid on each Payment Date immediately following the applicable Due Period in the following order of priority:

(A) to the payment on a sequential basis of the amounts referred to in paragraphs (A) through (H) (inclusive) of the Interest Proceeds Priority of Payments, but only to the extent not paid in full thereunder;

(B) to the payment of the amounts referred to in paragraph (I) of the Interest Proceeds Priority of Payments but only to the extent not paid in full thereunder and only to the extent that the Class C Notes are the Controlling Class;

(C) to the payment of the amounts referred to in paragraph (J) of the Interest Proceeds Priority of Payments but only to the extent not paid in full thereunder and only to the extent that the Class C Notes are the Controlling Class;

(D) to the payment of the amounts referred to in paragraph (K) of the Interest Proceeds Priority of Payments but only to the extent not paid in full thereunder and only to the extent necessary to cause the Class C Coverage Tests that are applicable on such Payment Date with respect to the Class C Notes to be met if recalculated immediately following such redemption;

(E) to the payment of the amounts referred to in paragraph (L) of the Interest Proceeds Priority of Payments but only to the extent not paid in full thereunder and only to the extent that the Class D Notes are the Controlling Class;

(F) to the payment of the amounts referred to in paragraph (M) of the Interest Proceeds Priority of Payments but only to the extent not paid in full thereunder and only to the extent that the Class D Notes are the Controlling Class;

(G) to the payment of the amounts referred to in paragraph (N) of the Interest Proceeds Priority of Payments but only to the extent not paid in full thereunder and only to the extent necessary to cause the Class D Coverage Tests that are applicable on such Payment Date with respect to the Class D Notes to be met if recalculated immediately following such redemption;

(H) to the payment of the amounts referred to in paragraph (O) of the Interest Proceeds Priority of Payments but only to the extent not paid in full thereunder and only to the extent that the Class E Notes are the Controlling Class;

(I) to the payment of the amounts referred to in paragraph (P) of the Interest Proceeds Priority of Payments but only to the extent not paid in full thereunder and only to the extent that the Class E Notes are the Controlling Class;

(J) to the payment of the amounts referred to in paragraph (Q) of the Interest Proceeds Priority of Payments but only to the extent not paid in full thereunder and only to the extent necessary to

cause the Class E Coverage Tests that are applicable on such Payment Date with respect to the Class E Notes to be met if recalculated immediately following such redemption;

(K) to the payment of the amounts referred to in paragraph (R) of the Interest Proceeds Priority of Payments but only to the extent not paid in full thereunder and only to the extent that the Class F Notes are the Controlling Class;

(L) to the payment of the amounts referred to in paragraph (S) of the Interest Proceeds Priority of Payments but only to the extent not paid in full thereunder and only to the extent that the Class F Notes are the Controlling Class;

(M) to the payment of amounts referred to in paragraph (T) of the Interest Proceeds Priority of Payments but only to the extent not paid in full thereunder and only to the extent necessary to cause the Class F Par Value Test that is applicable on such Payment Date with respect to the Class F Notes to be met if recalculated immediately following such redemption;

(N) to the payment of the amounts referred to in paragraph (U) of the Interest Proceeds Priority of Payments, but only to the extent not paid in full thereunder;

(O) if such Payment Date is a Special Redemption Date during the Reinvestment Period, at the election of the Portfolio Manager, to make payments in an amount equal to the Special Redemption Amount (if any) applicable to such Payment Date to redeem the Notes in accordance with the Note Payment Sequence;

(P) (1) during the Reinvestment Period, at the discretion of the Portfolio Manager, either to the purchase of Substitute Collateral Debt Obligations or to the Principal Account pending reinvestment in Substitute Collateral Debt Obligations at a later date in each case in accordance with the Portfolio Management Agreement; and

(2) after the Reinvestment Period in the case of Principal Proceeds representing Unscheduled Principal Proceeds and Sale Proceeds from the sale of Credit Impaired Obligations at the discretion of the Portfolio Manager, to the purchase of Substitute Collateral Debt Obligations or to the Principal Account pending reinvestment in Substitute Collateral Debt Obligations at a later date in each case in accordance with the Portfolio Management Agreement;

(Q) after the Reinvestment Period, to redeem the Notes in accordance with the Note Payment Sequence;

(R) to the payment on a sequential basis of the amounts referred to in paragraphs (W) through (Y) (inclusive) of the Interest Proceeds Priority of Payments, but only to the extent not paid in full thereunder;

(S) in payment to the Portfolio Manager of any accrued and unpaid Subordinated Portfolio Management Fee due and payable but not paid pursuant to this paragraph (S) or paragraph (Z) of the Interest Proceeds Priority of Payments on any prior Payment Date *plus* any VAT in respect thereof (whether payable to the Portfolio Manager or directly to the relevant tax authority) and *plus* any accrued but unpaid interest thereon in accordance with the Portfolio Management Agreement, until such amount has been paid in full and thereafter in payment to the Portfolio Manager of the Subordinated Portfolio Management Fee (*plus* any VAT in respect thereof whether payable to the Portfolio Manager or directly to the relevant tax authority) due and payable on such Payment Date to the extent not paid in full under paragraph (Z) of the Interest Proceeds Priority of Payments, except that the Portfolio Manager may, in its sole discretion, elect to (x) designate for reinvestment or (y) defer payment of some or all of the amounts that would have been payable to the Portfolio Manager under this paragraph (S) (any such amounts referred to in (y) being "**Deferred Subordinated Portfolio Manager Amounts**") on any Payment Date *provided that* any such amount in the case of (x) shall (a) be deposited in the Principal Account and be used to purchase Substitute Collateral Debt Obligations (provided such deposit or purchase would not cause a Retention Deficiency) and (b) not be treated as unpaid for the purposes of this paragraph (S), or in the case of (y), such Deferred Subordinated Portfolio Manager Amounts shall be applied to the payment of

amounts in accordance with paragraphs (AA) through (CC) of the Interest Proceeds Priority of Payments, subject to the Portfolio Manager having notified the Collateral Administrator in writing not later than one Business Day prior to the relevant Determination Date of any amounts to be so applied (and for the avoidance of doubt such amounts shall be treated as unpaid and shall bear interest in accordance with the Portfolio Management Agreement);

(T) (1) until the Incentive Management Fee IRR Threshold has been reached, any remaining Principal Proceeds to the payment of principal on the Subordinated Notes on a *pro rata* basis and thereafter to the payment of interest on a *pro rata* basis on the Subordinated Notes (determined upon redemption in full thereof by reference to the proportion that the principal amount of the Subordinated Notes held by Subordinated Noteholders bore to the Principal Amount Outstanding of the Subordinated Notes immediately prior to such redemption); and

(2) if, after taking into account all prior distributions to Subordinated Noteholders and any distributions to be made to Subordinated Noteholders on such Payment Date including in accordance with the Interest Proceeds Priority of Payments and the Principal Proceeds Priority of Payments, the Incentive Management Fee IRR Threshold has been reached (on or prior to such Payment Date):

(a) *firstly*, 20 per cent. of any remaining Principal Proceeds, to the payment to the Portfolio Manager as an Incentive Management Fee;

(b) *secondly*, to the payment of any VAT in respect of the Incentive Management Fee referred to in (a) above (whether payable to the Portfolio Manager or directly to the relevant taxing authority); and

(c) *thirdly*, any remaining Principal Proceeds, to the payment of principal on the Subordinated Notes on a *pro rata* basis and thereafter to the payment of interest on a *pro rata* basis on the Subordinated Notes (determined upon redemption in full thereof by reference to the proportion that the principal amount of the Subordinated Notes held by Subordinated Noteholders bore to the Principal Amount Outstanding of the Subordinated Notes immediately prior to such redemption).

For the avoidance of doubt, in the event that any withholding or deduction referred to in Condition 9 (*Taxation*) is payable in respect of any payment made under this Condition 3(c)(ii) (*Application of Principal Proceeds*), such withholding, deduction or other tax shall be paid to the relevant tax or other governmental authority at such time as the relevant payment under this Condition 3(c)(ii) (*Application of Principal Proceeds*) is made.

(d) Non-payment of Amounts

Failure on the part of the Issuer to pay the Interest Amounts due and payable on the Rated Notes pursuant to Condition 6 (*Interest*) and the Interest Proceeds Priority of Payments by reason solely that there are insufficient funds standing to the credit of the Payment Account shall not be a Note Event of Default unless and until:

(i) such failure continues for a period of at least five Business Days; and

(ii) in respect of the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes, such non-payment of interest is in respect of a Payment Date on or after a Payment Date immediately following a Frequency Switch Event and:

(A) in the case of non-payment of interest due and payable on the Class C Notes in respect of any Payment Date on or after the Relevant Payment Date, the Class A Notes and the Class B Notes have been redeemed in full;

(B) in the case of non-payment of interest due and payable on the Class D Notes in respect of any Payment Date on or after the Relevant Payment Date, the Class A Notes, the Class B Notes and the Class C Notes have been redeemed in full;

(C) in the case of non-payment of interest due and payable on the Class E Notes in respect of any Payment Date on or after the Relevant Payment Date, the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes have been redeemed in full; and

(D) in the case of non-payment of interest due and payable on the Class F Notes in respect of any Payment Date from on or after the Relevant Payment Date, the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and Class E Notes have been redeemed in full,

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

Failure to pay scheduled interest on the Class C Notes, the Class D Notes, the Class E Notes or the Class F Notes as a result of the insufficiency of available Interest Proceeds or Principal Proceeds, where such Class of Notes is not the Controlling Class or no Frequency Switch Event has occurred, will not be a Note Event of Default.

Failure on the part of the Issuer to pay interest and principal amounts on the Subordinated Notes as a result of the insufficiency of available Interest Proceeds or Principal Proceeds shall not at any time constitute a Note Event of Default.

Subject always, in the case of Interest Amounts payable in respect of the Class C Notes, the Class D Notes, the Class E Notes or the Class F Notes pursuant to Condition 6(c) (*Deferral of Interest*) and save in respect of any Subordinated Portfolio Management Fee deemed to have been paid in accordance with the Interest Proceeds Priority of Payments or the Principal Proceeds Priority of Payments, in the event of non-payment of any amounts referred to in the Interest Proceeds Priority of Payments and the Principal Proceeds Priority of Payments, on any Payment Date such amounts shall remain due and shall be payable on each subsequent Payment Date in accordance with the Priorities of Payment. References to the amounts referred to in the Interest Proceeds Priority of Payments and the Principal Proceeds Priority of Payments of this Condition 3 (*Status*) shall include any amounts thereof not paid when due in accordance with this Condition 3(d) (*Non-payment of Amounts*) on any preceding Payment Date.

(e) Determination and Payment of Amounts

The Collateral Administrator will, in consultation with the Portfolio Manager, on each Determination Date, calculate the amounts payable on the applicable Payment Date pursuant to the Priorities of Payment and will notify the Issuer and the Trustee of such amounts. The Account Bank (acting in accordance with the Payment Date Report compiled by the Collateral Administrator on behalf of the Issuer) shall, on behalf of the Issuer not later than 12.00 noon (London time) on the second Business Day preceding each Payment Date, cause the amounts standing to the credit of the Principal Account, the Unused Proceeds Account and, if applicable, the Interest Account (together with amounts standing to the credit of any other Account) to the extent required to pay the amounts referred to in the Priorities of Payment which are payable on such Payment Date, to be transferred to the Payment Account in accordance with Condition 3(j) (*Payments to and from the Accounts*).

(f) De Minimis Amounts

The Collateral Administrator may, in consultation with the Portfolio Manager, adjust the amounts required to be applied in payment of principal on the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Subordinated Notes from time to time pursuant to the Priorities of Payment so that the amount to be so applied in respect of each Class A Note, Class B Note, Class C Note, Class D Note, Class E Note, the Class F Note and Subordinated Note is a whole amount, not involving any fraction of a 0.01 Euro or, at the discretion of the Collateral Administrator, part of a Euro.

(g) Publication of Amounts

The Collateral Administrator will cause details as to the amounts of interest and principal to be paid, and any amounts of interest payable but not paid, on each Payment Date in respect of the Notes to be notified at the expense of the Issuer to the Issuer, the Trustee, the Principal Paying Agent, the Registrar and the Irish Stock Exchange by no later than 11.00 am (London time) on the fifth Business Day following the applicable Determination Date and the Principal Paying Agent shall procure that details of such amounts are notified at the expense of the Issuer to the Noteholders of each Class in accordance

with Condition 16 (*Notices*) as soon as possible after notification thereof to the Principal Paying Agent in accordance with the above but in no event later than (to the extent applicable) the fifth Business Day after the applicable Determination Date.

(h) Notifications to be Final

All notifications, opinions, determinations, certificates, quotations and decisions given, expressed, made or obtained or discretions exercised for the purposes of the provisions of this Condition will (in the absence of manifest error) be binding on the Issuer, the Collateral Administrator, the Trustee, the Registrar, the Principal Paying Agent, the Transfer Agent and all Noteholders and (in the absence of negligence, fraud or wilful default on the part of the Collateral Administrator) no liability to the Issuer or the Noteholders shall attach to the Collateral Administrator in connection with the exercise or non-exercise by it of its powers, duties and discretions under this Condition.

(i) Accounts

The Issuer shall, prior to the Issue Date, establish the following accounts with the Account Bank or the Custodian, as applicable:

- the Principal Account;
- the Interest Account;
- the Unused Proceeds Account;
- the Payment Account;
- the Interest Rate Hedge and Asset Swap Termination Receipt Account;
- the Non-Euro Accounts;
- the Expense Reserve Account;
- each Revolving Reserve Account;
- the Interest Reserve Account;
- the Collection Account;
- the Custody Account;
- each Counterparty Downgrade Collateral Account; and
- the Interest Smoothing Account.

Each of the Account Bank and the Custodian shall at all times be a financial institution satisfying the Rating Requirement applicable thereto. If the Account Bank or the Custodian, as the case may be, at any time fails to satisfy the applicable Rating Requirement, the Issuer shall use reasonable endeavours to procure that a replacement Account Bank or Custodian, as the case may be, acceptable to the Trustee, which satisfies the applicable Rating Requirement is appointed within 30 calendar days in accordance with the provisions of the Agency Agreement and shall in each case notify the Rating Agencies of such replacement.

Amounts standing to the credit of the Accounts (except for any Revolving Reserve Account, the Payment Account, the Collection Account and any Counterparty Downgrade Collateral Account) from time to time may be invested by the Portfolio Manager on behalf of the Issuer in Eligible Investments and for the avoidance of doubt the Balance standing to the credit of any Account shall include any such Eligible Investments from time to time.

All interest accrued on the Balance standing to the credit of each of the Accounts from time to time (other than any Counterparty Downgrade Collateral Accounts and the Non-Euro Accounts) shall be paid into the Interest Account (to the extent applicable, following conversion thereof into Euros at the

prevailing Spot Rate of Exchange), 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, to the extent provided above.

To the extent that any amounts required to be paid into any Account pursuant to the provisions of this Condition are denominated in a currency which is not that in which the Account is denominated, the Portfolio Manager, acting on behalf of the Issuer, may (other than in respect of any Counterparty Downgrade Collateral Accounts) convert such amounts into the currency of the Account at the Spot Rate of Exchange.

Notwithstanding any other provisions of this Condition 3(i) (*Accounts*), all amounts standing to the credit of each of the Accounts (other than (i) the Interest Account, (ii) the Payment Account, (iii) the Expense Reserve Account, (iv) all interest accrued on the Accounts, (v) each Counterparty Downgrade Collateral Account, (vi) the Non-Euro Accounts (to the extent designated as Interest Proceeds), (vii) the Interest Reserve Account and (viii) the Interest Smoothing Account shall be transferred to the Payment Account and shall constitute Principal Proceeds on the Business Day prior to any redemption of the Notes in full, and all amounts standing to the credit of each of the Interest Account, the Non-Euro Accounts (to the extent designated as Interest Proceeds), the Interest Reserve Account, the Expense Reserve Account, the Interest Smoothing Account and, to the extent not required to be repaid to any Hedge Counterparty, each Counterparty Downgrade Collateral Account shall be transferred to the Payment Account as Interest Proceeds on the Business Day prior to any redemption of the Notes in full.

Notwithstanding any other provisions of this Condition 3(i) (*Accounts*), following an acceleration of the Notes (which has not been rescinded and annulled in accordance with the Conditions), all amounts standing to the credit of each of the Accounts (other than each Counterparty Downgrade Collateral Account) (and to the extent applicable, following conversion thereof into Euro at the prevailing Spot Rate of Exchange), shall be transferred to the Payment Account on or before the Business Day prior to the applicable Redemption Date for application in accordance with the Post-Acceleration Priority of Payments.

Application of amounts in respect of Swap Tax Credits received by the Issuer shall be paid out of the Interest Account to the relevant Hedge Counterparty in accordance with the terms of the relevant Hedge Agreement without regard to the Priorities of Payment.

Application of amounts in respect of Counterparty Downgrade Collateral and any interest or distributions thereon or liquidation proceeds thereof shall be paid in accordance with Condition 3(j)(vii) and the terms of the relevant Hedge Agreement without regard to the Priorities of Payment.

(j) Payments to and from the Accounts

(i) Principal Account

The Issuer (acting through the Collateral Administrator) will procure that the following Principal Proceeds are paid into the Principal Account promptly upon receipt thereof but in each case, if applicable, excluding any Trading Gains which are required to be paid into the Interest Account in accordance with Condition 3(j)(ii)(J) (*Interest Account*) below:

(A) all principal payments received in respect of any Collateral Debt Obligation (save for any Asset Swap Obligations), including, without limitation:

(1) Scheduled Principal Proceeds;

(2) Unscheduled Principal Proceeds; and

(3) any other principal payments with respect to Collateral Debt Obligations (to the extent not included in the Sale Proceeds);

(B) all interest and other amounts received in respect of any Defaulted Obligation or any Defaulted Deferring Mezzanine Loan for so long as it is a Defaulted Obligation or Defaulted Deferring Mezzanine Loan (save for Defaulted Obligation Excess Amounts and Defaulted Mezzanine Excess Amounts);

(C) all amounts transferred to the Issuer from each Counterparty Downgrade Collateral Account in accordance with Condition 3(j)(vii) (*Counterparty Downgrade Collateral Accounts*);

(D) all Refinancing Proceeds;

(E) any Asset Swap Counterparty Principal Exchange Amount received by the Issuer under any Asset Swap Transaction;

(F) all premiums (including prepayment premiums) receivable upon redemption of any Collateral Debt Obligation at maturity or otherwise or upon exercise of any put or call option in respect thereof which is above the outstanding principal amount of any Collateral Debt Obligation;

(G) all fees and commissions received in connection with any Defaulted Obligation or the work-out or restructuring of any Collateral Debt Obligation (other than Defaulted Obligation Excess Amounts);

(H) all amendment and waiver fees, late payment fees, commitment fees (other than scheduled commitment fees received by the Issuer in respect of Revolving Collateral Obligations and Delayed Drawdown Collateral Obligations) syndication fees and all other fees and commissions received in connection with any Collateral Debt Obligations, including, without limitation, upon purchase or sale thereof, in each case, to the extent not included in paragraph (G) above, *provided that* if at any time after the first anniversary of the Issue Date the Aggregate Collateral Balance (where for such purpose the Principal Balance of all Defaulted Obligations shall be deemed to be the lower of their S&P Collateral Value and their Moody's Collateral Value) equals or exceeds the Reinvestment Target Par Balance and the Collateral Quality Tests are satisfied, all or any part of such amounts may be paid into the Interest Account at the discretion of the Portfolio Manager, save to the extent received in respect of any Defaulted Obligation or the work-out or restructuring of any Collateral Debt Obligation (other than Defaulted Obligation Excess Amounts);

(I) all Sale Proceeds received in respect of a Collateral Debt Obligation;

(J) all distributions and Sale Proceeds received in respect of Exchanged Securities;

(K) all Purchased Accrued Interest;

(L) all amounts transferred to the Principal Account from any other Account pursuant to this Condition 3(j) (*Payments to and from the Accounts*);

(M) any other amounts received in respect of the Collateral which are not required to be paid into another Account;

(N) all amounts received pursuant to paragraph (V) or paragraph (Z) of Condition 3(c)(i) (*Application of Interest Proceeds*) or pursuant to paragraph (P) of Condition 3(c)(ii) (*Application of Principal Proceeds*) to be retained for the purposes of acquisition of Collateral Debt Obligations;

(O) all amounts received in respect of the issuance of additional Notes pursuant to Condition 17 (*Additional Issuances*);

(P) all amounts transferred from the Interest Reserve Account pursuant to paragraph (1) of Condition 3(j)(x) (*Interest Reserve Account*);

(Q) cash amounts (representing any excess standing to the credit of each Non-Euro Account after provisioning by the Portfolio Manager for any amounts due to be paid to any Asset Swap Counterparty pursuant to any Asset Swap Transaction) transferred from the Non-Euro

Account at the discretion of the Portfolio Manager, acting on behalf of the Issuer, converted into Euro at the prevailing Spot Rate of Exchange;

(R) all principal payments received in respect of any Non-Eligible Issue Date Collateral Debt Obligation or any other asset which did not satisfy the Eligibility Criteria on the date it was required to do so and which have not been sold by the Portfolio Manager in accordance with the Portfolio Management Agreement;

(S) any amounts received from the Portfolio Manager in respect of a Portfolio Manager Advance in accordance with Portfolio Management Agreement; and

(T) all sale proceeds received upon the sale of any Non-Eligible Issue Date Collateral Debt Obligation.

The Issuer shall (acting through the Collateral Administrator) 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 second Business Day prior to each Payment Date all amounts standing to the credit of the Principal Account to the Payment Account to the extent required for disbursement pursuant to the Principal Proceeds Priority of Payments save for:

  (a) amounts deposited after the end of the related Due Period; and

  (b) any Principal Proceeds deposited prior to the end of the related Due Period to the extent such Principal Proceeds are permitted to be and have been designated for reinvestment by the Portfolio Manager (on behalf of the Issuer) pursuant to the Portfolio Management Agreement for a period beyond such Payment Date provided such amounts are not required to be used to pay any amount due and payable in accordance with paragraphs (A) to (O) of the Principal Proceeds Priority of Payments or to settle acquisitions for which the Issuer (or the Portfolio Manager acting on its behalf) has entered into binding commitments to purchase but which have not yet settled;

(2) at any time in accordance with the terms of, and to the extent permitted under, the Portfolio Management Agreement, in the acquisition of Collateral Debt Obligations including any accrued interest thereon designated to be purchased with Principal Proceeds and any payments to an Asset Swap Counterparty in respect of initial principal exchange amounts pursuant to an Asset Swap Transaction and in respect of any Delayed Drawdown Collateral Obligation or Revolving Collateral Obligation any payments to the relevant Revolving Reserve Account in accordance with Condition 3(j)(ix) (*Revolving Reserve Accounts*);

(3) on any Payment Date on which a Refinancing in part has occurred pursuant to these Conditions, all amounts credited to the Principal Account pursuant to sub-paragraph (D) above in redemption of the relevant Class or Classes of Rated Notes in accordance with Condition 7(b)(i) (*Optional Redemption in Whole – Subordinated Noteholders or Retention Holder*) or Condition 7(b)(ii) (*Optional Redemption in Part – Refinancing of a Class or Classes of Notes in Whole by Subordinated Noteholders*);

(4) on any Payment Date, at the discretion of the Portfolio Manager, acting on behalf of the Issuer, in accordance with and subject to the terms of the Portfolio Management Agreement, in payment of the purchase price of any Notes purchased by the Issuer in accordance with Condition 7(k) (*Purchase*); and

(5) any amounts credited to the Principal Account in accordance with paragraph (S) above, in or towards payment of the amount of any cash consideration payable by the Issuer in connection with the acquisition of, or exercise of rights under, any Exchanged Securities in accordance with the Portfolio Management Agreement.

(ii) Interest Account

The Issuer (acting through the Collateral Administrator) will procure that the following Interest Proceeds are credited to the Interest Account promptly upon receipt thereof:

(A) all cash payments of interest in respect of the Collateral Debt Obligations (save for Asset Swap Obligations) (other than any Purchased Accrued Interest or Ramp Accrued Interest), together with all amounts received by the Issuer by way of gross-up in respect of such interest and in respect of a claim under any applicable double taxation treaty (but excluding any interest received in respect of any Defaulted Obligations or Defaulted Deferring Mezzanine Loans other than Defaulted Obligation Excess Amounts and Defaulted Mezzanine Excess Amounts (as applicable));

(B) at the Portfolio Manager's discretion, if at any time after the first anniversary of the Issue Date the Aggregate Collateral Balance (and for such purpose the Principal Balance of all Defaulted Obligations shall be deemed to be the lower of their S&P Collateral Value and their Moody's Collateral Value) is equal to or greater than the Reinvestment Target Par Balance and the Collateral Quality Tests are satisfied, all or any portion of any amendments and waiver fees, late payment fees, commitment fees (other than scheduled commitment fees received by the Issuer in respect of any Revolving Collateral Obligations or Delayed Drawdown Collateral Obligations), syndication fees and other fees and commissions received in connection with any Collateral Debt Obligations, including, without limitation, upon sale or purchase thereof, save to the extent received in respect of any Defaulted Obligation or restructuring of any Collateral Debt Obligation (other than Defaulted Obligation Excess Amounts);

(C) all accrued interest included in the proceeds of sale of any Collateral Debt Obligation designated by the Portfolio Manager as Interest Proceeds pursuant to the Portfolio Management Agreement (*provided that* no such designation may be made in respect of (i) any Purchased Accrued Interest, (ii) any Ramp Accrued Interest, (iv) any interest received in respect of any Mezzanine Loan for so long as it is a Defaulted Deferring Mezzanine Loan other than Defaulted Mezzanine Excess Amounts or (iv) any interest received in respect of any Defaulted Obligation save for Defaulted Obligation Excess Amounts;

(D) all Scheduled Periodic Asset Swap Counterparty Payments received by the Issuer under an Asset Swap Transaction and all Scheduled Periodic Interest Rate Hedge Counterparty Payments received by the Issuer under an Interest Rate Hedge Transaction;

(E) cash amounts (representing any excess standing to the credit of the Non-Euro Account after provisioning by the Portfolio Manager for any amounts due to be paid to any Asset Swap Counterparty pursuant to any Asset Swap Transaction) transferred from the Non-Euro Account at the discretion of the Portfolio Manager, acting on behalf of the Issuer, converted into Euro at the prevailing Spot Rate of Exchange;

(F) all amounts transferred to the Interest Account from any other Account pursuant to this Condition 3(j) (*Payments to and from the Accounts*) and Condition 3(i) (*Accounts*);

(G) all scheduled commitment fees received by the Issuer in respect of any Revolving Collateral Obligations or Delayed Drawdown Collateral Obligations;

(H) all amounts received by the Issuer in respect of interest paid in respect of any collateral deposited by the Issuer with a third party as security for any reimbursement or indemnification obligations to any other lender under a Revolving Collateral Obligation or a Delayed Drawdown Collateral Obligation in an account established pursuant to an ancillary facility;

(I) all amounts transferred from the Interest Reserve Account pursuant to paragraph (1) of Condition 3(j)(x) (*Interest Reserve Account*);

(J) if the deposit in the Principal Account of any Trading Gains realised in respect of any Collateral Debt Obligation would, in the sole discretion of the Portfolio Manager, cause (or would be likely to cause) a Retention Deficiency, Trading Gains in an amount sufficient in order to ensure that no Retention Deficiency occurs;

(K) any Swap Tax Credit received by the Issuer;

(L) any Interest Smoothing Amounts which are required to be transferred from the Interest Smoothing Account; and

(M) all cash payments of interest in respect of any Non-Eligible Issue Date Collateral Debt Obligations or any other asset which did not satisfy the Eligibility Criteria on the date it was required to do so and that have not been sold by the Portfolio Manager, other than any Purchased Accrued Interest or Ramp Accrued Interest, together with all amounts received by the Issuer by way of gross-up in respect of such interest and in respect of a claim under any applicable double taxation treaty in accordance with the Portfolio Management Agreement.

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

(1) on the second Business Day prior to each Payment Date all amounts standing to the credit of the Interest Account shall be transferred to the Payment Account to the extent required for disbursement pursuant to the Interest Proceeds Priority of Payments save for amounts deposited after the end of the related Due Period;

(2) at any time any Scheduled Periodic Interest Rate Hedge Issuer Payments to be paid by the Issuer due to each Interest Rate Hedge Counterparty pursuant to each Interest Rate Transaction;

(3) at any time any Asset Swap Issuer Termination Payment or Interest Rate Hedge Issuer Termination Payment payable by the Issuer (excluding any Defaulted Asset Swap Issuer Termination Payment or Defaulted Interest Rate Hedge Issuer Termination Payment) to the extent not paid in full out of the Interest Rate Hedge and Asset Swap Termination Receipt Account;

(4) at any time any Asset Swap Replacement Payment or Interest Rate Hedge Replacement Payment payable by the Issuer (to the extent not paid in full out of the Interest Rate Hedge and Asset Swap Termination Receipt Account);

(5) at any time any Swap Tax Credit shall be paid to the relevant Hedge Counterparty in accordance with the terms of the relevant Hedge Agreement;

(6) at any time any amount representing interest received in respect of a Collateral Debt Obligation and accrued at the time of acquisition thereof and not paid for by the Issuer, to the seller thereof in accordance with the terms of the applicable Collateral Acquisition Agreement (if any); and

(7) on the Business Day following each Determination Date, any Interest Smoothing Amount required to be transferred to the Interest Smoothing Account, except that no payment may be made on (i) the first Determination Date following the Issue Date; (ii) a Determination Date following the occurrence of a Note Event of Default which is continuing or if a Note Event of Default will occur on the next Payment Date as a result of such payment being made; (iii) the Determination Date immediately prior to any redemption of the Notes in full; and (iv) any Determination Date on or following the occurrence of a Frequency Switch Event.

(iii) Unused Proceeds Account

The Issuer (acting through the Collateral Administrator) will procure that the following amounts are credited to the Unused Proceeds Account:

(A) an amount transferred from the Collection Account equal to the net proceeds of issue of the Notes remaining after the payment of all amounts pursuant to Condition 3(j)(xii)(B)(1) (*Collection Account*) below;

(B) amounts transferred to the Unused Proceeds Account from the Interest Reserve Account in accordance with paragraph (3) of Condition 3(j)(x) (*Interest Reserve Account*);

(C) all proceeds received during the Initial Investment Period from any additional issuance of Notes that are not invested in Collateral Debt Obligations or paid into the Principal Account; and

(D) all Ramp Accrued Interest.

The Issuer (acting through the Collateral Administrator) 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 Unused Proceeds Account:

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

(2) at any time up to and including the last day of the Initial Investment Period, in accordance with the terms of, and to the extent permitted under, the Portfolio Management Agreement, in the acquisition of Collateral Debt Obligations (including any transfer, registration and other administrative fees and charges in connection with the acquisition of Collateral Debt Obligations and any Unfunded Amounts required to be transferred to the relevant Revolving Reserve Account), including any payments to an Asset Swap Counterparty in respect of initial principal exchange amounts for Non-Euro Obligations and any payments to any Interest Rate Hedge Counterparty in connection with the costs of entering into any Interest Rate Hedge Transaction;

(3) in the event of the occurrence of an Effective Date Rating Event, the Balance standing to the credit of the Unused Proceeds Account, on the Business Day prior to the Payment Date falling immediately after the Effective Date, to the extent required, to the Payment Account for application as Principal Proceeds in accordance with the Priorities of Payment in redemption on a *pro rata* basis of the Notes in accordance with the Priorities of Payment or, if earlier, until an Effective Date Rating Event is no longer continuing; and

(4) on or after the Effective Date, the Balance standing to the credit of the Unused Proceeds Account, to the Principal Account or the Interest Account, in each case, at the discretion of the Portfolio Manager, acting on behalf of the Issuer, *provided that* as at such date: (i) the Rating Agencies have confirmed the Initial Ratings of the Rated Notes following delivery of the Effective Date Report (or in respect of Moody's, the Effective Date Moody's Condition is satisfied) and *provided that* such Rating Agency Confirmation shall only be required from S&P to the extent that the Effective Date Determination Requirements have not been satisfied; (ii) the Issuer has acquired or has entered into binding commitments to acquire Collateral Debt Obligations the Aggregate Principal Balance of which equals or exceeds the Target Par Amount by such date (*provided that*, for the purposes of determining the Aggregate Principal Balance as provided above, any repayments or prepayments of any Collateral Debt Obligations subsequent to the Issue Date and not subsequently reinvested shall be disregarded and the Principal Balance of a Collateral Debt Obligation which is a Defaulted Obligation will be the lower of its Moody's Collateral Value and its S&P Collateral Value); and (iii) no more than 1 per cent. of the Target Par Amount in aggregate may be transferred to the Interest Account.

(iv) Payment Account

Subject always to Condition 3(i) (*Accounts*) in connection with the redemption in whole of the Notes or the acceleration of the Notes and enforcement of the security, the Issuer (acting through the Collateral Administrator) will procure that:

(1) on the second Business Day prior to each Payment Date all amounts standing to the credit of each of the other Accounts which are required to be transferred from such other Accounts to the Payment Account pursuant to Condition 3(i) (*Accounts*) and Condition 3(j) (*Payments to and from the Accounts*) are so transferred;

(2) on such Payment Date the Collateral Administrator (acting on the basis of the Payment Date Report) shall instruct the Account Bank to disburse such amounts in accordance with the Priorities of Payment, as applicable.

No amounts shall be transferred to, or withdrawn from, the Payment Account at any other time or in any other circumstances.

(v) Interest Rate Hedge and Asset Swap Termination Receipt Account

The Issuer (acting through the Collateral Administrator) will procure that all Interest Rate Hedge Counterparty Termination Payments, Asset Swap Counterparty Termination Payments, Interest Rate Hedge Replacement Receipts and Asset Swap Replacement Receipts received by the Issuer are paid into a segregated sub-account within Interest Rate Hedge and Asset Swap Termination Receipt Account promptly upon receipt thereof.

The Issuer (acting through the Collateral Administrator) will procure payment of the following amounts (and shall ensure that payment of no other amount is made, save to the extent otherwise permitted above) out of the Interest Rate Hedge and Asset Swap Termination Receipt Account:

(1) at any time, any Interest Rate Hedge Replacement Payment, Asset Swap Replacement Payment, Interest Rate Hedge Issuer Termination Payment and Asset Swap Issuer Termination Payment payable by the Issuer to any Interest Rate Hedge Counterparty or any Asset Swap Counterparty, upon replacement or termination (as applicable) of an Asset Swap Transaction or Interest Rate Hedge Transaction to which the applicable sub-account relates up to an amount equal to the related Interest Rate Hedge Counterparty Termination Payment, Asset Swap Counterparty Termination Payment, Interest Rate Hedge Replacement Receipt or Asset Swap Replacement Receipt received by the Issuer in respect thereof; and

(2) to the extent that any Interest Rate Hedge Counterparty Termination Payment, Asset Swap Counterparty Termination Payment, Interest Rate Hedge Replacement Receipt or Asset Swap Replacement Receipt received by the Issuer exceeds any Interest Rate Hedge Replacement Payment, Asset Swap Replacement Payment, Interest Rate Hedge Issuer Termination Payment or Asset Swap Issuer Termination Payment payable by the Issuer upon termination of the related Asset Swap Transaction or Interest Rate Hedge Transaction or upon entry into an Asset Swap Transaction or Interest Rate Hedge Transaction replacing an original Asset Swap Transaction or Interest Rate Hedge Transaction, as applicable, an amount equal to the balance of the related Interest Rate Hedge Counterparty Termination Payment, Asset Swap Counterparty Termination Payment, Interest Rate Hedge Replacement Receipt or Asset Swap Replacement Receipt shall be transferred to the Interest Account.

(vi) Non-Euro Accounts

The Issuer (acting through the Collateral Administrator) will procure that all amounts due to the Issuer in respect of each Non-Euro Obligation (including the proceeds of sale of Asset Swap Obligations from which the Issuer shall pay any related Asset Swap Issuer Principal Exchange Amount and any Asset Swap Issuer Termination Payment to the relevant Asset Swap Counterparty pursuant to paragraph (3) below), and any payments from an Asset Swap Counterparty in respect of an initial principal exchange shall, on receipt, be deposited in the Non-Euro Account in respect of, and maintained in the currency of, each such individual Non-Euro Obligation.

The Issuer (acting through the Collateral Administrator) will procure payment of the following amounts (and shall ensure that payment of no other amount is made, save to the extent otherwise permitted above) out of the relevant Non-Euro Account:

(1) at any time, to the extent of any initial principal exchange amount received from the Asset Swap Counterparty and deposited into the Non-Euro Account in accordance with the terms of, and to the extent permitted under, the Portfolio Management Agreement, in the acquisition of Asset Swap Obligations;

(2) Scheduled Periodic Asset Swap Issuer Payments due to each Asset Swap Counterparty pursuant to each Asset Swap Transaction;

(3) Asset Swap Issuer Principal Exchange Amounts due to each Asset Swap Counterparty pursuant to each Asset Swap Transaction (including without limitation any such amounts payable upon sale of the relevant Asset Swap Obligation and any Asset Swap Issuer Termination Payment payable out of such proceeds of sale to the extent denominated in the applicable non-Euro currency); and

(4) cash amounts (representing any excess standing to the credit of the Non-Euro Account after provisioning for any amounts due to be paid to any Asset Swap Counterparty pursuant to any Asset Swap Transaction in respect of any Asset Swap Obligation) at the discretion of the Portfolio Manager, acting on behalf of the Issuer, to the Interest Account or the Principal Account after conversion thereof into Euro at the prevailing Spot Rate of Exchange.

(vii) Counterparty Downgrade Collateral Accounts

The Issuer will procure that all Counterparty Downgrade Collateral transferred pursuant to a Hedge Agreement shall be deposited in the applicable Counterparty Downgrade Collateral Account in respect of each Hedge Counterparty. All Counterparty Downgrade Collateral deposited from time to time in any Counterparty Downgrade Collateral Account shall be held and released pursuant to the terms set out below.

The funds or securities credited to the Counterparty Downgrade Collateral Account and any interest or distributions thereon or liquidation proceeds thereof are held separate from and do not form part of Principal Proceeds or of the Interest Proceeds (other than in the circumstances set out below) and accordingly, are not available to fund general distributions of the Issuer. The amounts standing to the credit of the applicable Counterparty Downgrade Collateral Account shall not be commingled with any other funds from any party.

Amounts standing to the credit of each Counterparty Downgrade Collateral Account will not be available for the Issuer to make payments to the Noteholders nor any other creditor of the Issuer. The Issuer will procure the payment of the following amounts (and shall ensure that no other payments are made, save to the extent required hereunder):

(A) prior to the occurrence or designation of an "Early Termination Date" (as defined in the relevant Hedge Agreement) in respect of all "Transactions" entered into under the relevant Hedge Agreement pursuant to which all "Transactions" under the Hedge Agreement are terminated early, solely in or towards payment or transfer of:

(1) any "Return Amounts" (as defined in the applicable Hedge Agreement);

(2) any "Interest Amounts" and "Distributions" (each as defined in the applicable Hedge Agreement);

(3) any return of collateral to the Hedge Counterparty upon a permitted novation or other transfer of the Hedge Counterparty's obligations under the Hedge Agreement to a replacement Hedge Counterparty; and

(4) any other return or transfer of collateral or other payment amounts in the nature of interest or distributions in respect of collateral in accordance with the terms of such Hedge Agreement,

directly to the Hedge Counterparty in accordance with the terms of such Hedge Agreement (including, if applicable, the "credit support annex" thereto);

(B) following the designation of an "Early Termination Date" (as defined in the Hedge Agreement) in respect of all "Transactions" under a Hedge Agreement pursuant to which all "Transactions" under the Hedge Agreement are terminated early where (A) an "Event of Default" (as defined in the Hedge Agreement) in respect of the Hedge Counterparty or an "Additional Termination Event" (as defined in the Hedge Agreement) in relation to which the

Hedge Counterparty is the sole "Affected Party" (as defined in the Hedge Agreement) and (B) the Issuer enters into a replacement Hedge Agreement or any novation of the Hedge Counterparty's obligations to a replacement Hedge Counterparty on or around the "Early Termination Date" (as defined in the Hedge Agreement), in the following order of priority:

(1) *first*, in or towards payment of any Hedge Replacement Payment (to the extent not funded from the Interest Rate Hedge and Asset Swap Termination Receipt Account);

(2) *second*, in or towards payment of any Asset Swap Issuer Termination Payment or Interest Rate Hedge Issuer Termination Payment (to the extent not funded from the Interest Rate Hedge and Asset Swap Termination Receipt Account); and

(3) *third*, the surplus remaining (if any) (the "**Counterparty Downgrade Collateral Account Surplus**") be transferred to the Principal Account;

(C) following the designation of an "Early Termination Date" (as defined in the Hedge Agreement) in respect of all "Transactions" under a Hedge Agreement pursuant to which all "Transactions" under the Hedge Agreement are terminated early (A) other than in respect of an "Event of Default" (as defined in the Hedge Agreement) in respect of the Hedge Counterparty or an "Additional Termination Event" (as defined in the Hedge Agreement) in relation to which the Hedge Counterparty is the sole "Affected Party" (as defined in the Hedge Agreement) and (B) the Issuer enters into a replacement Hedge Agreement or any novation of the Hedge Counterparty's obligations to a replacement Hedge Counterparty of the Hedge Agreement on or around the "Early Termination Date" (as defined in the Hedge Agreement) , in the following order of priority:

(1) *first*, in or towards payment of any Asset Swap Issuer Termination Payment or Interest Rate Hedge Issuer Termination Payment (to the extent not funded from the Interest Rate Hedge and Asset Swap Termination Receipt Account);

(2) *second*, in or towards payment of any Hedge Replacement Payment (to the extent not funded from the Interest Rate Hedge and Asset Swap Termination Receipt Account); and

(3) *third*, the Counterparty Downgrade Collateral Account Surplus be transferred to the Principal Account,

(D) following the designation of an "Early Termination Date" (as defined in the Hedge Agreement) in respect of all "Transactions" under a Hedge Agreement pursuant to which all "Transactions" under the Hedge Agreement are terminated early, if for any reason the Issuer is unable to or elects not to enter into a replacement Hedge Agreement or any novation of the Hedge Counterparty's obligations to a replacement Hedge Counterparty, in the following order of priority:

(1) *first*, in or towards payment of any Asset Swap Issuer Termination Payment or Interest Rate Hedge Issuer Termination Payment (to the extent not funded from the Asset Swap and Interest Rate Hedge Termination Receipt Account); and

(2) *second*, the Counterparty Downgrade Collateral Account Surplus be transferred to the Principal Account.

(viii) Expense Reserve Account

The Issuer (acting through the Collateral Administrator) will procure that the following amounts are paid into the Expense Reserve Account:

(A) on or about the Issue Date, an amount determined by the Portfolio Manager in consultation with the Issuer and the Joint Placement Agents on the Issue Date transferred from the Collection Account on the Issue Date for the payment of amounts due or accrued in connection with the issue of the Notes, in accordance with (1) below transferred from the Collection Account on the Issue Date and/or anticipated to be payable by the Issuer during the period following completion of the issue of the Notes up to the first Payment Date; and

(B) on each Payment Date (other than the Payment Date on which the Subordinated Notes are to be redeemed and paid in full) an amount in accordance with paragraph (C)(2) of Condition 3(c)(i) (*Application of Interest Proceeds*).

The Issuer (acting through the Collateral Administrator) 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) amounts due or accrued with respect to actions taken on or about the Issue Date with respect to the issue of Notes and the entry into the Transaction Documents;

(2) on the second Business Day prior to each Payment Date all amounts standing to the credit of the Expense Reserve Account to the Payment Account for disbursement in accordance with Condition 3(c)(i) (*Application of Interest Proceeds*); and

(3) during any Due Period, in the following order of priority, in payment by the Collateral Administrator on behalf of the Issuer of any (i) Trustee Fees and Expenses, (ii) Administrative Expenses; and (iii) any transfer, registration and other administrative fees and charges paid or payable by or on behalf of the Issuer in connection with the acquisition of Collateral Debt Obligations and Substitute Collateral Debt Obligations, and to the extent that invoices are usually obtained, upon receipt of invoices therefor from the relevant creditor.

(ix) Revolving Reserve Accounts

The Revolving Reserve Accounts shall be denominated in each applicable Qualifying Currency, *provided that* at the Issue Date there shall only be Revolving Reserve Accounts for each of Euro, Sterling and US Dollars. Further Revolving Reserve Accounts may be opened by the Account Bank upon reasonable request of the Issuer.

The Issuer (acting through the Collateral Administrator) shall procure the following amounts are paid into the relevant Revolving Reserve Account from the Principal Account or the Unused Proceeds Account (as applicable):

(A) upon the acquisition by or on behalf of the Issuer of any Revolving Collateral Obligation or Delayed Drawdown Collateral Obligation, an amount equal to the amount which would cause the Balance standing to the credit of the relevant Revolving Reserve Account to be at least equal to the combined aggregate principal amounts of the Unfunded Amounts under each of the Revolving Collateral Obligations or Delayed Drawdown Collateral Obligations (which Unfunded Amounts will be treated as part of the purchase price for the related Revolving Collateral Obligation or Delayed Drawdown Collateral Obligation) less amounts posted as collateral for any Unfunded Amounts pursuant to paragraph (1) below (and which do not constitute Funded Amounts);

(B) all principal payments received by the Issuer in respect of any Revolving Collateral Obligation or Delayed Drawdown Collateral Obligation, if and to the extent that the amount of such principal payments may be reborrowed under such Revolving Collateral Obligation or Delayed Drawdown Collateral Obligation; 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 relevant Revolving Reserve Account:

(1) all amounts required to fund any drawings under any Delayed Drawdown Collateral Obligation or Revolving Collateral Obligation or (subject to Rating Agency Confirmation) 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 Collateral Obligation or Delayed Drawdown Collateral Obligation or to collateralise the Issuer's obligations to fund drawings under any Delayed Drawdown Collateral Obligations or Revolving Collateral Obligations (subject to such

security documentation as may be agreed between such lender, the Portfolio Manager acting on behalf of the Issuer and the Trustee); and

(2) at any time at the direction of the Portfolio Manager (acting on behalf of the Issuer) or upon the sale (in whole or in part) of a Revolving Collateral Obligation or Delayed Drawdown Collateral Obligation or the reduction, cancellation or expiry of any commitment of the Issuer to make future advances or otherwise extend credit thereunder, any excess of (i) the amount standing to the credit of the relevant Revolving Reserve Account over (ii) the sum of the Unfunded Amounts of all Revolving Collateral Obligations and Delayed Drawdown Collateral Obligations, after taking into account such sale or such reduction, cancellation or expiry of commitment, to the Principal Account.

(x) Interest Reserve Account

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

(A) on or about the Issue Date, an amount of €2,100,000 transferred from the Collection Account; and

(B) from time to time on any Payment Date, an amount determined at the discretion of the Portfolio Manager transferred pursuant to paragraph (BB) of Condition 3(c)(i) (*Application of Interest Proceeds*).

The Issuer (acting through the Collateral Administrator) shall procure payment of the following amounts (and shall ensure that payment of no other amount is made) out of the Interest Reserve Account:

(1) on each Determination Date;

(a) at the discretion of the Portfolio Manager on behalf of the Issuer all amounts standing to the credit of the Interest Reserve Account which have been transferred to the Interest Reserve Account pursuant to paragraph (B) of this Condition 3(j)(x) (*Interest Reserve Account*) above, in payment into the Interest Account or, at the discretion of the Portfolio Manager, in payment into the Principal Account *provided that* any transfer to the Principal Account will not cause a Retention Deficiency; and

(b) following the occurrence of the Effective Date and Rating Agency Confirmation from S&P having been received, an amount determined at the discretion of the Portfolio Manager not exceeding the aggregate amount standing to the credit of the Interest Reserve Account transferred to the Interest Reserve Account pursuant to paragraph (A) of this Condition 3(j)(x) (*Interest Reserve Account*) above, in payment into the Interest Account (such amount in any event not to exceed 1 per cent. of the aggregate Note issuance proceeds on the Issue Date);

(2) on the Business Day prior to any Redemption Date in the event of a redemption of the Notes in whole, or upon an acceleration of the Notes and enforcement of the security on the Business Day prior to any application of such enforcement proceeds in accordance with the Conditions, all amounts standing to the credit of the Interest Reserve Account to the Payment Account for distribution in accordance with Post-Acceleration Priority of Payments; and

(3) at any time at the discretion of the Portfolio Manager on behalf of the Issuer, to the Unused Proceeds Account.

(xi) Interest Smoothing Account

On the Business Day following each Determination Date the Portfolio Manager (acting on behalf of the Issuer) shall ensure that any Interest Smoothing Amount shall be credited to the Interest Smoothing Account from the Interest Account *provided that* no such transfer shall be made on any such Business Day following:

(A) the first Determination Date following the Issue Date;

(B) a Determination Date, following the occurrence of a Note Event of Default which is continuing or, if a Note Event of Default will occur on the next Payment Date as a result of such payment being made;

(C) the Determination Date immediately prior to any redemption of the Notes in full; or

(D) any Determination Date on or following the occurrence of a Frequency Switch Event.

The Issuer shall procure, on the Business Day falling after the Payment Date following the Determination Date on which any Interest Smoothing Amount was transferred to the Interest Smoothing Account, such Interest Smoothing Amount to be transferred to the Interest Account.

(xii) Collection Account

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

(A) on the Issue Date, the net proceeds of issue of the Notes; and

(B) all amounts received in respect of any Collateral (other than as otherwise provided in Condition 3(j)(vii) (*Counterparty Downgrade Collateral Accounts*)).

The Issuer shall procure payment of the following amounts (and shall ensure that payment of no other amount is made, save to the extent otherwise permitted in this Condition 3(j) (*Payments to and from the Accounts*)) out of the Collection Account:

(1) on or about the Issue Date:

(a) to the Expense Reserve Account in an amount contemplated by Condition 3(j)(viii)(A);

(b) to repay the warehouse providers under the Warehouse Arrangements in an amount necessary to repay the warehouse providers in respect of the funding provided by the warehouse providers to finance the purchase of Collateral Debt Obligations prior to the Issue Date;

(c) an amount necessary to pay all other amounts due under the Warehouse Arrangements;

(d) to the Interest Reserve Account in an amount contemplated by Condition 3(j)(x)(A); and

(e) any remaining amounts to the Unused Proceeds Account; and

(2) subject to the prior payment of all amounts in paragraph (1) above, in transfer to the other Accounts as required in accordance with Condition 3(i) (*Accounts*) and the other provisions of this Condition 3(j) (*Payments to and from the Accounts*) on a daily basis, such that the balance standing to the credit of the Collection Account at the end of each Business Day is zero.

4. Security

(a) Security

Pursuant to the Trust Deed, the obligations of the Issuer under the Notes of each Class, the Trust Deed, the Placement Agency Agreement, the Agency Agreement, the Portfolio Management Agreement, the Issuer Corporate Services Agreement, the Hedge Agreements and any other Transaction Documents (together with the obligations owed by the Issuer to the other Secured Parties) are secured in favour of the Trustee for the benefit of itself and the other Secured Parties by:

(i) an assignment by way of security of all the Issuer's rights, title and interest, present and future (and all entitlements or other benefits relating thereto), in respect of all Collateral Debt Obligations, Exchanged Securities and Eligible Investments standing to the credit of each of the Accounts (other than each Counterparty Downgrade Collateral Account) and any other investments (other than the Counterparty Downgrade Collateral), in each case held by or on behalf of the Issuer from time to time (where such rights are contractual rights other than contractual rights, the assignment of which would require the consent of a third party and where such contractual rights arise other than under securities or where the Trustee is required to accede to an intercreditor deed or agreement), including, without limitation, moneys received in respect thereof, all dividends and distributions paid or payable thereon, all property paid, distributed, accruing or offered at any time on, to or in respect of or in substitution therefor and the proceeds of sale, repayment and redemption thereof;

(ii) a first fixed charge over all the Issuer's rights, title and interest, present and future (and all entitlements or other benefits relating thereto), in respect of all Collateral Debt Obligations, Exchanged Securities and Eligible Investments standing to the credit of each of the Accounts (other than each Counterparty Downgrade Collateral Account) and any other investments (other than the Counterparty Downgrade Collateral), in each case held by or on behalf of the Issuer from time to time (where such assets are securities or contractual rights not assigned by way of security pursuant to paragraph (i) above), including, without limitation, all moneys received in respect thereof, all dividends and distributions paid or payable thereon, all property paid, distributed, accruing or offered at any time on, to or in respect of or in substitution therefor and the proceeds of sale, repayment and redemption thereof;

(iii) a first fixed charge over all rights of the Issuer, present and future, in respect of each of the Accounts (excluding each Counterparty Downgrade Collateral Account) and all moneys from time to time standing to the credit of the Accounts (other than each Counterparty Downgrade Collateral Account) and the debts represented thereby and including, without limitation, all interest accrued and other moneys received in respect thereof;

(iv) a first fixed charge (where the applicable assets are securities) over, or an assignment by way of security (where the applicable rights are contractual obligations) of, all rights of the Issuer, present and future, in respect of any of the Counterparty Downgrade Collateral standing to the credit of each Counterparty Downgrade Collateral Account including, without limitation, all moneys received in respect thereof, all dividends and distributions paid or payable thereon, all property paid, distributed, accruing or offered at any time on, to or in respect of or in substitution therefor and the proceeds of sale, repayment and redemption thereof and each Counterparty Downgrade Collateral Account and all moneys from time to time standing to the credit of each Counterparty Downgrade Collateral Account and the debts represented thereby and including, without limitation, all interest accrued and other moneys received in respect thereof (subject, in each case, to the rights of any Hedge Counterparty to require repayment or redelivery of any such Counterparty Downgrade Collateral pursuant to the terms of the applicable Hedge Agreement and Condition 3(j)(vii) (*Counterparty Downgrade Collateral Accounts*)), and in each case, subject to any prior ranking security interest thereover entered into by the Issuer in relation thereto in favour of any Hedge Counterparty in accordance with these Conditions;

(v) a first fixed charge over amounts representing all or part of the Unfunded Amount of any Revolving Collateral Obligation or Delayed Drawdown Collateral Obligation and deposited in its name with a third party as security for any reimbursement or indemnification obligation of the Issuer owed to any other lender under such Revolving Collateral Obligation or Delayed Drawdown Collateral Obligation, subject to the terms of Condition 3(j)(ix) (*Revolving Reserve Accounts*) (including Rating Agency Confirmation) and subject to any prior ranking security interest thereover entered into by the Issuer in relation thereto in favour of any third party as security for payment obligations of the Issuer including but not limited to any reimbursement or indemnification obligation of the Issuer owed to any other lender under such Revolving Collateral Obligation or Delayed Drawdown Collateral Obligation;

(vi) an assignment by way of security of all the Issuer's rights, present and future, against the Custodian under the Agency Agreement and a first fixed charge over all of the Issuer's right, title and interest in and to the Custody Account (including each cash account relating to the Custody Account) and any cash held therein and the debts represented thereby;

(vii) an assignment by way of security of all the Issuer's rights, present and future, under each Hedge Agreement, and each Hedge Transaction entered into thereunder (including the Issuer's rights under any guarantee or credit support annex entered into pursuant to any Hedge Agreement, *provided that* such assignment by way of security shall not in any way restrict the release of collateral granted thereunder in whole or in part at any time pursuant to the terms thereof) and *provided that* such assignment is without prejudice to and shall operate after giving effect to any contractual netting or set-off provision contained in the Hedge Agreement;

(viii) an assignment by way of security of all the Issuer's rights, present and future, under the Agency Agreement, the Placement Agency Agreement, the Risk Retention Letter, the Portfolio Management Agreement and each other Transaction Document to which the Issuer is a party other than the Issuer Corporate Services Agreement;

(ix) a first fixed charge over all moneys held from time to time by the Principal Paying Agent or the Registrar or the Transfer Agent for payment of principal, interest or other amounts on the Notes (if any); and

(x) a floating charge over the whole of the Issuer's undertaking and assets, excluding the Irish Excluded Assets, to the extent that such undertaking and assets are not subject to any other security created pursuant to the Trust Deed.

The security created pursuant to paragraphs (i) to (x) above is granted to the Trustee for itself and as trustee for the other Secured Parties as continuing security for the payment of the Secured Obligations *provided that* the security granted by the Issuer over any collateral provided to the Issuer pursuant to a Hedge Agreement, will only be available to the Secured Parties (other than with respect to the collateral provided to the relevant Hedge Counterparty pursuant to such Hedge Agreement and Condition 3(j)(vii) (*Counterparty Downgrade Collateral Accounts*)) when such collateral is available to the Issuer in accordance with the applicable Hedge Agreement and these Conditions and (if a title transfer arrangement) to the extent that no equivalent amount is owed to the Hedge Counterparty pursuant to the relevant Hedge Agreement and/or Condition 3(j)(vii) (*Counterparty Downgrade Collateral Accounts*). The security will extend to the ultimate balance of all sums payable by the Issuer in respect of the above, regardless of any intermediate payment or discharge in whole or in part.

If, for any reason, the purported assignment by way of security of, and/or the grant of first fixed charge over, the property, assets, rights and/or benefits described above is found to be ineffective in respect of any such property, assets, rights and/or benefits (together the "**Affected Collateral**"), the Issuer shall hold the benefit of the Affected Collateral and any sums received in respect thereof or any security interest, guarantee or indemnity or undertaking of whatever nature given to secure such Affected Collateral (together the "**Trust Collateral**") on trust for the Trustee (for the benefit of 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 these Conditions and the terms of the Portfolio Management Agreement, if no Note Event of Default has occurred and is continuing, the Issuer shall be entitled to apply the benefit of such Trust Collateral and such sums in respect of such Trust Collateral received by it and held on trust under this clause without prior direction from the Trustee), (ii) exercise any rights it may have in respect of the Trust Collateral at the direction of the Trustee and (iii) at its own cost take such action and execute such documents as the Trustee may in its sole discretion require.

The Issuer may from time to time grant security:

(i) by way of a first fixed charge to a Hedge Counterparty over the Counterparty Downgrade Collateral deposited by such Hedge Counterparty in the applicable Counterparty Downgrade Collateral Account (and all rights of the Issuer, present and future, in respect of the Counterparty Downgrade Collateral Account) as security for the Issuer's obligations to repay, redeliver or apply such Counterparty Downgrade Collateral pursuant to the terms of the applicable Hedge Agreement and Condition 3(j)(vii) (*Counterparty Downgrade Collateral Accounts*) (subject to such security documentation as may be agreed between such third party, the Issuer and the Trustee). For the avoidance of doubt, the Issuer may grant such security interest directly to the Hedge Counterparty;

(ii) by way of a first fixed charge over any deposit established by the Issuer with a Selling Institution in connection with the acquisition therefrom of an interest in a Collateral Debt Obligation in

respect of which the Issuer has agreed to guarantee or undertaken to pay (to the extent of moneys standing to the credit of such deposit) all or part of the liabilities of the related obligor to such Selling Institution; and/or

(iii) by way of a first fixed charge over amounts representing all or part of the Unfunded Amount of any Revolving Collateral Obligation or Delayed Drawdown Collateral Obligation and deposited in its name with a third party as security for payment obligations of the Issuer including but not limited to any reimbursement or indemnification obligation of the Issuer owed to any other lender under such Revolving Collateral Obligation or Delayed Drawdown Collateral Obligation, subject to the terms of Condition 3(j)(ix) (*Revolving Reserve Accounts*) (including Rating Agency Confirmation).

For the avoidance of doubt, the Issuer has not and will not charge its right or interest in and to the Irish Excluded Assets and there will be no recourse to such Irish Excluded Assets.

All deeds, documents, assignments, instruments, bonds, notes, negotiable instruments, papers and any other instruments comprising, evidencing, representing and/or transferring the Portfolio will be deposited with or held by or on behalf of the Custodian until the security over such obligations is irrevocably discharged in accordance with the provisions of the Trust Deed. If the ratings of the Custodian are downgraded to below the Rating Requirement or withdrawn, the Issuer shall use reasonable endeavours to procure that a replacement Custodian with the Rating Requirement and who is acceptable to the Trustee is appointed within 30 days in accordance with the provisions of the Agency Agreement.

Pursuant to the terms of the Trust Deed, the Trustee is exempted from any liability in respect of any loss or theft or reduction in value of the Collateral, from any obligation to insure the Collateral and from any claim arising from the fact that the Collateral is held in a clearing system or in safe custody by the Custodian, a bank or other custodian. The Trustee has no responsibility for ensuring that the Custodian or the Account Bank or any Hedge Counterparty satisfies the Rating Requirement applicable to it, or in the event of its failure to satisfy such Rating Requirement, to procure the appointment of a replacement Custodian or Account Bank or Hedge Counterparty, as applicable. The Trustee has no responsibility for the management of the Portfolio by the Portfolio Manager or to supervise the administration of the Portfolio by the Collateral Administrator or the performance of its functions by any other party and is entitled to rely on the certificates or notices of any relevant party without further enquiry. The Trust Deed also provides that the Trustee shall accept without investigation, requisition or objection such right, benefit, title and interest, if any, as the Issuer may have in and to any of the Collateral and is not bound to make any investigation into the same or into the Collateral in any respect.

(b) Application of Proceeds upon Enforcement

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

(c) Limited Recourse

The obligations of the Issuer to pay amounts due and payable in respect of the Notes and to the other Secured Parties at any time shall be limited to the proceeds available at such time to make such payments in accordance with the Priorities of Payment. If the net proceeds of realisation of the security constituted by the Trust Deed, upon enforcement thereof in accordance with Condition 11 (*Enforcement*), the provisions of the Trust Deed, are less than the aggregate amount payable in such circumstances by the Issuer in respect of the Notes and to the other Secured Parties (such negative amount being referred to herein as a "**shortfall**"), the obligations of the Issuer in respect of the Notes of each Class and its obligations to the other Secured Parties in such circumstances will be limited to such net proceeds, which shall be applied in accordance with the Priorities of Payment. In such circumstances, the other assets of the Issuer (including the Irish Excluded Assets) will not be available for payment of such shortfall which shall be borne by the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders, the Class F Noteholders and the Subordinated Noteholders, the Trustee and the other Secured Parties in accordance with the Priorities of Payment (applied in reverse order). The rights of the Secured Parties to receive

any further amounts in respect of such obligations shall be extinguished and none of the Noteholders of each Class or the other Secured Parties may take any further action to recover such amounts. None of the Noteholders of any Class, the Trustee or the other Secured Parties (nor any other person acting on behalf of any of them) shall be entitled at any time to institute against the Issuer, its officers or directors, or join in any institution against the Issuer of, any bankruptcy, reorganisation, arrangement, insolvency, winding-up, examinership or liquidation proceedings or for the appointment of a liquidator, examiner, administrator or similar official, or other proceedings under any applicable bankruptcy or similar law in connection with any obligations of the Issuer relating to the Notes of any Class, the Trust Deed or any other Transaction Document relating thereto, 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 in relation thereto and without limitation to the Trustee's right to enforce and/or realise the security constituted by the Trust Deed (including by appointing a receiver or an administrative receiver).

None of the Trustee, the Directors, the Joint Placement Agents, the Joint Arrangers, the Portfolio Manager, the Collateral Administrator, the Agents, the Registrar, the Retention Holder or the Custodian has any obligation to any Noteholder of any Class for payment of any amount by the Issuer in respect of the Notes of any Class.

(d) Exercise of rights in respect of the Portfolio

Subject to the provisions of the Portfolio Management Agreement, the Portfolio Manager may, prior to enforcement of the security over the Collateral and subject in any event to the overall direction and control of the Issuer, exercise all rights and remedies of the Issuer in its capacity as a holder of, or person beneficially entitled to, the Portfolio. In particular, the Portfolio Manager is authorised, subject to any specific direction given by the Issuer, to attend and/or vote at any meeting of holders of, or other persons interested or participating in, or entitled to the rights or benefits (or a part thereof) under, the Portfolio and to give any consent, waiver, indulgence, time or notification, make any declaration or agree any composition, compounding or other similar arrangement with respect to any Portfolio forming part of the obligations.

(e) Information regarding the Collateral

The Issuer shall procure that a copy of each Monthly Report and any Payment Date Report is made available upon publication to each Noteholder of each Class upon request in writing therefor and to the Trustee, the Portfolio Manager, the Hedge Counterparties and each Rating Agency via the Collateral Administrator's website currently located at https://usbtrustgateway.usbank.com/portal/login.do (or such other website as the Collateral Administrator may notify the foregoing parties in writing from time to time). It is not intended that such Monthly Reports and Payment Date Reports will be made available in any other format, save in 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 the 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.

In the event that:

(i) the Notes become subject to additional reporting requirements as a result of the STS Regulation coming into force; and

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

the Issuer hereby agrees that, if notified by the Portfolio Manager, it will accept such designation and will assume all costs of complying with the additional reporting requirements under the STS Regulation (including the reasonable costs of all parties incurred amending the Transaction Documents for this purpose).

5. Covenants of and Restrictions on the Issuer

(a) Covenants of the Issuer

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

(i) take such steps as are reasonable to enforce all its rights:

(A) under the Trust Deed;

(B) in respect of the Collateral;

(C) under the Agency Agreement;

(D) under the Portfolio Management Agreement;

(E) under the Issuer Corporate Services Agreement;

(F) under the Collateral Acquisition Agreements;

(G) under the Risk Retention Letter; and

(H) under the Hedge Agreements;

(ii) comply with its obligations under the Notes, the Trust Deed, the Agency Agreement, the Portfolio Management Agreement and each other Transaction Document to which it is a party;

(iii) keep proper books of account at its registered office (and maintain the same separate from those of any other person or entity);

(iv) at all times maintain its tax residence in Ireland and outside the United Kingdom and the United States and will not establish a permanent establishment, branch, agency (other than the appointment of the Portfolio Manager and the Collateral Administrator pursuant to the Portfolio Management Agreement) or place of business or register as a company outside of Ireland;

(v) maintain its registered office in Ireland;

(vi) pay its debts generally as they fall due;

(vii) do all such things as are necessary to maintain its corporate existence, to conduct its own business in its own name and to correct any known misunderstanding regarding its separate identity;

(viii) use its best endeavours to obtain and maintain a listing of the Outstanding Notes on 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 holders of the Outstanding 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 Notes on such other stock exchange(s) as it may (with the prior written approval of the Trustee, such approval not to be unreasonably withheld) decide;

(ix) supply such information to the Rating Agencies as they may reasonably request;

(x) ensure that its "centre of main interest" (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 Ireland;

(xi) ensure that an agent is appointed to assist in creating and maintaining the Issuer's website to enable the Rating Agencies to comply with Rule 17g-5;

(xii) have and use its own stationery, invoices and cheques; and

(xiii) have at least one independent director.

(b) Restrictions on the Issuer

For so long as any of the Notes remain Outstanding, save as contemplated in the Transaction Documents, the Issuer covenants to the holders of such Outstanding Notes that (to the extent applicable) it will not, without the prior written consent of the Trustee:

(i) sell, factor, discount, transfer, assign, lend or otherwise dispose of any of its right, title or interest in or to the Collateral, other than in accordance with the Portfolio Management Agreement, nor will it create or permit to be outstanding any mortgage, pledge, lien, charge, encumbrance or other security interest over the Collateral except in accordance with the Trust Deed, these Conditions or the Transaction Documents;

(ii) sell, factor, discount, transfer, assign, lend or otherwise dispose of, nor create or permit to be outstanding, any mortgage, pledge, lien, charge, encumbrance or other security interest over, any of its other property or assets or any part thereof or interest therein other than in accordance with the Trust Deed, these Conditions or the Transaction Documents and other than in respect of amounts withdrawn from the Revolving Reserve Accounts in accordance with Condition 3(j)(ix) (*Revolving Reserve Accounts*) to be deposited in the Issuer's name with a third party as collateral for any reimbursement or indemnification obligations of the Issuer owed to any other lender under a Revolving Collateral Obligation or a Delayed Drawdown Collateral Obligation or to collateralise the Issuer's obligation to fund drawings under any Revolving Collateral Obligation or Delayed Drawdown Collateral Obligation (subject to such security documentation as may be agreed between such lender and the Portfolio Manager, acting on behalf of the Issuer, and the Trustee);

(iii) engage in any business other than:

(A) acquiring and holding any property, assets or rights that are capable of being effectively secured in favour of the Trustee or that are capable of being held on trust by the Issuer in favour of the Trustee under the Trust Deed;

(B) issuing and performing its obligations under the Notes;

(C) entering into, exercising its rights and performing its obligations under or enforcing its rights under the Trust Deed, the Agency Agreement, the Portfolio Management Agreement, any Reporting Delegation Agreement and each other Transaction Document to which it is a party, as applicable; and/or

(D) performing any act incidental to or necessary in connection with any of the above;

(iv) amend any Condition of the Notes of any Class (save in accordance with these Conditions and the Trust Deed);

(v) agree to any amendment to any provision of, or grant any waiver, release or consent under the Trust Deed, the Agency Agreement, the Portfolio Management Agreement, the Issuer Corporate Services Agreement or any other Transaction Document to which it is a party (save in accordance with these Conditions and the Trust Deed);

(vi) incur any indebtedness for borrowed money, other than in respect of:

(A) the Notes (including for the avoidance of doubt any further Notes issued in accordance with these Conditions), or any document entered into in connection with the Notes or the sale thereof including the Hedge Agreements;

(B) any Refinancing; or

(C) as otherwise permitted pursuant to the Trust Deed;

(vii) amend its constitutional documents;

(viii) have any subsidiaries or establish any offices, branches or other "permanent establishments" (as that term is used in article 2(h) of Council Regulation (EC) No. 1346/2000 on Insolvency Proceedings) anywhere in the world;

(ix) have any employees (for the avoidance of doubt, the Directors of the Issuer do not constitute employees);

(x) enter into any reconstruction, amalgamation, merger or consolidation;

(xi) convey or transfer all or a substantial part of its properties or assets (in one or a series of transactions) to any person, otherwise than as contemplated in these Conditions;

(xii) issue any shares (other than such shares as are in issue as at the Issue Date) nor redeem or purchase any of its issued share capital;

(xiii) enter into any material agreement or contract with any Person (other than an agreement on customary market terms which for the avoidance of doubt will include agreements to buy and sell obligations and documentation relating to restructurings (including steering committee indemnity letters)), unless such contract or agreement contains "limited recourse" and "non-petition" provisions and such Person agrees that such Person shall not take any action or institute any proceeding against the Issuer under any insolvency law applicable to the Issuer or which would reasonably be likely to cause the Issuer to be subject to or seek protection of, any such insolvency law; *provided that* such Person shall be permitted to become a party to and to participate in any proceeding or action under any such insolvency law that is initiated by any other Person other than one of its Affiliates;

(xiv) otherwise than as contemplated in the Transaction Documents, release from or terminate the appointment of the Custodian or the Account Bank under the Agency Agreement, the Portfolio Manager or the Collateral Administrator under the Portfolio Management Agreement or any Hedge Counterparty under any Hedge Agreement or the guarantor under any Hedge Agreement (including, in each case, any transactions entered into thereunder), or, in each case, from any executory obligation thereunder;

(xv) enter into any lease in respect of, or own, premises;

(xvi) permit or consent to any of the following occurring:

(A) its books and records being maintained with or co-mingled with those of any other person or entity;

(B) its bank accounts and the debts represented thereby being co-mingled with those of any other person or entity;

(C) its assets or revenues being co-mingled with those of any other person or entity; or

(D) its business being conducted other than in its own name; or

(xvii) guarantee or become obligated for the debts of any other entity or hold out its credit as being available to satisfy the obligations of any other entity.

6. Interest

(a) Payment Dates

(i) Class A Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes, the Class F Notes and Subordinated Notes

The Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Subordinated Notes each bear interest from (and including) the Issue Date and such interest will be payable quarterly in arrear on each Payment Date prior to the occurrence of a Frequency Switch Event, and thereafter, on each Payment Date semi-annually in arrear (or, in the case of interest accrued during (i) the initial Accrual Period in respect of each Class of Notes other than the Class A Notes, for the period from (and including) the Issue Date to (but excluding) the first Payment Date, and (ii) each of the Class A First EURIBOR Period and the Class A Second EURIBOR Period, quarterly in arrear, in each case payable on the first Payment Date).

(ii) Subordinated Notes

Payments of interest will be made on the Subordinated Notes to the extent funds are available in accordance with paragraph (CC) of the Interest Proceeds Priority of Payments, paragraph (T) of the Principal Proceeds Priority of Payments and paragraph (Z) of the Post-Acceleration Priority of Payments, as applicable, on each Payment Date. Notwithstanding any other provisions of these Conditions or the Trust Deed, all references herein and therein to any of the Subordinated Notes being redeemed in full or at their Principal Amount Outstanding shall be deemed to be amended to the extent required to ensure that a minimum of €1 principal amount of each such Class of Notes remains Outstanding at all times and any amounts which are to be applied in redemption of such Notes pursuant hereto which are in excess of the Principal Amount Outstanding thereof *minus* €1, shall constitute interest payable in respect of such Notes and shall not be applied in redemption of the Principal Amount Outstanding thereof, provided always however that such €1 principal shall no longer remain Outstanding and the Subordinated Notes shall be redeemed in full on the date on which all of the Collateral securing the Notes has been realised and is to be finally distributed to the Noteholders.

If the aggregate of income and gains earned by the Issuer during an accounting period exceeds the costs and expenses accrued for that period, such excess shall accrue as additional interest on the Subordinated Notes but shall only be payable on any Payment Date following payment in full of amounts payable pursuant to the Priorities of Payment on such Payment Date.

(b) Interest Accrual

(i) Class A Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes, the Class F Notes and Subordinated Notes

Each Class A Note, Class B Note, Class C Note, Class D Note, Class E Note, Class F Note and Subordinated Note will cease to bear interest from the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused. In such event, it shall continue to bear interest in accordance with this Condition 6 (*Interest*) (both before and after judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day seven days after the Trustee or the Principal Paying Agent has notified the Noteholders of such Class of Notes in accordance with Condition 16 (*Notices*) of receipt of all sums due in respect of all the Notes of such Class up to that seventh day (except to the extent that there is failure in the subsequent payment to the relevant holders under these Conditions).

(ii) Subordinated Notes

Payments on the Subordinated Notes will cease to be payable in respect of each Subordinated Note upon the date that all of the Collateral has been realised and no Interest Proceeds or Principal Proceeds remain available for distribution in accordance with the Priorities of Payment.

(c) Deferral of Interest

(i) Deferred Interest

In the case of the Class C Notes, the Class D Notes, the Class E Notes, and the Class F Notes for so long as any such Class is not the Controlling Class or where the relevant Class is the Controlling Class in respect of any Payment Date prior to a Frequency Switch Event occurring, an amount of interest equal to any shortfall in payment of the Interest Amount which would otherwise be due and payable in respect of any of such Classes of Notes on any Payment Date in accordance with the Interest Proceeds Priority of Payments (each such amount being referred to as "**Deferred Interest**") will not be due and payable on such Payment Date, but will be added to the principal amount of the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes, as applicable, and thereafter will accrue interest at the relevant Floating Rate of Interest, as applicable, and the failure to pay such Deferred Interest to the holders of such Notes, as applicable, will not be a Note Event of Default until the Maturity Date or any earlier date of redemption in full of the Notes. Interest will cease to accrue on each Note, or in the case of a partial repayment, on such part, from the date of repayment or the Maturity Date unless payment of principal is

improperly withheld or unless default is otherwise made with respect to such payments of principal. If the relevant Class is the Controlling Class in respect of any Payment Date on or after the Payment Date occurring immediately after a Frequency Switch Event, Deferred Interest shall not be added to the principal amount of such Class and failure to pay interest will constitute a Note Event of Default, as more fully provided in Condition 10(a)(i) (*Non payment of Interest*).

(ii) Non-payment of Interest

Non-payment of interest on the Class A Notes or the Class B Notes, shall subject to Condition 10(a)(i) (*Non-payment of interest*) constitute a Note Event of Default.

(d) Payment of Deferred Interest

Deferred Interest in respect of any Class C Note, Class D Note, Class E Note or Class F Note shall only become payable by the Issuer in accordance with the Priorities of Payment, to the extent that Interest Proceeds or, as the case may be, Principal Proceeds are available to make such payment in accordance with the Priorities of Payment.

(e) Interest on the Rated Notes

(i) Floating Rate of Interest

Subject as provided in paragraph (ii) below, the rate of interest from time to time in respect of the Class A Notes (the "**Class A Floating Rate of Interest**"), in respect of the Class B Notes (the "**Class B Floating Rate of Interest**"), in respect of the Class C Notes (the "**Class C Floating Rate of Interest**"), in respect of the Class D Notes (the "**Class D Floating Rate of Interest**"), in respect of the Class E Notes (the "**Class E Floating Rate of Interest**") and in respect of the Class F Notes (the "**Class F Floating Rate of Interest**") (and each a "**Floating Rate of Interest**") will be determined by the Calculation Agent on the following basis:

(A) On each Interest Determination Date, the Calculation Agent will determine the offered rate for:

(1) each Class of Notes in respect of the applicable Accrual Period commencing on 22 November 2016 (provided that a Frequency Switch Event has not occurred prior to 22 November 2016) and each subsequent Accrual Period prior to the occurrence of a Frequency Switch Event, 3 month Euro deposits;

(2) in respect of the Class A First EURIBOR Accrual Period, 3 month and 6 month Euro deposits;

(3) in respect of the Class A Second EURIBOR Accrual Period, 3 month Euro deposits;

(4) in respect of the applicable Accrual Period for each Class of Notes (other than the Class A Notes) commencing on the Issue Date, 6 month Euro deposits; and

(5) in respect of each applicable Accrual Period for each Class of Notes commencing following the occurrence of a Frequency Switch Event, 6 month Euro deposits,

in each case as at 11.00 am (Brussels time) on the Interest Determination Date in question and, in the case of each of (1), (2) and (3), subject to a floor of zero ("**EURIBOR**").

Such offered rate will be that which appears on the display designated on the Bloomberg Screen "BTMM EU" page (or such other page or service as may replace it for the purpose of displaying EURIBOR rates). The Class A Floating Rate of Interest, the Class B Floating Rate of Interest, Class C Floating Rate of Interest, Class D Floating Rate of Interest, Class E Floating Rate of Interest and Class F Floating Rate of Interest for such Accrual Period shall be the aggregate of the relevant Applicable Margin (as defined in this Condition below) and the rate which so appears (or, in respect of the Class A Floating Rate of Interest for the Class A First EURIBOR Period, a straight line interpolation of the rates which so appear, referred to in sub-paragraph (2) above), all as determined by the Calculation Agent.

(B) If the offered rate (or one or more of the offered rates referred to in paragraph (A)(2) above) so appearing is replaced by the corresponding rates of more than one bank then paragraph (A) shall be applied, with any necessary consequential changes, to the arithmetic mean (rounded, if necessary, to the nearest one hundred thousandth of a percentage point (with 0.000005 being rounded upwards)) of the rates (being at least two) which so appear, as determined by the Calculation Agent. If for any other reason such offered rate (or one or more of the offered rates referred to in paragraph (A)(2) above) does not so appear, or if the relevant page is unavailable, the Calculation Agent will request each of four major banks in the Euro zone interbank market (selected by the Portfolio Manager on behalf of the Issuer) acting in each case through its principal Euro zone office (the "**Reference Banks**") to provide the Calculation Agent with its offered quotation to leading banks for Euro deposits in the Euro zone interbank market for a period of (i) in respect of each Accrual Period from (and including) the Accrual Period commencing on 22 November 2016, for each Class of Notes commencing prior to the occurrence of a Frequency Switch Event, three months, (ii) in respect of each Accrual Period for each Class of Notes commencing following the occurrence of a Frequency Switch Event, six months, (iii) in respect of the Class A First EURIBOR Period, 3 months and/or 6 months, as applicable; and (iv) in respect of the Class A Second EURIBOR Period, 3 months, in each case as at 11.00 am (Brussels time) on the Interest Determination Date in question and, in the case of each of (i), (ii), (iii) and (iv), subject to a floor of zero. The Class A Floating Rate of Interest, Class B Floating Rate of Interest, Class C Floating Rate of Interest, Class D Floating Rate of Interest, Class E Floating Rate of Interest and Class F Floating Rate of Interest for such Accrual Period, shall be the aggregate of the relevant Applicable Margin and the arithmetic mean (or, in respect of the Class A Floating Rate of Interest for the Class A First EURIBOR Period, a straight line interpolation of the applicable 3 month and 6 month rates determined in accordance with this Condition, and where applicable, the arithmetic mean of such 3 month and/or 6 month quotations determined in accordance with this paragraph (B)), in each case, (rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 being rounded upwards)) of such quotations (or of such of them, being at least two, as are so provided), all as determined by the Calculation Agent.

(C) If on any Interest Determination Date, one only or none of the Reference Banks provides such quotation, the offered rate for three or six month Euro deposits used to calculate the Class A Floating Rate of Interest, the Class B Floating Rate of Interest, Class C Floating Rate of Interest, Class D Floating Rate of Interest, Class E Floating Rate of Interest and Class F Floating Rate of Interest, respectively, for the next Accrual Period shall be the last available offered rate for three or six month Euro deposits, as applicable, as determined by the Calculation Agent.

(D) Where:

"**Applicable Margin**" means:

(1) in the case of the Class A Notes: 1.50 per cent. per annum;

(2) in the case of the Class B Notes: 2.25 per cent. per annum;

(3) in the case of the Class C Notes: 3.35 per cent. per annum;

(4) in the case of the Class D Notes: 4.75 per cent. per annum;

(5) in the case of the Class E Notes: 6.50 per cent. per annum; and

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

(ii) Determination of Floating Rate of Interest and Calculation of Interest Amount on Floating Rate Notes

The Calculation Agent will, as soon as practicable after 11.00 am (Brussels time) on each Interest Determination Date, but in no event later than the Business Day after such date, determine the Class A Floating Rate of Interest, the Class B Floating Rate of Interest, the Class C Floating Rate of Interest, the Class D Floating Rate of Interest, the Class E Floating Rate of Interest and the

Class F Floating Rate of Interest and calculate the interest amount payable in respect of original principal amounts of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes, equal to the Authorised Integral Amount applicable thereto for the relevant Accrual Period. The amount of interest payable in respect of each Authorised Integral Amount applicable to any such Notes shall be calculated by applying in respect of the Class A Notes or the Class A Floating Rate of Interest (as applicable), in respect of the Class B Notes, the Class B Floating Rate of Interest, in respect of the Class C Notes, the Class C Floating Rate of Interest, in respect of the Class D Notes, the Class D Floating Rate of Interest, in respect of the Class E Notes, the Class E Floating Rate of Interest and in respect of the Class F Notes, the Class F Floating Rate of Interest, respectively, to an amount equal to the Principal Amount Outstanding in respect of such Authorised Integral Amount, as applicable, multiplying the product by the actual number of days in the Accrual Period concerned, divided by 360 and rounding the resultant figure to the nearest €0.01 (€0.005 being rounded upwards). In respect of the Class A Notes, the Calculation Agent shall then aggregate such interest amounts determined for each of the Class A First EURIBOR Period and the Class A Second EURIBOR Period in order to determine the interest amount payable in respect of the Authorised Integral Amount applicable to the Class A Notes on the first Payment Date; *provided that*, for the avoidance of doubt, holders of the Class A Notes, the B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes, as the case may be, shall only be entitled to receive interest on the Principal Amount Outstanding from time to time in respect of such Notes.

(iii) Reference Banks and Calculation Agent

The Issuer will procure that, so long as any Class A Note, Class B Note, Class C Note, Class D Note, Class E Note or Class F Note remains Outstanding:

(A) a Calculation Agent shall be appointed and maintained for the purposes of determining the Rate of Interest and Interest Amount payable in respect of each Rated Note; and

(B) if the Class A Floating Rate of Interest, the Class B Floating Rate of Interest, the Class C Floating Rate of Interest, the Class D Floating Rate of Interest, the Class E Floating Rate of Interest and the Class F Floating Rate of Interest is to be calculated by Reference Banks pursuant to paragraph (B) of Condition 6(e)(i) (*Floating Rate of Interest*), that the number of Reference Banks required pursuant to such Condition are appointed by the Portfolio Manager.

If the Calculation Agent is unable or unwilling to continue to act as the Calculation Agent for the purpose of calculating interest hereunder or fails duly to establish any Floating Rate of Interest for any Accrual Period, or to calculate the Interest Amount on any Class of Notes, the Issuer shall (with the prior approval of the Trustee) appoint some other leading bank to act as such in its place. The Calculation Agent may not resign its duties without a successor having been so appointed.

(f) Interest on the Subordinated Notes

The Calculation Agent will as of each Determination Date calculate the interest payable to the extent there are relevant funds available (as notified to the Calculation Agent by the Collateral Administrator) in respect of an original principal amount of Subordinated Notes equal to the Authorised Denomination applicable thereto for the relevant Accrual Period. The Interest Proceeds payable on each Payment Date in respect of an original principal amount of Subordinated Notes equal to the Authorised Integral Amount applicable thereto shall be calculated by multiplying the amount of Interest Proceeds to be applied on the Subordinated Notes on the applicable Payment Date pursuant to paragraph (CC) of the Interest Proceeds Priority of Payments, and paragraph (T) of the Principal Proceeds Priority of Payments and paragraph (Z) of the Post-Acceleration Priority of Payments, as applicable, by fractions equal to the amount of such Authorised Integral Amount, as applicable, divided by the aggregate original principal amount of the Subordinated Notes.

(g) Publication of Floating Rates of Interest, Interest Amounts for the Notes and Deferred Interest

The Calculation Agent will cause each Class A Floating Rate of Interest, Class B Floating Rate of Interest, Class C Floating Rate of Interest, Class D Floating Rate of Interest, Class E Floating Rate of Interest and Class F Floating Rate of Interest and the Interest Amounts payable in respect of each Class of Rated Notes, the amount of any Deferred Interest due but not paid on any Class of Notes for each

Accrual Period and Payment Date and the Principal Amount Outstanding of each Class of Notes as of the applicable Payment Date to be notified to the Registrar, the Principal Paying Agent, the Transfer Agent, the Trustee, the Portfolio Manager and, for so long as the Notes are listed on the Irish Stock Exchange, the Irish Stock Exchange, as soon as possible after their determination but in no event later than the fourth Business Day thereafter, and the Principal Paying Agent shall cause each such rate, amount and date to be notified to the Noteholders of each Class in accordance with Condition 16 (*Notices*) as soon as possible following notification to the Principal Paying Agent but in no event later than the third Business Day after such notification. The Interest Amounts in respect of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes, or the Payment Date in respect of any Class of Notes, so published may subsequently be amended (or appropriate alternative arrangements made with the consent of the Trustee by way of adjustment) without notice in the event of an extension or shortening of the Accrual Period. If any of the Notes become due and payable under Condition 10 (*Events of Default*), interest shall nevertheless continue to be calculated as previously by the Calculation Agent in accordance with this Condition 6 (*Interest*) but no publication of the applicable Interest Amounts shall be made unless the Trustee so determines.

(h) Determination or Calculation by Trustee

If the Calculation Agent does not at any time for any reason so calculate the Class A Floating Rate of Interest, Class B Floating Rate of Interest, Class C Floating Rate of Interest, Class D Floating Rate of Interest, Class E Floating Rate of Interest and Class F Floating Rate of Interest for an Accrual Period, without prejudice to the obligations of the Issuer in Condition 6(e)(iii) (*Reference Banks and Calculation Agent*), the Trustee (or a person appointed by it for the purpose) shall do so and such determination or calculation shall be deemed to have been made by the Calculation Agent and shall be binding on the Noteholders. In doing so, the Trustee, or such person appointed by it, shall apply the foregoing provisions of this Condition, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and in all other respects it shall do so in such manner as it shall deem fair and reasonable in all the circumstances and reliance on such persons as it has appointed for such purpose. The Trustee shall have no liability to any person in connection with any determination or calculation (including with regard to the timelines thereof) it is required to make pursuant to this Condition 6(h) (*Determination or Calculation by Trustee*).

(i) Notifications, etc. to be Final

All notifications, opinions, determinations, certificates, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition, whether by the Reference Banks (or any of them), the Calculation Agent or the Trustee, will (in the absence of manifest error) be binding on the Issuer, the Reference Banks, the Calculation Agent, the Trustee, the Registrar, the Principal Paying Agent, the Transfer Agent and all Noteholders and (in the absence of fraud, negligence or wilful default of the Reference Banks, the Calculation Agent or the Trustee, as applicable) no liability to the Issuer or the Noteholders of any Class shall attach to the Reference Banks, the Calculation Agent or the Trustee in connection with the exercise or non-exercise by them of their powers, duties and discretions under this Condition.

7. Redemption and Purchase

(a) Final Redemption

Save to the extent previously redeemed or purchased and cancelled, the Notes of each Class will be redeemed on the Maturity Date of such Notes. In the case of a redemption pursuant to this Condition 7(a) (*Final Redemption*), the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes will be redeemed at their Redemption Price and the Subordinated Notes will be redeemed at the amount equal to the greater of 100 per cent. of the Principal Amount Outstanding thereof (if any) and their *pro rata* share of the amounts of Interest Proceeds and/or Principal Proceeds to be applied towards such redemption pursuant to the Priorities of Payment. Notes may not be redeemed or purchased other than in accordance with this Condition 7 (*Redemption and Purchase*).

(b) Optional Redemption

(i) Optional Redemption in Whole – Subordinated Noteholders or Retention Holder

Subject to the provisions of Condition 7(b)(iv) (*Terms and Conditions of an Optional Redemption*), Condition 7(b)(v) (*Optional Redemption effected in Whole or in Part through Refinancing*) and Condition 7(b)(vi) (*Optional Redemption in Whole of all Classes of Notes effected through Liquidation only*), the Rated Notes may be redeemed in whole but not in part by the Issuer at the applicable Redemption Prices from Sale Proceeds and/or Refinancing Proceeds:

(A) on any Payment Date falling on or after expiry of the Non-Call Period at the direction of:

(1) the Retention Holder; or

(2) the Subordinated Noteholders acting by Ordinary Resolution; or

(B) upon the occurrence of a Collateral Tax Event, on any Payment Date falling after such occurrence at the direction of the Subordinated Noteholders acting by Ordinary Resolution,

in each case as evidenced by duly completed Redemption Notices, *provided that* the Ordinary Resolution referred to in (A)(2) and (B) above will only be effective if each Redemption Notice from the requisite amount of Subordinated Noteholders specifies the same Redemption Date.

(ii) Optional Redemption in Part – Refinancing of a Class or Classes of Notes in Whole by Subordinated Noteholders

Subject to the provisions of Condition 7(b)(iv) (*Terms and Conditions of an Optional Redemption*) and Condition 7(b)(v) (*Optional Redemption effected in Whole or in Part through Refinancing*), the Rated Notes of any Class may be redeemed by the Issuer at the applicable Redemption Prices, solely from Refinancing Proceeds on any Payment Date falling on or after expiry of the Non-Call Period at the direction of the Subordinated Noteholders acting by Ordinary Resolution (as evidenced by duly completed Redemption Notices, *provided that* the Ordinary Resolution referred to in this paragraph (ii)) will only be effective if each Redemption Notice from the requisite amount of Subordinated Noteholders specifies the same Redemption Date) or at the direction of the Portfolio Manager. No such Optional Redemption may occur unless any Class of Rated Notes to be redeemed represents the entire Class of such Rated Notes.

(iii) Optional Redemption in Whole - Portfolio Manager Clean-up Call

Subject to the provisions of Condition 7(b)(iv) (*Terms and Conditions of an Optional Redemption*) and Condition 7(b)(vi) (*Optional Redemption in Whole of all Classes of Notes effected through Liquidation only*), the Rated Notes may be redeemed in whole but not in part by the Issuer, at the applicable Redemption Prices from Sale Proceeds on any Business Day falling on or after expiry of the Non-Call Period if, upon or at any time following the expiry of the Non-Call Period, the Aggregate Collateral Balance is less than 20 per cent. of the Target Par Amount and if directed in writing by the Portfolio Manager (on behalf of the Issuer).

(iv) Terms and Conditions of an Optional Redemption

(A) the Issuer shall procure that at least 30 days' prior written notice of such Optional Redemption, which, for the purposes of this Condition 7(b)(iv) (*Terms and Conditions of an Optional Redemption*) shall include notice of any event giving rise to the right to redeem pursuant to Condition 7(b)(i) (*Optional Redemption in Whole – Subordinated Noteholders or Retention Holder*), Condition 7(b)(ii), (*Optional Redemption in Part – Refinancing of a Class or Classes of Notes in Whole by Subordinated Noteholders*) or Condition 7(d) (*Redemption following a Note Tax Event*), including the applicable Redemption Date, and the relevant Redemption Price therefor and the date by which any Redemption Notices must be submitted (if applicable), is given to the Trustee and the Noteholders in accordance with Condition 16 (*Notices*);

(B) the Rated Notes to be redeemed shall be redeemed at their applicable Redemption Prices subject, in the case of an Optional Redemption of all Classes of the Rated Notes in whole, to the right of holders of 100 per cent. of the aggregate Principal Amount Outstanding of any Class of Rated Notes to elect to receive less than 100 per cent. of the Redemption Price that would otherwise be payable to the holders of such Class of Rated Notes. Such right shall be exercised by delivery by each holder of the relevant Class of Rated Notes of a written direction confirming such holder's election to receive less than 100 per cent. of the Redemption Price that would otherwise be payable to it, together with evidence of their holding to the Issuer, the Trustee and the Portfolio Manager no later than 30 days (or such shorter period of time as may be agreed by the Trustee and the Portfolio Manager) prior to the relevant Redemption Date and which Notes must remain blocked to the order of the Trustee until such Redemption Date;

(C) the Portfolio Manager shall have no right or other ability under the Portfolio Management Agreement (but without prejudice to its rights in respect of any Subordinated Notes which it or its Affiliates may hold) to prevent an Optional Redemption directed by the Subordinated Noteholders or the Controlling Class in accordance with this Condition 7(b) (*Optional Redemption*) or Condition 7(d) (*Redemption following a Note Tax Event*); and for the avoidance of doubt, the Controlling Class (or the Subordinated Noteholders, as applicable) shall have no right to prevent an Optional Redemption directed by the Subordinated Noteholders (or the Controlling Class, as applicable) in each case duly approved by the relevant Class and which satisfies the applicable conditions in accordance with these Conditions;

(D) any such redemption must comply with the procedures set out in Condition 7(b)(vii) (*Mechanics of Redemption*); and

(E) any redemption in part of the Notes pursuant to Condition 7(b)(ii) (*Optional Redemption in Part – Refinancing of a Class or Classes of Notes in Whole by Subordinated Noteholders*) shall be effected solely from Refinancing Proceeds in accordance with Condition 7(b)(v) (*Optional Redemption effected in Whole or in Part through Refinancing*) below.

(v) Optional Redemption effected in Whole or in Part through Refinancing

Following receipt of, or as the case may be, confirmation from the Principal Paying Agent of receipt of, a direction in writing from the requisite percentage of Subordinated Noteholders to exercise any right of optional redemption pursuant to Condition 7(b)(i) (*Optional Redemption in Whole – Subordinated Noteholders or Retention Holder*) or Condition 7(b)(ii) (*Optional Redemption in Part – Refinancing of a Class or Classes of Notes in Whole by Subordinated Noteholders*), the Issuer may:

(A) in the case of a redemption in whole of all Classes of Rated Notes in accordance with Condition 7(b)(i) (*Optional Redemption in Whole – Subordinated Noteholders or Retention Holder*) (1) enter into a loan (as borrower thereunder) with one or more financial institutions; or (2) issue replacement notes, in each case in accordance with this Condition 7(b) (*Optional Redemption*); and

(B) in the case of a redemption in part of the entire Class of a Class of Rated Notes in accordance with Condition 7(b)(ii) (*Optional Redemption in Part – Refinancing of a Class or Classes of Notes in Whole by Subordinated Noteholders*), issue replacement notes in accordance with this Condition 7(b) (*Optional Redemption*),

(each, a "**Refinancing Obligation**"), whose terms in each case will be negotiated by the Portfolio Manager on behalf of the Issuer (any such refinancing, a "**Refinancing**"). The terms of any Refinancing and the identity of any financial institutions acting as lenders or purchasers thereunder are subject to the prior written consent of the Subordinated Noteholders (acting by Ordinary Resolution) and each Refinancing is required to satisfy the conditions described in this Condition 7(b)(v) (*Optional Redemption effected in Whole or in Part through Refinancing*).

Refinancing Proceeds may be applied in addition to (or in place of) Sale Proceeds in the redemption of the Rated Notes in whole pursuant to Condition 7(b)(i) (*Optional Redemption in Whole – Subordinated Noteholders or Retention Holder*). Refinancing Proceeds shall be applied in the redemption of the Rated Notes in part by Class pursuant to Condition 7(b)(ii) (*Optional Redemption in Part – Refinancing of a Class or Classes of Notes in Whole by Subordinated Noteholders*).

(C) Refinancing in relation to a Redemption in Whole

In the case of a Refinancing in relation to the redemption of all Classes of the Rated Notes in whole but not in part pursuant to Condition 7(b)(i) (*Optional Redemption in Whole – Subordinated Noteholders or Retention Holder*), such Refinancing will be effective only if:

(1) the Issuer provides prior written notice thereof to the Rating Agencies;

(2) all Refinancing Proceeds, Principal Proceeds, Sale Proceeds, if any, from the sale of Collateral Debt Obligations, Eligible Investments and Exchanged Securities and all other available funds will be at least sufficient to pay any Refinancing Costs and all amounts due and payable in respect of all Classes of Notes save for the Subordinated Notes (including without limitation Deferred Interest on the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes) and all amounts payable in priority thereto (subject to any election to receive less than 100 per cent. of Redemption Price) on the applicable Redemption Date when applied in accordance with the Post-Acceleration Priority of Payments;

(3) all Principal Proceeds, Refinancing Proceeds, Sale Proceeds, if any, and other available funds are used (to the extent necessary) to make such redemption;

(4) each agreement entered into by the Issuer in respect of such Refinancing contains limited recourse and non-petition provisions substantially the same as those contained in the Trust Deed; and

(5) all Refinancing Proceeds, Principal Proceeds and all Sale Proceeds, if any, from the sale of Collateral Debt Obligations, Eligible Investments and Exchanged Securities, are received by (or on behalf of) the Issuer prior to the applicable Redemption Date,

in each case, as confirmed in writing to the Issuer and the Trustee by the Portfolio Manager, upon which confirmation the Trustee shall rely absolutely and without liability or enquiry.

(D) Refinancing in relation to a Redemption in Part of a Class or Classes of Notes in Whole

In the case of a Refinancing in relation to a redemption of the Rated Notes in part by Class pursuant to Condition 7(b)(ii) (*Optional Redemption in Part – Refinancing of a Class or Classes of Notes in Whole by Subordinated Noteholders*), such Refinancing will be effective only if:

(1) the Issuer provides prior written notice thereof to the Rating Agencies;

(2) the Refinancing Obligations are in the form of notes;

(3) any redemption of a Class of Notes is a redemption of the entire Class which is subject to the redemption;

(4) the sum of (A) the Refinancing Proceeds and (B) the amount of Interest Proceeds standing to the credit of the Interest Account in excess of the aggregate amount of Interest Proceeds which would be applied in accordance with the Interest Proceeds Priority of Payments prior to paying any amount in respect of the Subordinated Notes will be at least sufficient to pay in full:

(a) the aggregate Redemption Prices of the entire Class or Classes of Rated Notes subject to the Optional Redemption; plus

(b) any Refinancing Costs;

(5) the Refinancing Proceeds are used (to the extent necessary) to make such redemption;

(6) each agreement entered into by the Issuer in respect of such Refinancing contains limited recourse and non-petition provisions substantially the same as those contained in the Trust Deed;

(7) the aggregate principal amount of the Refinancing Obligations is equal to the aggregate Principal Amount Outstanding of the Class or Classes of Notes being redeemed with the Refinancing Proceeds;

(8) the maturity date of each class of Refinancing Obligations is the same as the Maturity Date of the Class or Classes of Notes being redeemed with the Refinancing Proceeds;

(9) the interest rate of any Refinancing Obligations will not be greater than the interest rate of the Rated Notes subject to such Optional Redemption;

(10) payments in respect of the Refinancing Obligations are subject to the Priorities of Payment and rank at the same priority pursuant to the Priorities of Payment as the relevant Class or Classes of Rated Notes being redeemed;

(11) the voting rights, consent rights, redemption rights and all other rights of the Refinancing Obligations are the same as the rights of the corresponding Class of Rated Notes being redeemed; and

(12) all Refinancing Proceeds are received by (or on behalf of) the Issuer prior to the applicable Redemption Date,

in each case, as confirmed in writing to the Issuer and the Trustee by the Portfolio Manager (upon which confirmation the Trustee shall rely without enquiry or liability), and *provided that* the Refinancing Obligations in respect of any Refinancing of any Class or Classes of Rated Notes will, to the extent reasonably practicable, be offered first to the holders of such Class or Classes subject to the Refinancing, in such amounts as are necessary to preserve, in the relevant Class or Classes being refinanced, such holders' *pro rata* holdings (by reference to such holders' *pro rata* holdings of the relevant Class or Classes immediately prior to the Refinancing).

If, in relation to a proposed Optional Redemption of the Notes, any of the conditions specified in this Condition 7(b)(v) (*Optional Redemption effected in Whole or in Part through Refinancing*) are not satisfied, the Issuer shall cancel the relevant redemption of the Notes and shall give notice of such cancellation to the Trustee, the Portfolio Manager and the Noteholders in accordance with Condition 16 (*Notices*).

None of the Issuer, the Portfolio Manager, the Collateral Administrator or the Trustee shall be liable to any party, including the Subordinated Noteholders, for any failure to obtain a Refinancing.

(E) Consequential Amendments

Following a Refinancing, the Trustee shall, save as provided below, agree to the modification of the Trust Deed to the extent the Issuer certifies in writing (upon which certification the Trustee may rely absolutely and without liability or enquiry) that such modification is necessary to reflect the terms of the Refinancing and subject to the consent of the Subordinated Noteholders (acting by way of Ordinary Resolution). No further consent for such amendments shall be required from the holders of Rated Notes.

The Trustee will not be obliged to enter into any modification which, in the opinion of the Trustee, would have the effect of (i) exposing the Trustee to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or (ii) adding to or increasing the obligations, liabilities or duties, or decreasing the rights, powers, indemnities or protections, of the Trustee in respect of the Transaction Documents, and the Trustee will be

entitled to conclusively rely upon an officer's certificate signed by an Authorised Officer and/or opinion of counsel as to matters of law (which may be supported as to factual (including financial and capital markets) matters by any relevant certificates and other documents necessary or advisable in the judgement of counsel delivering such opinion of counsel) provided by the Issuer to the effect that such amendment meets the requirements specified above and is permitted under the Trust Deed without the consent of the holders of the Rated Notes (except that such officer or counsel will have no obligation to certify or opine as to the sufficiency of the Refinancing Proceeds).

(vi) Optional Redemption in Whole of all Classes of Notes effected through Liquidation only

Following receipt of notice from the Issuer or, as the case may be, of confirmation from the Principal Paying Agent of (i) a direction in writing from the requisite percentage of Subordinated Noteholders or from the Retention Holder (in the case of Condition 7(b)(i) (*Optional Redemption in Whole – Subordinated Noteholders or Retention Holder*)), (ii) a direction in writing from the requisite percentage of the Controlling Class or the Subordinated Noteholders (in the case of Condition 7(d) (*Redemption following a Note Tax Event*);); or (iii) a direction in writing from the Portfolio Manager (in the case of Condition 7(b)(iii) (*Optional Redemption in Whole—Portfolio Manager Clean-up Call*)), as the case may be, to exercise any right of optional redemption pursuant to this Condition 7(b) (*Optional Redemption*) or Condition 7(d) (*Redemption following a Note Tax Event*); to be effected solely through the liquidation or realisation of the Collateral, the Collateral Administrator shall, as soon as practicable, and in any event not later than 15 Business Days prior to the scheduled Redemption Date (the "**Redemption Determination Date**"), *provided that* the Collateral Administrator has received such notice or confirmation at least 20 Business Days prior to the scheduled Redemption Date, calculate the Redemption Threshold Amount in consultation with the Portfolio Manager. The Portfolio Manager or any of its Affiliates will be permitted to purchase Collateral Debt Obligations in the Portfolio where the Portfolio Manager or the Subordinated Noteholders exercise their right of early redemption pursuant to this Condition 7(b) (*Optional Redemption*) or the Subordinated Noteholders or the Controlling Class, as applicable, exercise their right of early redemption pursuant to Condition 7(d) (*Redemption following a Note Tax Event*).

The Notes shall not be optionally redeemed where such Optional Redemption is to be effected solely through the liquidation or realisation of the Portfolio unless:

(A) at least five Business Days before the scheduled Redemption Date the Portfolio Manager shall have furnished to the Trustee evidence in a form reasonably satisfactory to the Trustee that the Portfolio Manager on behalf of the Issuer has entered into a binding agreement or agreements with a financial or other institution or institutions (which (a) either (x) has a long-term issuer credit rating of at least "A2" by Moody's *provided that* it has a short-term issuer credit rating of at least "P-1" by Moody's or, if it does not have such a short-term issuer credit rating, a long-term issuer credit rating of at least "A1" by Moody's or (y) in respect of which Rating Agency Confirmation from Moody's has been obtained; and (b) either (x) has a long-term issuer credit rating of at least "A" by S&P *provided that* it has a short-term issuer credit rating of at least "A-1" by S&P or, if it does not have such a short-term issuer credit rating, a long-term issuer credit rating of at least "A+" by S&P, or (y) in respect of which a Rating Agency Confirmation from S&P has been obtained) to purchase (directly or by participation or other arrangement) from the Issuer, not later than the Business Day immediately preceding the scheduled Redemption Date in immediately available funds, all or part of the Portfolio at a purchase price at least sufficient, together with the Eligible Investments maturing, redeemable or putable to the issuer thereof at par on or prior to the scheduled Redemption Date, to meet the Redemption Threshold Amount; or

(B) (i) prior to selling any Collateral Debt Obligations and/or Eligible Investments and/or Exchanged Securities, the Portfolio Manager confirms in writing (which may be by way of email) to the Trustee that, in its judgement, the aggregate sum of (A) expected proceeds from the sale of Eligible Investments and Exchanged Securities, and (B) for each Collateral Debt Obligation, the product of its Principal Balance and its Market Value, shall be at least sufficient to meet the Redemption Threshold Amount; and (ii) at least five Business Days before the scheduled Redemption Date, the Issuer shall have received proceeds of disposition of all or part of the Portfolio at least sufficient to meet the Redemption Threshold Amount.

(C) Prior to the scheduled Redemption Date, the Collateral Administrator shall give notice to the Trustee in writing of the amount of all expenses incurred by the Issuer up to and including the scheduled Redemption Date in effecting such liquidation.

(D) Any confirmation delivered by the Portfolio Manager pursuant to this section must include (1) the prices of, and expected proceeds from, the sale (directly or by participation or other arrangement) of any Collateral Debt Obligations, Eligible Investments and Exchanged Securities and (2) all calculations required by this Condition 7(b) (*Optional Redemption*) or Condition 7(d) (*Redemption following a Note Tax Event*); (as applicable). The Trustee shall rely absolutely and without liability on such confirmation. Any Noteholder, the Portfolio Manager or any of the Portfolio Manager's Affiliates shall have the right, subject to the same terms and conditions afforded to other bidders, to bid on Collateral Debt Obligations, Eligible Investments and Exchanged Securities to be sold as part of an Optional Redemption pursuant to this Condition 7(b)(vi) (*Optional Redemption in Whole of all Classes of Notes effected through Liquidation only*) or Condition 7(d) (*Redemption following a Note Tax Event*).

The Trustee shall rely conclusively and without liability or enquiry on any confirmation or certificate of the Portfolio Manager furnished by it pursuant to, or in connection with, this Condition 7(b)(vi) (*Optional Redemption in Whole of all Classes of Notes effected through Liquidation only*).

If any of the conditions (A) and (B) above are not satisfied, the Issuer shall cancel the redemption of the Notes and shall give notice of such cancellation to the Trustee, the Portfolio Manager and the Noteholders in accordance with Condition 16 (*Notices*). Such cancellation shall not constitute a Note Event of Default.

(vii) Mechanics of Redemption

Following calculation by the Collateral Administrator, in consultation with the Portfolio Manager of the relevant Redemption Threshold Amount, if applicable, the Collateral Administrator shall make such other calculations as it is required to make pursuant to the Portfolio Management Agreement and shall notify the Issuer, the Trustee, the Portfolio Manager and the Registrar, whereupon the Registrar shall notify the Noteholders (in accordance with Condition 16 (*Notices*)) of such amounts.

Any exercise of a right of Optional Redemption by the Subordinated Noteholders or the Retention Holder pursuant to this Condition 7(b) (*Optional Redemption*) or the Subordinated Noteholders or the Controlling Class pursuant to Condition 7(d) (*Redemption following a Note Tax Event*); shall be effected by delivery to the Principal Paying Agent, by the requisite amount of Subordinated Noteholders, the Retention Holder or the requisite amount of holders of the Controlling Class (as applicable) held thereby (in respect of which such right is exercised and presenting such Definitive Certificate or Global Certificate for endorsement of exercise), of duly completed "Redemption Notices" not less than 30 days, or such shorter period of time as the Trustee and the Portfolio Manager find acceptable, prior to the proposed Redemption Date. No Redemption Notice so delivered may be withdrawn without the prior consent of the Issuer. The Registrar shall copy each Redemption Notice or any direction given by the Portfolio Manager received to each of the Issuer, the Trustee, the Collateral Administrator and, if applicable, the Portfolio Manager.

The Portfolio Manager shall notify the Issuer, the Trustee, the Collateral Administrator, each Rating Agency, each Hedge Counterparty and the Registrar upon satisfaction of any of the conditions set out in this Condition 7(b) (*Optional Redemption*) or Condition 7(d) (*Redemption following a Note Tax Event*); (as applicable) and shall arrange for liquidation and/or realisation of the Portfolio on behalf of the Issuer in accordance with the Portfolio Management Agreement. The Issuer shall deposit, or cause to be deposited, the funds required for an optional redemption of the Notes in accordance with this Condition 7(b) (*Optional Redemption*) or Condition 7(d) (*Redemption following a Note Tax Event*); in the Principal Account on or before the Business Day prior to the applicable Redemption Date. Principal Proceeds and Interest Proceeds received in connection with a redemption in whole of all of the Rated Notes shall be payable from the Payment Account in accordance with the Post-Acceleration Priority of Payments. Any redemption in whole of a Class of Rated Notes shall be paid to the holders of such Class of Notes in accordance with the Post-Acceleration Priority of Payments.

(viii) Optional Redemption of Subordinated Notes

The Subordinated Notes may be redeemed at their Redemption Price, in whole but not in part, on any Payment Date on or after the redemption or repayment in full of the Rated Notes, at the direction of either of (x) the Subordinated Noteholders (acting by Extraordinary Resolution) or (y) the Portfolio Manager.

(c) Redemption upon Breach of Coverage Tests

(i) Class A Notes and Class B Notes

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

(ii) Class C Notes

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

(iii) Class D Notes

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

(iv) Class E Notes

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

(v) Class F Notes

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

(d) Redemption following a Note Tax Event

Upon the occurrence of a Note Tax Event, the Issuer shall, subject to and in accordance with the terms of the Trust Deed, use all reasonable efforts to cure the Note Tax Event (which may include changing the territory in which it is resident for tax purposes to another jurisdiction or taking such action to the extent it would not impose other material burdens on it). Upon the earlier of (a) the date upon which the Issuer notifies (or procures the notification of) the Trustee (upon which notification the Trustee may rely absolutely without enquiry or liability) and the Noteholders that a Note Tax Event has occurred and the Issuer is not able to cure the Note Tax Event and (b) the date which is 90 days from the date upon which the Issuer first becomes aware of such Note Tax Event (*provided that* such 90 day period shall be extended by a further 90 days in the event that during the former period the Issuer has notified (or procured the notification of) the Trustee and the Noteholders that a Note Tax Event has occurred and, based on advice received by the Issuer, the Issuer expects that it shall have cured the Note Tax Event by the end of the latter 90 day period), the Controlling Class or the Subordinated Noteholders, in each case acting by way of Extraordinary Resolution (and, for the avoidance of doubt, without regard to whether such an Extraordinary Resolution is passed by the Controlling Class or the Subordinated Noteholders, as applicable), may elect that the Notes of each Class are redeemed, in whole but not in part, on any Payment Date thereafter, at their respective Redemption Prices in accordance with the Note Payment Sequence, in which case the Issuer shall so redeem the Notes on such terms, *provided that* such Note Tax Event would affect payment of principal or interest in respect of the Controlling Class or, as the case may be, the Subordinated Notes (in addition to any other Class of Notes) on such Payment Date; and *provided further* that such redemption of the Notes, whether pursuant to the exercise of such option by the Controlling Class or the Subordinated Noteholders, shall take place in accordance with the procedures set out in Condition 7(b) (*Optional Redemption*).

(e) Special Redemption

A special redemption ("**Special Redemption**") of the Notes may occur in the circumstances described in (i) and (ii) below. The exercise of a Special Redemption shall be at the sole and absolute discretion of the Portfolio Manager (acting on behalf of the Issuer) and the Portfolio Manager shall be under no obligation to, or have any responsibility for, any Noteholder or any other person for the exercise or non exercise (as applicable) of such Special Redemption.

(i) During the Reinvestment Period, principal payments on the Notes shall be made in accordance with paragraph (V) of the Interest Proceeds Priority of Payments if (x) the Additional Reinvestment Test is not met, after giving effect to the payment of all amounts payable in respect of paragraphs (A) through (U) thereof, and (y) the Portfolio Manager determines in its discretion and notifies the Trustee in writing that it is unable to identify additional Collateral Debt Obligations that it considers appropriate for reinvestment. In such circumstances, an amount up to the applicable Required Diversion Amount (as determined by the Portfolio Manager) shall be applied in redemption of the Notes in accordance with the Note Payment Sequence.

(ii) Principal payments on the Notes under paragraph (O) of the Principal Proceeds Priority of Payments shall be made in accordance with the Principal Proceeds Priority of Payments at the sole and absolute discretion of the Portfolio Manager (acting on behalf of the Issuer) if, at any time during the Reinvestment Period, the Portfolio Manager (acting on behalf of the Issuer) notifies the Trustee that using reasonable endeavours it has been unable, for a period of 20 consecutive Business Days, to identify additional Collateral Debt Obligations that are deemed appropriate by the Portfolio Manager (acting on behalf of the Issuer) in its discretion which meet the Eligibility Criteria or, to the extent applicable, the Reinvestment Criteria, in sufficient amounts to permit the investment or reinvestment of all or a portion of the funds then in the Principal Account that are to be invested in additional Collateral Debt Obligations. On the first Payment Date following the Due Period in which such notice is given (a "**Special Redemption Date**"), the funds in the Principal Account representing Principal Proceeds which, using reasonable endeavours, cannot be reinvested in additional Collateral Debt Obligations or Substitute Collateral Debt Obligations (the "**Special Redemption Amount**") will be applied in accordance with paragraph (O) of the Principal Proceeds Priority of Payments. Notice of payments pursuant to this Condition 7(e)(ii) (*Special Redemption*) shall be given by the Issuer in accordance with Condition 16 (*Notices*) not less than three Business Days prior to the applicable Special Redemption Date to the Noteholders and to each Rating Agency.

(f) Redemption upon Effective Date Rating Event

If, as at the second Business Day prior to the Payment Date following the Effective Date and any Payment Date thereafter, an Effective Date Rating Event has occurred and is continuing, the Notes shall be redeemed in accordance with the Note Payment Sequence on each such Payment Date, out of Interest Proceeds and thereafter out of Principal Proceeds (including, for the avoidance of doubt, all amounts transferred to the Payment Account from the Unused Proceeds Account following the occurrence of an Effective Date Rating Event for application as Principal Proceeds in accordance with the Priorities of Payment, on the Business Day prior to the Payment Date falling immediately after the Effective Date) subject to the Priorities of Payment, in each case, until redeemed in full or, if earlier, until an Effective Date Rating Event ceases to be continuing. For the avoidance of doubt, the Portfolio Manager (acting on behalf of the Issuer) is under no obligation whatsoever to present a Rating Confirmation Plan to Moody's (as contemplated in the definition of Effective Date Rating Event) and may, in its discretion (acting on behalf of the Issuer), determine not to present such plan to Moody's in favour of redemption of Rated Notes pursuant to this Condition 7(f) (*Redemption upon Effective Date Rating Event*).

(g) Redemption following expiry of the Reinvestment Period

Following expiry of the Reinvestment Period, the Issuer shall, on each Payment Date occurring thereafter, apply Principal Proceeds transferred to the Payment Account immediately prior to the related Payment Date in redemption of the Notes at their applicable Redemption Prices in accordance with the Principal Proceeds Priority of Payments.

(h) Redemption

All Notes in respect of which any notice of redemption is given shall be redeemed on the Redemption Date at their applicable Redemption Prices, subject to any provision of this Condition 7 (*Redemption and Purchase*) requiring the Issuer to cancel such redemption, and to the extent specified in such notice and in accordance with the requirements of these Conditions.

(i) Cancellation and Purchase

All Notes redeemed in full by the Issuer will be cancelled and may not be reissued or resold.

No Note may be surrendered (including in connection with any abandonment, donation, gift, contribution or other event or circumstance) except for payment as provided herein, for cancellation pursuant to paragraph (k) (*Purchase*) below, for registration of transfer, exchange or redemption, or for replacement in connection with any Note mutilated, defaced or deemed lost or stolen.

In respect of Notes represented by a Global Certificate, cancellation of any Note required by the Conditions to be cancelled will be effected by reduction in the principal amount of the Notes on the Register, with a corresponding notation made on the applicable Global Certificate.

(j) Notice of Redemption

The Issuer shall procure that notice of any redemption in accordance with this Condition 7 (*Redemption and Purchase*) which notice shall be irrevocable, subject to any provision of this Condition 7 (*Redemption and Purchase*) requiring the Issuer to cancel such redemption, is given to the Trustee and the Noteholders in accordance with Condition 16 (*Notices*) and promptly in writing to the Rating Agencies.

In the event of the Issuer, the Portfolio Manager or the requisite percentage of Noteholders giving notice in accordance with this Condition 7 (*Redemption and Purchase*), the first in time shall prevail.

(k) Purchase

On any Payment Date, at the discretion of the Portfolio Manager, acting on behalf of the Issuer, in accordance with and subject to the terms of the Portfolio Management Agreement, the Issuer may, subject to the conditions below, purchase any of the Rated Notes (in whole or in part), using Principal Proceeds standing to the credit of the Principal Account, *provided that* nothing in this Condition 7(k)

(*Purchase*) shall operate to override the priority in respect of such Principal Proceeds of those obligations more senior to the Rated Notes in the relevant Priority of Payments.

No purchase of Rated Notes by the Issuer may occur unless each of the following conditions is satisfied:

(i) such purchase of Rated Notes shall occur in the following sequential order of priority: first, the Class A Notes, until the Class A Notes are purchased or redeemed in full and cancelled; second, the Class B Notes, until the Class B Notes are purchased or redeemed in full and cancelled; third, the Class C Notes, until the Class C Notes are purchased or redeemed in full and cancelled; fourth, the Class D Notes, until the Class D Notes are purchased or redeemed in full and cancelled; fifth, the Class E Notes, until the Class E Notes are purchased or redeemed in full and cancelled; sixth, the Class F Notes, until the Class F Notes are purchased or redeemed in full and cancelled;

(ii)

(A) each such purchase of Rated Notes of any Class shall be made pursuant to an offer made to all holders of the Rated Notes of such Class, by notice to such holders (in accordance with these Conditions), which notice shall specify the purchase price (as a percentage of par) at which such purchase will be effected, the maximum amount of Principal Proceeds that will be used to effect such purchase and the length of the period during which such offer will be open for acceptance;

(B) each such holder of a Rated Note shall have the right, but not the obligation, to accept such offer in accordance with its terms; and

(C) if the aggregate Principal Amount Outstanding of Notes of the relevant Class held by holders who accept such offer exceeds the amount of Principal Proceeds specified in such offer, a portion of the Notes of each accepting holder shall be purchased *pro rata* based on the respective Principal Amount Outstanding held by each such holder subject to adjustment for Authorised Denominations if required;

(iii) each such purchase shall be effected only at prices discounted from par;

(iv) each such purchase of Rated Notes shall occur prior to the expiry of the Reinvestment Period;

(v) each Coverage Test is satisfied immediately prior to each such purchase and will be satisfied after giving effect to such purchase or, if any Coverage Test is not satisfied it shall be at least maintained or improved after giving effect to such purchase compared with what it was immediately prior thereto;

(vi) if Sale Proceeds are used to consummate any such purchase, either:

(A) each requirement or test, as the case may be, of the Portfolio Profile Tests and the Collateral Quality Tests will be satisfied after giving effect to such purchase; or

(B) if any requirement or test, as the case may be, of the Portfolio Profile Tests and the Collateral Quality Tests was not satisfied immediately prior to such purchase, such requirement or test will be maintained or improved after giving effect to such purchase;

(vii) no Note Event of Default shall have occurred and be continuing;

(viii) any Rated Notes to be purchased shall be surrendered to the Registrar for cancellation and may not be reissued or resold;

(ix) each Rating Agency is notified of such purchase; and

(x) each such purchase will otherwise be conducted in accordance with applicable law (including the laws of Ireland).

Upon instruction by the Issuer, the Registrar shall cancel any such purchased Rated Notes surrendered to it for cancellation. The cancellation (and/or decrease, as applicable) of any such surrendered Rated Notes shall be taken into account for purposes of all relevant calculations.

(l) Redemption of the Subordinated Notes

Notwithstanding any other provisions of the Conditions or the Trust Deed, all references herein and therein to any of the Subordinated Notes being redeemed in full or at their Principal Amount Outstanding shall be deemed to be amended to the extent required to ensure that €1 principal amount of such Class of Notes remains Outstanding at all times and any amounts which are to be applied in redemption of such Notes pursuant hereto which are in excess of the Principal Amount Outstanding thereof *minus* €1, shall constitute interest payable in respect of such Notes and shall not be applied in redemption of the Principal Amount Outstanding thereof, provided always however that such €1 shall no longer remain outstanding and the Subordinated Notes shall be redeemed in full on the date on which all of the Collateral securing the Notes has been realised and is to be finally distributed to the Noteholders.

8. Payments

(a) Method of Payment

Payments of principal upon final redemption in respect of each Note will be made against presentation and surrender (or, in the case of part payment only, endorsement) of such Note at the specified office of the Principal Paying Agent or Transfer Agent outside the United States by wire transfer to an account specified by the holder in the Register. Payments of interest on each Note and, prior to redemption in full thereof, principal in respect of each Note, will be made by wire transfer to an account specified by the holder in the Register on the relevant due date to the holder (or to the first named of joint holders) of the Note appearing on the Register at the close of business on the Record Date. Upon application of the holder to the specified office of the Principal Paying Agent or Transfer Agent not less than five Business Days before the due date for any payment in respect of a Note, the payment may be made (in the case of any final payment of principal against presentation and surrender (or, in the case of part payment only of such final payment, endorsement) of such Note as provided above) by wire transfer, in immediately available funds, on the due date to an alternative Euro account maintained by the payee with a bank in Western Europe.

Payments of principal upon final redemption in respect of each Note represented by a Global Certificate will be made against presentation and surrender (or, in the case of part payment only, endorsement) of such Global Certificate at the specified office of the Principal Paying Agent by wire transfer. Payments of interest and, prior to redemption in full thereof, principal in respect of each Note represented by a Global Certificate will be made by wire transfer to the holder (or to the first named of joint holders) of the Registered Certificate appearing on the Register at the close of business on the Record Date at his address shown on the Register on the Record Date. On each occasion on which a payment of interest or principal is made in respect of the relevant Global Certificate, the Registrar shall note the same in the Register and cause the aggregate principal amount of the Notes represented by a Global Certificate to be decreased accordingly.

(b) Payments

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives (including FATCA), but without prejudice to the provisions of Condition 9 (*Taxation*). No commission shall be charged to the Noteholders.

(c) Payments on Presentation Days

A holder shall be entitled to present a Note for payment only on a Presentation Date and shall not, except as provided in Condition 6 (*Interest*), be entitled to any further interest or other payment if a Presentation Date falls after the due date.

If a Note is presented for payment at a time when, as a result of differences in time zones it is not practicable to transfer the relevant amount to an account as referred to above for value on the relevant Presentation Date, the Issuer shall not be obliged so to do but shall be obliged to transfer the relevant amount to the account for value on the first practicable date after the Presentation Date.

(d) Principal Paying Agent and Transfer Agent

The names of the initial Principal Paying Agent and Transfer Agent and their initial specified offices are set out below. The Issuer reserves the right at any time, with the approval of the Trustee, to vary or terminate the appointment of the Principal Paying Agent and the Transfer Agent and appoint additional or other Agents, *provided that* it will maintain (i) a Principal Paying Agent and (ii) a paying agent in an EU Member State that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive, in each case, as approved by the Trustee and shall procure that it shall at all times maintain a Custodian, Account Bank, Portfolio Manager and Collateral Administrator. Notice of any change in any Agent or their specified offices or in the Portfolio Manager or Collateral Administrator will promptly be given to the Noteholders by the Issuer in accordance with Condition 16 (*Notices*).

9. Taxation

All payments of principal and interest in respect of the Notes shall be made by or on behalf of the Issuer free and clear of, and without withholding or deduction for or on account of, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Ireland, or any political sub-division or any authority therein or thereof or anywhere else in the world having power to tax, unless such withholding or deduction is required by law (including FATCA) or any taxing authority. For the avoidance of doubt, the Issuer shall not be required to gross up any payments made to Noteholders of any Class and shall withhold or deduct from any such payments any amounts on account of such taxes, duties, assessments or governmental charges where so required by law (including FATCA) or any taxing authority. Any such withholding or deduction shall not constitute a Note Event of Default under Condition 10(a) (*Note Events of Default*).

Subject as provided below, if the Issuer certifies to the Trustee (upon which certification the Trustee may rely absolutely without liability or enquiry) that it has or will on the occasion of the next payment due in respect of the Notes of any Class become obliged by the laws of Ireland to withhold or account for tax so that it would be unable to make payment of the full amount that would otherwise be due but for the imposition of such tax, the Issuer (save where, as a consequence of a Note Tax Event, the Notes are to redeem and save as provided below) shall use all reasonable endeavours to arrange for the substitution of a company incorporated in another jurisdiction approved by the Trustee as the principal obligor under the Notes of such Class or to change its tax residence to another jurisdiction approved by the Trustee (in each case having relied on professional tax and legal advice as it sees appropriate), subject in each case to receipt by the Trustee of Rating Agency Confirmation in relation to such change and in accordance with the Trust Deed.

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

(a) due to the connection of any Noteholder with Ireland 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 the relevant Noteholder to comply with any applicable procedures required to establish non-residence or other similar claim for exemption from such tax; or

(c) in respect of a payment made or secured for the immediate benefit of an individual or a non-corporate entity pursuant to European Council Directive 2003/48/EC on Taxation of Savings Income in the Form of Interest Payments or any law implementing or complying with, or introduced in order to conform to, such Directive, or any arrangements entered into between the Member States and certain other third countries and territories in connection with the Directive; or

(d) as a result of presentation for payment by or on behalf of a Noteholder who would have been able to avoid such withholding or deduction by presenting the relevant Note to another paying agent in a Member State of the European Union; or

(e) under FATCA or as a result of the Noteholder's failure to provide the Issuer with appropriate tax forms and other documentation reasonably requested by the Issuer;

(f) any combination of the preceding clauses (a) to (e) inclusive,

the requirement to substitute the Issuer as a principal obligor shall not apply.

10. Events of Default

(a) Note Events of Default

The occurrence of any of the following events shall constitute a "Note Event of Default":

(i) Non-payment of interest

The Issuer fails to pay any interest in respect of any Class A Note or Class B Note when the same becomes due and payable or, following redemption and payment in full of the Class A Notes and the Class B Notes, in respect of any Payment Date on or after the Payment Date immediately following the occurrence of a Frequency Switch Event (the "**Relevant Payment Date**"), the Issuer fails to pay any interest in respect of any Class C Note when the same becomes due and payable or, following redemption and payment in full of the Class A Notes, the Class B Notes and the Class C Notes, in respect of any Payment Date on or after the Relevant Payment Date, the Issuer fails to pay any interest in respect of any Class D Note when the same becomes due and payable or, following redemption and payment in full of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes, in respect of any Payment Date on or after the Relevant Payment Date, the Issuer fails to pay any interest in respect of any Class E Note when the same becomes due and payable, or, following redemption and payment in full of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, and the Class E Notes, in respect of any Payment Date on or after the Relevant Payment Date, the Issuer fails to pay any interest in respect of any Class F Note when the same becomes due and payable (save, in each case, as the result of any deduction therefrom or the imposition of withholding thereon in the circumstances described in Condition 9 (*Taxation*)) and *provided that* any such failure to pay such interest in such circumstances continues for a period of five Business Days;

(ii) Non-payment of principal

Without prejudice to Condition 3(d) (*Non-payment of Amounts*), the Issuer fails to pay any principal when the same becomes due and payable (save as the result of any deduction therefrom or the imposition of withholding thereon in the circumstances described in Condition 9 (*Taxation*)) on any Note or on the Maturity Date or any Redemption Date (other than the date on which the Note is accelerated pursuant to this Condition 10 (*Events of Default*)) *provided that* any such failure to pay such principal continues for a period of five Business Days;

(iii) Default under Priorities of Payment

Other than a failure already referred to in paragraphs (i) and (ii) above, the Issuer fails on any Payment Date to disburse amounts available in the Payment Account in accordance with the Priorities of Payment and such failure continues for a period of five Business Days;

(iv) Collateral Debt Obligations

On any Measurement Date on or after the Effective Date, failure of the percentage equivalent of a fraction, (i) the numerator of which is equal to (1) the Aggregate Collateral Balance (excluding any Defaulted Obligations) *plus* (2) the aggregate of the Market Values of all Defaulted Obligations on such date multiplied by their respective Principal Balances; and (ii) the denominator of which is equal to the Principal Amount Outstanding of the Class A Notes, to equal or exceed 102.5 per cent;

(v) Breach of Other Obligations

The Issuer does not perform or comply with any other of its material covenants, warranties or other undertakings (or similar) under the Notes, the Trust Deed (including these Conditions), the Placement Agency Agreement, the Agency Agreement or the Portfolio Management Agreement (other than a covenant, warranty or other agreement a default in the performance or breach of which is dealt with elsewhere in this Condition 10(a) (*Note Events of Default*) and other than the failure to meet any Collateral Quality Test, Portfolio Profile Test, the Additional Reinvestment Test or any Coverage Test), or any representation, warranty or statement of the Issuer made in the Trust Deed or the Portfolio Management Agreement 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 (A) such default, breach or failure is, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders of any Class; and (B) in the case of a default, breach or failure which, in the opinion of the Trustee, is remediable, the continuation of such default, breach or failure for a period of 45 days (or 30 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 courier, to the Issuer (with a copy to the Portfolio Manager) 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;

(vi) Insolvency Proceedings

Proceedings are initiated against the Issuer under any applicable liquidation, insolvency, bankruptcy, examinership, composition, controlled management and suspension of payments, reorganisation or other similar laws (together, "**Insolvency Law**"), or a receiver, trustee, administrator, custodian, conservator, liquidator, examiner or other similar official appointed in connection with any Insolvency Law or a security enforcement or related proceedings (for the purpose of this clause only, a "**Receiver**") is appointed in relation to the Issuer or in relation to the whole or any substantial part of the undertaking or assets of the Issuer; 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 by an Extraordinary Resolution of the Controlling Class);

(vii) Illegality

It is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under the Notes; or

(viii) Investment Company Act

The Issuer or any of the Collateral becomes required to register as an "investment company" under the Investment Company Act and such requirement continues for 45 days.

(b) Acceleration

(i) If a Note Event of Default occurs and is continuing, the Trustee at its discretion may, and shall, if so directed by an Ordinary Resolution of the Controlling Class, (subject, in each case, to the Trustee being indemnified and/or secured and/or prefunded to its satisfaction against all liabilities, proceedings, claims and demands to which it may thereby become liable and all costs, charges and expenses which may be incurred by it in connection therewith) give notice to the Issuer and the Portfolio Manager (with a copy to each Hedge Counterparty) that all of the Notes are immediately due and repayable.

(ii) Upon any such notice being given to the Issuer in accordance with paragraph (i) of this Condition 10(b) (*Acceleration*), all of the Notes shall immediately become due and repayable at their applicable Redemption Prices, *provided that* no such notice shall be required in the case of the Note Event of Default referred to in Condition 10(a)(vi) (*Insolvency Proceedings*) or Condition 10(a)(vii) (*Illegality*), the occurrence of which shall result in automatic acceleration of the Notes in accordance with this Condition.

(c) Curing of Note Event of Default

At any time after a notice of acceleration of maturity of the Notes has been given pursuant to Condition 10(b)(i) (*Acceleration*), following the occurrence of a Note Event of Default and prior to enforcement of the security pursuant to Condition 11 (*Enforcement*), the Trustee may and shall, if so directed by an Ordinary Resolution of the Controlling Class, (subject, in each case, to the Trustee being indemnified and/or secured and/or prefunded to its satisfaction against all liabilities, proceedings, claims and demands to which it may thereby become liable and all costs, charges and expenses which may be incurred by it in connection therewith) rescind and annul such notice of acceleration pursuant to Condition 10(b)(i) (*Acceleration*) and its consequences if:

(i) the Issuer has paid or deposited with the Trustee a sum sufficient to pay:

(A) all overdue payments of interest and principal on the Notes, other than the Subordinated Notes and other than Deferred Interest;

(B) all due but unpaid taxes owing by the Issuer, as certified by an Authorised Officer of the Issuer to the Trustee;

(C) all unpaid Administrative Expenses and Trustee Fees and Expenses; and

(D) all amounts due and payable under any Hedge Agreement; and

(ii) the Trustee has determined that all Note Events of Default, other than the non-payment of the interest in respect of, or principal of, the Notes that have become due solely as a result of the acceleration thereof under paragraph (b) above due to such Note Events of Default, have been cured or waived.

Any previous rescission and annulment of a notice of acceleration pursuant to this paragraph (c) shall not prevent the subsequent acceleration of the Notes if the Trustee, at its discretion or as subsequently directed accelerates the Notes in accordance with Condition 10(b)(i) (*Acceleration*) above or if the Notes are automatically accelerated in accordance with Condition 10(b)(ii) (*Acceleration*) above.

All amounts received in respect of this Condition 10(c) (*Curing of Note Event of Default*) shall be distributed two Business Days following the receipt by the Issuer of such amounts in accordance with the Post-Acceleration Priority of Payments.

(d) Restriction on Acceleration of Notes

No acceleration of the Notes shall be permitted pursuant to this Condition by any Class of Noteholders, other than the Controlling Class as provided in Condition 10(b) (*Acceleration*).

(e) Notification and Confirmation of No Default

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

(f) Portfolio Manager Events of Default

Any of the following events shall constitute a "Portfolio Manager Event of Default":

(i) the Portfolio Manager wilfully breaches any material obligation by which it is bound under or pursuant to the terms of the Portfolio Management Agreement or the Trust Deed (unrelated to the economic performance of the Collateral Debt Obligations);

(ii) the Portfolio Manager breaches any provision of the Portfolio Management Agreement or the Trust Deed applicable to it and such breach, if capable of being cured, is not cured within 30 days of the Portfolio Manager becoming aware of, or its receipt of notice from the Issuer or the Trustee of, such breach and which the Controlling Class of Noteholders have resolved is materially prejudicial to their interests pursuant to an Ordinary Resolution;

(iii) the failure of any representation, warranty, certification or statement made or delivered by the Portfolio Manager in or pursuant to the Portfolio Management Agreement or the Trust Deed to be correct in any material respect when made and such failure is not corrected for a period of 30 days after the Portfolio Manager becoming aware of, or its receipt of notice from the Issuer or the

Trustee of, such failure and which the Controlling Class of Noteholders have resolved is materially prejudicial to their interests pursuant to an Ordinary Resolution;

(iv) (i) any procedure being commenced with a view to the winding-up or reorganisation of the Portfolio Manager (except a voluntary liquidation for the purpose of a reconstruction or amalgamation) or with a view to the appointment of an administrator, receiver, administrative receiver or trustee in relation to the Portfolio Manager or any of its assets and such procedure or appointment is likely to have a material adverse change in the financial condition or business of the Portfolio Manager, (ii) the Portfolio Manager becoming unable to pay its debts within the meaning of section 123 of the Insolvency Act 1986 or admitting its inability to pay its debts as and when they fall due or seeking a composition or arrangement with its creditors as a whole or any class of them, or (iii) there is a permanent material adverse change in the financial condition or business of the Portfolio Manager which is likely to adversely affect the ability of the Portfolio Manager to perform its obligations under the Portfolio Management Agreement or under the Trust Deed;

(v) the occurrence and continuation of a Note Event of Default specified in paragraph (i) or (ii) of Condition 10(a) (*Note Events of Default*) and the Trustee is of the opinion that such Note Event of Default results from a breach by the Portfolio Manager of its duties under the Portfolio Management Agreement;

(vi) the Portfolio Manager or any of its senior executive officers is convicted by a court of competent jurisdiction of any action that constitutes fraud or criminal activity whilst carrying out its portfolio management activities;

(vii) the Portfolio Manager ceasing to be permitted to act as such under the laws of England and Wales or Ireland; or

(viii) the Portfolio Manager resigning pursuant to the terms of the Portfolio Management Agreement.

Pursuant to the terms of the Portfolio Management Agreement:

(A) the Portfolio Manager may be removed upon the occurrence of a Portfolio Manager Event of Default (excluding paragraph (viii) of the definition thereof) upon 30 days' prior written notice (or in the case of a Portfolio Manager Event of Default pursuant to paragraph (vi) of the definition thereof, immediately upon written notice being delivered) to the Portfolio Manager by the Trustee (who shall notify each Hedge Counterparty) acting upon the instructions of an Ordinary Resolution of the Class A Noteholders (or, if the Class A Notes are held entirely in the form of PM Non-Voting Notes and/or PM Non-Voting Exchangeable Notes or by or on behalf of the Portfolio Manager or any Portfolio Manager Related Person, by an Ordinary Resolution of the next Class of Notes ranking immediately behind such Class that is not comprised entirely of Notes held in the form of PM Non-Voting Notes and/or PM Non-Voting Exchangeable Notes or by or on behalf of the Portfolio Manager or any Portfolio Manager Related Person), or upon redemption in full of the Class A Notes, the instructions of an Ordinary Resolution of the holders of each Class of Notes (acting independently (excluding any such Class held entirely in the form of PM Non-Voting Notes or PM Non-Voting Exchangeable Notes or by or on behalf of the Portfolio Manager or any Portfolio Manager Related Person), or by the Issuer (in its own discretion). In determining whether the holders of the requisite percentage of Notes have given any such direction, notice or consent, Notes held by or on behalf of the Portfolio Manager or any Portfolio Manager Related Person shall be disregarded and deemed not to be Outstanding; and

(B) upon the occurrence of a removal or resignation of the Portfolio Manager, the Controlling Class and the Subordinated Noteholders will have certain rights with respect to the appointment of a successor portfolio manager, as more fully described in the Portfolio Management Agreement.

The Issuer acknowledges that the rights of the Controlling Class to participate in the selection or removal of the Portfolio Manager following a Portfolio Manager Event of Default, as described above, are the rights of a creditor to exercise remedies upon the occurrence of an event of default.

11. Enforcement

(a) Security Becoming Enforceable

Subject as provided in this Condition 11(b) and (c) below, the security constituted under the Trust Deed shall become enforceable upon an acceleration of the maturity of the Notes pursuant to Condition 10(b) (*Acceleration*).

(b) Enforcement

At any time after the Notes become due and payable and the security under the Trust Deed becomes enforceable, the Trustee may in its discretion or shall (subject, in either case, to it being indemnified and/or secured and/or prefunded to its satisfaction against all liabilities, proceedings, claims and demands to which it may thereby become liable and all costs, charges and expenses which may be incurred by it in connection therewith) if so directed by an Ordinary Resolution of the Controlling Class institute such proceedings or take any other action against the Issuer as it may think fit to enforce the terms of the Trust Deed and the Notes and pursuant and subject to the terms of the Trust Deed and the Notes, realise and/or otherwise liquidate or sell the Collateral, in whole or in part and/or take such other action as may be permitted under applicable laws against any Obligor in respect of the Collateral and/or take any other action to enforce the security over the Collateral, such action, "**Enforcement Action**", which term includes any other action which the Trustee may deem to fall within such definition, in each case without any liability as to the consequence of such action and without having regard (save to the extent provided in Condition 14(e) (*Entitlement of the Trustee and Conflicts of Interest*)), to the effect of such action on individual Noteholders of any Class or any other Secured Party *provided however that*:

(i) no such Enforcement Action may be taken by the Trustee unless:

(A) subject to it being indemnified and/or prefunded and/or secured to its satisfaction, the Trustee (or an agent or other Appointee on its behalf, including without limitation, the Portfolio Manager or any independent investment banking firm) (an "**Enforcement Agent**") determines that the anticipated proceeds realised from such Enforcement Action (after deducting any expenses properly incurred in connection therewith) would be sufficient to discharge in full all amounts due and payable in respect of all Classes of Notes (including, without limitation, Deferred Interest on the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes) other than the Subordinated Notes and all amounts payable in priority thereto pursuant to the Post-Acceleration Priority of Payments (such amount the "**Enforcement Threshold**" and such determination being an "**Enforcement Threshold Determination**"); or

(B) if the Enforcement Threshold will not have been met then, subject as provided in paragraph (ii) below:

(1) in the case of a Note Event of Default specified in sub-paragraph (i) (*Non-payment of interest*), (ii)) (*Non-payment of principal*) or (iv) (*Collateral Debt Obligations*) of Condition 10(a) (*Note Events of Default*), the Controlling Class acting by way of Extraordinary Resolution (and no other Class of Notes) directs the Trustee to take Enforcement Action without regard to any other Note Event of Default which has occurred prior to, contemporaneously or subsequent to such Note Event of Default; or

(2) in the case of any other Note Event of Default, the Noteholders of each Class of Rated Notes voting separately by Class by way of Ordinary Resolution direct the Trustee to take Enforcement Action.

(ii) the Trustee shall not be bound to institute any Enforcement Action or take any other action unless it is directed to do so by (i) the Controlling Class acting by Ordinary Resolution, in the case of Condition 11(b)(i)(A) (*Enforcement*) above, or (ii) in the case where the Enforcement Threshold has not been met, (a) the Controlling Class acting by Extraordinary Resolution in the case of Enforcement Action pursuant to Condition 11(b)(i)(B)(1) (*Enforcement*) or (b) the Noteholders of each Class of Rated Notes acting by Ordinary Resolution in the case of Enforcement Action pursuant to Condition 11(b)(i)(B)(2) (*Enforcement*) and in each case, the Trustee is indemnified and/or secured and/or prefunded to its satisfaction against all liabilities, proceedings, claims and

demands to which it may thereby become liable and all costs, charges and expenses which may be incurred by it in connection therewith. Notwithstanding Condition 11(b)(i) (*Enforcement*) above, following redemption and payment in full of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes, the Trustee shall (provided it is indemnified and/or secured and/or prefunded to its satisfaction against all liabilities, proceedings, claims and demands to which it may thereby become liable and all costs, charges and expenses which may be incurred by it in connection therewith) act upon the directions of the Subordinated Noteholders acting by Extraordinary Resolution; and

(iii) the Enforcement Agent shall determine the aggregate proceeds that can be realised pursuant to any Enforcement Action by using reasonable efforts to obtain (with the cooperation of the Portfolio Manager, to the extent the Enforcement Agent is not the Portfolio Manager), bid prices with respect to each asset comprising the Portfolio from two recognised dealers at the time making a market therein and shall compute the anticipated proceeds of sale or liquidation on the basis of the lower of such bid prices for each such asset. In the event that the Enforcement Agent (with the cooperation of the Portfolio Manager to the extent the Enforcement Agent is not the Portfolio Manager), is only able to obtain bid prices with respect to an asset from one recognised dealer at the time making a market therein, the Enforcement Agent shall compute the anticipated proceeds of sale or liquidation on the basis of such one bid price. In addition, for the purposes of determining issues relating to the execution of a sale or liquidation of the Portfolio and the anticipated proceeds to be realised from any Enforcement Action and whether the Enforcement Threshold will be met, the Trustee may appoint and obtain, and rely on an opinion and/or advice of, an independent investment banking firm, or other appropriate advisor (the cost of which shall be payable as Trustee Fees and Expenses, unless the cost is otherwise the subject of pre-funding which has been received in immediately available cleared funds by the Trustee pursuant to Condition 11(b)(i)(A) (*Enforcement*).

The Trustee shall notify the Noteholders (in accordance with Condition 16 (*Notices*), the Issuer, the Agents, each Hedge Counterparty and each Rating Agency in the event that the Enforcement Agent makes an Enforcement Threshold Determination at any time. The Trustee shall notify such persons and the Portfolio Manager if it takes any Enforcement Action at any time (such notice an "**Enforcement Notice**"). Following acceleration of the Notes or pursuant to an Optional Redemption in whole in accordance with Condition 7(b) (*Optional Redemption*) or Condition 7(d) (*Redemption following a Note Tax Event*), Interest Proceeds, Principal Proceeds and the net proceeds of enforcement of the security over the Collateral (other than with respect to any Counterparty Downgrade Collateral, any Swap Tax Credits, and any amounts standing to the credit of the Non-Euro Account which represent Sale Proceeds, prepayments or redemptions (in each case excluding amounts representing Scheduled Periodic Asset Swap Issuer Payments) in respect of Non-Euro Obligations, which in each case are required to be paid or returned to a Hedge Counterparty subject to and in accordance with the terms of an Asset Swap Transaction and which shall be so paid or returned outside the Priorities of Payment), shall be credited to the Payment Account and shall be distributed in accordance with the following order of priority on the applicable Redemption Date 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) prior to an enforcement of the Notes in accordance with this Condition 11(b) (*Enforcement*), to the payment of (i) taxes or statutory fees (other than any Irish corporation tax in relation to the Issuer Profit referred to in (ii)), owing by the Issuer and certified as such by a director of the Issuer due in respect of the related Due Period (save for any VAT or other tax payable in relation to any amount payable to a party pursuant to the Priorities of Payment and which arises as a result of the payment of that amount to the relevant party); and (ii) the Issuer Profit;

(B) to the payment of accrued and unpaid Trustee Fees and Expenses up to an amount equal to the Senior Expenses Cap in respect of the related Due Period; *provided that* the Senior Expenses Cap shall not apply in respect of Trustee Fees and Expenses arising during the period from (and including) the date of the occurrence of a Note Event of Default to (and including) the date upon which such Note Event of Default is cured or waived and any Trustee Fees and Expenses outstanding as at the date of the occurrence of such Note Event of Default, and such Trustee Fees and Expenses shall not be taken into account in any determination regarding whether the Senior Expenses Cap is exceeded;

(C) to the payment of Administrative Expenses in relation to each item thereof, in the order of priority specified in the definition thereof up to an amount equal to the Senior Expenses Cap in respect of the related Due Period less any amounts paid pursuant to paragraph (B) above that is payable as Trustee Fees and Expenses, *provided that* (i) upon an acceleration of the Notes in accordance with Condition 10(b) (*Acceleration*) the Senior Expenses Cap shall not apply in respect of Administrative Expenses unless and until such acceleration has been rescinded and annulled in accordance with Condition 10(c) (*Curing of Note Event of Default*) and (ii) following an enforcement of security pursuant to Condition 11 (*Enforcement*) and the Trust Deed, payments may only be made hereunder to Secured Parties;

(D) to the payment on a *pro rata* and *pari passu* basis, of any Scheduled Periodic Interest Rate Hedge Issuer Payments (to the extent not paid or provided for out of the Interest Account), Scheduled Periodic Asset Swap Issuer Payments (to the extent not paid or provided for out of the Non-Euro Account) and Interest Rate Hedge Issuer Termination Payments and Asset Swap Issuer Termination Payments (other than Defaulted Interest Rate Hedge Issuer Termination Payments and Defaulted Asset Swap Counterparty Issuer Termination Payments) (to the extent not paid or provided for out of the Interest Rate Hedge and Asset Swap Termination Receipt Account or the Interest Account);

(E) to the payment:

(1) *firstly* to the Portfolio Manager, of the Senior Portfolio Management Fee due and payable on such date and any VAT in respect thereof (whether payable to the Portfolio Manager or directly to the relevant tax authority); and

(2) *secondly*, to the Portfolio Manager, of any previously due and unpaid Senior Portfolio Management Fees and any VAT in respect thereof (whether payable to the Portfolio Manager or directly to the relevant tax authority);

(F) to the payment on a *pro rata* and *pari passu* basis of all Interest Amounts due and payable on the Class A Notes;

(G) to the redemption on a *pro rata* and *pari passu* basis of the Class A Notes, until the Class A Notes have been redeemed in full;

(H) to the payment on a *pro rata* and *pari passu* basis of all Interest Amounts due and payable on the Class B Notes;

(I) to the redemption on a *pro rata* and *pari passu* basis of the Class B Notes, until the Class B Notes have been redeemed in full;

(J) to the payment on a *pro rata* and *pari passu* basis of all Interest Amounts (excluding any Deferred Interest, but including interest on Deferred Interest) due and payable on the Class C Notes;

(K) to the payment on a *pro rata* basis and *pari passu* of any Deferred Interest on the Class C Notes;

(L) to the redemption on a *pro rata* and *pari passu* basis of the Class C Notes, until the Class C Notes have been redeemed in full;

(M) to the payment on a *pro rata* and *pari passu* basis of all Interest Amounts (excluding any Deferred Interest, but including interest on Deferred Interest) due and payable on the Class D Notes;

(N) to the payment on a *pro rata* and *pari passu* basis of any Deferred Interest on the Class D Notes;

(O) to the redemption on a *pro rata* and *pari passu* basis of the Class D Notes, until the Class D Notes have been redeemed in full;

(P) to the payment on a *pro rata* and *pari passu* basis of all Interest Amounts (excluding any Deferred Interest, but including interest on Deferred Interest) due and payable on the Class E Notes;

(Q) to the payment on a *pro rata* and *pari passu* basis of any Deferred Interest on the Class E Notes;

(R) to the redemption on a *pro rata* and *pari passu* basis of the Class E Notes, until the Class E Notes have been redeemed in full;

(S) to the payment on a *pro rata* and *pari passu* basis of all Interest Amounts (excluding any Deferred Interest, but including interest on Deferred Interest) due and payable on the Class F Notes;

(T) to the payment on a *pro rata* and *pari passu* basis of any Deferred Interest on the Class F Notes;

(U) to the redemption on a *pro rata* and *pari passu* basis of the Class F Notes, until the Class F Notes have been redeemed in full;

(V) to the payment of Trustee Fees and Expenses, to the extent not paid by reason of the Senior Expenses Cap in respect of the related Due Period;

(W) to the payment of unpaid Administrative Expenses (in the order of priority specified in the definition thereof) to the extent not paid by reason of the Senior Expenses Cap in respect of the related Due Period *provided that* following an enforcement of security pursuant to Condition 11 (*Enforcement*) and the Trust Deed, payments may only be made hereunder to Secured Parties;

(X) to the payment:

(1) *firstly*, to the Portfolio Manager of the Subordinated Portfolio Management Fee due and payable on such date and any VAT in respect thereof (whether payable to the Portfolio Manager or directly to the relevant tax authority);

(2) *secondly*, to the Portfolio Manager of any previously due and unpaid Subordinated Portfolio Management Fee including any Deferred Subordinated Portfolio Manager Amounts and any VAT in respect thereof (whether payable to the Portfolio Manager or directly to the relevant tax authority) and *plus* any accrued but unpaid interest thereon in accordance with the Portfolio Management Agreement; and

(3) *thirdly*, to the repayment of any Portfolio Manager Advances and any interest thereon;

(Y) to the payment on a *pro rata* basis of any Defaulted Asset Swap Issuer Termination Payments and Defaulted Interest Rate Hedge Issuer Termination Payments due to any Hedge Counterparty;

(Z) (1) until the Incentive Management Fee IRR Threshold has been reached, any remaining Interest Proceeds and Principal Proceeds to the payment on the Subordinated Notes on a *pro rata* basis (determined upon redemption in full thereof by reference to the proportion that the principal amount of the Subordinated Notes held by the Subordinated Noteholders bore to the Principal Amount Outstanding of the Subordinated Notes immediately prior to such redemption); and

(2) if, after taking into account all prior distributions to Subordinated Noteholders and any distributions to be made to Subordinated Noteholders on such date, the Incentive Management Fee IRR Threshold has been reached (on or prior to such date):

(a) *firstly*, 20 per cent. of any remaining Interest Proceeds and Principal Proceeds, to the payment to the Portfolio Manager as an Incentive Management Fee;

(b) *secondly*, to the payment of any VAT in respect of the Incentive Management Fee referred to in (a) above (whether payable to the Portfolio Manager or directly to the relevant taxing authority); and

(c) *thirdly*, any remaining Interest Proceeds and Principal Proceeds, to the payment of principal on the Subordinated Notes on a *pro rata* basis and thereafter to the payment of interest on the Subordinated Notes on a *pro rata* basis (determined upon redemption in full thereof by reference to the proportion that the principal amount of the Subordinated Notes held by Subordinated Noteholders bore to the Principal Amount Outstanding of the Subordinated Notes immediately prior to such redemption).

(c) Only Trustee to Act

Only the Trustee may pursue the remedies available under the Trust Deed to enforce the rights of the Noteholders or of any of the other Secured Parties under the Trust Deed and the Notes and no Noteholder or other Secured Party is entitled to proceed directly under the Trust Deed and the Notes against the Issuer or any of its assets unless the Trustee, having become bound to proceed in accordance with the terms of the Trust Deed, fails or neglects to do so within a reasonable period after having received notice of such failure and such failure or neglect continues for at least 30 days following receipt of such notice by the Trustee. Any proceeds received by a Noteholder or other Secured Party pursuant to any such proceedings brought by a Noteholder or other Secured Party shall be paid promptly following receipt thereof to the Trustee for application pursuant to the terms hereof. After realisation of the security which has become enforceable and distribution of the net proceeds in accordance with the Priorities of Payment, no Noteholder or other Secured Party may take any further steps against the Issuer to recover any sum still unpaid in respect of the Notes or the Issuer's obligations to such Secured Party and all claims against the Issuer to recover any sum still unpaid in respect of the Notes or the Issuer's obligations to such Secured Party and all claims against the Issuer in respect of such sums unpaid shall be extinguished. In particular, none of the Trustee, any Noteholder or any other Secured Party shall be entitled in respect thereof to petition or take any other step for the winding-up of, or the appointment of an examiner to, the Issuer except to the extent permitted under the Trust Deed.

(d) Purchase of Collateral by Noteholders

Upon any sale of any part of the Collateral following the security in respect thereof becoming enforceable, whether made under the power of sale under the Trust Deed or by virtue of judicial proceedings, any Noteholder may (but shall not be obliged to) bid for and purchase the Collateral or any part thereof and, upon compliance with the terms of sale, may hold, retain, possess or dispose of such property in its or their own absolute right without accountability. In addition, any purchaser in any such sale which is a Noteholder may deliver Notes held by it in place of payment of the purchase price for such Collateral where the amount payable to such Noteholder in respect of such Notes pursuant to the Priorities of Payment (taking into account the operation of Condition 4(c) (*Limited Recourse*)) is equal to or exceeds the purchase moneys so payable. Any sale, howsoever made, shall be made by the relevant entity subject to and in accordance with the Trust Deed. Neither the Trustee nor any Appointee shall have any liability to any Noteholder or Secured Party for accepting the delivery of such Notes as the purchase price of the relevant Collateral.

12. Prescription

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

Notwithstanding the above, claims against the Issuer in respect of principal and interest on the Notes while the Notes are represented by a Global Certificate will become void unless presented for payment within a period of ten years (in the case of principal) and five years (in the case of interest) from the date on which any payment first becomes due.

13. Replacement of Notes

If any Note is lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Transfer Agent, subject in each case to all applicable laws and Irish Stock Exchange requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may require (*provided that* the requirement is reasonable in the light of prevailing market practice). Mutilated or defaced Notes must be surrendered before replacements will be issued.

14. Meetings of Noteholders, Modification, Waiver and Substitution

(a) Provisions in Trust Deed

The Trust Deed contains provisions for convening meetings of the Noteholders (or of passing Written Resolutions) to consider matters affecting the interests of the Noteholders, including without limitation, modifying or waiving certain of the provisions of these Conditions and the substitution of the Issuer in certain circumstances. The provisions in this Condition 14 (*Meetings of Noteholders, Modification, Waiver and Substitution*) are descriptive of the detailed provisions of the Trust Deed.

(b) Decisions and Meetings of Noteholders

(i) General

Decisions may be taken by Noteholders by way of Ordinary Resolution or Extraordinary Resolution, in each case, either acting together (where expressly provided for in a Transaction Document) or, as a Class of Noteholders acting independently. Such Resolutions can be effected either at a duly convened meeting of the applicable Noteholders or by the applicable Noteholders resolving in writing, in each case, in at least the minimum percentages specified in the table "*Minimum Percentage Voting Requirements*" below. Meetings of the Noteholders may be convened by the Issuer, the Trustee (subject to being indemnified and/or secured and/or prefunded to its satisfaction) or by one or more Noteholders holding not less than ten per cent. in Principal Amount Outstanding of a particular Class, subject to certain conditions including minimum notice periods.

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 Noteholders and, at any such meeting, as having one vote in respect of each €1,000 of principal amount of Notes for which the relevant Global Certificate may be exchanged. The Trustee may, in its discretion, determine that any proposed Ordinary Resolution or Extraordinary Resolution affects only the holders of one or more Classes of Notes, in which event the required quorum and minimum percentage voting requirements of such Ordinary Resolution or Extraordinary Resolution shall be determined by reference only to the holders of that Class or Classes of Notes and not the holders of any other Notes as set forth in the tables below.

(ii) Quorum

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

Quorum Requirements

Type of Resolution	Any meeting other than a meeting adjourned for want of quorum	Meeting previously adjourned for want of quorum
Extraordinary Resolution of the Noteholders or the Noteholders of a certain Class	One or more persons holding or representing not less than $66^2/_3$ per cent. of the aggregate Principal Amount Outstanding of the Notes or	One or more persons holding or representing not less than 25 per cent. of the aggregate Principal Amount Outstanding

Quorum Requirements

	the Notes of the relevant Class so held or represented	of the Notes or the Notes of the relevant Class so held or represented
Ordinary Resolution of the Noteholders or the Noteholders of a certain Class	One or more persons holding or representing not less than 50 per cent. of the aggregate Principal Amount Outstanding of the Notes or the Notes of the relevant Class so held or represented	One or more persons holding or representing not less than 25 per cent. of the aggregate Principal Amount Outstanding of the Notes or the Notes of the relevant Class so held or represented

In connection with:

(A) a PM Removal Resolution or a PM Replacement Resolution, no Notes held in the form of PM Non-Voting Exchangeable Notes or PM Non-Voting Notes shall (A) constitute or form part of the Controlling Class, (B) be entitled to vote in respect of any such PM Removal Resolution or PM Replacement Resolution; or (C) be counted for the purposes of determining a quorum or the result of voting in respect of any such PM Removal Resolution or PM Replacement Resolution; and

(B) a PM Removal Resolution or a PM Replacement Resolution, no Notes held by or on behalf of the Portfolio Manager or a Portfolio Manager Related Person shall (A) constitute or form part of the Controlling Class, (B) be entitled to vote in respect of any such PM Removal Resolution or PM Replacement Resolution; or (C) be counted for the purposes of determining a quorum or the result of voting in respect of any such PM Removal Resolution or PM Replacement Resolution.

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) if such Resolution is being considered at a duly convened meeting of Noteholders, shall be determined by reference to the percentage which the aggregate Principal Amount Outstanding of Notes held or represented by any person or persons entitled to vote any applicable Notes who votes or vote in favour of such Resolution represents of the aggregate Principal Amount Outstanding of all applicable Notes which are represented at such meeting and are voted or, (B) in the case of any Written Resolution, shall be determined by reference to the percentage which the aggregate Principal Amount Outstanding of the Notes entitled to be voted in respect of such Resolution and which are voted in favour thereof represent of the aggregate Principal Amount Outstanding of all the Notes entitled to vote in respect of such Written Resolution.

Minimum Percentage Voting Requirements

Type of Resolution	Minimum percentage
Extraordinary Resolution of all Noteholders (or of a certain Class or Classes only)	At least 66⅔ per cent.
Ordinary Resolution of all Noteholders (or of a certain Class or Classes only)	Greater than 50 per cent.

For the purposes of determining the percentages in respect of a Resolution:

(iv) Written Resolutions

Any Written Resolution may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the relevant Noteholders and the date of such Written Resolution shall be the date on which the latest such document is signed.

(v) All Resolutions Binding

Any Resolution of all Classes of Noteholders or any Class of Noteholders duly passed shall be binding on all Noteholders (regardless of Class), or as the case may be, all the Noteholders of such Class, regardless of whether or not a Noteholder was present at the meeting at which the relevant Resolution was passed.

(vi) Extraordinary Resolution

Any Resolution to sanction any of the following items will be required to be passed by an Extraordinary Resolution of each Class of Notes in addition to any other matter specified in the Trust Deed, the Portfolio Management Agreement or the relevant Transaction Document requiring sanction by way of Extraordinary Resolution:

(A) the exchange or substitution for the Notes of a Class, or the conversion of the Notes of a Class into, shares, bonds or other obligations or securities of the Issuer or any other entity and/or cash, save for a Refinancing;

(B) the modification of any provision relating to the timing and/or circumstances of redemption of the Notes of a Class at maturity or otherwise (including the circumstances in which the maturity of such Notes may be accelerated), or any date fixed for payment of principal or interest, the reduction of the amount of principal or interest payable, or the modification of the method of calculation of the amount of any payment on redemption or maturity or the date for any such payments, other than in relation to a Refinancing;

(C) the modification of any of the provisions of the Trust Deed or the Conditions which would directly and adversely affect the calculation of the amount of any payment of interest or principal on any Note, save for a Refinancing;

(D) the adjustment of the outstanding principal amount of the Notes Outstanding of any Class other than in connection with a further issuance of Notes pursuant to Condition 17 (*Additional Issuances*);

(E) a change in the currency of payment of the Notes or any class thereof;

(F) any change in the Priorities of Payment or of any payment item in the Priorities of Payment;

(G) the modification of the provisions concerning the quorum required at any meeting of Noteholders or the minimum percentage required to pass an Extraordinary Resolution or any other provision of these Conditions which requires the written consent of the holders of a requisite principal amount of the Notes of any Class Outstanding;

(H) any modification of any Transaction Document having a material adverse effect on the security over the Collateral constituted by the Trust Deed;

(I) any item requiring approval by Extraordinary Resolution pursuant to these Conditions or any Transaction Document; and

(J) any modification of this Condition 14(b) (*Decisions and Meetings of Noteholders*) or Schedule 5 (*Provisions for Meetings of the Noteholders of each Class*) of the Trust Deed.

(vii) Ordinary Resolution

Any meeting of the Noteholders shall, subject to these Conditions and the Trust Deed, have power by Ordinary Resolution to approve any other matter relating to the Notes not referred to in paragraph (vi) (*Extraordinary Resolution*) above.

(c) Modification and Waiver

The Trust Deed and the Portfolio Management Agreement both provide that, without the consent of the Noteholders (other than where consent of either the Controlling Class or the holders of the Class A Notes is required or where the holders of the Controlling Class have objected to a modification, in each

case as provided below), the Issuer may amend, modify, supplement and/or waive the relevant provisions of the Trust Deed and/or the Portfolio Management Agreement and/or any other Transaction Document (subject to the consent of the other parties thereto, which consent shall be conclusively evidenced by the entry of the relevant party into any deed or document intended to amend such Transaction Document and which consent shall, with respect to the Trustee, be required to be given (other than pursuant to paragraphs (x) and (xi) below), upon receipt of the certification from the Issuer referred to in this Condition), subject to prior written notice to the Trustee (other than in the case of an amendment, modification, supplement or waiver, pursuant to paragraphs (x) and (xi) below, which shall be subject to the prior written consent of the Trustee in accordance with the relevant paragraph), for any of the following purposes:

(i) to add to the covenants of the Issuer for the benefit of the Noteholders or to surrender any right or power in the Trust Deed or the Portfolio Management Agreement (as applicable) conferred upon the Issuer;

(ii) to charge, convey, transfer, assign, mortgage or pledge any property to or with the Trustee;

(iii) to correct or amplify the description of any property at any time subject to the security of the Trust Deed, or to better assure, convey and confirm unto the Trustee any property subject or required to be subject to the security of the Trust Deed (including, without limitation, any and all actions necessary or desirable as a result of changes in law or regulations) or subject to the security of the Trust Deed any additional property;

(iv) to evidence and provide for the acceptance of appointment under the Trust Deed by a successor Trustee subject to and in accordance with the terms of the Trust Deed and to add to or change any of the provisions of the Trust Deed as shall be necessary to facilitate the administration of the trusts under the Trust Deed by more than one Trustee pursuant to the requirements of the relevant provisions of the Trust Deed in each case subject to receipt of Rating Agency Confirmation;

(v) to make such changes as shall be necessary or advisable in order for the Notes of each Class to be (or to remain) listed on the Irish Stock Exchange or any other exchange;

(vi) save as contemplated in paragraph (d) (*Substitution*) below, to take any action advisable to prevent the Issuer from becoming subject to (or to otherwise reduce) withholding or other taxes, fees or assessments;

(vii) to take any action advisable to prevent the Issuer from being treated as resident in the UK for UK tax purposes, as trading in the UK for UK tax purposes or as subject to any VAT in respect of any Portfolio Management Fees or being subject to (or to otherwise reduce) (or its representative being subject to) any diverted profits or similar tax;

(viii) to take any action advisable to prevent the Issuer from being treated as engaged in a United States trade or business or otherwise be subject to United States federal, state or local income tax on a net income basis;

(ix) to enter into any additional agreements not expressly prohibited by the Trust Deed or the Portfolio Management Agreement (as applicable) *provided that*, for so long as any Class A Notes are Outstanding, the consent of the holders of the Class A Notes acting by Ordinary Resolution has been obtained;

(x) to make any other modification of any of the provisions of the Trust Deed, the Portfolio Management Agreement or any other Transaction Document which, in the opinion of the Trustee, is of a formal, minor or technical nature or is made to correct a manifest error *provided that*, for so long as any Class A Notes are Outstanding, the consent of the holders of the Class A Notes acting by Ordinary Resolution has been obtained;

(xi) to make any other modification (save as otherwise provided in the Trust Deed, the Portfolio Management Agreement or the relevant Transaction Document), and/or give any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed or any other Transaction Document which in the opinion of the Trustee is not materially prejudicial to the interests of the Noteholders of any Class *provided that*, for so long as any Class A Notes are

Outstanding, the consent of the holders of the Class A Notes acting by Ordinary Resolution has been obtained;

(xii) to amend the name of the Issuer;

(xiii) to take any action necessary, advisable, or helpful to prevent the Issuer or the Noteholders from being subject to (or to otherwise reduce) withholding or other taxes, fees or assessments, including by complying with FATCA;

(xiv) notwithstanding paragraph (xxix) below, to modify or amend any components of the S&P Matrix or the Moody's Test Matrix or the Moody's Recovery Rate, subject to Rating Agency Confirmation from S&P or Moody's, as applicable (which may be provided by way of email from the relevant Rating Agency) *provided that*, for so long as any Class A Notes are Outstanding, the consent of the holders of the Class A Notes acting by Ordinary Resolution has been obtained;

(xv) to make any changes necessary to permit any additional issuances of Notes or to issue replacement notes in accordance with these Conditions;

(xvi) to (i) subject to the right of the Controlling Class to object to any such modification in accordance with this Condition 14(c) (*Modification and Waiver*) and subject to paragraph (xxix) below other than in the case of the Collateral Quality Tests, evidence any waiver or modification by any Rating Agency in its rating methodology or as to any requirement or condition, as applicable, of such Rating Agency set forth in the Transaction Documents and in respect of which Rating Agency Confirmation has been received from the applicable Rating Agency; or (ii) subject to paragraph (xxix) below, conform the Transaction Documents to the Prospectus;

(xvii) to modify the Transaction Documents in order to comply with Rule 17g-5 of the Exchange Act;

(xviii) to modify the Transaction Documents in order to comply with EMIR, the AIFMD, the Dodd-Frank Act, the CRA, Solvency II, any requirements of the CFTC and the CRS, including any implementing regulation, technical standards and guidance related thereto *provided that*, for so long as any Class A Notes are Outstanding, the consent of the holders of the Class A Notes acting by Ordinary Resolution has been obtained;

(xix) to make any modification to any of the provisions of the Trust Deed, the Portfolio Management Agreement or any other Transaction Document to comply with any changes in the Retention Requirements or which result from the implementation of the Retention Requirements or any other risk retention legislation or regulations or official guidance;

(xx) to modify the restrictions on and the procedures for re-sales and other transfers of Notes to reflect any changes in ERISA or other applicable law or regulation (or the interpretation thereof) to enable the Issuer to rely upon any exemption from registration under the Securities Act or the Investment Company Act or to remove restrictions on resale or transfer to the extent not required thereunder;

(xxi) to accommodate the settlement of the Notes in book-entry form through the facilities of Euroclear and/or Clearstream, Luxembourg or otherwise;

(xxii) to reduce the permitted Minimum Denomination of the Notes; *provided that* any such reduction in Minimum Denomination shall not result in a material disadvantage to Noteholders or the Issuer in respect of any legal or regulatory requirement;

(xxiii) to change the date within the month on which reports are required to be delivered;

(xxiv) to make such changes as shall be necessary to facilitate the Issuer to effect a Refinancing in part in accordance with Condition 7(b)(v) (*Optional Redemption effected in Whole or in Part through Refinancing*);

(xxv) to modify the Transaction Documents in terms agreed by the parties thereto for the purpose of complying with or implementing the STS Regulation in the form that comes into force including any implementing regulation, technical standards and official guidance related thereto;

(xxvi) subject to Rating Agency Confirmation, to make such changes as are necessary to facilitate the transfer of any Hedge Agreement to a replacement counterparty or the roles of any Agent to a replacement agent, in each case in circumstances where such Hedge Counterparty or Agent does not satisfy the applicable Rating Requirement and subject to such replacement counterparty or agent (as applicable) satisfying the applicable requirements in the Transaction Documents;

(xxvii) subject to Rating Agency Confirmation (other than to the extent otherwise permitted pursuant to Condition 14(c)(xviii) (*Modification and Waiver*) above) or such Hedge Agreement being a Form-Approved Asset Swap or Form-Approved Interest Rate Hedge following such amendment, to amend, modify or supplement any Hedge Agreement to the extent necessary to allow the Issuer or the relevant Hedge Counterparty to comply with any enactment, promulgation, execution or ratification of, or any change in or amendment to, any law or regulation (or in the application or official interpretation of any law or regulation) that occurs after the parties enter into the Hedge Agreement;

(xxviii) amend, modify, enter into, accommodate the execution or facilitate the transfer by the relevant Hedge Counterparty of any Hedge Agreement upon terms satisfactory to the Portfolio Manager and subject to receipt of Rating Agency Confirmation (unless any such amended or modified Hedge Agreement constitutes a Form-Approved Asset Swap or Form-Approved Interest Rate Hedge); and

(xxix) subject to and without prejudice to (A) Condition 14(c)(xiv) and (B) in the case of the Collateral Quality Tests only, Condition 14(c)(xvi)(i) and subject to Rating Agency Confirmation and the consent of the Controlling Class acting by Ordinary Resolution, to make any modifications to the Collateral Quality Tests, Portfolio Profile Tests, Reinvestment Criteria or Eligibility Criteria (including, for the avoidance of doubt, all related definitions).

Any such modification, authorisation or waiver shall be binding on all Noteholders and shall be notified by the Issuer as soon as reasonably practicable following the execution of any trust deed supplemental to the Trust Deed or any other modification, authorisation or waiver pursuant to this Condition 14(c) (*Modification and Waiver*) to:

(A) so long as any of the Notes rated by the Rating Agencies remains Outstanding, each Rating Agency; and

(B) the Noteholders in accordance with Condition 16 (*Notices*).

For the avoidance of doubt, the Trustee shall, without the consent or sanction of any of the Noteholders (other than as otherwise specified above) or any other Secured Party, and without consideration of the interests of the Noteholders or other Secured Parties, concur with the Issuer in making any modification, amendment, waiver or supplement pursuant to the paragraphs above (other than a modification, waiver or supplement pursuant to paragraphs (x) or (xi) above or where consent of either the Controlling Class or the holders of the Class A Notes is specified above) to the Transaction Documents, which the Issuer certifies is necessary pursuant to the paragraphs above (or advisable where such determination is required to be made pursuant to paragraphs (v), (vi), (vii) or (viii) above) and upon which certification the Trustee may rely absolutely and without enquiry or liability *provided that* the Trustee shall not be obliged to agree to any modification which, in the opinion of the Trustee, would have the effect of (i) exposing the Trustee to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or (ii) adding to or increasing the obligations, liabilities or duties, or decreasing the rights, powers, indemnities or protections, of the Trustee in respect of the Transaction Documents.

In the case of a modification, amendment, waiver or supplement pursuant to paragraphs (x) and (xi) above, the Trustee may impose such conditions as it sees fit and under no circumstances shall the Trustee be required to give such consent on less than 21 days' notice and the Trustee shall be entitled to obtain legal, financial and/or other expert advice, at the expense of the Issuer, and rely on such advice in connection with determining whether or not to give such consent as it sees fit.

The right of the Portfolio Manager in the Portfolio Management Agreement to (i) choose which Recovery Rate Case and which Moody's Matrix Spread is applicable for the purposes of the Moody's Minimum Diversity Test, the Moody's Maximum Weighted Average Rating Factor Test

and the Moody's Minimum Weighted Average Recovery Rate Test and (ii) choose which Recovery Rate Case and which S&P Matrix Spread is applicable for the purposes of the S&P CDO Monitor Test and the S&P Minimum Weighted Average Recovery Rate Test and the Minimum Weighted Average Spread Test, will not constitute a modification or an amendment of a component to the Moody's Matrix or the S&P Matrix (as applicable) for the purposes of paragraph (xiv).

Notwithstanding anything to the contrary herein or in the Trust Deed, the Issuer shall not agree to amend, modify or supplement any provisions of the Transaction Documents, unless the requirements (if any) specified in the relevant Hedge Agreement in relation to amending, modifying or supplementing the Transaction Documents have been satisfied.

The Issuer shall notify each Hedge Counterparty of any proposed amendment to any provisions of the Transaction Documents and seek the prior consent of each Hedge Counterparty in respect thereof, in each case to the extent required in accordance with and subject to the terms of the relevant Hedge Agreement. For the avoidance of doubt such notice shall only be given and such consent shall only be sought to the extent required in accordance with the Trust Deed and/or the terms of the relevant Hedge Agreement.

The Issuer shall notify Noteholders in accordance with these Conditions of any proposed modification pursuant to paragraph (xvi) above promptly upon being notified thereof by the Portfolio Manager in accordance with the Portfolio Management Agreement. Notwithstanding any provision of the Transaction Documents or these Conditions, if the Controlling Class (acting by Ordinary Resolution, including by way of Written Resolution), delivers a notice of objection to any such proposed modification to the Principal Paying Agent in accordance with the Trust Deed, no later than 45 calendar days after having received notice of such proposed modification from the Issuer (such notice being deemed to have been received by each Noteholder on the Business Day following the date of delivery of such notice by the Principal Paying Agent on behalf of the Issuer to the Clearing Systems for onward transmission to beneficial owners in accordance with the Agency Agreement and the Trust Deed), no such proposed modification may be effected by the Issuer (or the Portfolio Manager on behalf of the Issuer).

(d) Substitution

The Trust Deed contains provisions permitting the Trustee to agree, subject to such amendment of the Trust Deed and such other conditions as the Trustee may require (without the consent of the Noteholders of any Class), to the substitution of any other company in place of the Issuer, or of any previously substituted company, as principal debtor under the Trust Deed and the Notes of each Class, if required for taxation purposes, *provided that* such substitution would not, in the opinion of the Trustee, be materially prejudicial to the interests of the Noteholders of any Class. In the case of such a substitution the Trustee may agree, without the consent of the Noteholders, but subject to receipt of Rating Agency Confirmation (subject to receipt of such information and/or opinions as any Rating Agency may require), to a change of the law governing the Notes and/or the Trust Deed, *provided that* such change would not, in the opinion of the Trustee, be materially prejudicial to the interests of the Noteholders of any Class. Any substitution agreed by the Trustee pursuant to this Condition 14(d) (*Substitution*) shall be binding on the Noteholders, and shall be notified by the Issuer to the Noteholders as soon as practicable in accordance with Condition 16 (*Notices*).

The Trustee may (but shall not be obliged to), subject to the satisfaction of certain conditions specified in the Trust Deed, including, receipt of Rating Agency Confirmation, agree to a change in the place of residence of the Issuer for taxation purposes without the consent of the Noteholders of any Class, provided the Issuer does all such things as the Trustee may require in order that such change in the place of residence of the Issuer for taxation purposes is fully effective and complies with such other requirements which are in the interests of the Noteholders as it may direct.

The Issuer shall procure that, so long as the Notes are listed on the regulated market of the Irish Stock Exchange any material amendments or modifications to the Conditions of the Notes, the Trust Deed or such other conditions made pursuant to this Condition 14 (*Meetings of Noteholders, Modification, Waiver and Substitution*) shall be notified to the Irish Stock Exchange.

(e) Entitlement of the Trustee and Conflicts of Interest

In connection with the exercise of its trusts, powers, duties and discretions (including but not limited to those referred to in this Condition) the Trustee shall have regard to the interests of each Class of Noteholders as a Class and shall not have regard to the consequences of such exercise for individual Noteholders of such Class and the Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer, the Trustee or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders.

In considering the interests of Noteholders while the Global Certificates are held on behalf of a clearing system, the Trustee may have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its account holders with entitlements to each Global Certificate and may consider such interests as if such account holders were the holders of any Global Certificate.

The Trust Deed provides that where, in the opinion of the Trustee, there is a conflict between the interests of different Classes of Noteholders, the Trustee shall give priority to the interests of the holders of the Controlling Class, whose interests shall prevail. If the holders of the Controlling Class do not have an interest in the outcome of the conflict, the Trustee shall give priority to the interests of (i) the Class B Noteholders over the Class C Noteholders, the Class D Noteholders, the Class E Noteholders, the Class F Noteholders and the Subordinated Noteholders, (ii) the Class C Noteholders over the Class D Noteholders, the Class E Noteholders, the Class F Noteholders and the Subordinated Noteholders, (iii) the Class D Noteholders over the Class E Noteholders, the Class F Noteholders and the Subordinated Noteholders (iv) the Class E Noteholders over the Class F Noteholders and the Subordinated Noteholders and (v) the Class F Noteholders over the Subordinated Noteholders. If the Trustee shall receive conflicting or inconsistent requests from two or more groups of holders of the Controlling Class (or another Class given priority as described in this paragraph), each representing less than the majority by principal amount of the Controlling Class (or other Class given priority as described in this paragraph), the Trustee shall give priority to the group which holds the greater principal amount of Notes Outstanding of such Class. The Trust Deed provides further that the Trustee will act upon the directions of the holders of the Controlling Class (or other Class given priority as described in this paragraph) in such circumstances (subject to being indemnified and/or secured and/or prefunded to its satisfaction), and shall not be obliged to consider the interests of and is exempted from any liability to the holders of any other Class of Notes.

In addition, the Trust Deed provides that in the event of any conflict of interest between the Noteholders (or any Class thereof) and any other Secured Party, the interests of the Noteholders will prevail.

15. Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility in certain circumstances, including provisions relieving it from instituting proceedings to enforce repayment or to enforce the security constituted by or pursuant to the Trust Deed, unless indemnified and/or secured and/or prefunded to its satisfaction. The Trustee is entitled to enter into business transactions with the Issuer or any other party to any Transaction Document and any entity related to the Issuer or such party without accounting for any profit. The Trustee is exempt from any liability in respect of any loss or theft or reduction of value of the Collateral, from any obligation to insure, or to monitor the provisions of any insurance arrangements in respect of, the Collateral (for the avoidance of doubt, under the Trust Deed the Trustee is under no such obligation) and from any claim arising from the fact that the Collateral is held in a Clearing System by the Custodian or is otherwise held in safe custody by a bank or other custodian. The Trustee has no responsibility for ensuring that the Custodian or the Account Bank satisfies the Rating Requirement applicable to it, or in the event of its failure to satisfy such Rating Requirement to procure the appointment of a replacement Custodian or Account Bank. The Trustee shall not be responsible for the performance by the Agents of any of their respective duties under the Agency Agreement or the Portfolio Management Agreement or for the performance by the Portfolio Manager of any of its duties under the Portfolio Management Agreement, for the performance by the Collateral Administrator of its duties under the Portfolio Management Agreement or for the performance by any other person appointed by the Issuer in relation to the Notes or any other party to any Transaction Document. The Trustee shall not have any responsibility for the administration, management or operation of the Collateral including the request by the Portfolio Manager to release any of the Collateral from time to time. The

Trustee is entitled to rely on the certificates or notices of any relevant party without further enquiry. The Trustee shall accept, without investigation, requisition or objection to, such right, benefit, title and interest, if any, as the Issuer may have in and to any of the Collateral and is not bound to make any investigation into the same or into the Collateral in any respect.

The Trust Deed contains provisions for the retirement of the Trustee and the removal of the Trustee by Extraordinary Resolution of the Controlling Class, but no such retirement or removal shall become effective until a successor trustee is appointed.

16. Notices

Notices to Noteholders will be valid if posted to the address of such Noteholder appearing in the Register at the time of publication of such notice by pre-paid, first class mail (or any other manner approved by the Trustee which may be by electronic transmission) and (for so long as the Notes are listed on the Irish Stock Exchange and the rules of the Irish Stock Exchange so require) shall be sent to the Company Announcements Office of the Irish Stock Exchange. 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 the Noteholders.

The Trustee shall be at liberty to sanction some other method of giving notice to the Noteholders or a category of them if, in its opinion, such other method is reasonable having regard to market practice then prevailing and to the rules of the stock exchange on which the Notes are then listed and *provided that* notice of such other method is given to the Noteholders in such manner as the Trustee shall require.

Notwithstanding the above, so long as any Notes are represented by a Global Certificate and such Global Certificate is held on behalf of a clearing system, notices to Noteholders shall be given by, and shall be deemed to have been delivered to, such Noteholders upon delivery of the relevant notice to that clearing system for communication by it to entitled account holders in substitution for delivery thereof as required by the Conditions, *provided that* such notice is also made to the Company Announcement Office of the Irish Stock Exchange for so long as such Notes are listed on the Irish Stock Exchange and the rules of the Irish Stock Exchange so require (and such notice shall be deemed given to the Noteholder upon such delivery by or on behalf of the Issuer).

The Issuer shall procure that, so long as the Notes are listed on the Irish Stock Exchange, any material amendments or modifications to these Conditions, the Trust Deed or such other conditions made pursuant to Condition 14 (*Meetings of Noteholders, Modification, Waiver and Substitution*) shall be notified to the Irish Stock Exchange.

17. Additional Issuances

(a) The Issuer may from time to time, subject to the approval of the Class A Noteholders acting by Ordinary Resolution (for so long as any Class A Notes are Outstanding), the Subordinated Noteholders acting by Ordinary Resolution and the Retention Holder in writing, create and issue further Notes having the same terms and conditions as existing Classes of Notes (subject as provided below) and which shall be consolidated and form a single series with the Outstanding Notes of such Class (unless otherwise provided), and will use the proceeds of sale thereof to purchase additional Collateral Debt Obligations and, if applicable, enter into additional Hedge Transactions in connection with the Issuer's issuance of, and making payments on, the Notes and ownership of and disposition of the Collateral Debt Obligations and, in the case of the issuance of additional Subordinated Notes only, for application towards Permitted Uses, *provided that* in each case the following conditions are met:

(i) such additional issuances in relation to the applicable Class of Notes may not exceed 100 per cent. in the aggregate of the original aggregate principal amount of such Class of Notes;

(ii) such additional Notes must be issued for a cash sale price and the net proceeds invested in Collateral Debt Obligations or, pending such investment during the Initial Investment Period, deposited in the Unused Proceeds Account or, thereafter, deposited in the Principal Account and, in each case, invested in Eligible Investments (save with respect to Subordinated Notes which proceeds may be issued for Permitted Uses);

(iii) such additional Notes must be of each Class of Notes and issued in a proportionate amount among the Classes so that the relative proportions of aggregate principal amount of the Classes of Notes

existing immediately prior to such additional issuance remain unchanged immediately following such additional issuance (save with respect to additional Subordinated Notes as described in paragraph (b) below);

(iv) the terms (other than the date of issuance, the issue price and the date from which interest will accrue) of such Notes must be identical to the terms of the previously issued Notes of the applicable Class of Notes;

(v) the Issuer must notify the Rating Agencies then rating any Notes of such additional issuance and, if the issue price thereof is less than 100 per cent. obtain Rating Agency Confirmation;

(vi) after giving effect to such additional issuance of Notes, the Coverage Tests will be maintained or improved by reference to the outcome of such tests immediately prior to such additional issuance of Notes; or

(vii) after giving effect to such additional issuance of Notes, and for so long as any Notes rated by S&P are Outstanding, the S&P CDO Monitor Test is satisfied;

(viii) the holders of each Class of Notes in respect of which further Notes are issued shall have been notified in writing 30 days prior to such issuance and shall have been afforded the opportunity to purchase additional Notes of the relevant Class in an amount not to exceed the percentage of the relevant Class of Notes each holder held immediately prior to the issuance (the "**Anti Dilution Percentage**") of such additional Notes and on the same terms offered to investors generally *provided that* this paragraph (viii) shall not apply in respect of the additional issuance of Subordinated Notes if such additional issuance is required in order to prevent or cure a Retention Deficiency for any reason including but not limited to where such Retention Deficiency will occur due to an additional issuance of any Class of Notes pursuant to this Condition 17 (*Additional Issuances*);

(ix) for so long as the existing Notes of the Class of Notes to be issued are listed on the Irish Stock Exchange, the additional Notes of such Class to be issued are in accordance with the requirements of the Irish Stock Exchange and are listed on the regulated market of the Irish Stock Exchange;

(x) such additional issuances are in accordance with all applicable laws including, without limitation, the securities and banking laws and regulations of Ireland and do not adversely affect the tax position of the Issuer;

(xi) the Issuer and the Trustee will have received advice of tax counsel of nationally recognised standing in the United States experienced in such matters to the effect that any additional Class A Notes, Class B Notes, Class C Notes, and Class D Notes will be treated, and any additional Class E Notes should be treated, as indebtedness for U.S. federal income tax purposes, *provided, however, that* the advice of tax counsel described in this clause (xi) will not be required with respect to any additional Notes that bear a different International Securities Identification Number (or equivalent identifier) from the Notes of the same Class that were issued on the Issue Date and are Outstanding at the time of the additional issuance;

(xii) any issuance of additional Rated Notes shall be accomplished in a manner that will allow the Issuer to provide the information described in United States Treasury Regulation Section 1.1275-3(b)(1) to the holders of such additional Notes; and

(xiii) the Issuer shall concurrently issue, and the Retention Holder shall purchase and hold on the terms of the Risk Retention Letter, sufficient additional Subordinated Notes such that, after giving effect to the additional issuance and after the receipt by the Issuer of the proceeds thereof into the Unused Proceeds Account or the Principal Account, the Retention Holder shall hold Subordinated Notes with a Principal Amount Outstanding equal to not less than 5 per cent. of the Aggregate Collateral Balance.

(b) In addition to the requirements in paragraph (a) above, the Issuer may issue and sell additional Subordinated Notes (without issuing Notes of any other Class) *provided that*:

(i) the subordination terms of such Subordinated Notes are identical to the terms of the previously issued Subordinated Notes;

(ii) the terms (other than the date of issuance, the issue price and the date from which interest will accrue) of such Subordinated Notes must be identical to the terms of the previously issued Subordinated Notes;

(iii) such additional Subordinated Notes are issued for a cash sale price (the net proceeds of which to be applied towards Permitted Uses);

(iv) the Issuer must notify the Rating Agencies then rating any Notes, of such additional issuance;

(v) the holders of the Subordinated Notes shall have been notified by the Issuer in writing 30 days prior to such issuance and shall have been afforded the opportunity to purchase additional Subordinated Notes in an amount not to exceed the Anti Dilution Percentage of such additional Subordinated Notes and on the same terms offered to investors generally; *provided that* this paragraph (v) shall not apply if such issuance is required in order to prevent or cure a Retention Deficiency for any reason including but not limited to where such Retention Deficiency will occur due to an additional issuance of any Class of Notes pursuant to this Condition 17 (*Additional Issuances*);

(vi) no more than a total of three such additional issuances may be effected for the duration of the transaction; and

(vii) each such additional issuance is in an amount no less than Euro 1,500,000.

References in these Conditions to the "Notes" include (unless the context requires otherwise) any Notes issued pursuant to this Condition 17 (*Additional Issuances*) and forming a single series with the Notes. Any further securities forming a single series with Notes constituted by the Trust Deed shall be constituted by a deed supplemental to the Trust Deed.

18. Third Party Rights

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

19. Governing Law

(a) Governing Law

The Trust Deed and the Notes of each Class and any dispute, controversy, proceedings or claim of whatever nature (whether contractual or non-contractual) arising out of or in any way relating to the Trust Deed or any Class of Notes are governed by and shall be construed in accordance with English law. The Issuer Corporate Services Agreement is governed by and shall be construed in accordance with Irish law.

(b) Jurisdiction

The courts of England are to have jurisdiction to settle any disputes (whether contractual or non-contractual) which may arise out of or in connection with the Notes, and accordingly any legal action or proceedings arising out of or in connection with the Notes ("**Proceedings**") may be brought in such courts. The Issuer has in the Trust Deed irrevocably submitted to the jurisdiction of such courts and waives any objection to Proceedings in any such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is made for the benefit of each of the Noteholders and the Trustee and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

(c) Agent for Service of Process

The Issuer appoints TMF Corporate Services Limited as its agent in England to receive service of process in any Proceedings in England based on any of the Notes. If for any reason the Issuer does not have such agent in England, it will promptly appoint a substitute process agent and notify the Trustee

in writing and the Noteholders (in accordance with Condition 16 (*Notices*)) of such appointment. Nothing herein shall affect the right to service of process in any other manner permitted by law.

USE OF PROCEEDS

The net proceeds from the issuance of the Notes on the Issue Date after payment of fees, expenses and other amounts incurred in connection with the issue of the Notes (including, without duplication, amounts deposited into the Expense Reserve Account and Interest Reserve Account) are expected to be approximately €397,200,000. Such proceeds will be applied by the Issuer in payment of all net amounts due and payable in connection with the acquisition of Issue Date Collateral Debt Obligations on or prior to the Issue Date including payment of any costs of entry into or principal exchange amounts in respect of any Interest Rate Hedge Transactions or Asset Swap Transactions entered into on the Issue Date and amounts due and payable by the Issuer in connection with termination of the Warehouse Arrangements (as further described in "*The Portfolio – Acquisition of Collateral Debt Obligations*"). The remaining proceeds shall be retained in the Unused Proceeds Account.

FORM OF THE NOTES

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

Initial Issue of Notes

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

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

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

Any beneficial interest in a Regulation S Global Certificate that is transferred to a person who takes delivery in the form of an interest in a Rule 144A Global Certificate will, upon transfer, cease to be an interest in such Regulation S Global Certificate and become an interest in the Rule 144A Global Certificate, and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in a Rule 144A Global Certificate for as long as it remains such an interest. Any beneficial interest in a Rule 144A Global Certificate that is transferred to a person who takes delivery in the form of an interest in a Regulation S Global Certificate will, upon transfer, cease to be an interest in a Rule 144A Global Certificate and become an interest in the Regulation S Global Certificate and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in a Regulation S Global Certificate for so long as it remains such an interest. No service charge will be made for any registration of transfer or exchange of Notes, but the Transfer Agent may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Except in the limited circumstances described below, owners of beneficial interests in Global Certificates will not be entitled to receive physical delivery of certificated Notes.

The Portfolio Manager will enter into a placement agency agreement with the Joint Placement Agents in which the Portfolio Manager will certify as to, among other matters, its status under the Securities Act, the Investment Company Act and ERISA.

Each initial investor and any transferee of a Class E Note, Class F Note or Subordinated Note (or any interest therein) (other than the Portfolio Manager, provided it has given an ERISA certificate (substantially in the form of Annex A (*Form of ERISA Certificate*) to this Prospectus) to the Issuer, or as otherwise permitted in writing by the Issuer with respect to interests in Class E Notes, Class F Notes or Subordinated Notes acquired in the initial offering) will be required or deemed to represent (among other things) that it is not, and is not acting on behalf of, and, for so long as it holds such Note or an interest therein, it will not be, and will not be acting on behalf of, a Benefit Plan Investor or a Controlling Person.

If an initial investor or a transferee is unable to make such deemed representation, such initial investor or transferee may not acquire such Notes unless such initial investor or transferee (i) obtains the written consent of the Issuer; (ii) provides an ERISA certificate to the Issuer as to its status as a Benefit Plan Investor or Controlling Person (substantially in the form of Annex A (*Form of ERISA Certificate*) to this Prospectus); (iii) holds such Note in the form of a Definitive Certificate; and (iv) agrees to certain transfer restrictions regarding its interest in such Class E Notes, Class F Notes, or Subordinated Notes. Any Class E Notes, Class F Notes and Subordinated Note in the form of a Definitive Certificate shall be registered in the name of the holder thereof.

However, no proposed purchase or transfer of Class E Notes, Class F Notes or Subordinated Notes (or interests therein) will be permitted or recognised if the purchase or the transfer to a transferee will cause 25 per cent. or more of the total value of the Class E Notes, Class F Notes or Subordinated Notes (determined separately by class) to be held by Benefit Plan Investors, disregarding Class E Notes, Class F Notes or Subordinated Notes (or interests therein) held by Controlling Persons.

In addition, a Noteholder may hold a Subordinated Note in the form of a Definitive Certificate with the consent of the Issuer.

The Notes are not issuable in bearer form.

Exchange for Definitive Certificates

Each Global Certificate will be exchangeable, free of charge to the holder, on or after its Definitive Exchange Date (as defined below), in whole but not in part, for Definitive Certificates if a Global Certificate is held (directly or indirectly) on behalf of Euroclear or Clearstream, Luxembourg or an alternative clearing system and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces its intention to permanently cease business or does in fact do so.

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

The Registrar will not register the transfer of, or exchange of interests in, a Global Certificate for Definitive Certificates for a period of 15 calendar days ending on the date for any payment of principal or interest in respect of the Notes.

If only one of the Global Certificates (the "**Exchanged Global Certificate**") becomes exchangeable for Definitive Certificates in accordance with the above paragraphs, transfers of Notes may not take place between, on the one hand, persons holding Definitive Certificates issued in exchange for beneficial interests in the Exchanged Global Certificate and, on the other hand, persons wishing to purchase beneficial interests in the other Global Certificate.

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

Delivery

In the event that a Global Certificate is to be so exchanged, the relevant Global Certificate shall be exchanged in full for Definitive Certificates and the Issuer will, at the cost of the Issuer (but against such indemnity as the Registrar or any relevant Transfer Agent may require in respect of any tax or other duty of whatever nature which may be levied or imposed in connection with such exchange), cause sufficient Definitive Certificates to be executed and delivered to the Registrar for completion, authentication and dispatch to the relevant Noteholders. A person having an interest in a Global Certificate must provide the Registrar with (a) a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such Certificates and (b) in the case of the Rule 144A Global Certificate only, a fully completed, signed certification substantially to the effect that the exchanging holder is not transferring its interest at the time of such exchange or, in the case of simultaneous sale pursuant to Rule 144A, a certification that the transfer is being made in compliance with the provisions of Rule 144A. Definitive Certificates issued in exchange for a beneficial interest in the Rule 144A Global Certificate shall bear the legends applicable to transfers pursuant to Rule 144A, as set out under "*Transfer Restrictions*" below.

Legends

The holder of Class E Notes, Class F Notes or Subordinated Notes in a registered definitive form, as applicable, may transfer the Notes represented thereby in whole or in part in the applicable minimum denomination by surrendering it at the specified office of the Registrar or any Transfer Agent, together with the completed form of transfer and to the extent applicable, written consent of the Issuer and a duly completed ERISA Certificate substantially in the form of Annex A (*Form of ERISA Certificate*) to this Prospectus. Upon the transfer, exchange or replacement of Class E Notes, Class F Notes or Subordinated Notes in a registered definitive form, as applicable bearing the legend referred to under "*Transfer Restrictions*", or upon specific request for removal of the legend on a Definitive Certificate, as applicable, the Issuer will deliver only the Class E Notes, the Class F Notes or Subordinated Notes that bear such legend, or will refuse to remove such legend, as the case may be, unless there is delivered to the Issuer and the Registrar such satisfactory evidence, which may include an opinion of counsel, as may reasonably be required by the Issuer that neither the legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act and the Investment Company Act. With the written consent of the Issuer, a Class E Note, Class F Note or Subordinated Note in the form of a Definitive Certificate may be transferred to a person who takes delivery in the form of an interest in a Rule 144A Global Certificate or a Regulation S Global Certificate, subject to all transfer restrictions and other procedures applicable to beneficial interests in a Rule 144A Global Certificate or a Regulation S Global Certificate (as applicable).

BOOK-ENTRY CLEARANCE PROCEDURES

The information set out below is subject to any change in or interpretation of the rules, regulations and procedures of Euroclear or Clearstream, Luxembourg (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 Joint Placement Agents, the Joint Arrangers, the Portfolio Manager, the Retention Holder or any Agent party to the Agency Agreement (or any Affiliate of any of the above, or any person by whom any of the above is controlled for the purposes of the Securities Act), will have any responsibility for the performance by the Clearing Systems or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations or for the sufficiency for any purpose of the arrangements described below.

Euroclear and Clearstream, Luxembourg

Custodial and depository links have been established between Euroclear and Clearstream, Luxembourg to facilitate the initial issue of the Notes and cross-market transfers of the Notes associated with secondary market trading. (See "*Settlement and Transfer of Notes*" below).

Euroclear and Clearstream, Luxembourg 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 world-wide financial institutions including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Investors may hold their interests in such Global Certificates directly through Euroclear or Clearstream, Luxembourg if they are accountholders ("**Direct Participants**") or indirectly through organisations which are Direct Participants in such Clearing Systems ("**Indirect Participants**") and together with Direct Participants, "**Participants**".

Book-Entry Ownership

Euroclear and Clearstream, Luxembourg

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

Relationship of Participants with Clearing Systems

Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a Note represented by a Global Certificate must look solely to Euroclear or Clearstream, Luxembourg (as the case may be) for such person's share of each payment made by the Issuer to the holder of such Global Certificate and in relation to all other rights arising under the Global Certificate, subject to, and in accordance with, the respective rules and procedures of Euroclear or Clearstream, Luxembourg (as the case may be). The Issuer expects that, upon receipt of any payment in respect of Notes represented by a Global Certificate, the common depository by whom such Note is held, or nominee in whose name it is registered, will immediately credit the relevant participants' or accountholders' accounts in the relevant Clearing System with payments in amounts proportionate to their respective beneficial interests in the principal amount of the relevant Global Certificate as shown in the records of the relevant Clearing System or its nominee. The Issuer also expects that payments by Direct Participants in any Clearing System to owners of beneficial interests in any Global Certificate held through such Direct Participants in any Clearing System will be governed by standing instructions and customary practices. Save as aforesaid, such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Certificate and the obligations of the Issuer will be discharged by payment to the registered holder, as the case may be, of such Global Certificate in respect of each amount so paid. None of the Issuer, the Trustee, the Portfolio Manager, Retention Holder or any Agent will have any responsibility or liability for any aspect of the records relating to,

or payments made on account of, ownership interests in any Global Certificate or for maintaining, supervising or reviewing any records relating to such ownership interests.

Settlement and Transfer of Notes

Subject to the rules and procedures of each applicable Clearing System, purchases of Notes held within a Clearing System must be made by or through Direct Participants, which will receive a credit for such Notes on the Clearing System's records. The ownership interest of each actual purchaser of each such Note (the "**Beneficial Owner**") will in turn be recorded on the Direct Participant's and Indirect Participant's records. Beneficial Owners will not receive written confirmation from any Clearing System of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct Participant or Indirect Participant through which such Beneficial Owner entered into the transaction. Transfers of ownership interests in Notes held within the Clearing System will be effected by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in such Notes, unless and until interests in any Global Certificate held within a Clearing System is exchanged for Definitive Certificates.

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

Initial settlement for the Notes will be in Euro, following the settlement procedures applicable to conventional Eurobonds, which provide that the Notes will be credited to the securities custody accounts of Euroclear or Clearstream, Luxembourg Participants on the Business Day following the settlement date against payment for value on the settlement date.

Trading between Euroclear and/or Clearstream, Luxembourg Participants

Secondary market sales of book-entry interests in the Notes held through Euroclear or Clearstream, Luxembourg to purchasers of book-entry interests in the Notes held through Euroclear or Clearstream, Luxembourg will be conducted in accordance with the normal rules and operating procedures of Euroclear and Clearstream, Luxembourg and will be settled using the procedures applicable to conventional Eurobonds.

RATINGS OF THE NOTES

General

It is a condition of the issue and sale of the Notes that the Notes (except for the Subordinated Notes) be issued with at least the following ratings: the Class A Notes "Aaa(sf)" from Moody's and "AAA(sf)" from S&P; the Class B Notes: "Aa2(sf)" from Moody's and "AA(sf)" from S&P; the Class C Notes: "A2(sf)" from Moody's and "A(sf)" from S&P; the Class D Notes: "Baa2(sf)" from Moody's and "BBB(sf)" from S&P; the Class E Notes "Ba2(sf)" from Moody's and "BB(sf)" from S&P and the Class F Notes "B2(sf)" from Moody's and "B-(sf)" from S&P. The Subordinated Notes being offered hereby will not be rated.

A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the applicable Rating Agency.

Moody's Ratings

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

Moody's analysis of the likelihood that each Collateral Debt Obligation will default is based on historical default rates for similar debt obligations, the historical volatility of such default rates (which increases as obligations with lower ratings are added to the Portfolio) and an additional default assumption to account for future fluctuations in defaults. Moody's then determines the level of credit protection necessary to achieve the expected loss associated with the rating of the structured securities, taking into account the expected volatility of the default rate of the Portfolio based on the level of diversification by region, issuer and industry. There can be no assurance that the actual default rates on the Collateral Debt Obligations held by the Issuer will not exceed the rates assumed by Moody's in its analysis.

In addition to these quantitative tests, Moody's Ratings take into account qualitative features of a transaction, including the experience of the Portfolio Manager, the legal structure and the risks associated with such structure and other factors that Moody's deems relevant.

S&P Ratings

S&P will rate the Rated Notes in a manner similar to the manner in which it rates other structured issues. This requires an analysis of the following:

(a) the credit quality of the portfolio of Collateral Debt Obligations securing the Notes;

(b) the cash flow used to pay liabilities and the priorities of these payments; and

(c) legal considerations.

Based on these analyses, S&P determines the necessary level of credit enhancement needed to achieve a desired rating. In this connection, the S&P CDO Monitor Test is applied prior to the end of the Reinvestment Period.

S&P's analysis includes the application of its proprietary default expectation computer model (the "**S&P CDO Monitor**"), which is used to estimate the default rate S&P projects the Portfolio is likely to experience and which will be provided to the Portfolio Manager on or before the Issue Date. The S&P CDO Monitor calculates the cumulative default rate of a pool of Collateral Debt Obligations and Eligible Investments consistent with a specified benchmark rating level based upon S&P's proprietary corporate debt default studies. The S&P CDO Monitor takes into consideration the rating of each Obligor, the number of Obligors, the Obligor industry concentration and the remaining weighted average maturity of each of the Collateral Debt Obligations included in the Portfolio. The risks posed by these variables are accounted for by effectively adjusting the necessary default level needed to achieve a desired rating. The higher the desired rating, the higher the level of defaults the Portfolio must withstand. For example, the higher the Obligor industry concentration or the longer the weighted average maturity, the higher the default level is assumed to be.

Credit enhancement to support a particular rating is then provided on the results of the S&P CDO Monitor, as well as other more qualitative considerations such as legal issues and management capabilities. Credit enhancement is typically provided by a combination of over collateralisation/subordination, cash collateral/reserve account, excess spread/interest and amortisation. A cash flow model (the "**Transaction**

Specific Cash Flow Model") is used to evaluate the portfolio and determine whether it can comfortably withstand the estimated level of default while fully repaying the class of debt under consideration.

There can be no assurance that actual losses on the Collateral Debt Obligations will not exceed those assumed in the application of the S&P CDO Monitor or that recovery rates and the timing of recovery with respect thereto will not differ from those assumed in the Transaction Specific Cash Flow Model. None of S&P, the Issuer, the Portfolio Manager, the Retention Holder, the Collateral Administrator, the Trustee, the Joint Placement Agents or the Joint Arrangers, makes any representation as to the expected rate of defaults on the Portfolio or as to the expected timing of any defaults that may occur.

S&P's ratings of the Rated Notes will be established under various assumptions and scenario analyses. There can be no assurance that actual defaults on the Collateral Debt Obligations will not exceed those assumed by S&P in its analysis, or that recovery rates with respect thereto (and, consequently, loss rates) will not differ from those assumed by S&P.

THE ISSUER

General

The Issuer was incorporated on 29 July 2015 in Ireland as a designated activity company limited by shares with unlimited duration, and is registered under number 565797 and under the name Harvest CLO XV DAC.

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

The registered office of the Issuer is at 3rd Floor, Kilmore House, Park Lane, Spencer Dock, Dublin 1, Ireland. The authorised share capital of the Issuer is €100 divided into 100 ordinary shares of €1 each (the "**Issuer Ordinary Shares**"). The Issuer has issued 1 Issuer Ordinary Share, which is fully paid. The Issuer Ordinary Shares are held, directly or indirectly, on trust by TMF Management (Ireland) Limited (as share trustee) for one or more charities. The telephone number of the Issuer at its registered office is +35316146240.

Corporate Purpose of the Issuer

The Issuer has been established as a special purpose vehicle. The principal activities of the Issuer are the issuance of financial instruments, the acquisition of financial assets and the entering into of other legally binding arrangements as more particularly set out in clause C of its Constitution.

Capitalisation of the Issuer

The Issuer's initial proposed capitalisation and indebtedness as of the Issue Date after giving effect to the issuance of the Notes and the Issuer Ordinary Shares (before deducting expenses of the offering) is set forth below:

	Amount
Share Capital	
Issued 1 ordinary share of €1, fully paid up	€1
Total	€1
Indebtedness	
Class A Notes	€232,000,000
Class B Notes	€54,000,000
Class C Notes	€26,000,000
Class D Notes	€21,000,000
Class E Notes	€25,000,000
Class F Notes	€13,000,000
Subordinated Notes	€42,000,000
Total	€413,000,000

1 Unaudited.

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.

Administration

TMF Administration Services Limited is the administrator of the Issuer. Its duties include the provision of certain administrative, accounting and related services. The appointment of the administrator may be terminated forthwith if the administrator is unable to pay its debts as they fall due or becomes subject to insolvency or other related proceedings. The administrator may retire upon 60 days' written notice subject to the appointment of an alternative administrator on similar terms to the existing administrator. The business address of the administrator is 3rd Floor, Kilmore House, Park Lane, Spencer Dock, Dublin 1, Ireland.

Directors

The Directors of the Issuer and their business occupations are as follows:

Director	Principal outside activities
Keat Cheng Chin	Director
Anne Mayden	Director

The Directors will provide management, corporate and administrative services to the Issuer.

The business address of each of the Directors is 3rd Floor, Kilmore House, Park Lane, Spencer Dock, Dublin 1, Ireland. The Company Secretary is TMF Administration Services Limited of 3rd Floor, Kilmore House, Park Lane, Spencer Dock, Dublin 1, Ireland.

Business

Under the terms of the Trust Deed, the Issuer will not undertake any business other than the business and activities in which it has already engaged (as set out above) and the issuance of Notes, the entry into of other obligations and the entry into, and performance of, agreements and obligations relating to such Notes and other obligations, in accordance with the Trust Deed, any Hedge Agreement and any related agreements and other Transaction Documents and will not have any subsidiaries nor declare any dividends without the consent of the Trustee.

Financial Statements

The financial year of the Issuer is 31 December and the Issuer will publish financial statements on an annual basis and will make available such financial statements, when prepared, at the registered office of the Issuer. The Issuer will not prepare interim financial statements. Each year, a copy of the audited profit and loss account and balance sheet of the Issuer, together with the report of the Directors and the auditors thereon is required to be filed in the Irish Companies Registration Office within 28 days of the annual return date of the Issuer and is to be available for inspection.

The Auditors of the Issuer are Ernst & Young who are chartered accountants and are members of the Institute of Chartered Accountants in Ireland (ICAI) and are qualified to practise as auditors in Ireland. Ernst & Young were appointed as auditors to the Issuer on 30 July 2015. Ernst & Young’s address is Ernst & Young Building, Harcourt Centre, Harcourt Street, Dublin 2, Ireland.

DESCRIPTION OF THE PORTFOLIO MANAGER

The information appearing in this section has been prepared by the Portfolio Manager and has not been independently verified by the Joint Placement Agents, the Joint Arrangers, the Issuer, the Trustee or any of the Agents. This information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from information provided by the Portfolio Manager, no facts have been omitted which would render the reproduced information inaccurate or misleading. None of the Joint Placement Agents, the Joint Arrangers, the Trustee or any other party other than the Portfolio Manager assumes any responsibility for the accuracy or completeness of such information.

The Portfolio Manager is a limited liability company incorporated in England under the laws of England and Wales. The Portfolio Manager is authorised and regulated in the United Kingdom by the Financial Conduct Authority (the "**FCA**").

The Portfolio Manager is part of 3i Group, an international investment firm focusing on private equity, infrastructure and debt management across the Americas, Europe and Asia. The Portfolio Manager also forms part of "**3i Debt Management**" (or "**3iDM**"), the debt management business line of 3i Group which specialises in the management of third party funds investing in non-investment grade debt issued by medium and large U.S. and European corporations, partnerships or other business issuers. As at 31 December 2015 3iDM has approximately €10.6 billion of assets under management across 37 different funds with a team of 47 professionals investing in over 500 companies.

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

The delivery of this Prospectus shall not create any implication that there has been no change in the affairs of the Portfolio Manager since the date of this Prospectus, or that the information contained or referred to herein is correct as of any time subsequent to the date of this Prospectus.

The following is a brief summary of the background and experience of the members of the Investment Committee of the Portfolio Manager, which is the committee responsible for making decisions or recommendations for each investment/disposal/portfolio management trade for all the funds under management in Europe, together with information relating to certain employees of the Portfolio Manager who will be directly involved in managing the Collateral on behalf of the Issuer. Such persons may not perform or provide services to the Issuer and may not necessarily continue to hold such positions or to be employed by the Portfolio Manager for the entire term of the Portfolio Management Agreement.

Jeremy Ghose, Managing Director and CEO (Chairman of Investment Committee)

Mr. Ghose, a director of the company, is CEO & Managing Partner of 3i Debt Management. Jeremy is also a member of the Executive Committee of 3i Group plc and chairman of the Debt Management Investment Committee. Jeremy joined the Portfolio Manager in 2011 following the acquisition of Mizuho Investment Management ("**MIM**") from Mizuho Corporate Bank. Prior to joining the Portfolio Manager Jeremy was with Mizuho Corporate Bank (formerly The Fuji Bank) since 1988.

Jeremy was the founder of Mizuho's Leveraged Finance business in 1988 and the founder of the third-party independent fund management business in 2005. He had overall responsibility for the LBO/MBO franchise, leveraged syndications, mezzanine finance and equity fund business in Europe, U.S. and Asia (excluding Japan). Under his supervision, the bank was involved in financing over 500 buy-out transactions, of which it lead-managed or joint-managed over 200 transactions and has underwritten in excess of US$126 billion of debt with portfolio responsibility in excess of US$20 billion.

A veteran of the LBO and M&A markets, Jeremy has over 30 years of relevant experience globally. He was an Executive Officer of Mizuho Corporate Bank, being the first non Japanese to achieve this status in the bank's history. He holds a B.A. (Honours) degree in Business Administration and is an Associate of the Chartered Institute of Bankers. Jeremy is approved to perform the FCA controlled functions 3 & 30.

Andrew Bellis, Managing Director

Mr. Bellis, a director of the company, is a Managing Director and Partner of 3i Debt Management responsible for the strategic growth of the business. Before joining the Portfolio Manager in July 2012, he ran the global

CLO new issue business at Credit Suisse. Prior to that Andrew held a number of roles at Bank of America Merrill Lynch from 2003 including running the European CLO and alternative fund structuring group and the Illiquid structured credit trading business in Europe.

In total Andrew has over 17 years of experience of structuring and raising loan and credit funds for asset managers and his teams have won a number of industry awards from IFR. Andrew also sat as the employee representative on the investment committee of the Credit Suisse UK Pension Fund from late 2010. Andrew holds a first class honours degree from Imperial College, University of London. Andrew is approved to perform the FCA controlled functions 1 & 30.

Peter Goody, Chief Operating Officer (Member of Investment Committee)

Mr. Goody, a director of the company, is COO of 3i Debt Management, following the acquisition of MIM from Mizuho Corporate Bank. Peter joined MIM as CIO in June 2008 and prior to this, Peter worked for the Royal Bank of Scotland (RBS) as a Senior Director in their Leveraged Finance team which he joined in 1995.

Prior to 1995, Peter held various roles also within RBS working latterly in the credit department and lending review (audit) team. Peter has completed the Membership examinations of the Association of Corporate Treasurers and is an Associate of the Chartered Institute of Bankers. Peter is approved to perform the FCA controlled functions 1 and 30.

Neil Rickard, Portfolio Manager (Member of Investment Committee)

Mr. Rickard is a Director at 3i Debt Management and is responsible for the Credit Research Group and joined the Portfolio Manager in 2005. Neil held various credit analyst roles within Leveraged Finance at Ahli United, GE Capital and Wachovia.

Neil has over 17 years' experience within the leveraged finance market and is a qualified accountant.

Neil also holds a 2.1 BSc (Hons) in Management and Chemical Sciences and a MSc (Hons) in International Business, both of which were obtained from University of Manchester Institute of Science and Technology. Neil is approved to perform the FCA controlled function 30.

Andrew Strong, Portfolio Manager

Andrew is a Portfolio Manager and has been with the Credit Management Group since 2006. Andrew was involved in the transaction to acquire the Invesco Management Contracts in 2012 and subsequently managed a number of these funds. Andrew was previously a credit analyst with specific focus on the consumer sector.

Andrew began his career within the Credit Risk and Portfolio Management department at Mizuho Corporate Bank before moving to MIM. Andrew graduated from Brunel University with a first class honours degree in Economics and Business Finance.

David Stanbrook, Member of Investment Committee

David Stanbrook joined the Credit Management Group in June 2011 and is a member of the European Investment Committee. He is also responsible for investments in the Business Services sector. Prior to this, David spent over four years at Resource Europe, a top performing CLO manager, where he was a keyman and director. David previously spent 11 years at The Sumitomo Trust & Banking Co., Ltd, latterly as the Head of the Leveraged Loan Investment Department overseeing a £400m portfolio consisting primarily of LBO, acquisition finance and structured finance transactions. David also worked for Standard Chartered Bank for 13 years, latterly as a credit analyst in the Credit Risk Management Department. He qualified as an Associate of Chartered Institute of Bankers in 1991.

David Fewtrell, Portfolio Manager

Mr. Fewtrell is a Director and Portfolio Manager at 3i Debt Management. Before joining the Portfolio Manager in July 2012, he was a Managing Director at HSBC where he headed the bank's institutional loan sales business in Europe. Prior to that David established and ran HSBC's secondary loan trading business having previously worked for NatWest Markets and NatWest International in a variety of loan trading, credit and corporate banking roles.

David has over 17 years sales and trading experience in the international syndicated loan and leverage finance market. He sat on the board of Directors of the Loan Market Association for over 10 years and was Vice-Chairman between 2006 and 2009. David holds a Banking Diploma from the Institute of Financial Services and is approved to perform the FCA controlled function 30.

Damien Lui, Associate Director

Damien joined the Portfolio Manager in 2007 and is primarily responsible for assessing new debt investment opportunities in the industrial sector. Prior to this he worked for the credit department of Mizuho Corporate Bank and across a variety of roles at the National Australia Bank in Melbourne. He holds a Bachelor of Commerce and Bachelor of Science, obtained from the University of Melbourne, and was awarded the CFA designation in 2004.

Richard Keast, Associate Director

Richard joined the Portfolio Manager in November 2012 and is responsible for analysing new debt investment opportunities primarily in the European Telecom and cable sector. Richard joined from Lloyds Banking Group where he worked as a Leverage Analyst in the Acquisition Finance team for two years. Prior to this he spent five years at Allied Irish Bank having completed their graduate programme and held positions in Credit and later as a Relationship Manager. Richard graduated from Surrey University achieving a 2.1 in Business Management with Risk and Finance.

James Brailey, Associate Director

James joined the Credit Management Group in December 2014 and is primarily responsible for investments in the Consumer Goods sector. James joined from Lloyds Banking Group where he worked in the Acquisition Finance team for four years and prior to this, James worked in the leveraged debt investment team at Babson Capital Europe. James started his career at Deloitte working within both Audit and Transaction Services, where he qualified as a Chartered Accountant in 2005. James graduated from Durham University with an MA in Management.

Clement Le Lagadec, Associate

Clement joined the Credit Management Group in March 2015 covering predominantly French companies across multiple sectors. Prior to his current role, he spent two years working in the Leveraged Funds team at BNP Paribas. Clement graduated from Paris Dauphine University with a Master 2 in Bank, Finance and Insurance.

Max Elliott-Taylor, Credit Analyst

Max joined the Portfolio Manager in June 2014, prior to this he worked as an analyst at L&G Capital, a business unit of Legal & General.

Max graduated with a First Class Honours degree in Economics from the University of Leeds in 2012.

Barry Lane, Director

Barry is a Director in the Business Development team working on strategic growth projects of the business.

During his time with 3i DM Barry has been involved in a number of strategic transactions, including the establishment of 3i DM in 2011 through the acquisition of Mizuho Portfolio Management and was involved with the transaction to establish 3i DM US. He has worked on each of 3i DM's European 2.0 CLOs and led the fund structuring of 3i DM's European Middle Market Fund in 2014. He is a committee member of the BVCA Alternative Lending Group.

Barry studied Economics at Trinity College, Dublin.

Kieran Carmody, Director

Kieran is a Director at 3i Debt Management and heads up the Fund Administration team. He joined 3i Debt Management in 2006, and is responsible for systems, liquidity, portfolio and hypothetical trade evaluation, data integrity and reporting of the 3i Debt Management series of funds. Kieran has over 14 years of banking experience, working at Royal Bank of Scotland for five years prior to joining the company, working on the

Mezzanine, CDO and secondary debt markets team. Kieran has a 2.1 (Hons) degree in Business studies and Economics and is approved to perform the FCA controlled function 30.

Melissa Tessier, Director

Melissa is a Director for 3i Debt Management with responsibility for fundraising in Europe.

She joined the Company in 2012 from Cantor Fitzgerald where she focused on origination and distribution of European and U.S. Collateralised Loan Obligations (CLOs) and leveraged finance products. Prior to that, Melissa held a number of credit roles on both the sell-side and the buy-side: from 2006-2009 at Bank of America Merrill Lynch, where she was responsible for primary market CLO syndication, and at AXA Investment managers from 2001-2006, where she focused on high yield fund management, then on the structuring and marketing of AXA IM-managed funds.

Melissa has over 15 years' experience in credit markets. She holds double Bachelor of Arts degrees in Economics and Political Science from the University of California at Davis and attended the Institut d'Etudes Politiques in France. Melissa is approved to perform the FCA controlled function 30.

Mark Newman, Director

Mark is Senior Counsel to 3i Debt Management, responsible for the provision of internal and external legal advice and resource. Mark joined 3i in 1995 and has a wide experience of 3i's business with particular focus on its funding, fund raisings (both private LP funds and publicly listed funds) and the acquisitions undertaken by 3i for its own business development.

Mark's background is in banking law and the credit markets. Prior to joining 3i Mark spent nearly 11 years with Allen & Overy where he trained, qualified and worked in their Banking and Capital Markets teams typically advising banks on general corporate loans, project financings, large scale corporate restructurings and other debt capital markets events. Mark served an 18 month secondment to the NatWest loans syndication desk and holds an LLB (Hons) degree from Reading University.

Alan Sawyer, Associate

Alan joined the Portfolio Manager in November 2011 and is responsible for the Primary / Secondary Loan Closing and Bond Settlements for the Fund Administration team. Alan has 20 years of banking experience, working at Deutsche Bank AG, London for four years prior to joining the company, dealing with the U.S. and European Loan Closing Markets.

Sean Ferris, Associate Director

Sean joined the Portfolio Manager in August 2012 and is responsible for the administration of the funds collateral from purchase, through the hold period to sale or redemption. Prior to this Sean was a Team Leader at Deutsche Bank working on the Structured Finance Desk working as collateral administrator and trustee on a wide range of CLOs, funds and structured vehicles in Europe. Sean has over 10 years' experience in investment banking and has a 2.1 BA/BSc (Hons) degree in Sociology and American Studies from the University of Derby.

Sehar Mahmood, Associate Director

Sehar joined the Portfolio Manager in late 2014 as a member of the Fund Administration team responsible for monitoring the funds and investor reporting.

Sehar previously spent four years at US Bank as a senior analyst on the trustee side working on various CLOs including the 3i deals. Prior to this, Sehar has worked at Deutsche Bank and Lloyds Banking Group in analyst roles.

Sehar has an Economics degree from Royal Holloway.

THE RETENTION HOLDER AND RETENTION REQUIREMENTS

The following description consists of a summary of certain provisions of the Risk Retention Letter which does not purport to be complete and is qualified by reference to the detailed provisions of such agreement.

Description of the Retention Holder

The Portfolio Manager shall act as Retention Holder for the purposes of the Retention Requirements. The Portfolio Manager believes that on the basis of its current permissions, as of the date of this Prospectus it satisfies the definition of "sponsor" for the purposes of the Retention Requirements. Other than the representations and covenants summarised below, to be contained in the Risk Retention Letter, the Portfolio Manager makes no representation nor gives any undertaking to such effect. In particular, the Portfolio Manager does not undertake to maintain its current regulatory authorisations, seek any new or additional regulatory authorisations or notify any Noteholder of a change in its regulatory authorisation(s).

The Retention

On the Issue Date, the Retention Holder will sign the Risk Retention Letter addressed to, and agreed with, the Issuer, the Trustee and the Joint Arrangers.

Under the Risk Retention Letter, the Retention Holder will:

(a) undertake to subscribe for (either directly or indirectly) and retain, on an ongoing basis for as long as a Class of Notes remains Outstanding, Subordinated Notes with a Principal Amount Outstanding equal to not less than 5 per cent. of the Aggregate Collateral Balance as of the Issue Date in accordance with paragraph 1(d) of Article 405 of the CRR, Article 51(d) of the AIFMD Level 2 Regulation and paragraph 2(d) of Article 254 and Article 256 of Chapter VIII of Commission Delegated Regulation (EU) 2015/35 (the "**Retention**");

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

(c) take such further action, provide such information and enter into such other agreements as may reasonably be required to satisfy the Retention Requirements as of (i) the Issue Date and (ii) following the Issue Date, solely as regards the provision of information in the possession of the Retention Holder, to the extent the same is not subject to a duty of confidentiality;

(d) agree to confirm in writing (the "**Retention Compliance Confirmation**"):

    (i) its continued compliance with the covenants set out at paragraphs (a) and (b) above; and

    (ii) whether or not it continues to satisfy the requirements of a "sponsor" for the purposes of Article 405 of the CRR (as in effect on the date of such confirmation) in relation to the securitised Portfolio,

    to the Trustee, the Issuer, the Collateral Administrator, the Joint Arrangers and the Principal Paying Agent (A) on a monthly basis, (B) where the performance of the Notes or the risk characteristics of the Notes or of the Portfolio materially change, and (C) following a breach of the obligations included in the Transaction Documents of which the Retention Holder is aware. Such Retention Compliance Confirmation may be made available by the Issuer and the Principal Paying Agent to actual and prospective investors in the Notes upon request;

(e) represent that it is (i) an "investment firm" (as such term is defined in Article 4 of the CRR as at the Issue Date) subject to regulation under the United Kingdom implementation of Directive 2004/39/EC and (ii) a "sponsor" (as such term is defined in Article 4 of the CRR as at the Issue Date) of the securitisation constituted by the acquisition of the Portfolio and issue of the Notes and is entering into the Risk Retention Letter in its capacity as "sponsor"; and

(f) agree that it shall immediately notify the Issuer, the Trustee, the Collateral Administrator and the Joint Arrangers in writing (which may be by way of email) if for any reason: (i) it ceases to hold the

Retention in accordance with (a) above or (ii) it fails to comply with the covenant set out in (b) above in any way.

The Portfolio Manager may resign or be removed as portfolio manager under the Portfolio Management Agreement in the circumstances described therein. The Retention Holder has agreed not to sell the Retention except to the extent permitted in accordance with the Retention Requirements as described in paragraph (b) above. Accordingly, if permitted in accordance with the Retention Requirements, the Retention Holder may (but shall be under no obligation to) transfer the Retention to a replacement portfolio manager appointed under the Portfolio Management Agreement.

THE PORTFOLIO

Terms used and not otherwise defined herein or in this Prospectus as specifically referenced herein shall have the meaning given to them in Condition 1 (*Definitions*) of the Conditions.

Introduction

Pursuant to the Portfolio Management Agreement, the Portfolio Manager is required to manage the Portfolio, to act in specific circumstances in relation to the Portfolio on behalf of the Issuer and to carry out the duties and functions described below. In addition, the Collateral Administrator is required to perform certain calculations in relation to the Portfolio on behalf of the Issuer in each case to the extent, and in accordance with, the information provided to it by the Portfolio Manager. The duties of the Portfolio Manager with respect to the Portfolio include (amongst others):

(a) the selection of Collateral Debt Obligations to be purchased on or prior to the Issue Date and during the Initial Investment Period;

(b) the investment of amounts standing to the credit of certain of the Accounts in Eligible Investments;

(c) the sale of certain of the Collateral Debt Obligations and the reinvestment of Sale Proceeds and Principal Proceeds received in Substitute Collateral Debt Obligations in accordance with the criteria set out in the Portfolio Management Agreement; and

(d) its currency hedging strategy and, to the extent applicable, its interest rate hedging strategy, in respect of the Portfolio.

The Portfolio Manager is required to monitor the Collateral Debt Obligations with a view to seeking to determine whether any Collateral Debt Obligation has converted into, or been exchanged for, an Exchanged Security or become a Credit Improved Obligation, Defaulted Obligation or Credit Impaired Obligation, *provided that*, if it fails to do so, except by reason of acts constituting bad faith, fraud, wilful misconduct or negligence in the performance of its obligations, no Noteholder shall have any recourse against the Portfolio Manager for any loss suffered as a result of such failure, see "*Description of the Portfolio Management Agreement*".

Under the Portfolio Management Agreement, the Noteholders have certain rights in respect of the removal of the Portfolio Manager and the appointment of a replacement Portfolio Manager. See "*Description of the Portfolio Management Agreement*".

Acquisition of Collateral Debt Obligations

A portfolio of Senior Secured Loans, Second Lien Loans, Corporate Rescue Loans, Bridge Loans, Unsecured Senior Loans and Mezzanine Loans will be purchased by the Portfolio Manager on behalf of the Issuer during the Initial Investment Period, the Reinvestment Period and thereafter (including, but not limited to, Collateral Debt Obligations purchased pursuant to the Warehouse Arrangements), all in accordance with the Portfolio Management Agreement. The Issuer anticipates that, by the Issue Date, it will have purchased or committed to purchase Collateral Debt Obligations the Aggregate Principal Balance of which equals approximately 70 per cent. of the "Target Par Amount" (this being approximately €280,000,000).

The proceeds of issue of the Notes remaining after payment of (a) the acquisition costs for the Collateral Debt Obligations acquired by the Issuer on or prior to the Issue Date, (b) the payment of all amounts payable by the Issuer in connection with the termination of the Warehouse Arrangements and (c) certain fees, costs and expenses incurred in connection with the issue of the Notes and anticipated to be payable by the Issuer following completion of the issue of the Notes, will be deposited in the Unused Proceeds Account, Expense Reserve Account and Interest Reserve Account on the Issue Date. The Portfolio Manager, acting in accordance with the Portfolio Management Agreement, shall use all commercially reasonable efforts to purchase Collateral Debt Obligations out of the Balance standing to the credit of the Unused Proceeds Account during the Initial Investment Period in order to procure that the Aggregate Principal Balance of Collateral Debt Obligations purchased or committed to be purchased by the Issuer is equal to or greater than the Target Par Amount (*provided that*, for the purposes of determining the Aggregate Principal Balance as provided above the Principal Balance of each Defaulted Obligation shall be the lower of its S&P Collateral Value and its Moody's Collateral Value and any repayments or prepayments of any Collateral Debt Obligations subsequent to the Issue Date and not subsequently reinvested shall be disregarded) as of the Effective Date.

The Issuer does not expect to and is not required to satisfy the Collateral Quality Tests, Portfolio Profile Tests or the Coverage Tests prior to the Effective Date. The Portfolio Manager may declare that the Initial Investment Period has ended and the Effective Date has occurred prior to 22 November 2016, subject to the Effective Date Determination Requirements being satisfied.

On or after the Effective Date, the Balance standing to the credit of the Unused Proceeds Account will be transferred to the Principal Account and/or the Interest Account, in each case, at the discretion of the Portfolio Manager (acting on behalf of the Issuer), *provided that* as at such date: (i) the Rating Agencies have confirmed the Initial Ratings of the Rated Notes following delivery of the Effective Date Report (or in respect of Moody's, the Effective Date Moody's Condition is satisfied) and *provided further that* such Rating Agency Confirmation shall only be required from S&P to the extent that the Effective Date Determination Requirements have not been satisfied; (ii) the Issuer has acquired or has entered into binding commitments to acquire Collateral Debt Obligations the Aggregate Principal Balance of which equals or exceeds the Target Par Amount by such date (*provided that*, for the purposes of determining the Aggregate Principal Balance as provided above, any repayments or prepayments of any Collateral Debt Obligations subsequent to the Issue Date and not subsequently reinvested shall be disregarded and the Principal Balance of a Collateral Debt Obligation which is a Defaulted Obligation will be the lower of its Moody's Collateral Value and its S&P Collateral Value); and (iii) no more than 1 per cent. of the Target Par Amount in aggregate may be transferred to the Interest Account.

Within 10 Business Days following the Effective Date, the Collateral Administrator shall issue a report (the "**Effective Date Report**") containing the information required in a Monthly Report, confirming whether the Issuer has acquired or entered into a binding commitment to acquire Collateral Debt Obligations having an Aggregate Principal Balance which equals or exceeds the Target Par Amount, copies of which shall be forwarded to the Issuer, the Trustee, the Portfolio Manager and each Rating Agency (*provided that*, for the purposes of determining the Aggregate Principal Balance as provided above, the Principal Balance of a Collateral Debt Obligation which is a Defaulted Obligation will be the lower of its Moody's Collateral Value and S&P Collateral Value and any repayments or prepayments of Collateral Debt Obligations subsequent to the Issue Date that have not been reinvested shall be disregarded) and the Issuer will provide, or cause the Portfolio Manager to provide to the Trustee an accountants' certificate confirming the Aggregate Principal Balance of all Collateral Debt Obligations purchased or committed to be purchased as at such date and the computations and results of the Portfolio Profile Tests, the Collateral Quality Tests and the Coverage Tests (other than the Interest Coverage Tests) by reference to such Collateral Debt Obligations.

The Portfolio Manager (acting on behalf of the Issuer) shall promptly, following receipt of the Effective Date Report request that each of the Rating Agencies confirm the Initial Ratings of the Rated Notes; *provided that* if the Effective Date Moody's Condition is satisfied then such Rating Agency Confirmation shall be deemed to have been given by Moody's. If the Effective Date Moody's Condition is not satisfied within 20 Business Days following the Effective Date, the Portfolio Manager shall promptly notify Moody's. If: (a) the Effective Date Determination Requirements are not satisfied and Rating Agency Confirmation has not been received in respect of such failure to satisfy any of the Effective Date Determination Requirements, and either (i) the Portfolio Manager (acting on behalf of the Issuer) does not present a Rating Confirmation Plan to Moody's, or (ii) the Portfolio Manager (acting on behalf of the Issuer) presents a Rating Confirmation Plan to Moody's and a Rating Agency Confirmation is not received from Moody's in respect of such Rating Confirmation Plan upon request therefor by the Portfolio Manager; (b) the Effective Date Moody's Condition is not satisfied and following a request therefor from the Portfolio Manager following the Effective Date, Rating Agency Confirmation from Moody's is not received; or (c) Rating Agency Confirmation from S&P is not received following the Effective Date, an Effective Date Rating Event shall have occurred; *provided that* any downgrade or withdrawal of the Initial Ratings of the Rated Notes which is not directly related to a request for confirmation thereof or which occurs after confirmation thereof by the Rating Agencies shall not constitute an Effective Date Rating Event. If an Effective Date Rating Event has occurred and is continuing on the Business Day prior to the Payment Date next following the Effective Date, the Rated Notes shall be redeemed, pursuant to Condition 7(f) (*Redemption upon Effective Date Rating Event*) on such Payment Date and thereafter on each Payment Date (in each case, to the extent required) out of Interest Proceeds and thereafter out of Principal Proceeds subject to the Priorities of Payment, until the earlier of (x) the date on which the Effective Date Rating Event is no longer continuing and (y) the date on which the Rated Notes have been redeemed in full. The Portfolio Manager shall notify each Rating Agency upon the discontinuance of an Effective Date Rating Event.

During such time as an Effective Date Rating Event shall have occurred and be continuing the Portfolio Manager (acting on behalf of the Issuer) may prepare and present to each Rating Agency a Rating Confirmation Plan setting forth the timing and manner of acquisition of additional Collateral Debt Obligations and/or any other intended action which will cause confirmation or reinstatement of the Initial Ratings. The Portfolio

Manager (acting on behalf of the Issuer) is under no obligation whatsoever to present a Rating Confirmation Plan to Moody's (as contemplated in the definition of Effective Date Rating Event), however the presentation to and approval of such plan by Moody's may be necessary to satisfy the Effective Date Determination Requirements as described above.

Eligibility Criteria

Each Collateral Debt Obligation must, at the time of entering into a binding commitment to acquire such obligation by, or on behalf of, the Issuer, satisfy the following criteria (the "**Eligibility Criteria**") as determined by the Portfolio Manager (capitalised terms in each case to be read and construed as if such obligation were a Collateral Debt Obligation):

(a) it is a Senior Secured Loan, Second Lien Loan, Unsecured Senior Loan or Mezzanine Loan;

(b) it is (I) denominated in Euro; or (II) a Non-Euro Obligation *provided that* no later than the settlement date of the acquisition thereof, the Issuer (or the Portfolio Manager on its behalf) enters into an Asset Swap Transaction with a notional amount in the relevant currency equal to the aggregate principal amount of such obligation and the same maturity as such obligation and otherwise complies with the requirements set out in respect of such obligation in the Portfolio Management Agreement; and (III) is not convertible into or payable in any other currency;

(c) other than a Corporate Rescue Loan, it is not an obligation which is known by the Portfolio Manager to be a Defaulted Obligation or a Collateral Debt Obligation which in the Portfolio Manager's judgement has a significant risk of declining in credit quality and becoming a Defaulted Obligation;

(d) the Stated Maturity thereof falls prior to the Maturity Date of the Notes;

(e) it is not the subject of an offer of exchange, conversion or tender by its Obligor, for cash, securities or any other type of consideration (other than for an obligation which satisfies the Eligibility Criteria, the acquisition of which would also satisfy the Reinvestment Criteria);

(f) it is eligible to be sold, novated, assigned or participated to the Issuer and is eligible to be sold, novated and assigned by the Issuer together with any associated security, in each case without a breach of any applicable law or regulation, selling restriction or contractual provision;

(g) it has been assigned or otherwise has a Moody's Rating of at least "Caa2" (other than in respect of a Corporate Rescue Loan);

(h) it has been assigned or otherwise has a S&P Rating of at least "CCC" (other than in respect of a Corporate Rescue Loan falling within paragraph (d)(iii) of the definition of S&P Rating);

(i) it is not a lease;

(j) it is not an obligation whose repayment is subject to substantial non-credit related risk or the non-occurrence of certain catastrophes as determined by the Portfolio Manager;

(k) it provides for a fixed amount of principal payable on scheduled payment dates and/or at maturity and does not by its terms provide for earlier amortisation or prepayment in each case at a price of less than par;

(l) it is not an obligation the purchase price of which would be less than 60 per cent. of its par amount;

(m) it is an obligation in respect of which the Obligor is incorporated in, and has its principal place of business or the majority of its assets in, a Qualifying Country, as determined by the Portfolio Manager;

(n) it is not an obligation which by its terms does not provide for the current payment of interest at any time (other than, for the avoidance of doubt, with respect to any Mezzanine Loans);

(o) it is not an obligation whose acquisition by the Issuer would cause the Issuer to be deemed to have participated in a primary loan obligation;

(p) it is not convertible into equity;

(q) it is not Margin Stock;

(r) it is an obligation in respect of which, following the acquisition thereof by the Issuer by the selected method of transfer, payments will not be subject to withholding tax imposed by any jurisdiction (other than U.S. withholding taxes on commitment fees, amendment fees, waiver fees, consent fees, letter of credit fees, extension fees or other similar fees) unless either (i) such withholding tax can be eliminated by application being made under an applicable double tax treaty or otherwise; or (ii) the Obligor is required to make "gross up" payments to the Issuer that cover the full amount of any such withholding or deduction on an after-tax basis;

(s) upon acquisition the Collateral Debt Obligation is capable of being, and will be, the subject of a first fixed charge in favour of the Trustee for the benefit of the Secured Parties pursuant to the Trust Deed (or any deed or document supplemental thereto);

(t) it will not result in the imposition of any present or future, actual or contingent, monetary liabilities or obligations of the Issuer other than those (i) which may arise at its option, or (ii) which are fully collateralised, or (iii) which are subject to the Priorities of Payment and to limited recourse provisions similar to those set out in the Trust Deed, or (iv) which are owed to the agent bank in relation to the performance of its duties under a syndicated loan or (v) which may arise as a result of an undertaking to participate in a financial restructuring of a Collateral Debt Obligation where such undertaking is contingent upon the redemption in full of such Collateral Debt Obligation on or before the time by which the Issuer is obliged to enter into the restructured Collateral Debt Obligation and where the restructured Collateral Debt Obligation satisfies the Eligibility Criteria and for the avoidance of doubt, the Issuer is not liable to pay any amounts in respect of a restructured Collateral Debt Obligation, *provided that*, in respect of this paragraph (t) only, that the imposition of any present or future, actual or contingent, monetary liabilities or obligations of the Issuer following such restructuring shall not exceed the redemption amounts from such restructured Senior Secured Loan, second lien loan or similar obligation;

(u) it is not a Synthetic Security;

(v) it is not a Project Finance Loan;

(w) it has not been called for, and no notice of early redemption has been issued in respect of such obligation;

(x) is not a Structured Finance Security;

(y) it is not an obligation that by its terms permits the Obligor thereunder to defer interest for credit related reasons that would otherwise be paid on a current basis (other than in respect of any Mezzanine Loan);

(z) it is not an obligation in respect of which interest payments are scheduled to decrease (although interest payments may decrease due to unscheduled events such as a decrease of the index relating to a Floating Rate Collateral Debt Obligation, the change from a default rate of interest to a non-default rate, an improvement in the Obligor's financial condition);

(aa) it is not an obligation that pays scheduled interest less frequently than annually (other than, for the avoidance of doubt or Mezzanine Loans) or a Zero Coupon Obligation;

(bb) it is in registered form for US federal income tax purposes, unless it is not a "registration-required obligation" as defined in Section 163(f) of the Code;

(cc) it must require the consent of at least 66⅔ per cent. of the lenders to the Obligor thereunder for any change in the principal repayment profile or interest applicable on such obligation (for the avoidance of doubt, excluding any changes originally envisaged in the loan documentation);

(dd) it will not require the Issuer or the pool of Collateral to be registered as an investment company under the Investment Company Act;

(ee) if it is a Revolving Collateral Obligation or Delayed Drawdown Collateral Obligation, it can only be drawn in its base currency;

(ff) it is not a Bond or a letter of credit;

(gg) "it is a qualifying asset" for the purposes of Section 110 of the Taxes Consolidation Act 1997 of Ireland;

(hh) the acquisition of such Collateral Debt Obligation by the Issuer will not result in the imposition of stamp duty, stamp duty reserve tax or similar tax or duty payable by the Issuer, or by any person entitled to recover the same from the Issuer, unless such stamp duty, stamp duty reserve tax or similar tax or duty has been taken into account by the Portfolio Manager in calculating the purchase price of such Collateral Debt Obligation;

(ii) it is not an obligation of an Obligor that has total current indebtedness (comprised of all financial debt owing by the Obligor including the maximum available amount or total commitment under any revolving or delayed draw loans) of less than EUR 100,000,000;

(jj) is not an obligation that has been originated by the Portfolio Manager or an Affiliate of the Portfolio Manager as a lender;

(kk) it is not a Collateral Debt Obligation with an Obligor domiciled in a country with a Moody's local currency country risk ceiling below "A3"; and

(ll) it does not have an "f", "r", "p", "pi", "(sf)" or "t" subscript assigned by S&P.

Other than Collateral Debt Obligations which are the subject of a restructuring (whether effected by way of an amendment to the terms of such Collateral Debt Obligation or by way of substitution of new obligations and/or change of Obligor) which must satisfy the Restructured Obligation Criteria on the applicable Restructuring Date in order to constitute a Collateral Debt Obligation, the subsequent failure of any Collateral Debt Obligation to satisfy any of the Eligibility Criteria shall not prevent any obligation which would otherwise be a Collateral Debt Obligation from being a Collateral Debt Obligation so long as such obligation satisfied the Eligibility Criteria when the Issuer or the Portfolio Manager on behalf of the Issuer entered into a binding agreement to purchase such obligation (save in respect of any Issue Date Collateral Debt Obligation which must also satisfy the Eligibility Criteria on the Issue Date).

"**Project Finance Loan**" means a loan obligation under which the Obligor is obliged to make payments that depend (except for rights or other assets designed to assure the servicing or timely distribution of payments) on revenues arising from infrastructure assets, including, without limitation:

(a) the sale of products, such as electricity, water, gas or oil, generated by one or more infrastructure assets in the utility industry by a special purpose entity; and

(b) fees charged in respect of one or more highways, bridges, tunnels, pipelines or other infrastructure assets by a special purpose entity, and

in each case, the sole activity of such special purpose entity is the ownership and/or management of such asset or assets and the acquisition and/or development of such asset by the special purpose entity was effected primarily with the proceeds of debt financing made available to it on a limited recourse basis.

"**Synthetic Security**" means a security or swap transaction (other than a letter of credit or a Participation) that has payments of interest or principal dependent on a reference obligation or the credit performance of a reference obligation.

"**Structured Finance Security**" means any debt security which is secured directly, or represents the ownership of, a pool of consumer receivables, auto loans, auto leases, equipment leases, home or commercial mortgages, corporate debt or sovereign debt obligations or similar assets, including, without limitation, collateralised bond obligations, collateralised loan obligations or any similar asset-backed security.

Restructured Obligations

In the event, as determined by the Portfolio Manager, a Collateral Debt Obligation becomes the subject of a restructuring whether effected by way of an amendment to the terms of such Collateral Debt Obligation (including but not limited to an amendment of its maturity date) or by way of substitution of new obligations and/or a change of Obligor, such obligation shall only constitute a Restructured Obligation if such obligation

satisfies the "Restructured Obligation Criteria" which shall consist of each of the Eligibility Criteria save for paragraphs (c), (e), (g) and (h) of the Eligibility Criteria and which shall require that such obligation has been assigned or otherwise has an Moody's Rating and a S&P Rating.

Management of the Portfolio

Overview

Subject to compliance with the Portfolio Management Agreement, the Portfolio Manager (acting on behalf of the Issuer) is permitted, in certain circumstances and subject to certain requirements and subject to the overall policies and direction of the Issuer, to sell Collateral Debt Obligations and Exchanged Securities, to reinvest the Sale Proceeds (other than for the avoidance of doubt accrued interest on such Collateral Debt Obligations included in Interest Proceeds by the Portfolio Manager) thereof in Substitute Collateral Debt Obligations, or apply them as otherwise set out below. The Collateral Administrator (on behalf of the Issuer) shall determine, and shall provide written confirmation of whether certain of the criteria which are required to be satisfied, maintained or improved (as applicable) in connection with any such sale or reinvestment are satisfied or, if any such criteria are not satisfied, maintained or improved (as applicable) shall notify the Issuer and the Portfolio Manager of the reasons and the extent to which such criteria are not so satisfied, maintained or improved (as applicable) following request by the Portfolio Manager, which request shall specify all necessary details of the Collateral Debt Obligation or Exchanged Security to be sold and the proposed Substitute Collateral Debt Obligation to be purchased.

Subject to compliance with the Portfolio Management Agreement, the Portfolio Manager (acting on behalf of the Issuer) will purchase the Collateral Debt Obligations (including all Substitute Collateral Debt Obligations) taking into account the Eligibility Criteria and the Reinvestment Criteria and will monitor the performance and credit quality of the Collateral Debt Obligations on an ongoing basis to the extent practicable using sources of information reasonably available to it and *provided that* the Portfolio Manager shall not be responsible for determining whether or not the terms of any individual Collateral Debt Obligation have been observed.

Sale of Non-Eligible Issue Date Collateral Debt Obligations

The Portfolio Manager, acting on behalf of the Issuer, shall use commercially reasonable efforts to sell any Non-Eligible Issue Date Collateral Debt Obligations. Any Sale Proceeds received in connection therewith may be reinvested in Substitute Collateral Debt Obligations satisfying the Eligibility Criteria or credited to the Principal Account pending such reinvestment.

Discretionary Sales

The Issuer or the Portfolio Manager (acting on behalf of the Issuer) may dispose of any Collateral Debt Obligation (other than an obligation which did not satisfy the Eligibility Criteria on the date on which the Portfolio Manager on behalf of the Issuer entered into a binding commitment to acquire it, a Credit Improved Obligation, a Credit Impaired Obligation, a Defaulted Obligation or an Exchanged Security, each of which may only be sold in the circumstances provided below) at any time *provided that*:

(a) no Note Event of Default has occurred which is continuing;

(b) after giving effect to such sale, the Aggregate Principal Balance outstanding of all Collateral Debt Obligations sold as described in this paragraph during the preceding 12 calendar months (or, for the first 12 calendar months after the Issue Date, during the period commencing on the Effective Date) is not greater than 25 per cent. of the Aggregate Collateral Balance as of the first day of such 12 calendar month period (or as of the Effective Date, as the case may be); and

(c) either:

    (i) during the Reinvestment Period, the Portfolio Manager reasonably believes prior to such sale that it will be able to enter into one or more binding commitments to reinvest all or a portion of the proceeds of such sale in one or more additional Collateral Debt Obligations within 45 days after the settlement of such sale in accordance with the Reinvestment Criteria; or

    (ii) if such sale is after the end of the Reinvestment Period, either: (1) the Sale Proceeds from such sale are at least equal to the Adjusted Balance of such Collateral Debt Obligation; or (2) after

giving effect to such sale, the Aggregate Collateral Balance (excluding the Collateral Debt Obligation being sold but including, without duplication, the Sale Proceeds of such sale and for such purpose the Principal Balance of each Defaulted Obligation shall be the lower of its S&P Collateral Value and its Moody's Collateral Value) plus, without duplication, the amounts on deposit in the Principal Account and the Unused Proceeds Account (including Eligible Investments therein) will be greater than (or equal to) the Reinvestment Target Par Balance.

"**Adjusted Balance**" means with respect to a Collateral Debt Obligation, the Principal Balance of such Collateral Debt Obligation, *provided that* the Adjusted Balance of:

(a) a Defaulted Obligation shall be the lesser of:

(i) its Moody's Collateral Value; and

(ii) its S&P Collateral Value;

(b) a Discount Obligation shall be the product of such obligation's:

(i) purchase price (expressed as a percentage of par); and

(ii) Principal Balance; and

(c) a Collateral Debt Obligation which has been included in the calculation of the CCC Excess, shall be its Market Value multiplied by the Principal Balance of such Collateral Debt Obligation,

provided that if a Collateral Debt Obligation satisfies two or more of paragraphs (a) through (c) above, the Adjusted Balance of such Collateral Debt Obligation shall be calculated using the category which results in the lowest value.

Sale of Certain Assets Received in an Offer

The Portfolio Manager (acting on behalf of the Issuer) will, as promptly as practicable, sell any equity security or "United States real property interest" (as defined for U.S. federal income tax purposes) received by the Issuer in an Offer if the ownership of such asset violates the U.S. Tax Guidelines or would otherwise cause the Issuer to be treated as engaged in a trade or business in the United States for U.S. federal income tax purposes.

Sale of Credit Impaired Obligations, Credit Improved Obligations and Defaulted Obligations

Credit Impaired Obligations, Credit Improved Obligations and Defaulted Obligations may be sold at any time by the Portfolio Manager (acting on behalf of the Issuer) subject to:

(a) the Portfolio Manager's knowledge, no Note Event of Default having occurred which is continuing; and

(b) the Portfolio Manager confirming to the Trustee and the Collateral Administrator (upon which confirmation the Trustee and the Collateral Administrator may rely absolutely) that it believes, in its reasonable business judgement, that such security constitutes a Credit Impaired Obligation, a Credit Improved Obligation or a Defaulted Obligation as the case may be.

Terms and Conditions Applicable to the Sale of Exchanged Securities

Any Exchanged Security may be sold at any time by the Portfolio Manager in its discretion (acting on behalf of the Issuer) subject, to the Portfolio Manager's knowledge, to no Note Event of Default having occurred which is continuing.

In addition to any discretionary sale of Exchanged Securities as provided above, the Portfolio Manager shall be required by the Issuer to (i) use its commercially reasonable efforts to sell (on behalf of the Issuer) any Exchanged Security which constitutes Margin Stock, as soon as practicable upon its receipt or upon its becoming Margin Stock (as applicable) and (ii) use its best efforts to sell (on behalf of the Issuer) any Exchanged Security which does not constitute Margin Stock, within three years of receipt thereof.

Sale of Collateral Prior to Maturity Date

In the event of: (i) any redemption of the Rated Notes in whole prior to the Maturity Date (other than in connection with a Refinancing); or (ii) receipt of notification from the Trustee of the enforcement of the security over the Collateral; the Portfolio Manager (acting on behalf of the Issuer) will (at the direction of the Trustee following the enforcement of such security), as far as practicable, arrange for liquidation of the Collateral in order to procure that the proceeds thereof are in immediately available funds by the Business Day prior to the applicable Redemption Date or date of purchase and sell all or part of the Portfolio, as applicable, in accordance with the Conditions, including, without limitation, in connection with an Optional Redemption in accordance with Condition 7(b)(vi) (*Optional Redemption in Whole of all Classes of Notes effected through Liquidation only*) and the Portfolio Management Agreement.

Sale of Assets which do not constitute Collateral Debt Obligations

In the event that an asset did not satisfy the Eligibility Criteria on the date it was required to do so in accordance with the Portfolio Management Agreement, the Portfolio Manager shall use commercially reasonable efforts to sell such asset. Such proceeds shall constitute Sale Proceeds and may be reinvested in accordance with and subject to the Reinvestment Criteria.

Sale of Assets pursuant to Volcker Rule

Notwithstanding any provision of the Portfolio Management Agreement, the Portfolio Manager on behalf of the Issuer will use its commercially reasonable efforts to effect the sale or other disposition, within a commercially reasonable timeframe, of any Collateral Debt Obligation, Exchanged Security or other asset or obligation, the Issuer's continued ownership of which would, in the reasonable determination of the Portfolio Manager, cause the Issuer to be a "covered fund" under the Volcker Rule, *provided that* the Portfolio Manager on behalf of the Issuer shall not be required to effect the sale or other disposition of any Senior Secured Loan in such circumstances.

Reinvestment Criteria

"**Reinvestment Criteria**" means, during the Reinvestment Period, the criteria set out under "*During the Reinvestment Period*" below and following the expiry of the Reinvestment Period, the criteria set out under "*Following the Expiry of the Reinvestment Period*" below. The Reinvestment Criteria shall not apply prior to the Effective Date or in the case of a Collateral Debt Obligation which has been restructured where such restructuring has become binding on the holders thereof (whether or not such obligation would constitute a Restructured Obligation).

During the Reinvestment Period

Subject to compliance with the Portfolio Management Agreement, during the Reinvestment Period, the Portfolio Manager (acting on behalf of the Issuer) shall use its commercially reasonable efforts to reinvest Principal Proceeds in the purchase of Substitute Collateral Debt Obligations satisfying the Eligibility Criteria, *provided that* immediately after each such purchase, the criteria set out below must be satisfied:

(a) in the Portfolio Manager's knowledge, no Note Event of Default has occurred that is continuing at the time of such purchase;

(b) the Collateral Quality Tests are satisfied or, if any test was not satisfied, is no worse after giving effect to such reinvestment than it was immediately prior to the sale or prepayment of such Collateral Debt Obligation or prior to receiving Principal Proceeds, save that this paragraph (b) shall not apply in respect of the S&P CDO Monitor Test in the case of the reinvestment of Sale Proceeds from Credit Impaired Obligations or Defaulted Obligations;

(c) the Portfolio Profile Tests are satisfied or, if any such limitation is not satisfied, in the case of each limitation (i) in respect of which an upper limit is applicable, the relevant concentration is no greater, and (ii) in respect of which a lower limit is applicable, the relevant concentration is no lesser, after giving effect to such reinvestment than it was immediately prior to the sale or prepayment of such Collateral Debt Obligation or prior to receiving Principal Proceeds;

(d) the Coverage Tests are satisfied or (other than with respect to the reinvestment of any proceeds upon the sale of or as a recovery on any Defaulted Obligation) the coverage ratio relating to such test will be maintained or improved after giving effect to such reinvestment compared with immediately prior to the sale, repayment or prepayment of the relevant Collateral Debt Obligation;

(e) in the case of a Substitute Collateral Debt Obligation purchased with Sale Proceeds of a Credit Impaired Obligation or a Defaulted Obligation either:

(i) the Aggregate Principal Balance of all Substitute Collateral Debt Obligations purchased with such Sale Proceeds shall at least equal such Sale Proceeds; or

(ii) the sum of: (A) the Aggregate Principal Balance (for such purpose the Principal Balance of each Defaulted Obligation shall be the lower of its S&P Collateral Value and its Moody's Collateral Value) of all Collateral Debt Obligations (excluding all of the Collateral Debt Obligations being sold but including, without duplication, the Collateral Debt Obligations being purchased and the anticipated cash proceeds, if any, of such sale that are not applied to the purchase of such Substitute Collateral Debt Obligation); and (B) amounts standing to the credit of the Principal Account and Unused Proceeds Account (including any Eligible Investments (save for interest accrued on Eligible Investments)) is equal to or greater than the Reinvestment Target Par Balance;

(f) with respect to the reinvestment of Sale Proceeds (other than Sale Proceeds from Credit Impaired Obligations or Defaulted Obligations), Scheduled Principal Proceeds and/or Unscheduled Principal Proceeds either:

(i) the Aggregate Principal Balance of all Collateral Debt Obligations shall be maintained or improved after giving effect to such reinvestment when compared with the Aggregate Principal Balance immediately prior to the sale that generates such Sale Proceeds and/or the receipt of the relevant Scheduled Principal Proceeds or Unscheduled Principal Proceeds, as applicable; or

(ii) after giving effect to such sale and/or the receipt of the relevant Scheduled Principal Proceeds or Unscheduled Principal Proceeds, as applicable, the sum of: (A) the Aggregate Principal Balance (for such purpose the Principal Balance of each Defaulted Obligation shall be the lower of its S&P Collateral Value and its Moody's Collateral Value) of all Collateral Debt Obligations (excluding all of the Collateral Debt Obligations being sold and/or in respect of which such Principal Proceeds have been received (to the extent of such receipt), but including, without duplication, the Substitute Collateral Debt Obligations being purchased and the anticipated cash proceeds, if any, of such sale and/or the receipt of the relevant Scheduled Principal Proceeds or Unscheduled Principal Proceeds, as applicable, that in each case are not applied to the purchase of such Substitute Collateral Debt Obligations); and (B) amounts standing to the credit of the Principal Account and Unused Proceeds Account (including any Eligible Investments (save for interest accrued on Eligible Investments)) is equal to or greater than the Reinvestment Target Par Balance;

(g) for so long as any of the Class A Notes are Outstanding, either:

(i) the Class A/B Par Value Test will be satisfied; or

(ii) the S&P Rating and the Moody's Rating of the Class A Notes are the same as those assigned to the Class A Notes on the Issue Date; and

(h) such reinvestment would not cause a Retention Deficiency.

Following the Expiry of the Reinvestment Period

Subject to compliance with the Portfolio Management Agreement, following the expiry of the Reinvestment Period, Unscheduled Principal Proceeds and the Sale Proceeds from the sale of Credit Impaired Obligations only, may be reinvested by the Portfolio Manager (acting on behalf of the Issuer) in one or more Substitute Collateral Debt Obligations satisfying the Eligibility Criteria, in each case *provided that* immediately following the expiry of the Reinvestment Period the Weighted Average Life Test is satisfied and immediately after each such purchase, the criteria set out below are satisfied:

(a) the Aggregate Principal Balance of Substitute Collateral Debt Obligations equals or exceeds (i) the Aggregate Principal Balance of the related Collateral Debt Obligations that produced such Unscheduled Principal Proceeds or Sale Proceeds or (ii) the amount of Sale Proceeds of any such Credit Impaired Obligations, as the case may be;

(b) the Weighted Average Life Test is satisfied immediately after giving effect to such reinvestment;

(c) each Coverage Test is satisfied immediately before and after giving effect to such reinvestment;

(d) either: (i) the Portfolio Profile Tests (except for paragraphs (k) and (l) of the Portfolio Profile Tests) and the Collateral Quality Tests (except the S&P CDO Monitor Test, the Moody's Maximum Weighted Average Rating Factor Test, the Moody's Minimum Diversity Test and Weighted Average Life Test) are satisfied immediately after giving effect to such reinvestment; or (ii) if any such test was not so satisfied, such test will be maintained or improved after giving effect to such reinvestment compared with immediately prior to the sale or prepayment of the relevant Collateral Debt Obligation;

(e) to the Portfolio Manager's knowledge, no Note Event of Default has occurred that is continuing at the time of such reinvestment;

(f) either:

  (i) each Class Scenario Default Rate following reinvestment in such Substitute Collateral Debt Obligation(s) is no higher than immediately prior to the sale or prepayment that produced such Unscheduled Principal Proceeds or Sale Proceeds; or

  (ii) such Substitute Collateral Debt Obligation(s) have the same or a higher S&P Rating as the Collateral Debt Obligation that produced such Unscheduled Principal Proceeds or Sale Proceeds;

(g) the Stated Maturity of such Substitute Collateral Debt Obligation(s) is the same as or earlier than the Stated Maturity of the Collateral Debt Obligation sold or prepaid (for the avoidance of doubt, this criterion is determined on an individual basis for each Substitute Collateral Debt Obligation);

(h) the Aggregate Principal Balance of all Collateral Debt Obligations that are rated "Caa1" or below by Moody's or "CCC+" or below by S&P at the time of purchase or acquisition of such Substitute Collateral Debt Obligation(s) by the Issuer may not exceed 7.5 per cent. of the Aggregate Collateral Balance;

(i) the Moody's Maximum Weighted Average Rating Factor Test is satisfied immediately after giving effect to such reinvestment;

(j) the Moody's Minimum Diversity Test is satisfied immediately after giving effect to such reinvestment;

(k) such reinvestment would not cause a Retention Deficiency;

(l) a Restricted Trading Period is not currently in effect; and

(m) immediately after such reinvestment, the cumulative Sale Proceeds from the sale of Credit Improved Obligations reinvested in Substitute Collateral Debt Obligations do not exceed 7.5 per cent. of the Target Par Amount.

Following the expiry of the Reinvestment Period, any Unscheduled Principal Proceeds and any Sale Proceeds from the sale of Credit Impaired Obligations that have not been reinvested as provided above prior to the end of the Due Period in which such proceeds were received shall be paid into the Principal Account and disbursed in accordance with the Principal Proceeds Priority of Payments on the following Payment Date (subject as provided at the end of this paragraph), save that the Portfolio Manager (acting on behalf of the Issuer) may in its discretion procure that Unscheduled Principal Proceeds and Sale Proceeds from the sale of any Credit Impaired Obligations are paid into the Principal Account and designated for reinvestment in Substitute Collateral Debt Obligations, in which case such Principal Proceeds shall not be so disbursed in accordance with the Principal Proceeds Priority of Payments for so long as they remain so designated for reinvestment but no longer than thirty calendar days following their receipt by the Issuer; *provided that* Principal Proceeds that have been designated for the settlement of a trade for which the Portfolio Manager has entered into a binding commitment

to acquire a Collateral Debt Obligation by such date (provided for above) shall not be disbursed in accordance with the Priority of Payments and *provided further that* in each case where any of the applicable Reinvestment Criteria are not satisfied as of the Payment Date next following receipt of such Sale Proceeds or Unscheduled Principal Proceeds, all such funds shall be paid into the Principal Account and disbursed in accordance with the Principal Proceeds Priority of Payments set out in Condition 3(c)(ii) (*Application of Principal Proceeds*) and such funds shall be applied only in redemption of the Notes in accordance with the Principal Proceeds Priority of Payments.

Designation for Reinvestment

After the expiry of the Reinvestment Period, the Portfolio Manager shall, one Business Day following each Determination Date, notify the Issuer and the Collateral Administrator in writing of all Principal Proceeds which the Portfolio Manager determines in its discretion (acting on behalf of the Issuer, and subject to the terms of Portfolio Management Agreement as described above) shall remain designated for reinvestment in accordance with the Reinvestment Criteria, on or after the following Payment Date in which event such Principal Proceeds shall not constitute Principal Proceeds which are to be paid into the Payment Account and disbursed on such Payment Date in accordance with the Priorities of Payment.

Accrued Interest

The Portfolio Manager (acting on behalf of the Issuer) may direct that the proceeds of sale of any Collateral Debt Obligation which represents accrued interest be designated as Interest Proceeds and paid into the Interest Account save for: (i) Purchased Accrued Interest; (ii) Ramp Accrued Interest, (iii) any such proceeds representing interest received in respect of a Defaulted Obligation for so long as it is a Defaulted Obligation (other than Defaulted Obligation Excess Amounts); and (iv) any such proceeds representing interest received in respect of any Mezzanine Loan for so long as it is a Defaulted Deferring Mezzanine Loan (other than Defaulted Mezzanine Excess Amounts).

Payments of interest and proceeds of sale received during a Due Period in relation to any Collateral Debt Obligation, in each case, to the extent that such amounts represent accrued and/or capitalised interest in respect of such Collateral Debt Obligation (including, in respect of a Mezzanine Loan, any accrued interest which, as at the time of purchase, had been capitalised and added to the principal amount of such Mezzanine Loan in accordance with its terms), which was purchased at the time of acquisition thereof with Principal Proceeds (other than amounts comprising Ramp Accrued Interest) shall constitute Purchased Accrued Interest and shall be deposited into the Principal Account as Principal Proceeds. Amounts comprising Ramp Accrued Interest shall be deposited into the Unused Proceeds Account.

Expiry of the Reinvestment Criteria Certification

Immediately preceding the end of the Reinvestment Period, the Portfolio Manager will deliver to the Trustee and the Collateral Administrator a schedule of Collateral Debt Obligations purchased by the Issuer with respect to which purchases the trade date has occurred but the settlement date has not yet occurred and will certify to the Trustee that sufficient Principal Proceeds are available (including, for this purpose, cash on deposit in the Principal Account, any scheduled distributions of Principal Proceeds before the end of the Reinvestment Period, as well as any Principal Proceeds that will be received by the Issuer from the sale of Collateral Debt Obligations for which the trade date has already occurred but the settlement date has not yet occurred) to effect the settlement of such Collateral Debt Obligations.

Amendments to the maturity of Collateral Debt Obligations

The Issuer will not be permitted to execute, enter into, agree to or vote in favour of any amendment or modification extending or having the effect of extending the maturity of a Collateral Debt Obligation (a "**Maturity Amendment**") unless (x) such amendment or modification would not cause such Collateral Debt Obligation to mature after the Maturity Date and (y) the Weighted Average Life Test will be satisfied after giving effect to such amendment.

If the Issuer or the Portfolio Manager has not voted in favour of a Maturity Amendment which would contravene the requirements of this paragraph but the maturity date applicable to the relevant Collateral Debt Obligation has been extended, by way of scheme of arrangement or otherwise, the Issuer or the Portfolio Manager acting on its behalf may but shall not be required to sell such Collateral Debt Obligation *provided that* in any event the Portfolio Manager shall dispose of such Collateral Debt Obligation prior to the Maturity Date.

Such proceeds shall constitute Sale Proceeds and may be reinvested in accordance with and subject to the Reinvestment Criteria.

Unsaleable Assets

Notwithstanding the other requirements set forth herein and in the Trust Deed, on any Business Day after the Reinvestment Period, the Portfolio Manager may conduct an auction on behalf of the Issuer of Unsaleable Assets (as defined below) in accordance with the procedures described in this paragraph *provided that* no such auction shall take place unless a redemption of the Notes in full in accordance with the Conditions is contemplated or scheduled to occur within three months of such auction on behalf of the Issuer. Promptly after receipt of written notice from the Portfolio Manager of such auction, the Principal Paying Agent will provide notice in such form as is prepared by the Portfolio Manager to the Noteholders (in accordance with Condition 16 (*Notices*)) of such auction, setting forth in reasonable detail a description of each Unsaleable Asset and the following auction procedures:

(a) any Noteholder may submit a written bid to the Portfolio Manager within 10 Business Days after the date of such notice to purchase one or more Unsaleable Assets no later than the date specified in the auction notice (which will be at least 15 Business Days after the date of such notice);

(b) each bid must include an offer to purchase for a specified amount of cash on a proposed settlement date no later than 20 Business Days after the date of the auction notice and delivery instructions to the Portfolio Manager including the account to which the Unsalable Asset is to be delivered if the bid is accepted:

(c) if no Noteholder submits such a bid within the time period specified under clause (a) above, unless the Portfolio Manager determines that delivery in kind is not legally or commercially practicable and provides written notice thereof to the Principal Paying Agent, the Principal Paying Agent on behalf of the Issuer will provide notice thereof to each Noteholder (in accordance with Condition 16 (*Notices*)) and the Portfolio Manager shall offer to deliver (at such Noteholder's expense) a *pro rata* portion (as determined by the Portfolio Manager) of each unsold Unsaleable Asset to the Noteholders or beneficial owners of the most senior Class that provide delivery instructions to the Principal Paying Agent on behalf of the Issuer on or before the date specified in such notice, subject to minimum denominations; provided that, to the extent that minimum denominations do not permit a *pro rata* distribution, the Collateral Administrator upon the instruction of the Portfolio Manager will distribute the Unsaleable Assets on a *pro rata* basis to the extent possible and the Portfolio Manager will select by lottery the Noteholder or beneficial owner to whom the remaining amount will be delivered and deliver written notice thereof to the Collateral Administrator: provided, further, that the Collateral Administrator will use commercially reasonable efforts to effect delivery of such interests to the account specified in the delivery instructions; and

(d) if no such Noteholder or beneficial owner provides delivery instructions to the Portfolio Manager within 10 Business Days following the delivery of the notice to Noteholders by the Principal Paying Agent referred to in the preamble above, the Unsaleable Asset may be delivered by the Collateral Administrator to the Portfolio Manager. If the Portfolio Manager declines such delivery, the Collateral Administrator will take such action as directed by the Portfolio Manager (on behalf of the Issuer) in writing to dispose of the Unsaleable Asset, which may be by donation to a charity, abandonment or other means.

For the avoidance of doubt. any sale or delivery or other transfer or disposal of an Unsaleable Asset in the circumstances contemplated above shall not affect the Principal Amount Outstanding of any Notes.

"**Unsaleable Assets**" means (a)(i) a Defaulted Obligation or (ii) an obligation received in connection with an Offer, in a restructuring or plan of reorganisation with respect to the Obligor, in each case, in respect of which the Issuer has not received a payment in cash during the preceding 12 months or (b) any Collateral Debt Obligation or Eligible Investment identified in an officer's certificate of the Portfolio Manager as having a Market Value multiplied by its Principal Balance of less than Euro 1,000, and in the case of each of (a) and (b) with respect to which the Portfolio Manager confirms to the Trustee in writing that (x) it has made commercially reasonable endeavours to dispose of such obligation for at least 90 days and (y) in its commercially reasonable judgment such obligation is not expected to be saleable in the foreseeable future.

Block Trades

The requirements described herein with respect to the Portfolio shall be deemed to be satisfied upon any sale and/or purchase of Collateral Debt Obligations on any day in the event that such Collateral Debt Obligations satisfy such requirements in aggregate rather than on an individual basis.

For the purpose of calculating compliance with the Reinvestment Criteria, at the election of the Portfolio Manager in its sole discretion, any proposed investment (whether a single Collateral Debt Obligation or a group of Collateral Debt Obligations) identified by the Portfolio Manager as such at the time (the "**Initial Trading Plan Calculation Date**") when compliance with the Reinvestment Criteria is required to be calculated (a "**Trading Plan**") may be evaluated after giving effect to all sales and reinvestments proposed to be entered into within the 20 Business Days following the date of determination of such compliance (such period, the "**Trading Plan Period**"); *provided that*: (i) no Trading Plan may result in the purchase of Collateral Debt Obligations having an Aggregate Principal Balance that exceeds 5 per cent. of the Aggregate Collateral Balance (excluding Defaulted Obligations) as of the first day of the Trading Plan Period; (ii) no Trading Plan Period may include a Payment Date; (iii) no more than one Trading Plan may be in effect at any time during a Trading Plan Period; and (iv) if the Reinvestment Criteria are satisfied prospectively after giving effect to a Trading Plan, but are not satisfied upon the completion of the related Trading Plan, Rating Agency Confirmation is obtained with respect to the effectiveness of additional Trading Plans (it being understood that Rating Agency Confirmation shall only be required once following any failure of a Trading Plan) and (v) no Trading Plan may be entered into if the differential between the longest and shortest maturities of the related Collateral Debt Obligations is greater than three years; *provided further that* no Trading Plan may result in the averaging of the purchase price of a Collateral Debt Obligation or Collateral Debt Obligations purchased at separate times for purposes of determining whether any particular Collateral Debt Obligation is a Discount Obligation. For the avoidance of doubt, compliance with the Reinvestment Criteria upon completion of a Trading Plan pursuant to (iv) above, shall be calculated with respect to those Collateral Debt Obligations that were actually sold and/or purchased as part of the relevant Trading Plan on the basis of data used as at the Initial Trading Plan Calculation Date.

Eligible Investments

The Issuer or the Portfolio Manager (acting on behalf of the Issuer), subject to the provisions of the Portfolio Management Agreement, may from time to time purchase Eligible Investments out of the Balances standing to the credit of the Accounts other than the Payment Account, each Revolving Reserve Account, each Counterparty Downgrade Collateral Account and the Collection Account. For the avoidance of doubt, Eligible Investments may be sold by the Issuer or the Portfolio Manager (acting on behalf of the Issuer) at any time.

Exercise of Warrants and Options

The Portfolio Manager (acting on behalf of the Issuer) may not exercise a warrant or option unless such warrant or option is a Exchanged Security or is attached to a Collateral Debt Obligation received by the Issuer in the ordinary course of the workout, foreclosure or collection of a debt previously contracted in good faith. If such warrant or option is permitted to be exercised, the Portfolio Manager shall on behalf of the Issuer instruct the Account Bank to make any necessary payment pursuant to a duly completed form of instruction.

Margin Stock

The Portfolio Management Agreement requires that the Portfolio Manager, on behalf of the Issuer, will sell any Collateral Debt Obligation or Exchanged Security which is, or at any time becomes, Margin Stock as soon as practicable following such event.

"**Margin Stock**" means margin stock as defined under Regulation U issued by the Federal Reserve Board, including any debt security which is by its terms convertible into such margin stock.

Non-Euro Obligations

The Portfolio Manager shall be authorised to purchase, on behalf of the Issuer, Non-Euro Obligations from time to time *provided that* any such Non-Euro Obligation shall only constitute a Collateral Debt Obligation that satisfies paragraph (b) of the Eligibility Criteria if not later than the settlement date of acquisition thereof, the Portfolio Manager procures entry by the Issuer into an Asset Swap Transaction pursuant to which the currency risk arising from receipt of cash flows from such Non-Euro Obligation, including interest and principal payments, is hedged through the swapping of such cash flows for Euro payments to be made by an Asset Swap

Counterparty. The Portfolio Manager (on behalf of the Issuer) shall be authorised to enter into spot exchange transactions, as necessary, to fund the Issuer's payment obligations under any Asset Swap Transaction. Rating Agency Confirmation shall be required in relation to entry into each Asset Swap Transaction unless such Asset Swap Transaction is a Form-Approved Asset Swap. See "*Hedging Arrangements*".

In the event that a Non-Euro Obligation is subject to any readjustment, restructuring, refinancing or rescheduling (howsoever described) (a "**Debt Restructuring**"), then the Portfolio Manager shall, in any negotiations in respect thereof, take into account the effect of such Debt Restructuring on the terms of any Asset Swap Transaction in respect of the Non-Euro Obligation.

Revolving Collateral Obligations and Delayed Drawdown Collateral Obligations

The Portfolio Manager (acting on behalf of the Issuer) may from time to time acquire Collateral Debt Obligations which are Revolving Collateral Obligations or Delayed Drawdown Collateral Obligations (*provided that* any such obligation may only be drawn in its base currency in accordance with the Eligibility Criteria).

Each Revolving Collateral Obligation and Delayed Drawdown Collateral Obligation will, pursuant to its terms, require the Issuer to make one or more future advances or other extensions of credit (including extensions of credit made on an unfunded basis pursuant to which the Issuer may be required to reimburse the provider of a guarantee or other ancillary facilities made available to the Obligor thereof in the event of any default by the Obligor thereof in respect of its reimbursement obligations in connection therewith). Such Revolving Collateral Obligations and Delayed Drawdown Collateral Obligations may or may not provide that it may be repaid and reborrowed from time to time by the Obligor thereunder. Upon acquisition of any Revolving Collateral Obligations or Delayed Drawdown Collateral Obligations, the Issuer shall deposit into the relevant Revolving Reserve Account, and shall maintain from time to time in the Revolving Reserve Account, amounts equal to the combined aggregate principal amounts of the Unfunded Amounts under each of the Revolving Collateral Obligations and Delayed Drawdown Collateral Obligations, such amounts to be funded from the Principal Account or the Unused Proceeds Account (as applicable). To the extent required, the Portfolio Manager (acting on behalf of the Issuer) may direct that amounts standing to the credit of the Revolving Reserve Accounts 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 Collateral Obligation or a Delayed Drawdown Collateral Obligation or to collateralise the Issuer's obligation to fund drawings under any Delayed Drawdown Collateral Obligation or Revolving Collateral Obligation and the receipt of an Issuer Order (as defined in the Portfolio Management Agreement) by the Trustee shall operate to release such amounts from the security granted thereover pursuant to the Trust Deed.

Prior to the entry into any Non-Euro Obligation which is a Revolving Collateral Obligation (which may only be drawn in its base currency in accordance with the Eligibility Criteria), the Issuer or the Portfolio Manager (acting on behalf of the Issuer) must obtain Rating Agency Confirmation of the Asset Swap Transaction to be used in relation to such Revolving Collateral Obligation.

Participations

The Portfolio Manager acting on behalf of the Issuer, may from time to time acquire Collateral Debt Obligations from Selling Institutions by way of Participation *provided that* at the time such Participation is taken:

(a) the percentage of the Aggregate Collateral Balance (excluding any Defaulted Obligations) that represents Participations entered into by the Issuer with a single Selling Institution will not exceed the individual percentage set forth in the Bivariate Risk Table determined by reference to the credit rating of such third party (or any guarantor thereof); and

(b) the percentage of the Aggregate Collateral Balance (excluding any Defaulted Obligations) that represents Participations entered into by the Issuer with Selling Institutions (or any guarantor thereof) each having the same (or lower) credit rating (taking the lowest rating assigned thereto by any Rating Agency), will not exceed the aggregate third party credit exposure limit set forth in the Bivariate Risk Table for such credit rating,

and for the purpose of determining the foregoing, account shall be taken of each sub-participation from which the Issuer, directly or indirectly derives its interest in the relevant Collateral Debt Obligation.

Each Participation entered into pursuant to a sub-participation agreement shall be substantially in the form of:

(a) the LSTA Model Participation Agreement for par/near par trades (as published by the Loan Syndications and Trading Association Inc. from time to time);

(b) the LMA Funded Participation (Par) (as published by the Loan Market Association from time to time); or

(c) such other documentation provided such agreement contains limited recourse and non-petition language substantially the same as the Trust Deed.

Assignments

The Portfolio Manager acting on behalf of the Issuer, may from time to time acquire Collateral Debt Obligations from Selling Institutions by way of Assignment *provided that* at the time such Assignment is acquired the Portfolio Manager acting on behalf of the Issuer shall have complied, to the extent within their control, with any requirements relating to such Assignment set out in the relevant loan documentation for such Collateral Debt Obligation (including, without limitation, with respect to the form of such Assignment and obtaining the consent of any person specified in the relevant loan documentation).

Bivariate Risk Table

The following is the bivariate risk table (the "*Bivariate Risk Table*") as referred to in "*Portfolio Profile Tests*" below and "*Participations*" above. For the purposes of the limits specified in the Bivariate Risk Table, the individual third party credit exposure limit shall be determined by reference to the Aggregate Principal Balance of all Participations (excluding Defaulted Obligations) entered into by the Issuer with the same Selling Institution (such amount in respect of such entity, the "**Third Party Exposure**") and the applicable percentage limits shall be determined by reference to the lower of the S&P or Moody's ratings applicable to such Selling Institution and the aggregate third party credit exposure limit shall be determined by reference to the aggregate of Third Party Exposure of all such Selling Institutions which share the same rating level or have a lower rating level, as indicated in the Bivariate Risk Table.

Bivariate Risk Table

Moody's Issuer Credit Rating of Selling Institution	Individual Third Party Credit Exposure Limit*	Aggregate Third Party Credit Exposure Limit*
Aaa	5%	5%
Aa1	5%	5%
Aa2	5%	5%
Aa3	5%	5%
A1	5%	5%
A2 and P-1	5%	5%
A2 (without a Moody's short-term rating of at least P-1) or below	0%	0%

S&P Issuer Credit Rating of Selling Institution	Individual Third Party Credit Exposure Limit*	Aggregate Third Party Credit Exposure Limit*
AAA	5%	5%
AA+	5%	5%
AA	5%	5%
AA-	5%	5%
A+	5%	5%
A and A-1	5%	5%
A- or below	0%	0%

* As a percentage of the Aggregate Collateral Balance (excluding any Defaulted Obligations) the aggregate third party credit exposure limit shall be determined by reference to the aggregate of the third party credit exposure of all such Selling Institutions which share the same rating level or have a lower rating level, as indicated in the Bivariate Risk Table.

Portfolio Profile Tests and Collateral Quality Tests

Measurement of Tests

The Portfolio Profile Tests and the Collateral Quality Tests will be used primarily as the criteria for purchasing Collateral Debt Obligations. The Collateral Administrator will measure the Portfolio Profile Tests and the Collateral Quality Tests on each Measurement Date.

Notwithstanding the foregoing, the failure of the Portfolio to meet the requirements of the Portfolio Profile Tests or the Collateral Quality Tests at any time shall not prevent any obligation which would otherwise be a Collateral Debt Obligation from being a Collateral Debt Obligation.

Additional Collateral Debt Obligations or Substitute Collateral Debt Obligations in respect of which a binding commitment has been made to purchase such additional Collateral Debt Obligations or Substitute Collateral Debt Obligations but such purchase has not been settled shall nonetheless be deemed to have been purchased for the purposes of the Portfolio Profile Tests and the Collateral Quality Tests and all other tests and criteria applicable to the Portfolio. Collateral Debt Obligations in respect of which a binding commitment has been made to sell such Collateral Debt Obligations, but such sale has not been settled, shall be deemed to have been sold for the purposes of the Portfolio Profile Tests and the Collateral Quality Tests and all other tests and criteria applicable to the Portfolio. See "*During the Reinvestment Period*" above.

Portfolio Profile Tests

The Portfolio Profile Tests will consist of each of the following:

(a) not less than 90 per cent. of the Aggregate Collateral Balance shall consist of obligations which are Senior Secured Loans (which term, for the purposes of this paragraph (a), shall comprise the aggregate of the Aggregate Principal Balance of the Senior Secured Loans, and the Balances (including Eligible Investments representing Principal Proceeds) standing to the credit of the Principal Account and the Unused Proceeds Account, in each case as at the relevant Measurement Date);

(b) not more than 10 per cent. of the Aggregate Collateral Balance shall consist of Unsecured Senior Loans, Second Lien Loans and/or Mezzanine Loans;

(c) with respect to Senior Secured Loans, not more than 2.5 per cent. of the Aggregate Collateral Balance shall be the obligation of any single Obligor (*provided that* up to 3 Obligors may each represent up to 3.0 per cent. of the Aggregate Collateral Balance);

(d) no more than 20.0 per cent. of the Aggregate Collateral Balance shall consist of Collateral Debt Obligations of the 10 largest Obligors, such Obligors being determined by the proportion of the Aggregate Principal Balance of all Collateral Debt Obligations they each represent at the relevant date of determination;

(e) with respect to Unsecured Senior Loans, Second Lien Loans and Mezzanine Loans not more than 1.5 per cent. of the Aggregate Collateral Balance shall be the obligation of any single Obligor;

(f) with respect to all Collateral Debt Obligations, not more than 2.5 per cent. of the Aggregate Collateral Balance shall be the obligation of any one Obligor, *provided that* the obligations of 3 Obligors may each represent up to 3.0 per cent. of the Aggregate Collateral Balance;

(g) not more than 5 per cent. of the Aggregate Collateral Balance shall consist of Participations;

(h) not more than 2.5 per cent. of the Aggregate Collateral Balance shall consist of Current Pay Obligations (for the purposes of calculating the Aggregate Collateral Balance for this paragraph (h) each Defaulted Obligation shall be deemed to have a Principal Balance equal to the lesser of its Moody's Collateral Value and S&P Collateral Value);

(i) not more than 5 per cent. of the Aggregate Collateral Balance shall consist of Annual Obligations unless Rating Agency Confirmation is obtained;

(j) not more than 5 per cent. of the Aggregate Collateral Balance shall consist of obligations which are Revolving Collateral Obligations or Delayed Drawdown Collateral Obligations;

(k) not more than 7.5 per cent. of the Aggregate Collateral Balance shall consist of obligations which are Moody's Caa Obligations;

(l) not more than 7.5 per cent. of the Aggregate Collateral Balance shall consist of obligations which are S&P CCC Obligations;

(m) not more than 5 per cent. of the Aggregate Collateral Balance shall consist of obligations which are Unhedged Fixed Rate Collateral Debt Obligations;

(n) not more than 30 per cent. of the Aggregate Collateral Balance shall consist of Non-Euro Obligations;

(o) not more than 2.5 per cent. of the Aggregate Collateral Balance shall consist of Bridge Loans;

(p) not more than 5 per cent. of the Aggregate Collateral Balance shall consist of Corporate Rescue Loans and not more than 2 per cent. of the Aggregate Collateral Balance shall consist of Corporate Rescue Loans issued by a single Obligor;

(q) not more than 30 per cent. of the Aggregate Collateral Balance shall consist of Cov-Lite Loans, provided that if more than 15 per cent. of the Aggregate Collateral Balance consists of Cov-Lite Loans rated less than Ba3 by Moody's and BB- by S&P, no further purchase of Cov-Lite Loans is permitted until no more than 15 per cent. of the Aggregate Collateral Balance consists of Cov-Lite Loans rated less than Ba3 by Moody's and BB- by S&P;

(r) not more than 70.0 per cent. of the Aggregate Collateral Balance shall consist of Cov–Lite Obligations;

(s) not more than 10 per cent. of the Aggregate Collateral Balance shall consist of obligations comprising any one S&P Industry Classification; *provided that*, any three S&P Industry Classifications may together comprise up to 40 per cent. of the Aggregate Collateral Balance, any two S&P Industry Classifications may each comprise up to 12 per cent. of the Aggregate Collateral Balance, and one S&P Industry Classification may comprise up to 17.5 per cent. of the Aggregate Collateral Balance;

(t) not more than 10 per cent. of the Aggregate Collateral Balance shall consist of obligations whose Moody's Rating is derived from an S&P Rating;

(u) not more than 10 per cent. of the Aggregate Collateral Balance shall consist of obligations whose S&P Rating is derived from a Moody's Rating;

(v) not more than 10 per cent. of the Aggregate Collateral Balance shall consist of Obligors who are Domiciled in countries or jurisdictions with a Moody's local currency risk ceiling of "A1" or below unless Rating Agency Confirmation from Moody's is obtained;

(w) not more than 10 per cent. of the Aggregate Collateral Balance shall consist of Obligors who are Domiciled in countries or jurisdictions rated below "A-" by S&P unless Rating Agency Confirmation from S&P is obtained;

(x) not more than 10 per cent. of the Aggregate Collateral Balance shall consist of Obligors who are domiciled in Portugal, Italy, Greece or Spain;

(y) the limits specified in the Bivariate Risk Table determined by reference to the S&P ratings and Moody's ratings of Selling Institutions shall be satisfied;

(z) not more than 7.5 per cent. of the Aggregate Collateral Balance shall consist of Collateral Debt Obligations issued by Obligors each of which has total current indebtedness (comprised of all financial debt owing by the Obligor including the maximum available amount or total commitment under any revolving or delayed draw loans) under their respective loan agreements and other Underlying Instruments greater than or equal to EUR 100,000,000 and less than EUR 200,000,000 (or its equivalent in any currency); and

(aa) not more than 0.0 per cent. of the Aggregate Collateral Balance shall consist of Collateral Debt Obligations issued by Obligors each of which has total current indebtedness (comprised of all financial debt owing by the Obligor including the maximum available amount or total commitment under any

revolving or delayed draw loans) under their respective loan agreements and other Underlying Instruments of less than EUR 100,000,000 (or its equivalent in any currency).

Notwithstanding the above 0.0 per cent. of the Aggregate Collateral Balance may consist of Bonds. Collateral Obligations for which the Issuer (or the Portfolio Manager acting on behalf of the Issuer) has entered into binding commitments to purchase but have not yet settled shall be included for the purposes of calculating the Portfolio Profile Tests and obligations for which the Issuer (or the Portfolio Manager acting on behalf of the Issuer) has entered into binding commitments to sell, but have not yet settled, shall be excluded for the purposes of the Portfolio Profile Tests.

"**Bridge Loan**" shall mean any Collateral Debt Obligation that: (i) is incurred in connection with a merger, acquisition, consolidation, sale of all or substantially all of the assets of a person, restructuring or similar transaction; (ii) by its terms, is required to be repaid within one year of the incurrence thereof with proceeds from additional borrowings or other refinancings (*provided, however, that* any additional borrowing or refinancing having a term of more than one year may be included as a Bridge Loan if one or more financial institutions shall have provided the Obligor with a binding written commitment to provide the same); and (iii) prior to its purchase by the Issuer, has an Moody's Rating or a S&P Rating or, if the Bridge Loan is not rated by Moody's or S&P, Rating Agency Confirmation has been obtained.

The percentage requirements applicable to different types of Collateral Debt Obligations specified in the Portfolio Profile Tests shall be determined by reference to the Aggregate Principal Balance of such type of Collateral Debt Obligations, excluding Defaulted Obligations.

"**S&P Industry Classification Group**" means an industry classification group set out in the table below or as otherwise modified, amended or replaced by S&P from time to time:

Asset Code	**Asset Description**
1	Aerospace & defense
2	Air transport
3	Automotive
4	Beverage & tobacco
5	Radio & television
7	Building & development
8	Business equipment & services
9	Cable & satellite television
10	Chemicals & plastics
11	Clothing/textiles
12	Conglomerates
13	Containers & glass products
14	Cosmetics/toiletries
15	Drugs
16	Ecological services & equipment
17	Electronics/electrical
18	Equipment leasing

Asset Code	Asset Description
19	Farming/agriculture
20	Financial Intermediaries
21	Food/drug retailers
22	Food products
23	Food service
24	Forest products
25	Health care
26	Home furnishings
27	Lodging & casinos
28	Industrial equipment
30	Leisure goods/activities/movies
31	Nonferrous metals/minerals
33	Oil & gas
33	Publishing
34	Rail industries
35	Retailers (except food & drug)
36	Steel
37	Surface transport
38	Telecommunications
39	Utilities
40	Mortgage REITs
41	Equity REITs and REOCs
43	Life Insurance
44	Health Insurance
45	Property & Casualty Insurance
46	Diversified Insurance

Collateral Quality Tests

The Collateral Quality Tests consist of each of the following:

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

(i) the Moody's Minimum Diversity Test;

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

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

(b) so long as any Notes rated by S&P are Outstanding:

(i) (as of the Effective Date and until the expiry of the Reinvestment Period only) the S&P CDO Monitor Test; and

(ii) the S&P Minimum Weighted Average Recovery Rate Test;

(c) so long as any Rated Notes are Outstanding:

(i) the Minimum Weighted Average Spread Test; and

(ii) the Weighted Average Life Test,

each as defined in the Portfolio Management Agreement.

The Moody's Test Matrix

Subject to the provisions provided below, on or after the Effective Date, the Portfolio Manager will have the option to elect which of the cases set forth in the matrix to be set out in the Portfolio Management Agreement (the **"Moody's Test Matrix"**) shall be applicable for purposes of the Moody's Maximum Weighted Average Rating Factor Test, the Moody's Minimum Diversity Test and the Minimum Weighted Average Spread Test. For any given case:

(a) the applicable column for performing the Moody's Minimum Diversity Test will be the column (or linear interpolation between two adjacent columns, as applicable) in which the elected case is set out;

(b) the applicable row for performing the Minimum Weighted Average Spread Test will be the row in which the elected test is set out (or a linear interpolation between the two rows containing the values closest to the elected test, as applicable); and

(c) the applicable row and column for performing the Moody's Maximum Weighted Average Rating Factor Test will be the row and column in which the elected case is set out (or a linear interpolation between the two rows containing the values closest to the elected test and/or a linear interpolation between two adjacent columns, as applicable).

On the Effective Date, the Portfolio Manager will be required to elect which case shall apply initially. Thereafter, on two Business Days' notice to the Issuer, the Trustee, the Collateral Administrator and Moody's, the Portfolio Manager may elect to have a different case apply, provided that the Moody's Minimum Diversity Test, the Moody's Maximum Weighted Average Rating Factor Test, the Moody's Minimum Weighted Average Recovery Rate Test, the Minimum Weighted Average Spread Test applicable to the case to which the Portfolio Manager desires to change are satisfied or, in the case of any tests that are not satisfied, are closer to being satisfied. In no event will the Portfolio Manager be obliged to elect to have a different case apply. The Moody's Test Matrix may be amended and/or supplemented and/or replaced by the Portfolio Manager subject to (i) Rating Agency Confirmation from Moody's and (ii) the procedure more specifically set out in Condition 14(c) above.

The S&P Matrix

"**S&P Matrix**": S&P will provide the Portfolio Manager with the Class Break-Even Default Rates for each S&P CDO Monitor based upon portfolios with weighted average spreads, and recovery rates to be associated with such S&P CDO Monitor as selected by the Portfolio Manager in accordance with the definition of "**S&P CDO**

Monitor Test" or any other weighted average spreads and recovery rates selected by the Portfolio Manager from time to time. For each Class of Rated Notes, the Class Break-Even Default Rate will be determined as follows: (A) the applicable weighted average spread will be the spread between 2.40 per cent. and 6.00 per cent. (in increments of 0.01 per cent.) without exceeding the Weighted Average Spread as of such Measurement Date (the "**S&P Matrix Spread**") and (B) the applicable weighted average recovery rates with respect to the Rated Notes will be the recovery rate between (i) in the case of the Class A Notes, 20 per cent. and 60 per cent., (ii) in the case of the Class B Notes, 20 per cent. and 70 per cent., (iii) in the case of the Class C Notes, 20 per cent. and 75 per cent., (iv) in the case of the Class D Notes, 20 per cent. and 81 per cent., (v) in the case of the Class E Notes, 20 per cent. and 86 per cent., and (vi) in the case of the Class F Notes, 20 per cent. and 90 per cent. (the "**Recovery Rate Case**"). On and after the Effective Date, the Portfolio Manager will have the right to choose which Recovery Rate Case and which S&P Matrix Spread will be applicable for purposes of both (i) the S&P CDO Monitor Test and (ii) the S&P Minimum Weighted Average Recovery Rate Test.

After the Effective Date, the Portfolio Manager may request from time to time for S&P to provide S&P CDO Monitors for up to 10,000 different combinations of S&P Matrix Spreads and Recovery Rate Cases at each request, which may, for example, be 100 S&P Matrix Spreads and 100 Recovery Rate Cases or 50 S&P Matrix Spreads and 200 Recovery Rate Cases. On 10 Business Days' written notice to the Collateral Administrator (or such shorter time as may be acceptable to the Collateral Administrator), the Portfolio Manager may choose a different Recovery Rate Case and/or S&P Matrix Spread; *provided, that* the Collateral Debt Obligations must be in compliance with such different Recovery Rate Case and/or S&P Matrix Spread, solely for purposes of this proviso, if the Issuer has entered into a binding commitment to invest in a Collateral Debt Obligation, compliance with the newly selected Recovery Rate Case and/or S&P Matrix Spread may be determined after giving effect to such investment. Notwithstanding the foregoing, if the Collateral Debt Obligations are not currently in compliance with the Recovery Rate Case and/or S&P Matrix Spread then applicable and would not be in compliance with any other Recovery Rate Case and/or S&P Matrix Spread, as applicable, the Portfolio Manager may select a different Recovery Rate Case and/or S&P Matrix Spread, as applicable, that is not further out of compliance than the current Recovery Rate Case and/or S&P Matrix Spread. In the event the Portfolio Manager fails to choose (A) Recovery Rate Case prior to the Effective Date, the following will apply: with respect to the Class A Notes 37.00 per cent.; the Class B Notes 46.00 per cent.; the Class C Notes 52.00 per cent.; the Class D Notes 57.50 per cent.; the Class E Notes 64.25 per cent., and the Class F Notes 66.75 per cent. or (B) S&P Matrix Spread prior to the Effective Date, S&P Matrix Spread 4.20 per cent, will apply.

The S&P CDO Monitor Test

The "**S&P CDO Monitor Test**" will be satisfied on any date from the Effective Date until the end of the Reinvestment Period following receipt by the Issuer, the Portfolio Manager and the Collateral Administrator of the S&P CDO Monitor (along with the assumptions and instructions to run the S&P CDO Monitor Test and in a form that performs as intended with respect to the Collateral Debt Obligations) if, after giving effect to the purchase or sale of a Collateral Debt Obligation, the Class Default Differential (with respect to such Controlling Class that is rated by S&P) of the Proposed Portfolio is positive. The S&P CDO Monitor Test will be considered to be improved if the Class Default Differential (with respect to such Controlling Class that is rated by S&P) of the Proposed Portfolio is greater than the corresponding Class Default Differential (with respect to such Controlling Class that is rated by S&P) of the Current Portfolio.

Compliance with the S&P CDO Monitor Test will be measured by the Portfolio Manager on each Measurement Date.

The Portfolio Manager may, in its sole discretion, at any time after the Effective Date upon at least 5 Business Days' prior written notice to S&P, the Trustee and the Collateral Administrator, elect to declare the occurrence of the "S&P CDO Monitor Election Date" (the effective date for such election, the "**S&P CDO Monitor Election Date**").

The "**Adjusted Class Break-Even Default Rate**" means the rate equal to (a)(i) the Class Break-even Default Rate *multiplied* by (ii)(x) the Target Par Amount *divided* by (y) the S&P Collateral Principal Amount *plus* (b)(i)(x) the S&P Collateral Principal Amount *minus* (y) the Target Par Amount, *divided* by (ii)(x) the S&P Collateral Principal Amount *multiplied* by (y) 1 *minus* the S&P Weighted Average Recovery Rate.

The "**Class Break-Even Default Rate**" is, with respect to any Class of Rated Notes then rated by S&P:

(a) prior to the S&P CDO Monitor Election Date, the maximum percentage of defaults, at any time, which the Current Portfolio or the Proposed Portfolio, as applicable, can sustain, as determined by S&P

through application of the S&P CDO Monitor chosen by the Portfolio Manager in accordance with the definition of "S&P Matrix" that is applicable to the portfolio of Collateral Debt Obligations, which, after giving effect to S&P's assumptions on recoveries, defaults and timing and to the Priorities of Payment, will result in sufficient funds remaining for the payment of such Class or Classes of Notes in full; and

(b) on and after the S&P CDO Monitor Election Date, the rate equal to (a) 0.226851 (or such other coefficient provided in advance by S&P to the Issuer, the Portfolio Manager and the Collateral Administrator in writing) *plus* (b) the product of (x) 3.301927 (or such other coefficient provided in advance by S&P to the Issuer, the Portfolio Manager and the Collateral Administrator in writing) and (y) the S&P Minimum Floating Spread *plus* (c) the product of (x) 0.909128 (or such other coefficient provided in advance by S&P to the Issuer, the Portfolio Manager and the Collateral Administrator in writing) and (y) the S&P CDO Monitor Recovery Rate.

The "**Class Default Differential**" is, with respect to any Class of Rated Notes then rated by S&P, at any time, the rate calculated by subtracting the Class Scenario Default Rate at such time for such Class or classes of Notes from (x) prior to the S&P CDO Monitor Election Date, the Class Break-even Default Rate and (y) on and after the S&P CDO Monitor Election Date, the Adjusted Class Break-Even Default Rate, in each case, for such Class of Notes at such time.

The "**Class Scenario Default Rate**" is, with respect to any Class of Rated Notes then rated by S&P, at any time:

(a) prior to the S&P CDO Monitor Election Date, an estimate of the cumulative default rate for the Current Portfolio or the Proposed Portfolio, as applicable, consistent with S&P's initial rating of such Class of Notes, determined by application by the Portfolio Manager and the Collateral Administrator of the S&P CDO Monitor Test at such time; and

(b) on and after the S&P CDO Monitor Election Date, the rate equal at such time equal to (i) 0.329915 *plus* (ii) the product of (x) 1.210322 and (y) the Expected Portfolio Default Rate *minus* (iii) the product of (x) 0.586627 and (y) the Default Rate Dispersion *plus* (iv)(x) 2.538684 *divided* by (y) the Obligor Diversity Measure *plus* (v)(x) 0.216729 *divided* by (y) the Industry Diversity Measure *plus* (vi)(x) 0.0575539 *divided* by (y) the Regional Diversity Measure *minus* (vii) the product of (x) 0.0136662 and (y) the S&P CDO Monitor Weighted Average Life.

The "**Current Portfolio**" means, as of any date of determination, the portfolio of Collateral Debt Obligations (included at their Principal Balance *provided that* in respect of Mezzanine Loans, the Principal Balance shall exclude all accrued interest including any interest accrued following the date of acquisition thereof) and Eligible Investments existing prior to the sale, maturity or other disposition of a Collateral Debt Obligation or a proposed reinvestment of Principal Proceeds in a Substitute Collateral Debt Obligation, as the case may be.

The "**Default Rate Dispersion**" means, as of any date of determination, the number obtained by (a) summing the products for each Collateral Debt Obligation (other than Defaulted Obligations) of (i) the absolute value of (x) the S&P Default Rate of such Collateral Debt Obligation *minus* (y) the Expected Portfolio Default Rate by (ii) the outstanding principal balance at such time of such Collateral Debt Obligation and (b) dividing such sum by the aggregate outstanding principal balance on such date of all Collateral Debt Obligations (other than Defaulted Obligations).

The "**Expected Portfolio Default Rate**" means, as of any date of determination, the number obtained by (a) summing the products for each Collateral Debt Obligation (other than Defaulted Obligations) of (i) the outstanding principal balance on such date of such Collateral Debt Obligation *multiplied* by (ii) the S&P Default Rate of such Collateral Debt Obligation and (b) dividing such sum by the aggregate outstanding principal balance on such date of all Collateral Debt Obligations (other than Defaulted Obligations).

The "**Industry Diversity Measure**" means, as of any date of determination, the number obtained by dividing (a) 1 by (b) the sum of the squares of the quotients, for each S&P Industry Classification, obtained by dividing (i) the aggregate outstanding principal balance at such time of all Collateral Debt Obligations (other than Defaulted Obligations) with respect to Obligors that belong to such S&P Industry Classification by (ii) the aggregate outstanding principal balance at such time of all Collateral Debt Obligations (other than Defaulted Obligations).

The "**Obligor Diversity Measure**" means, as of any date of determination, the number obtained by *dividing* (a) 1 by (b) the sum of the squares of the quotients, for each Obligor, obtained by *dividing* (i) the aggregate outstanding principal balance at such time of all Collateral Debt Obligations (other than Defaulted Obligations) with respect to such Obligor by (ii) the aggregate outstanding principal balance at such time of all Collateral Debt Obligations (other than Defaulted Obligations).

The "**Proposed Portfolio**" means, as of any date of determination, the portfolio of Collateral Debt Obligations (included at their Principal Balance *provided that* in respect of Mezzanine Loans, the Principal Balance shall exclude all accrued interest including any interest accrued following the date of acquisition thereof) and Eligible Investments resulting from the sale, maturity or other disposition of a Collateral Debt Obligation or a proposed reinvestment of Principal Proceeds in a Substitute Collateral Debt Obligation, as the case may be.

The "**Regional Diversity Measure**" means, as of any date of determination, the number obtained by dividing (a) 1 by (b) the sum of the squares of the quotients, for each S&P Region Classification, obtained by dividing (i) the aggregate outstanding principal balance at such time of all Collateral Debt Obligations (other than Defaulted Obligations) with respect to such Obligors that belong to such S&P Region Classification by (ii) the aggregate outstanding principal balance at such time of all Collateral Debt Obligations (other than Defaulted Obligations).

The "**S&P Collateral Principal Amount**" means as of any date of determination:

(a) the Aggregate Principal Balance of the Collateral Debt Obligations (excluding Defaulted Obligations); *plus*

(b) without duplication, the amounts on deposit in the Principal Account and the Unused Proceeds Account (to the extent such amounts represent Principal Proceeds) (including Eligible Investments therein which represent Principal Proceeds); *plus*

(c) for all Defaulted Obligations that have been Defaulted Obligations for less than three years, the S&P Collateral Value thereof.

The "**S&P Default Rate**" means, with respect to a Collateral Debt Obligation, the default rate as determined in accordance with the Portfolio Management Agreement by reference to the number of years to maturity of such Collateral Debt Obligation, *provided that* if the number of years to maturity of such Collateral Debt Obligation is not an integer, the default rate will be determined by interpolating between the rate for the next shorter maturity and the rate for the next longer maturity.

"**S&P CDO Monitor**" means the dynamic, analytical computer model developed by S&P and used to estimate default risk of Collateral Debt Obligations and provided to the Portfolio Manager on or before the Issue Date, as it may be modified by S&P from time to time. The S&P CDO Monitor calculates the cumulative default rate of a pool of Collateral Debt Obligations and Eligible Investments consistent with a specified benchmark rating level based upon S&P's proprietary corporate debt default studies.

In calculating the scenario default rate in respect of a Class of Notes, the S&P CDO Monitor considers each Obligor's issuer credit rating, the number of Obligors in the portfolio, the Obligor and industry concentrations in the portfolio and the remaining weighted average maturity of the Collateral Debt Obligations and Eligible Investments and calculates a cumulative default rate based on the statistical probability of distributions or defaults on the Collateral Debt Obligations and Eligible Investments.

Inputs for the S&P CDO Monitor will be chosen by the Portfolio Manager (with notice to the Collateral Administrator) and associated with either (x) a recovery rate for the Controlling Class from the applicable table in the Portfolio Management Agreement, a "Weighted Average Life Value" from the applicable table in the Portfolio Management Agreement and a "Weighted Average Floating Spread" from the applicable matrix in the Portfolio Management Agreement or (y) a weighted average recovery rate for the Controlling Class, a weighted average life and a weighted average floating spread selected by the Portfolio Manager (with notice to the Collateral Administrator) and, prior to the S&P CDO Monitor Election Date, confirmed by S&P. The weighted average recovery rate applicable as of any date of determination pursuant to clause (x) or (y) above is referred to as the "**S&P CDO Monitor Recovery Rate**". The weighted average floating spread applicable as of any date of determination pursuant to clause (x) or (y) above is referred to as the "**S&P Minimum Floating Spread**". The "**S&P CDO Monitor Weighted Average Life**" means, as of any date of determination (a) prior to the S&P CDO Monitor Election Date, the weighted average life applicable as of any date of determination pursuant to clause (x) or (y) of the definition of "S&P CDO Monitor" above and (b) on or after the S&P CDO Monitor

Election Date, the number of years following such date obtained by dividing (x) the sum of the products, for all Collateral Debt Obligations (other than Defaulted Obligations and Deferring Obligations), of (i) the number of years (rounded to the nearest one-hundredth thereof) from such date of determination to the stated maturity of each such Collateral Obligation *multiplied* by (ii) the outstanding principal balance of such Collateral Debt Obligation by (y) the aggregate remaining principal balance at such time of all Collateral Debt Obligations (other than Defaulted Obligations and Deferring Obligations).

"**S&P Region Classification**" means a region classification set out in the table below or as otherwise modified, amended or replaced by S&P from time to time:

Region	**Region Code**
Africa: Eastern	17
Africa: Southern	12
Africa: Sub-Saharan	13
Americas: Andean	3
Americas: Mercosur and Southern Cone	4
Americas: Mexico	1
Americas: Other Central and Caribbean	2
Americas: U.S. and Canada	101
Asia: China, Hong Kong, Taiwan	7
Asia: India, Pakistan and Afghanistan	5
Asia: Other South	6
Asia: Southeast, Korea and Japan	8
Asia-Pacific: Australia and New Zealand	105
Asia-Pacific: Islands	9
Europe: Central	15
Europe: Eastern	16
Europe: Russia & CIS	14
Europe: Western	102
Middle East: Gulf States	10
Middle East: MENA	11

The S&P Minimum Weighted Average Recovery Rate Test

The "**S&P Minimum Weighted Average Recovery Rate Test**" will be satisfied on any Measurement Date from (and including) the Effective Date if, for the Controlling Class rated by S&P, the S&P Weighted Average Recovery Rate is greater than or equal to the percentage set forth in the S&P Matrix based upon the Recovery Rate Case chosen by the Portfolio Manager.

The "**S&P Recovery Rate**" means, in respect of each Collateral Debt Obligation and each Class of Rated Notes, an S&P Recovery Rate determined in accordance with the Portfolio Management Agreement or as advised by

S&P. Extracts of the S&P Recovery Rates applicable under the Portfolio Management Agreement are set out in Annex B (*S&P Recovery Rates*) of this Prospectus.

"**S&P Weighted Average Recovery Rate**" means, as of any Measurement Date, for a Class of Rated Notes, the number (expressed as a percentage) obtained by summing the products obtained by multiplying the Principal Balance (excluding Purchased Accrued Interest) of each Collateral Debt Obligation by its S&P Recovery Rate, dividing such sum by the Aggregate Principal Balance of all Collateral Debt Obligations and rounding up to the nearest 0.1 per cent. For purposes of this rate, the Principal Balance of any Defaulted Obligation shall be deemed to be zero.

The Moody's Minimum Diversity Test

The "**Moody's Minimum Diversity Test**" will be satisfied as at any Measurement Date from (and including) the Effective Date, if the Diversity Score equals or exceeds the higher of (x) 30 and (y) the number set forth in the column entitled "Minimum Diversity Score" in the applicable Moody's Test Matrix based upon the applicable "row/column" combination chosen by the Portfolio Manager (or interpolating between the two rows containing the closest values and/or two adjacent columns (as applicable)).

The "**Diversity Score**" is a single number that indicates collateral concentration and correlation in terms of both issuer and industry concentration and correlation. It is similar to a score that Moody's uses to measure concentration and correlation for the purposes of its ratings. A higher Diversity Score reflects a more diverse portfolio in terms of the issuer and industry concentration. The Diversity Score for the Collateral Debt Obligations is calculated by summing each of the Industry Diversity Scores which are calculated as follows and rounding the result up to the nearest whole number (provided that no Defaulted Obligations shall be included in the calculation of the Diversity Score or any component thereof):

(a) an "**Average Principal Balance**" is calculated by summing the Obligor Principal Balances and dividing by the sum of the aggregate number of issuers and/or borrowers represented;

(b) an "**Obligor Principal Balance**" is calculated for each Obligor represented in the Collateral Debt Obligations by summing the Principal Balances of all Collateral Debt Obligations (excluding Defaulted Obligations) issued by such Obligor, provided that if a Collateral Debt Obligation has been sold or is the subject of an optional redemption or Offer, and the Sale Proceeds or Unscheduled Principal Proceeds from such event have not yet been reinvested in Substitute Collateral Debt Obligations or distributed to the Noteholders or the other creditors of the Issuer in accordance with the Priorities of Payments, the Obligor Principal Balance shall be calculated as if such Collateral Debt Obligation had not been sold or was not subject to such an optional redemption or Offer;

(c) an "**Equivalent Unit Score**" is calculated for each Obligor by taking the lesser of (i) one and (ii) the Obligor Principal Balance for such Obligor divided by the Average Principal Balance;

(d) an "**Aggregate Industry Equivalent Unit Score**" is then calculated for each of the 32 Moody's industrial classification groups by summing the Equivalent Unit Scores for each Obligor in the industry (or such other industrial classification groups and Equivalent Unit Scores as are published by Moody's from time to time); and

(e) an "**Industry Diversity Score**" is then established by reference to the Diversity Score Table shown below (or such other Diversity Score Table as is published by Moody's from time to time) (the "**Diversity Score Table**") for the related Aggregate Industry Equivalent Unit Score. If the Aggregate Industry Equivalent Unit Score falls between any two such scores shown in the Diversity Score Table, then the Industry Diversity Score is the lower of the two Diversity Scores in the Diversity Score Table.

For purposes of calculating the Diversity Scores any Obligors Affiliated with one another will be considered to be one Obligor.

Diversity Score Table

Aggregate Industry Equivalent Unit Score	Industry Diversity Score	Aggregate Industry Equivalent Unit Score	Industry Diversity Score	Aggregate Industry Equivalent Unit Score	Industry Diversity Score	Aggregate Industry Equivalent Unit Score	Industry Diversity Score
0.0000	0.0000	5.0500	2.7000	10.1500	4.0200	15.2500	4.5300
0.0500	0.1000	5.1500	2.7333	10.2500	4.0300	15.3500	4.5400
0.1500	0.2000	5.2500	2.7667	10.3500	4.0400	15.4500	4.5500
0.2500	0.3000	5.3500	2.8000	10.4500	4.0500	15.5500	4.5600
0.3500	0.4000	5.4500	2.8333	10.5500	4.0600	15.6500	4.5700
0.4500	0.5000	5.5500	2.8667	10.6500	4.0700	15.7500	4.5800
0.5500	0.6000	5.6500	2.9000	10.7500	4.0800	15.8500	4.5900
0.6500	0.7000	5.7500	2.9333	10.8500	4.0900	15.9500	4.6000
0.7500	0.8000	5.8500	2.9667	10.9500	4.1000	16.0500	4.6100
0.8500	0.9000	5.9500	3.0000	11.0500	4.1100	16.1500	4.6200
0.9500	1.0000	6.0500	3.0250	11.1500	4.1200	16.2500	4.6300
1.0500	1.0500	6.1500	3.0500	11.2500	4.1300	16.3500	4.6400
1.1500	1.1000	6.2500	3.0750	11.3500	4.1400	16.4500	4.6500
1.2500	1.1500	6.3500	3.1000	11.4500	4.1500	16.5500	4.6600
1.3500	1.2000	6.4500	3.1250	11.5500	4.1600	16.6500	4.6700
1.4500	1.2500	6.5500	3.1500	11.6500	4.1700	16.7500	4.6800
1.5500	1.3000	6.6500	3.1750	11.7500	4.1800	16.8500	4.6900
1.6500	1.3500	6.7500	3.2000	11.8500	4.1900	16.9500	4.7000
1.7500	1.4000	6.8500	3.2250	11.9500	4.2000	17.0500	4.7100
1.8500	1.4500	6.9500	3.2500	12.0500	4.2100	17.1500	4.7200
1.9500	1.5000	7.0500	3.2750	12.1500	4.2200	17.2500	4.7300
2.0500	1.5500	7.1500	3.3000	12.2500	4.2300	17.3500	4.7400
2.1500	1.6000	7.2500	3.3250	12.3500	4.2400	17.4500	4.7500
2.2500	1.6500	7.3500	3.3500	12.4500	4.2500	17.5500	4.7600
2.3500	1.7000	7.4500	3.3750	12.5500	4.2600	17.6500	4.7700
2.4500	1.7500	7.5500	3.4000	12.6500	4.2700	17.7500	4.7800
2.5500	1.8000	7.6500	3.4250	12.7500	4.2800	17.8500	4.7900
2.6500	1.8500	7.7500	3.4500	12.8500	4.2900	17.9500	4.8000
2.7500	1.9000	7.8500	3.4750	12.9500	4.3000	18.0500	4.8100
2.8500	1.9500	7.9500	3.5000	13.0500	4.3100	18.1500	4.8200
2.9500	2.0000	8.0500	3.5250	13.1500	4.3200	18.2500	4.8300
3.0500	2.0333	8.1500	3.5500	13.2500	4.3300	18.3500	4.8400
3.1500	2.0667	8.2500	3.5750	13.3500	4.3400	18.4500	4.8500
3.2500	2.1000	8.3500	3.6000	13.4500	4.3500	18.5500	4.8600
3.3500	2.1333	8.4500	3.6250	13.5500	4.3600	18.6500	4.8700
3.4500	2.1667	8.5500	3.6500	13.6500	4.3700	18.7500	4.8800
3.5500	2.2000	8.6500	3.6750	13.7500	4.3800	18.8500	4.8900
3.6500	2.2333	8.7500	3.7000	13.8500	4.3900	18.9500	4.9000
3.7500	2.2667	8.8500	3.7250	13.9500	4.4000	19.0500	4.9100
3.8500	2.3000	8.9500	3.7500	14.0500	4.4100	19.1500	4.9200
3.9500	2.3333	9.0500	3.7750	14.1500	4.4200	19.2500	4.9300
4.0500	2.3667	9.1500	3.8000	14.2500	4.4300	19.3500	4.9400
4.1500	2.4000	9.2500	3.8250	14.3500	4.4400	19.4500	4.9500
4.2500	2.4333	9.3500	3.8500	14.4500	4.4500	19.5500	4.9600
4.3500	2.4667	9.4500	3.8750	14.5500	4.4600	19.6500	4.9700
4.4500	2.5000	9.5500	3.9000	14.6500	4.4700	19.7500	4.9800
4.5500	2.5333	9.6500	3.9250	14.7500	4.4800	19.8500	4.9900
4.6500	2.5667	9.7500	3.9500	14.8500	4.4900	19.9500	5.0000
4.7500	2.6000	9.8500	3.9750	14.9500	4.5000		
4.8500	2.6333	9.9500	4.0000	15.0500	4.5100		
4.9500	2.6667	10.0500	4.0100	15.1500	4.5200		

The Moody's Maximum Weighted Average Rating Factor Test

The "**Moody's Maximum Weighted Average Rating Factor Test**" will be satisfied as at any Measurement Date from (and including) the Effective Date, if the Adjusted Weighted Average Moody's Rating Factor as at such Measurement Date is equal to or less than the lower of (x) 3100, and (y) the sum of (i) the number set forth in the applicable Moody's Test Matrix at the intersection of the applicable "row/column" combination chosen by the Portfolio Manager (or interpolating between the two rows containing the closest values and/or two

adjacent columns (as applicable)), (acting on behalf of the Issuer) as at such Measurement Date plus (ii) the Moody's Weighted Average Recovery Adjustment.

The "**Moody's Weighted Average Rating Factor**" is determined by summing the products obtained by multiplying the Principal Balance of each Collateral Debt Obligation, excluding Defaulted Obligations, by its Moody's Rating Factor, dividing such sum by the Aggregate Principal Balances of all such Collateral Debt Obligations, excluding Defaulted Obligations, and rounding the result down to the nearest whole number.

The "**Moody's Rating Factor**" relating to any Collateral Debt Obligation is the number set forth in the table below opposite the Moody's Default Probability Rating of such Collateral Debt Obligation.

Moody's Default Probability Rating	Moody's Rating Factor	Moody's Default Probability Rating	Moody's Rating Factor
Aaa	1	Ba1	940
Aa1	10	Ba2	1,350
Aa2	20	Ba3	1,766
Aa2	40	B1	2,220
A1	70	B2	2,720
A2	120	B3	3,490
A3	180	Caa1	4,770
Baa1	260	Caa2	6,500
Baa2	360	Caa3	8,070
Baa3	610	Ca or lower	10,000

The "**Moody's Weighted Average Recovery Adjustment**" means, as of any Measurement Date, the greater of:

(a) zero; and

(b) the product of:

(i) (A) the Weighted Average Moody's Recovery Rate as of such Measurement Date multiplied by 100 *minus* (B) 44.25; and

(ii) (A) with respect to the adjustment of the Moody's Maximum Weighted Average Rating Factor Test, 40 if the Weighted Average Spread (expressed as a percentage) is greater than or equal to 2.60 per cent. and less than or equal to 2.80 per cent., 50 if the Weighted Average Spread (expressed as a percentage) is greater than 2.80 per cent. and less than or equal to 3.30 per cent., 60 if the Weighted Average Spread (expressed as a percentage) is greater than 3.30 per cent. and less than or equal to 3.80 per cent. and 80 if the Weighted Average Spread (expressed as a percentage) is greater than 3.80 per cent. and (B) with respect to adjustment of the Minimum Weighted Average Spread, 0.03 per cent. if the Weighted Average Spread (expressed as a percentage) is greater than or equal to 2.80 per cent. and less than or equal to 3.20 per cent., 0.05 per cent. if the Weighted Average Spread (expressed as a percentage) is greater than 3.20 per cent. and less than or equal to 4.00 per cent. and 0.10 per cent. if the Weighted Average Spread (expressed as a percentage) is greater than 4.00 per cent.; provided that if the Weighted Average Moody's Recovery Rate for purposes of determining the Moody's Weighted Average Recovery Adjustment is greater than 60 per cent., then such Weighted Average Moody's Recovery Rate shall equal 60 per cent. unless Rating Agency Confirmation from Moody's is received,

provided further that the amount specified in clause (b)(i) above may only be allocated once on any Measurement Date and the Portfolio Manager shall designate to the Collateral Administrator in writing on each such date the portion of such amount that shall be allocated to clause (b)(ii)(A) and the portion of such amount that shall be allocated to clause (b)(ii)(B) (it being understood that, absent an express designation by the Portfolio Manager, all such amounts shall be allocated to clause (b)(ii)(A)).

"**Adjusted Weighted Average Moody's Rating Factor**" means, as of any Measurement Date, a number equal to the Moody's Weighted Average Rating Factor determined in the following manner: for purposes of determining a Moody's Default Probability Rating, Moody's Rating or Moody's Derived Rating in connection with determining the Moody's Weighted Average Rating Factor for purposes of this definition, the last paragraph of the definition of each of "Moody's Default Probability Rating", "Moody's Rating" and "Moody's Derived Rating" shall be disregarded, and instead each applicable rating on credit watch by Moody's that is on (a) positive watch will be treated as having been upgraded by one rating subcategory, (b) negative watch will be

treated as having been downgraded by two rating subcategories and (c) negative outlook will be treated as having been downgraded by one rating subcategory and rounding the result down to the nearest whole number.

The Moody's Minimum Weighted Average Recovery Rate Test

The "**Moody's Minimum Weighted Average Recovery Rate Test**" will be satisfied, as at any Measurement Date from (and including) the Effective Date, if the Weighted Average Moody's Recovery Rate is greater than or equal to the higher of (x) 35 per cent. and (y) (i) 44.25 per cent. minus (ii) the Moody's Weighted Average Rating Factor Adjustment.

The "**Weighted Average Moody's Recovery Rate**" means, as of any Measurement Date, the number, expressed as a percentage, obtained by summing the products obtained by multiplying the Principal Balance of each Collateral Debt Obligation (excluding Defaulted Obligations) by its corresponding Moody's Recovery Rate and dividing such sum by the Aggregate Principal Balance (excluding Defaulted Obligations) and rounding the result up to the nearest 0.1 per cent.

The "**Moody's Recovery Rate**" is, with respect to any Collateral Debt Obligation, as of any date of determination, the recovery rate determined in accordance with the following, in the following order of priority:

(a) if the Collateral Debt Obligation has been specifically assigned a recovery rate by Moody's (for example, in connection with the assignment by Moody's of an estimated rating), such recovery rate; or

(b) if the preceding clause does not apply to the Collateral Debt Obligation, except with respect to Corporate Rescue Loans, the rate determined pursuant to the table below based on the number of rating subcategories difference between the Collateral Debt Obligation's Moody's Rating and its Moody's Default Probability Rating (for purposes of clarification, if the Moody's Rating is higher than the Moody's Default Probability Rating, the rating subcategories difference will be positive and if it is lower, negative):

Number of Moody's Ratings Subcategories Difference Between the Moody's Rating and the Moody's Default Probability Rating	**Moody's Senior Secured Loans**	**Second Lien Loans**	**Unsecured Senior Loans and Mezzanine Loans**
+2 or more	60.0%	55.0%	45.0%
+1	50.0%	45.0%	35.0%
0	45.0%	35.0%	30.0%
-1	40.0%	25.0%	25.0%
-2	30.0%	15.0%	15.0%
-3 or less	20.0%	5.0%	5.0%

or,

(c) if the Collateral Debt Obligation is a Corporate Rescue Loan (other than a Corporate Rescue Loan which has been specifically assigned a recovery rate by Moody's), 50 per cent.

"**Moody's Senior Secured Loan**" means:

(a) a loan that:

 (i) is not (and cannot by its terms become) subordinate in right of payment to any other debt obligation of the obligor of the loan; other than borrowed money, trade claims, capitalised leases or other similar obligations, or no other obligation of the Obligor has any higher priority security interest in such assets or stock, provided that a revolving loan of the Obligor that, pursuant to its terms, may require one or more advances to be made to the borrower may have a higher priority security interest in such assets or stock in the event of an enforcement in respect of such loan representing up to 15 per cent. of the Obligor's senior debt (or more if Rating Agency Confirmation from Moody's has been obtained);

 (ii) (x) is secured by a valid first priority perfected security interest or lien in, to or on specified collateral securing the obligor's obligations under the loan and (y) such specified collateral does not consist entirely of equity securities or common stock; provided that any loan that

would be considered a Moody's Senior Secured Loan but for clause (y) above shall be considered a Moody's Senior Secured Loan if it is a loan made to a parent entity and as to which the Portfolio Manager determines in good faith that the value of the common stock of the subsidiary (or other equity interests in the subsidiary) securing such loan at or about the time of acquisition of such loan by the Issuer has a value that is at least equal to the outstanding principal balance of such loan and the outstanding principal balances of any other obligations of such parent entity that are *pari passu* with such loan, which value may include, among other things, the enterprise value of such subsidiary of such parent entity; and

(iii) the value of the collateral securing the loan together with other attributes of the obligor (including, without limitation, its general financial condition, ability to generate cash flow available for debt service and other demands for that cash flow) is adequate (in the commercially reasonable judgment of the Portfolio Manager) to repay the loan in accordance with its terms and to repay all other loans of equal seniority secured by a first lien or security interest in the same collateral); and

(b) the loan is not:

(i) a Corporate Rescue Loan; or

(ii) a loan for which the security interest or lien (or the validity or effectiveness thereof) in substantially all of its collateral attaches, becomes effective, or otherwise "springs" into existence after the origination thereof.

The "**Moody's Weighted Average Rating Factor Adjustment**" means an amount, expressed as a percentage, as of any Measurement Date equal to the greater of:

(a) zero; and

(b) the number obtained by dividing:

(i) (A) the number set forth in the applicable Moody's Test Matrix at the intersection of the applicable "row/column" combination chosen by the Portfolio Manager (acting on behalf of the Issuer) (or interpolating between the two rows containing the closest values and/or two adjacent columns (as applicable)), as at such Measurement Date minus (B) the Adjusted Weighted Average Moody's Rating Factor; by

(ii) 75;

and dividing the result by 100.

The Minimum Weighted Average Spread Test

The "**Minimum Weighted Average Spread Test**" will be satisfied if, as at any Measurement Date from (and including) the Effective Date, the Weighted Average Spread as at such Measurement Date *plus* the Weighted Average Coupon Adjustment Percentage as at such Measurement Date equals or exceeds the Minimum Weighted Average Spread as at such Measurement Date.

The "**Minimum Weighted Average Spread**", as of any Measurement Date, means the greater of:

(a) the weighted average spread (expressed as a percentage) applicable to the current S&P Matrix selected by the Portfolio Manager; and

(b) the weighted average spread (expressed as a percentage) applicable to the current Moody's Test Matrix based upon the option chosen by the Portfolio Manager (or interpolating between two adjacent rows and/or two adjacent columns (as applicable)) reduced by the Moody's Weighted Average Recovery Adjustment, provided such reduction may not reduce the Minimum Weighted Average Spread below 2.5 per cent.

The "**Weighted Average Spread**", as of any Measurement Date, is the number obtained by dividing:

(a) the amount equal to (A) the Aggregate Funded Spread *plus* (B) the Aggregate Unfunded Spread *plus* (C) other than in respect of the S&P CDO Monitor Test, the Aggregate Excess Funded Spread (including, in each case, for any Mezzanine Loan, only the required current cash pay interest required by the Underlying Instruments thereon); by

(b) an amount equal to the Aggregate Principal Balance of all Floating Rate Collateral Debt Obligations as of such Measurement Date, and excluding Defaulted Obligations,

in each case adjusted for any withholding tax deducted in respect of the relevant obligation which is neither grossed up nor recoverable under any applicable double tax treaty or otherwise.

The Weighted Average Spread shall be expressed as a percentage and shall be rounded up to the next 0.01 per cent. For the purposes of calculating the Weighted Average Spread, the amount of spread relating to any Collateral Debt Obligation shall exclude any amount in respect of which the Issuer or the Portfolio Manager has actual knowledge that payment will not be made when due by the Obligor thereunder (including, for the avoidance of doubt, any amount of spread that is payable at such Obligor's discretion or that is subject to deferral in accordance with the terms of the applicable Underlying Instruments).

The "**Aggregate Funded Spread**" is, as of any Measurement Date, the sum of:

(a) in the case of each Floating Rate Collateral Debt Obligation (including, for any Mezzanine Loan, only the required current cash pay interest required by the Underlying Instruments thereon, and excluding Non-Euro Obligations, Defaulted Obligations and the unfunded portion of any Delayed Drawdown Collateral Obligation and Revolving Collateral Obligation) that bears interest at a spread over EURIBOR applicable to such Floating Rate Collateral Debt Obligation, (i) the stated interest rate spread on such Collateral Debt Obligation above EURIBOR applicable to such Floating Rate Collateral Debt Obligation multiplied by (ii) the Principal Balance of such Collateral Debt Obligation (excluding the unfunded portion of any Delayed Drawdown Collateral Obligation or Revolving Collateral Obligation);

(b) in the case of each Floating Rate Collateral Debt Obligation (including, for any Mezzanine Loan, only the required current cash pay interest required by the Underlying Instruments thereon, and excluding Non-Euro Obligations, Defaulted Obligations and the unfunded portion of any Delayed Drawdown Collateral Obligation and Revolving Collateral Obligation) that bears interest at a spread over an index other than EURIBOR-based index, (i) the excess of the sum of such spread and such index over EURIBOR with respect to the Rated Notes as of the immediately preceding Interest Determination Date (other than, with respect to the first Measurement Date, the Class A Notes) (which spread or excess may be expressed as a negative percentage) multiplied by (ii) the Principal Balance of each such Collateral Debt Obligation (excluding the unfunded portion of any Delayed Drawdown Collateral Obligation or Revolving Collateral Obligation);

(c) in the case of each Floating Rate Collateral Debt Obligation which is a Non-Euro Obligation (including, for any Mezzanine Loan, only the required current cash pay interest required by the Underlying Instruments thereon, and excluding Defaulted Obligations and the unfunded portion of any Delayed Drawdown Collateral Obligation and Revolving Collateral Obligation) and subject to an Asset Swap Transaction, (i) the stated interest rate spread over EURIBOR payable by the applicable Asset Swap Counterparty to the Issuer under the related Asset Swap Transaction multiplied by (ii) the Principal Balance of such Non-Euro Obligation; and

(d) in the case of each Floating Rate Collateral Debt Obligation which is a Non-Euro Obligation (including, for any Mezzanine Loan, only the required current cash pay interest required by the Underlying Instruments thereon, and excluding Defaulted Obligations and the unfunded portion of any Delayed Drawdown Collateral Obligation and Revolving Collateral Obligation) and which is not subject to an Asset Swap Transaction, the difference between (i) the interest amount payable by the relevant obligor converted to Euro at the applicable Spot Rate of Exchange multiplied by (x) in the case of Non-Euro Obligations denominate in U.S. Dollars, Sterling, Danish Krone, Swiss Frances, Swedish Krona or Norwegian Krone, 0.85; and (y) in the case of Non-Euro Obligations denominated in any other Qualifying Currency, 0.50, and (ii) the product of (x) EURIBOR with respect to the Rated Notes as of the immediately preceding Interest Determination Date (other than, with respect to the first

Measurement Date, the Class A Notes) multiplied by (y) the outstanding Principal Balance of such Non-Euro Obligation.

If a Floating Rate Collateral Debt Obligation is subject to a floor, the spread shall include, if positive (x) the EURIBOR (or such other floating rate of interest) floor value *minus* (y) EURIBOR (or such other floating rate of interest) applicable in respect of such Floating Rate Collateral Debt Obligation on such Measurement Date (*provided that* to the extent the floor is in respect of a Non-Euro Obligation and the floor is not included in the payments made by the Hedge Counterparty to the Issuer, in calculating the amount under paragraph (c) above the additional interest amount in respect of such additional margin shall be determined by applying the Spot Rate (multiplied by (x) in the case of Non-Euro Obligations denominated in U.S. Dollars, Sterling, Danish Krone, Swiss Francs, Swedish Krona or Norwegian Krone, 0.85; and (y) in the case of Non-Euro Obligations denominated in any other Qualifying Currency, 0.50) under paragraph (c)(ii) and not the applicable Asset Swap Transaction Exchange Rate). The "**Aggregate Unfunded Spread**" is, as of any Measurement Date, the sum of the products obtained by multiplying (i) for each Delayed Drawdown Collateral Obligation and Revolving Collateral Obligation (other than Defaulted Obligations), the current per annum rate payable by way of such commitment fee then in effect as of such date and (ii) the undrawn commitments of each such Delayed Drawdown Collateral Obligation and Revolving Collateral Obligation as of such date.

The "**Aggregate Excess Funded Spread**" is, as of any Measurement Date, the amount obtained by multiplying:

(a) the EURIBOR applicable to the Rated Notes (other than, in respect of the Accrual Period ending on the first Payment Date, the Class A Notes) during the Accrual Period in which such Measurement Date occurs; by

(b) the amount (not less than zero) equal to (i) the Aggregate Principal Balance of the Collateral Debt Obligations (excluding for the avoidance of doubt, the principal balance of any Defaulted Obligation) as of such Measurement Date *minus* (ii) the Target Par Amount *minus* (iii) the aggregate amount of Principal Proceeds received from the issuance of additional Notes pursuant to the Trust Deed.

The "**Weighted Average Coupon Adjustment Percentage**" means a percentage equal as of any Measurement Date to a number obtained by multiplying (a) the result of the Weighted Average Fixed Coupon minus the Reference Weighted Average Fixed Coupon by (b) the number obtained by dividing the Aggregate Principal Balance of all Fixed Rate Collateral Debt Obligations by the Aggregate Principal Balance of all Floating Rate Collateral Debt Obligations (in each case excluding Defaulted Obligations and the unfunded portion of any Delayed Drawdown Collateral Debt Obligations and Revolving Obligations), and which product may, for the avoidance of doubt, be negative.

The "**Reference Weighted Average Fixed Coupon**" means, if any of the Collateral Debt Obligations are Fixed Rate Collateral Debt Obligations 5.50 per cent. and otherwise zero per cent.

The "**Weighted Average Fixed Coupon**", as of any Measurement Date, is the number expressed as a percentage obtained by dividing:

(a) the amount equal to the Aggregate Coupon; by

(b) an amount equal to the Aggregate Principal Balance of all Fixed Rate Collateral Debt Obligations as of such Measurement Date,

in each case excluding, for any Mezzanine Loan, any interest that has been deferred and capitalised thereon (other than any such interest capitalised pursuant to the terms thereof which is paid for on the date of acquisition of such Mezzanine Loan) and excluding Defaulted Obligations and the unfunded portion of any Delayed Drawdown Collateral Obligations and Revolving Collateral Obligations and in each case adjusted for any withholding tax deducted in respect of the relevant obligation which is neither grossed up nor recoverable under any applicable double tax treaty and rounding the result up to the nearest 0.01 per cent. For the purposes of calculating the Weighted Average Fixed Coupon, the amount of coupon relating to any Collateral Debt Obligation shall exclude any amount in respect of which the Issuer or the Portfolio Manager has actual knowledge that payment will not be made when due by the Obligor thereunder (including, for the avoidance of doubt, any amount of coupon that is payable at such Obligor's discretion or that is subject to deferral in accordance with the terms of the applicable Underlying Instruments).

The "**Aggregate Coupon**" is, as of any Measurement Date, the sum of (i) with respect to any Fixed Rate Collateral Debt Obligation which is a Non-Euro Obligation and subject to an Asset Swap Transaction, and excluding Defaulted Obligations and the unfunded portion of any Delayed Drawdown Collateral Obligations and Revolving Collateral Obligations, the product of (x) stated coupon on such Non-Euro Obligation expressed as a percentage and (y) the Principal Balance of such Non-Euro Obligation (ii) with respect to any Fixed Rate Collateral Debt Obligation which is a Non-Euro Obligation which is not subject to an Asset Swap Transaction and excluding Defaulted Obligations and the unfunded portion of any Delayed Drawdown Collateral Obligations and Revolving Collateral Obligations, an amount equal to the Euro equivalent of the product of (x) stated coupon on such Collateral Debt Obligation expressed as a percentage and (y) the Principal Balance of such Non-Euro Obligation; and (iii) with respect to all other Fixed Rate Collateral Debt Obligations and excluding Defaulted Obligations and the unfunded portion of any Delayed Drawdown Collateral Obligations and Revolving Collateral Obligations, the sum of the products obtained by multiplying, in the case of each Fixed Rate Collateral Debt Obligation, (x) the stated coupon on such Collateral Debt Obligation expressed as a percentage and (y) the Principal Balance of such Collateral Debt Obligation.

The Weighted Average Life Test

The "**Weighted Average Life Test**" will be satisfied on any Measurement Date if the Weighted Average Life as of such date is less than or equal to the number of years (rounded up to the nearest one hundredth thereof) during the period from such Measurement Date to 22 May 2024.

"**Average Life**" is, on any Measurement Date with respect to any Collateral Debt Obligation, the quotient obtained by dividing (i) the sum of the products of (a) the number of years (rounded to the nearest one hundredth thereof) from such Measurement Date to the respective dates of each successive scheduled distribution of principal of such Collateral Debt Obligation and (b) the respective amounts of principal of such scheduled distributions by (ii) the sum of all successive scheduled distributions of principal on such Collateral Debt Obligation.

"**Weighted Average Life**" is, as of any Measurement Date with respect to all Collateral Debt Obligations other than Defaulted Obligations, the number of years (rounded down to the nearest one hundredth thereof) following such date obtained by summing the products obtained by multiplying (a) the Average Life at such time of each such Collateral Debt Obligation by (b) the Principal Balance of such Collateral Debt Obligation, and dividing such sum by the Aggregate Principal Balance at such time of all Collateral Debt Obligations other than Defaulted Obligations.

Rating Definitions

Moody's Ratings Definitions

"**Moody's Default Probability Rating**" means, with respect to any Collateral Debt Obligation, as of any date of determination, the rating determined in accordance with the following methodology:

(a) if the Obligor of such Collateral Debt Obligation has a CFR, then such CFR;

(b) if not determined pursuant to clause (a) above, if the Obligor of such Collateral Debt Obligation has one or more senior unsecured obligations with an Assigned Moody's Rating, then the Assigned Moody's Rating on such obligation as selected by the Portfolio Manager in its sole discretion;

(c) if not determined pursuant to clauses (a) or (b) above, if the Obligor of such Collateral Debt Obligation has one or more senior secured obligations with an Assigned Moody's Rating, then the Moody's rating that is one subcategory lower than the Assigned Moody's Rating on any such senior secured obligation as selected by the Portfolio Manager in its sole discretion;

(d) if not determined pursuant to clauses (a), (b), or (c) above, if a credit estimate has been assigned to such Collateral Debt Obligation by Moody's upon the request of the Issuer, the Portfolio Manager or an Affiliate of the Portfolio Manager, then the Moody's Default Probability Rating is such credit estimate as long as such rating estimate or a renewal for such rating estimate has been issued or provided by Moody's in each case within the 15 month period preceding the date on which the Moody's Default Probability Rating is being determined; provided that if such rating estimate has been issued or provided by Moody's for a period (x) longer than 13 months but not beyond 15 months, the Moody's

Default Probability Rating will be one subcategory lower than such rating estimate and (y) beyond 15 months, the Moody's Default Probability Rating will be deemed to be "Caa3";

(e) if not determined pursuant to clauses (a), (b), (c) or (d) above, the Moody's Derived Rating; and

(f) if not determined pursuant to clause (a), (b), (c), (d) or (e) above, the Collateral Debt Obligation will be deemed to have a Moody's Default Probability Rating of "Caa3".

For purposes of calculating a Moody's Default Probability Rating, each applicable rating on credit watch by Moody's with positive or negative implication at the time of calculation will be treated, respectively, as having been upgraded or downgraded by one rating subcategory, as the case may be.

"**Assigned Moody's Rating**" means the monitored publicly available rating or the unpublished monitored loan rating or the credit estimate expressly assigned to a debt obligation (or facility) by Moody's.

"**CFR**" means, with respect to an Obligor of a Collateral Debt Obligation, if such Obligor has a corporate family rating by Moody's, then such corporate family rating; provided, if such Obligor does not have a corporate family rating by Moody's but any entity in the Obligor's corporate family does have a corporate family rating, then the CFR is such corporate family rating.

"**Moody's Derived Rating**" means, with respect to a Collateral Debt Obligation whose Moody's Rating or Moody's Default Probability Rating is determined as the Moody's Derived Rating, the rating as determined in the manner set forth below:

(a) with respect to any Corporate Rescue Loan and (solely for purposes of determining the Adjusted Weighted Average Moody's Rating Factor) any Current Pay Obligation, the Moody's Rating or Moody's Default Probability Rating of such Collateral Debt Obligation shall be the rating which is one subcategory below the facility rating (whether public or private) of such Corporate Rescue Loan or Current Pay Obligation, as applicable, rated by Moody's;

(b) if not determined pursuant to clause (a) above, then by using any one of the methods provided below:

(i) pursuant to the table below:

Type of Collateral Debt Obligation	**S&P Rating (Public and Monitored)**	**Collateral Debt Obligation Rated by S&P**	**Number of Subcategories Relative to Moody's Equivalent of S&P Rating**
Not Structured Finance Obligation	≥ "BBB-"	Not a Loan or Participation Interest in Loan	-1
Not Structured Finance Obligation	≤" BB+"	Not a Loan or Participation Interest in Loan	-2
Not Structured Finance Obligation		Loan or Participation Interest in Loan	-2

(ii) if such Collateral Debt Obligation is not rated by S&P but another security or obligation of the obligor has a public and monitored rating by S&P (a "parallel security"), then the rating of such parallel security will at the election of the Portfolio Manager be determined in accordance with the table set forth in sub-clause (b)(i) above, and the Moody's Derived Rating for purposes of the definitions of Moody's Rating and Moody's Default Probability Rating (as applicable) of such Collateral Debt Obligation will be determined in accordance with the methodology set forth in the following table (for such purposes treating the parallel security as if it were rated by Moody's at the rating determined pursuant to this sub-clause (b)(ii)):

Obligation Category of parallel security	**Rating of parallel security**	**Number of subcategories relative to rated security rating**
Senior secured obligation	greater than or equal to B2	-1
Senior secured obligation	less than B2	-2
Subordinated obligation	greater than or equal to B3	+1
Subordinated obligation	less than B3	0

(iii) or, if such Collateral Debt Obligation is a Corporate Rescue Loan, no Moody's Derived Rating may be determined based on a rating by S&P or any other rating agency; and

(c) if not determined pursuant to clauses (a) or (b) above and such Collateral Debt Obligation is not rated by Moody's or S&P and no other security or obligation of the issuer of such Collateral Debt Obligation is rated by Moody's or S&P, and if Moody's has been requested by the Issuer, the Portfolio Manager or the issuer of such Collateral Debt Obligation to assign a rating or rating estimate with respect to such Collateral Debt Obligation but such rating or rating estimate has not been received, pending receipt of such estimate, the Moody's Derived Rating of such Collateral Debt Obligation for purposes of the definitions of Moody's Rating or Moody's Default Probability Rating shall be (i) "B3" if the Portfolio Manager certifies to the Trustee and the Collateral Administrator that the Portfolio Manager believes that such estimate shall be at least "B3" and if the Aggregate Principal Balance of Collateral Debt Obligations determined pursuant to this clause (c) and clause (a) above does not exceed 5 per cent. of the Aggregate Collateral Balance or (ii) otherwise, "Caa2".

For purposes of calculating a Moody's Derived Rating, each applicable rating on credit watch by Moody's with positive or negative implication at the time of calculation will be treated as having been upgraded or downgraded by one rating subcategory, as the case may be.

"**Moody's Rating**" means:

(a) with respect to a Collateral Debt Obligation that is a Secured Senior Loan:

(i) if such Collateral Debt Obligation has an Assigned Moody's Rating, such Assigned Moody's Rating;

(ii) if such Collateral Debt Obligation does not have an Assigned Moody's Rating but the Obligor of such Collateral Debt Obligation has a CFR, then the Moody's rating that is one subcategory higher than such CFR;

(iii) if neither clause (i) nor (ii) above apply, if the Obligor of such Collateral Debt Obligation has one or more senior unsecured obligations with an Assigned Moody's Rating, then the Moody's rating that is two subcategories higher than the Assigned Moody's Rating on any such obligation as selected by the Portfolio Manager in its sole discretion;

(iv) if none of clauses (i) through (iii) above apply, at the election of the Portfolio Manager, the Moody's Derived Rating; and

(v) if none of clauses (i) through (iv) above apply, the Collateral Debt Obligation will be deemed to have a Moody's Rating of "Caa3"; and

(b) with respect to a Collateral Debt Obligation other than a Secured Senior Loan:

(i) if such Collateral Debt Obligation has an Assigned Moody's Rating, such Assigned Moody's Rating;

(ii) if such Collateral Debt Obligation does not have an Assigned Moody's Rating but the Obligor of such Collateral Debt Obligation has one or more senior unsecured obligations with an Assigned Moody's Rating, then the Assigned Moody's Rating on any such obligation as selected by the Portfolio Manager in its sole discretion;

(iii) if neither clause (i) nor (ii) above apply, if such Collateral Debt Obligation does not have an Assigned Moody's Rating but the Obligor of such Collateral Debt Obligation has a CFR, then the Moody's rating that is one subcategory lower than such CFR;

(iv) if none of clauses (i), (ii) or (iii) above apply, if such Collateral Debt Obligation does not have an Assigned Moody's Rating but the Obligor of such Collateral Debt Obligation has one or more subordinated debt obligations with an Assigned Moody's Rating, then the Moody's rating that is one subcategory higher than the Assigned Moody's Rating on any such obligation as selected by the Portfolio Manager in its sole discretion;

(v) if none of clauses (i) through (iv) above apply, at the election of the Portfolio Manager, the Moody's Derived Rating; and

(vi) if none of clauses (i) through (v) above apply, the Collateral Debt Obligation will be deemed to have a Moody's Rating of "Caa3".

For purposes of calculating a Moody's Rating, each applicable rating on credit watch by Moody's with positive or negative implication at the time of calculation will be treated as having been upgraded or downgraded by one rating subcategory, as the case may be.

S&P Ratings Definitions

"**Information**" means S&P's "Credit Estimate Information Requirements" dated April 2011 and any other available information S&P reasonably requests in order to produce a credit estimate for a particular asset.

"**S&P Rating**" means, with respect to any Collateral Debt Obligation, as of any date of determination, the rating determined in accordance with the following methodology:

(a) if there is an S&P Issuer Credit Rating of the issuer of such Collateral Debt Obligation by S&P as published by S&P, or the guarantor which unconditionally and irrevocably guarantees such Collateral Debt Obligation pursuant to a form of guarantee approved by S&P for use in connection with this transaction, then the S&P Rating shall be such rating (regardless of whether there is a published rating by S&P on the Collateral Debt Obligations of such issuer held by the Issuer, *provided that* private ratings (that is, ratings provided at the request of the Obligor) may be used for purposes of this definition if the related Obligor has consented to the disclosure thereof and a copy of such consent has been provided to S&P);

(b) if there is no S&P Issuer Credit Rating of the issuer or guarantor by S&P but,

(i) there is a senior secured rating on any obligation or security of the issuer, then the S&P Rating of such Collateral Debt Obligation shall be one sub-category below such rating;

(ii) if clause (i) above does not apply, but there is a senior unsecured rating on any obligation or security of the issuer, the S&P Rating of such Collateral Debt Obligation shall equal such rating; and

(iii) if neither clause (i) nor clause (ii) above applies, but there is a subordinated rating on any obligation or security of the issuer, then the S&P Rating of such Collateral Debt Obligation shall be one sub-category above such rating;

(c) with respect to any Collateral Debt Obligation that is a Current Pay Obligation, the S&P Rating applicable to such obligation shall be the issue level rating thereof and if there is no such issue level rating, the S&P Rating applicable to such Current Pay Obligation shall be "CCC-";

(d) with respect to any Collateral Debt Obligation that is a Corporate Rescue Loan:

(i) falling within paragraph (a) of the definition of Corporate Rescue Loan, and if (x) S&P has assigned a public rating to such Corporate Rescue Loan, the S&P Rating for such Corporate Rescue Loan shall be such public rating; or

(ii) falling within paragraph (b) of the definition of Corporate Rescue Loan, and if S&P has assigned an S&P Issuer Credit Rating or credit estimate to such Corporate Rescue Loan, the S&P Rating for such Corporate Rescue Loan shall be such S&P Issuer Credit Rating or credit estimate; or

(iii) upon application by the Issuer (or the Portfolio Manager on behalf of the Issuer) to S&P for a credit estimate, the applicable Corporate Rescue Loan shall be deemed to have an S&P Rating of "D"; and

(e) if there is not a rating by S&P on the issuer or on an obligation of the issuer, then the S&P Rating may be determined (other than in the case of Corporate Rescue Loans) pursuant to paragraphs (i) and (ii) below:

(i) if an obligation of the issuer is not a Corporate Rescue Loan and is publicly rated by Moody's Investors Services, Inc. and any successor or successors thereto ("**Moody's**"), then the S&P

Rating will be determined in accordance with the methodologies for establishing the S&P Rating set forth above except that the S&P Rating of such obligation will be (1) one sub-category below the S&P equivalent of the Moody's rating if such Moody's rating is "Baa3" or higher and (2) two sub-categories below the S&P equivalent of the Moody's rating if such Moody's rating is "Ba1" or lower; *provided that* in each case, the S&P Rating will be a further sub-category below the S&P equivalent of the Moody's rating of the applicable obligation if the relevant Moody's rating is on "credit watch negative" by Moody's; *provided further that*, the S&P Rating shall not be determined pursuant to this paragraph (e)(i) in respect of any Collateral Debt Obligation, if doing so would result in the Aggregate Principal Balance of Collateral Debt Obligations for which S&P Ratings have been determined pursuant to this paragraph (e)(i) exceeding 15 per cent. of the Aggregate Collateral Balance at the relevant time (where, for the purposes of determining the Aggregate Collateral Balance, the Principal Balance of each Defaulted Obligation shall be equal to its S&P Collateral Value); and

(ii) the S&P Rating may be based on a credit estimate provided by S&P, and in connection therewith, the Issuer, the Portfolio Manager on behalf of the Issuer or the issuer of such Collateral Debt Obligation shall, prior to or within 30 days after the acquisition of such Collateral Debt Obligation, apply (and concurrently submit all available information in respect of such application) to S&P for a credit estimate which shall be its S&P Rating; *provided that*, if such information is submitted within such 30 day period, then, for a period of up to 90 days after acquisition of such Collateral Debt Obligation by the Issuer and pending receipt from S&P of such estimate, such Collateral Debt Obligation shall have an S&P Rating as determined by the Portfolio Manager in its sole discretion if (A) the Portfolio Manager certifies to the Trustee and the Collateral Administrator that it believes that such S&P Rating determined by the Portfolio Manager is commercially reasonable and that the S&P Rating, will be at least equal to such rating and (B) the Aggregate Principal Balance of the Collateral Debt Obligations subject to a S&P Rating determined by the Portfolio Manager in accordance with (A) does not exceed 5 per cent. of the Aggregate Collateral Balance (for such purpose the Principal Balance of all Defaulted Obligations shall be their S&P Collateral Value); *provided further that*: (x) if such information is not submitted within such 30 day period and (y) following the end of the 90-day period set forth above, pending receipt from S&P of such estimate, the Collateral Debt Obligation shall have an S&P Rating of "CCC-"; unless, in the case of clause (y) above, during such 90-day period, the Portfolio Manager has requested the extension of such period and S&P, in its sole discretion, has granted such request; *provided further that*; if the Collateral Debt Obligation has had a public rating by S&P that S&P has withdrawn or suspended within six months prior to the date of such application for a credit estimate in respect of such Collateral Debt Obligation, the S&P Rating in respect thereof shall be "CCC-" pending receipt from S&P of such estimate, and S&P may elect not to provide such estimate until a period of six months have elapsed after the withdrawal or suspension of the public rating; *provided further that*, such credit estimate shall expire 12 months after the acquisition of such Collateral Debt Obligation, following which such Collateral Debt Obligation shall have an S&P Rating of "CCC-" unless, during such 12 month period, the Issuer (or the Portfolio Manager acting on behalf of the Issuer) applies for renewal thereof in accordance with the Portfolio Management Agreement in which case such credit estimate shall continue to be the S&P Rating of such Collateral Debt Obligation until S&P has confirmed or revised such credit estimate, upon which such confirmed or revised credit estimate shall be the S&P Rating of such Collateral Debt Obligation; *provided further that*, such confirmed or revised credit estimate shall expire on the next succeeding 12-month anniversary of the date of the acquisition of such Collateral Debt Obligation and (when renewed annually in accordance with the Portfolio Management Agreement) on each 12-month anniversary thereafter,

provided that for purposes of the determination of the S&P Rating, (x) if the applicable rating assigned by S&P to an Obligor or its obligations is on "credit watch positive" by S&P, such rating will be treated as being one sub-category above such assigned rating, (y) if the applicable rating assigned by S&P to an Obligor or its obligations is on "credit watch negative" by S&P, such rating will be treated as being one sub-category below such assigned rating and (z) only ratings assigned on the basis of ongoing surveillance will be applicable for the purposes of this definition.

The Coverage Tests

The coverage tests (the "**Coverage Tests**") will consist of the Class A/B Par Value Test, the Class C Par Value Test, the Class D Par Value Test, the Class E Par Value Test and the Class F Par Value Test (each, a "**Par Value Test**" and as defined in the Conditions of the Notes) and the Class A/B Interest Coverage Test, the Class C Interest Coverage Test, the Class D Interest Coverage Test and the Class E Interest Coverage Test (each, an "**Interest Coverage Test**" and as defined in the Conditions of the Notes). The Coverage Tests will be used primarily to determine whether interest may be paid on the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Subordinated Notes and whether Principal Proceeds may be reinvested in Substitute Collateral Debt Obligations, or whether Interest Proceeds and, to the extent needed, Principal Proceeds in the event of failure to satisfy the Class A/B Coverage Tests must instead be used to pay principal of the Class A Notes and, after redemption in full thereof, principal of the Class B Notes or, in the event of failure to satisfy the Class C Coverage Tests, to pay principal of the Class A Notes and, after redemption in full thereof, principal of the Class B Notes and, after redemption in full thereof, principal of the Class C Notes or, in the event of failure to satisfy the Class D Coverage Tests, to pay principal of the Class A Notes and, after redemption in full thereof, principal of the Class B Notes and, after redemption in full thereof, principal of the Class C Notes and, after redemption in full thereof, principal of the Class D Notes or, in the event of failure to satisfy the Class E Coverage Tests, to pay principal of the Class A Notes and, after redemption in full thereof, principal of the Class B Notes and, after redemption in full thereof, principal of the Class C Notes and, after redemption in full thereof, principal of the Class D Notes and, after redemption in full thereof, principal of the Class E Notes or, in the event of failure to satisfy the Class F Par Value Test, to pay principal of the Class A Notes and, after redemption in full thereof, principal of the Class B Notes, and, after redemption in full thereof, principal of the Class C Notes and, after redemption in full thereof, principal of the Class D Notes and, after redemption in full thereof, principal of the Class E Notes and, after redemption in full thereof, principal of the Class F Notes, in each case to the extent necessary to cause the Coverage Tests relating to the relevant Class of Notes to be met.

Each of the Class A/B Par Value Test, the Class A/B Interest Coverage Test, the Class C Par Value Test, the Class C Interest Coverage Test, the Class D Par Value Test, the Class D Interest Coverage Test, the Class E Par Value Test, the Class E Interest Coverage Test and the Class F Par Value Test, shall be satisfied on a Measurement Date if the corresponding Par Value Ratio or Interest Coverage Ratio (as the case may be) is at least equal to the percentage specified in the table below in relation to that Coverage Test.

Class	Required Interest Coverage Ratio	Required Par Value Ratio
A/B	120.0%	129.9%
C	115.0%	121.2%
D	110.0%	114.1%
E	105.0%	106.7%
F	N/A	103.8%

Additional Reinvestment Test

The "**Additional Reinvestment Test**" means the test which will apply as of any Measurement Date on or after the Effective Date during the Reinvestment Period and which will be satisfied on such Measurement Date if the Class F Par Value Ratio is at least 104.8 per cent.

DESCRIPTION OF THE PORTFOLIO MANAGEMENT AGREEMENT

The following description of the Portfolio Management Agreement consists of a summary of certain provisions of the Portfolio Management Agreement which does not purport to be complete and is qualified by reference to the detailed provisions of such agreement. Capitalised terms used in this section and not defined in this Prospectus shall have the meaning given to them in the Portfolio Management Agreement.

The Portfolio Management functions described herein will be performed by the Portfolio Manager pursuant to authority granted to the Portfolio Manager by the Issuer under the Portfolio Management Agreement, subject to the overall discretion of the Issuer. The Portfolio Management Agreement contains procedures whereby any recommendation made by the Portfolio Manager to the Collateral Administrator (as agent on behalf of the Issuer) in relation to the acquisition, disposal, reinvestment and management of the Portfolio may be subject to a determination, in respect of certain matters, and confirmation in respect thereof being given by the Collateral Administrator and approval by the Trustee. Pursuant to the Portfolio Management Agreement, the Issuer has delegated and may delegate authority to the Portfolio Manager to carry out certain functions in relation to the Portfolio and the hedging arrangements without the requirement for specific approval by the Issuer, the Collateral Administrator or the Trustee.

The Portfolio Manager has agreed to perform the portfolio management and related functions described herein.

Fees

Subject to the Priorities of Payment, the Portfolio Manager shall be paid a Senior Portfolio Management Fee and a Subordinated Portfolio Management Fee on each Payment Date up to the Maturity Date (or, if earlier, the date upon which the Notes are to be redeemed in full). The Senior Portfolio Management Fee shall be equal to 0.15 per cent. per annum of the Average Aggregate Collateral Balance calculated quarterly (or, following the occurrence of a Frequency Switch Event, semi-annually) in respect of each Due Period, and in each case, on the basis of a 360-day year comprising twelve 30-day months (*provided that* for such purpose the Principal Balance of each Defaulted Obligation shall be the lesser of its Moody's Collateral Value and its S&P Collateral Value). The Subordinated Portfolio Management Fee shall be equal to 0.35 per cent. per annum of the Average Aggregate Collateral Balance calculated quarterly (or, following the occurrence of a Frequency Switch Event, semi-annually) in respect of each Due Period, and in each case, on the basis of a 360-day year comprising twelve 30-day months (*provided that* for such purpose the Principal Balance of each Defaulted Obligation shall be the lesser of its Moody's Collateral Value and its S&P Collateral Value). Any VAT in respect of the Senior Portfolio Management Fee or the Subordinated Portfolio Management Fee (whether payable to the Portfolio Manager or directly to the relevant tax authority) shall be paid in the priority level as set forth in the Priorities of Payment. Any amounts of due but unpaid Subordinated Portfolio Management Fees shall bear interest in accordance with the Portfolio Management Agreement.

In addition to the above, the Portfolio Manager shall be paid a performance related fee, the "**Incentive Management Fee**". The Incentive Management Fee is due and payable to the Portfolio Manager on the first Payment Date on which the Subordinated Noteholders receive an amount equal to the Incentive Management Fee IRR Threshold and on each Payment Date thereafter and is equal to 20 per cent. of the cashflow, if any, available for payment to the Subordinated Noteholders in accordance with the Interest Proceeds Priority of Payments, the Principal Proceeds Priority of Payments and the Post-Acceleration Priority of Payments.

The Portfolio Manager may, in accordance with the Interest Proceeds Priority of Payments, the Principal Proceeds Priority of Payments and the Portfolio Management Agreement, elect to defer all or part of its Subordinated Portfolio Management Fee that would otherwise be due and payable on any Payment Date. Any Deferred Subordinated Portfolio Manager Amounts shall be applied in accordance with the Priorities of Payment, subject to the Portfolio Manager having notified the Collateral Administrator in writing not later than one Business Day prior to the relevant Determination Date of any amounts to be so applied. For the avoidance of doubt, any Subordinated Portfolio Management Fee not paid (including any Deferred Subordinated Portfolio Manager Amounts) on the Payment Date on which it is due will be added to the Subordinated Portfolio Management Fee (or applicable) payable on the next occurring Payment Date and shall bear interest at a rate equal to EURIBOR, calculated on the basis of the number of days for which such fees are due but unpaid divided by 360.

In the event that a successor portfolio manager is appointed in accordance with the Portfolio Management Agreement, no compensation payable to such a successor portfolio manager shall be greater than that paid to the Portfolio Manager without the prior consent of the Controlling Class and the Subordinated Noteholders, in each

case acting by Ordinary Resolution (and excluding any Notes held by the Portfolio Manager and any Portfolio Manager Related Person or successor portfolio manager (and any Affiliates)) and subject to Rating Agency Confirmation.

Cross Transactions and Affiliate Transactions

The Portfolio Manager, on behalf of the Issuer, may conduct principal trades with itself and its Affiliates subject to applicable law. In addition, the Portfolio Manager and its Affiliates will be authorised to engage in certain cross transactions, including "agency cross" transactions (i.e. transactions in which either the Portfolio Manager or one of its Affiliates or another person acts as a broker for both the Issuer and another person on the other side of the same transaction, which person may be an account or client for which the Portfolio Manager or any Affiliate serves as investment adviser). The Issuer has agreed to permit cross transactions; *provided that* such consent can be revoked at any time by the Issuer and to the extent that the Issuer's consent with respect to any particular cross transaction is required by applicable law. By purchasing a Note, a holder shall be deemed to have consented to the procedures described herein relating to cross transactions and principal transactions. The Portfolio Manager or its Affiliates may receive commissions from, and have a potentially conflicting division of loyalties and responsibilities regarding, both parties to any such principal transaction or cross transactions. See "*Risk Factors—Certain conflicts of interest regarding the Portfolio Manager, the Joint Placement Agents and the Joint Arrangers*".

The Portfolio Manager may also conduct transactions for its own account, for the account of its Affiliates, for the account of the Issuer or for the accounts of third parties and will endeavour to resolve conflicts with respect to investment opportunities arising therefrom in a manner that it deems equitable to the extent possible under the prevailing facts and circumstances and applicable law as disclosed under "*Risk Factors—Certain conflicts of interest regarding the Portfolio Manager, the Joint Placement Agents and the Joint Arrangers*". Without limiting the foregoing but subject to compliance with the Portfolio Manager's best execution policy and acquisition standards, the Portfolio Manager, on behalf of and for the account of the Issuer, may sell Collateral Debt Obligations to, or buy Collateral Debt Obligations from, the Portfolio Manager, any Affiliate of the Portfolio Manager, or any fund managed by the Portfolio Manager (some or all of which Affiliates or funds may be owned in part by principals, partners, members, directors, managers, managing directors, officers, employees, agents or Affiliates of the Portfolio Manager) in transactions in which the Portfolio Manager, an Affiliate or such fund acts as principal on the other side of the transaction from the Issuer and buys or sells the Collateral Debt Obligations for its own account, *provided that* such affiliate transactions shall be made in accordance with the procedures set forth in the Portfolio Management Agreement.

Standard of Care of the Portfolio Manager

Pursuant to the Portfolio Management Agreement, the Portfolio Manager will agree with the Issuer that it will perform its obligations, duties and discretions and take any actions under the Portfolio Management Agreement, the Trust Deed and the Transaction Documents (to the extent that it is a party thereto) with reasonable care and in good faith, in a manner consistent with practices and procedures followed by reputable institutional portfolio managers of international standing relating to assets of the nature and character of the Collateral (the "**Standard of Care**"). The Standard of Care may change from time to time to reflect changes by the Portfolio Manager to its customary and usual administrative policies and procedures *provided that* such policies and procedures are at least as rigorous as the foregoing. To the extent not inconsistent with the Standard of Care, the Portfolio Manager will follow its customary and usual administrative and responsible investment policies and procedures in performing its duties under the Portfolio Management Agreement.

Responsibilities of the Portfolio Manager, Indemnities

The Portfolio Manager, its directors, officers, shareholders, members, employees and agents and its Affiliates and their directors, officers, shareholders, members, employees and agents will not be liable in contract or tort to the Issuer, the Trustee, the holders of the Notes or any other person for any losses, claims, damages, judgments, assessments, costs, taxes or other liabilities (including legal fees and any irrecoverable VAT or similar tax charged or chargeable in respect of any of the foregoing) (collectively, "**Liabilities**") incurred as a result of the actions or inaction taken by the Portfolio Manager, the Issuer, the Trustee, the holders of the Notes or any other person that arise out of any or in connection with the performance by the Portfolio Manager of its duties under the Portfolio Management Agreement, except (a) by reason of acts or omissions constituting bad faith, fraud, wilful misconduct or negligence in the performance, or reckless disregard, of its obligations under the express terms of the Portfolio Management Agreement or (b) with respect to the information concerning the Portfolio Manager provided in writing by the Portfolio Manager for inclusion in the Prospectus if such information

contains any untrue or fraudulent statement of material fact or omits to state a material fact necessary in order to make the statements contained in the sections headed "*Description of the Portfolio Manager*", "*Risk Factors—Certain conflicts of interest regarding the Portfolio Manager, the Joint Placement Agents and the Joint Arrangers*" as it relates to the Portfolio Manager, "*Risk Factors—The Portfolio Manager*" and "*The Retention Holder and Retention Requirements—Description of the Retention Holder*" of this Prospectus in light of the circumstances under which they were made, not misleading (each a "**Portfolio Manager Breach**", and together, "**Portfolio Manager Breaches**"). The Portfolio Manager (any Affiliates of the Portfolio Manager, and their directors, officers, employees and agents) will be entitled to indemnification by the Issuer from and against any Liabilities incurred by such party which will be payable in accordance with the Priorities of Payment, in addition, the Issuer will reimburse each such party for all reasonable fees and expenses (including reasonable fees and expenses of legal counsel) incurred in investigating, preparing, pursuing 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, inter alia the issuance of the Notes, the transactions contemplated by this Prospectus or the Portfolio Management Agreement or other Transaction Documents (in each case save to the extent caused by a Portfolio Manager Breach or any tax imposed on or calculated by reference to the net income, profits or gains of each such party). The Portfolio Manager shall indemnify the Issuer and the Trustee in respect of any Portfolio Manager Breaches.

In no event will the Portfolio Manager be liable for special, indirect or consequential or other punitive loss or damage.

The Portfolio Manager will also be entitled to indemnification by the Issuer against any liability of the Issuer to UK corporation tax or diverted profits tax which is imposed upon the Portfolio Manager as the Issuer's UK tax representative (or, if within 30 days of the date on which all the then outstanding Notes are due to redeem HM Revenue & Customs has indicated that the Issuer is likely to be subject to diverted profits tax for which the Portfolio Manager has been advised that it would be liable were it not paid by the Issuer, against the amount of diverted profits tax which HM Revenue & Customs has claimed or otherwise that the Portfolio Manager has been advised would fall due), and for any costs or expenses reasonably incurred by the Portfolio Manager in connection therewith.

Resignation of the Portfolio Manager

The Portfolio Manager may resign with or without cause upon at least 90 days' prior written notice to the Issuer, the Trustee, the Noteholders (in accordance with the Conditions), each Hedge Counterparty and each Rating Agency (without giving reason and without being responsible for any Liabilities resulting from such resignation). The Portfolio Manager may resign its appointment hereunder upon shorter notice whether or not a replacement Portfolio Manager has been appointed where there is a change in law or the application of any applicable law which makes it illegal for the Portfolio Manager to carry on its duties under the Portfolio Management Agreement.

No Voting Rights

Notes held in the form of PM Non-Voting Notes or PM Non-Voting Exchangeable Notes shall not have any voting rights in respect of, and shall not be counted for the purposes of determining a quorum and the result of voting on any PM Removal Resolution or any PM Replacement Resolution (but shall carry a right to vote and be so counted on all other matters in respect of which the PM Voting Notes have a right to vote and be counted).

Any Notes held by or on behalf of the Portfolio Manager or any Portfolio Manager Related Person will have no voting rights with respect to any vote (or written direction or consent) in connection with the removal of the Portfolio Manager, the appointment of a successor Portfolio Manager or with respect to the assignment, transfer, or delegation by the Portfolio Manager of its obligations under the Portfolio Management Agreement and will be deemed not to be Outstanding in connection with any such vote, *provided, however, that* any Notes held by the Portfolio Manager or any Portfolio Manager Related Person will have voting rights (including in respect of written directions and consents) with respect to all other matters as to which Noteholders are entitled to vote.

Assignments, Transfers and Delegation

The Portfolio Manager may not assign, transfer or delegate its material rights or material responsibilities under the Portfolio Management Agreement (i) without the written consent of: (A) the Issuer (such consent not to be unreasonably withheld); (B) the holders of the Controlling Class acting by Ordinary Resolution; and (C) the holders of the Subordinated Notes acting by Ordinary Resolution, in each case excluding the Notes held by the

Portfolio Manager or any Portfolio Manager Related Person, (ii) without Rating Agency Confirmation being obtained by the Issuer with respect to such assignment, transfer or delegation; (iii) unless such assignee, transferee or delegate has the requisite regulatory capacity; and (iv) unless such assignment, transfer or delegation will not result in the Retention Requirements ceasing to be complied with and following such assignment, transfer or delegation the Retention Requirements continue to be complied with or, if such transferee, assignee or delegate is to retain the Notes subject to and in accordance with the Retention Requirements, such transferee, assignee or delegate enters into an agreement on substantially the same terms as the Retention Requirements to acquire the Retention on and from the date of such transfer, assignment or delegation; provided, that, to the extent permitted by the Portfolio Management Agreement, the consent set out in (i) above and the Rating Agency Confirmation set out in (ii) above shall not be required in the case of a Permitted Assignee. A "**Permitted Assignee**", for the purposes of the Portfolio Management Agreement, means an Affiliate of the Portfolio Manager that (i) is legally qualified and has the regulatory capacity to act as Portfolio Manager under the Portfolio Management Agreement; and (ii) employs the principal personnel performing the duties required under the Portfolio Management Agreement prior to such assignment.

The Issuer may not assign or transfer its rights or obligations under the Portfolio Management Agreement without the prior written consent of the Portfolio Manager, the Trustee, the holders of each Class of Notes acting by Ordinary Resolution, each voting as a separate class, and subject to Rating Agency Confirmation and to such transferee or assignee having the requisite Irish regulatory capacity, except in the case of an assignment or transfer by the Issuer (i) to an entity that is a successor to the Issuer permitted under the Trust Deed or (ii) to the Trustee.

The Portfolio Manager, without the prior consent of the Issuer, any Noteholder, or the Trustee, may employ third parties, including its Affiliates, to render asset management services (including investment advice) and assistance in connection with its obligations under the Portfolio Management Agreement; *provided that* any such party has the necessary regulatory capacity to provide such services. In the event of such delegations, the Portfolio Manager shall not be relieved of any of its duties or liabilities arising under the Portfolio Management Agreement regardless of the performance of any services by third parties.

Removal – Portfolio Manager Event of Default

The Portfolio Manager may be removed upon the occurrence of a Portfolio Manager Event of Default (excluding paragraph (viii) of the definition thereof) upon 30 days' prior written notice (or in the case of a Portfolio Manager Event of Default pursuant to paragraph (vi) of the definition thereof, immediately upon written notice being delivered) to the Portfolio Manager by the Trustee (who shall notify each Hedge Counterparty) acting upon the instructions of an Ordinary Resolution of the Class A Noteholders (or, if the Class A Notes are held entirely in the form of PM Non-Voting Notes or PM Non-Voting Exchangeable Notes or by or on behalf of the Portfolio Manager or any Portfolio Manager Related Person, by an Ordinary Resolution of the next Class of Notes ranking immediately behind such Class that is not comprised entirely of Notes held in the form of PM Non-Voting Notes or PM Non-Voting Exchangeable Notes or by or on behalf of the Portfolio Manager or any Portfolio Manager Related Person), or upon redemption in full of the Class A Notes, the instructions of an Ordinary Resolution of the holders of each Class of Notes (acting independently (excluding any such Class held entirely in the form of PM Non-Voting Notes or PM Non-Voting Exchangeable Notes or by or on behalf of the Portfolio Manager or any Portfolio Manager Related Person)), or by the Issuer (in its own discretion). In determining whether the holders of the requisite percentage of Notes have given any such direction, notice or consent, Notes owned by the Portfolio Manager or any Portfolio Manager Related Person or held in the form of PM Non-Voting Notes or PM Non-Voting Exchangeable Notes shall be disregarded and deemed not to be Outstanding. If a Portfolio Manager Event of Default (other than a Portfolio Manager Event of Default pursuant to paragraph (viii) of the definition thereof) occurs, the Portfolio Manager shall promptly give written notice thereof to the Issuer, the Trustee, the Collateral Administrator, each Rating Agency, each Hedge Counterparty and the Noteholders upon the Portfolio Manager becoming aware of such event.

Upon notice of removal or resignation of the Portfolio Manager

In the event that the Portfolio Manager has received notice that it will be removed or has given notice of its resignation, until a successor Portfolio Manager has been appointed and has accepted such appointment in accordance with the terms specified in the Portfolio Management Agreement, purchases and sales of Collateral Debt Obligations shall be only be made in relation to sale of Credit Impaired Obligations and Defaulted Obligations.

Replacement Portfolio Manager

Notwithstanding the foregoing, no termination, resignation or removal of the Portfolio Manager (except in circumstances where it has become illegal for the Portfolio Manager to carry on any of its duties under the Portfolio Management Agreement) shall be effective unless and until a replacement Portfolio Manager has agreed to assume all the duties and obligations arising out of the Portfolio Management Agreement and the Trust Deed, in accordance with the terms and conditions of the Portfolio Management Agreement and Rating Agency Confirmation has been received in respect thereof.

Upon any such removal or resignation of the Portfolio Manager or upon termination of the Portfolio Management Agreement while any of the Notes are outstanding, the Issuer shall appoint a successor portfolio manager which: (a) has demonstrated an ability to professionally and competently perform duties similar to those imposed upon the Portfolio Manager under the Portfolio Management Agreement, (b) is legally qualified and has the capacity to act as portfolio manager under the Portfolio Management Agreement, as successor to the Portfolio Manager in the assumption of all of the responsibilities, duties and obligations of the Portfolio Manager thereunder, (c) shall not cause the Issuer to be, or deemed to be, resident for tax purposes or be engaged, or deemed to be engaged, in the conduct of a trade or business or to otherwise become subject to tax in any jurisdiction other than in Ireland, (d) will not cause the Issuer or the pool of Collateral to become required to register under the provisions of the Investment Company Act; (e) in respect of which such appointment has received Rating Agency Confirmation, and (f) will not result in the Retention Requirements ceasing to be complied with and, following such appointment of a successor portfolio manager, will result in the Retention Requirements continuing to be complied with or, if such successor appointee is to retain the Notes subject to and in accordance with the Retention Requirements, enters into an agreement on substantially the same terms as the Retention Requirements to acquire the Retention on and from the date of such appointment. The Issuer shall appoint any substitute portfolio manager that satisfies the foregoing tests and is proposed by the holders of the Subordinated Notes acting by way of Ordinary Resolution, *provided that* the holders of the Controlling Class acting by way of Ordinary Resolution (or, if the Controlling Class is comprised entirely of Notes held in the form of PM Non-Voting Notes and/or PM Non-Voting Exchangeable Notes or by or on behalf of the Portfolio Manager or any Portfolio Manager Related Person, by an Ordinary Resolution of the next Class of Notes ranking immediately behind the Controlling Class that is not comprised entirely of Notes held in the form of PM Non-Voting Notes and/or PM Non-Voting Exchangeable Notes or entirely by or on behalf of the Portfolio Manager or any Portfolio Manager Related Person) do not reject the appointment of such substitute portfolio manager within 30 days of such appointment, failing which the Trustee shall, acting on the instructions of the Controlling Class acting by way Ordinary Resolution (or, if the Controlling Class is comprised entirely of Notes entirely held in the form of PM Non-Voting Notes and/or PM Non-Voting Exchangeable Notes or by or on behalf of the Portfolio Manager or any Portfolio Manager Related Person, by an Ordinary Resolution of the next Class of Notes ranking immediately behind the Controlling Class that is not comprised entirely of Notes held in the form of PM Non-Voting Notes and/or PM Non-Voting Exchangeable Notes or by or on behalf of the Portfolio Manager or any Portfolio Manager Related Person) appoint a successor portfolio manager on behalf of the Issuer (and shall incur no liability for failing to so appoint a portfolio manager) in each case, subject to the requirements relating to any successor Portfolio Manager in paragraphs (a) to (f) above. Where in such circumstances the Trustee fails to appoint a successor, the holders of the Controlling Class, acting by Ordinary Resolution (or, if the Controlling Class is comprised entirely of Notes held in the form of PM Non-Voting Notes and/or PM Non-Voting Exchangeable Notes or by or on behalf of the Portfolio Manager or any Portfolio Manager Related Person, by an Ordinary Resolution of the next Class of Notes ranking immediately behind the Controlling Class that is not comprised entirely of Notes held in the form of PM Non-Voting Notes and/or PM Non-Voting Exchangeable Notes or by or on behalf of the Portfolio Manager or any Portfolio Manager Related Person), will be entitled to appoint a successor, subject to the requirements relating to any successor Portfolio Manager referred to in paragraphs (a) to (f) above. For the purposes of the above (i) any Notes held by the Noteholders of PM Non-Voting Exchangeable Notes and PM Non-Voting Notes shall have no voting rights with respect to the selection or appointment of the successor Portfolio Manager and (ii) any Notes held by or on behalf of a Portfolio Manager or a Portfolio Manager Related Person shall have no voting rights with respect to the selection or appointment of the successor Portfolio Manager.

Credit Risk Mitigation

The Portfolio Manager has internal policies and procedures in relation to the granting of credit, administration of credit-risk bearing portfolios and risk mitigation.

The policies and procedures of the Portfolio Manager in this regard broadly include the following:

(a) criteria for the granting of credit and the process for approving, amending, renewing and refinancing credits (as to which, in relation to the Collateral Debt Obligations, see the information set out in this Prospectus headed "*The Portfolio*" which describes the criteria that the selection of Collateral Debt Obligations to be included in the Portfolio is subject to);

(b) systems in place to administer and monitor the various credit-risk bearing portfolios and exposures (as to which it should be noted that the Portfolio will be serviced in line with the servicing procedures of the Portfolio Manager – see the section of this Prospectus headed "*The Portfolio*" and this section headed "*Description of the Portfolio Management Agreement*");

(c) diversification of credit portfolios given the target market and overall credit strategy (as to which, in relation to the Portfolio, see the section of this Prospectus headed "*The Portfolio – Portfolio Profile Tests*");

(d) policies and procedures in relation to risk mitigation techniques (as to which, see further the section of this Prospectus headed "*The Portfolio*" and this section headed "*Description of the Portfolio Management Agreement*", which describes the ways in which the Portfolio Manager is required to monitor the Portfolio);

(e) to the extent not subject to confidentiality restrictions, policies and procedures relating to the obtaining of access to data on the credit quality and performance of the individual underlying exposures, cash flows and collateral supporting a securitisation exposure and to any information that is necessary to conduct comprehensive and well informed stress tests on the cash flows and collateral values supporting the underlying exposures (as to which, see further the sections of this Prospectus headed "*The Portfolio*" and "*Description of the Reports*", which describe the criteria used for selection of the Collateral Debt Obligations and the reports prepared and provided in respect of such Collateral Debt Obligations);

(f) to the extent not subject to confidentiality restrictions, policies and procedures relating to the obtaining of access to data necessary for the AIFM to comply with the applicable qualitative requirements (as to which, see further the section of this Prospectus headed "*The Retention Holder and Retention Requirements*", which describes the ways in which the Portfolio Manager is required to satisfy the Retention Requirements and "*Description of the Reports*", which provides reporting requirements in respect of satisfaction of the Retention Requirements); and

(g) disclosure of the level of retained net economic interest, as well as any matters that could undermine the maintenance of the minimum required net economic interest (as to which, see further the section of this Prospectus headed "*The Retention Holder and Retention Requirements*", which describes the ways in which the Portfolio Manager is required to satisfy the Retention Requirements and "*Risk Factors – Regulatory Initiatives – Alternative Investment Fund Managers Directive*", which describes the risks in respect of satisfaction of the Retention Requirements and compliance with the AIFMD).

DESCRIPTION OF THE COLLATERAL ADMINISTRATOR

The information appearing in this section has been prepared by the Collateral Administrator and has not been independently verified by the Issuer or any other party. This information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from information from the Collateral Administrator, no facts have been omitted which would render the reproduced information inaccurate or misleading. No party other than the Collateral Administrator assumes any responsibility for the accuracy or completeness of such information.

Elavon Financial Services Limited is a limited liability company registered in Ireland with the Companies Registration Office (registered number 418442), with its registered office at Block E, Cherrywood Business Park, Loughlinstown, Dublin, Ireland acting through its UK Branch (registered number BR009373) from its offices at 125 Old Broad Street, London, EC2N 1AR under the trade name U.S. Bank Global Corporate Trust Services.

Elavon Financial Services Limited is regulated by the Central Bank of Ireland and is subject to the Financial Services Authority's Conduct of Business Rules.

Termination and resignation of appointment of the Collateral Administrator

Pursuant to the terms of the Portfolio Management Agreement, the Issuer appoints a collateral administrator. The Collateral Administrator may be removed: (a) without cause at any time upon at least 60 days' prior written notice by the Issuer at its discretion or the Trustee acting upon the directions of the holders of each Class of Notes acting independently by an Ordinary Resolution and subject to the Trustee being indemnified and/or secured and/or prefunded to its satisfaction; or (b) with cause by the Issuer at its discretion or the Trustee acting upon the directions of the holders of the Class A Notes by Extraordinary Resolution or upon redemption in full of the Class A Notes, the holders of each Class of Notes acting independently by Ordinary Resolution (in each case subject to the Trustee being indemnified and/or secured and/or prefunded to its satisfaction) upon 10 days' prior written notice to the Collateral Administrator. In addition, the Collateral Administrator may also resign its appointment without cause on at least 60 days' prior written notice, and with cause by the Collateral Administrator on 10 days' prior written notice to the Issuer, the Trustee and the Portfolio Manager. No termination of the appointment or resignation of the Collateral Administrator shall be effective until a successor has been appointed in accordance with the terms of the Portfolio Management Agreement.

HEDGING ARRANGEMENTS

The following section consists of a summary of certain provisions which, pursuant to the Portfolio Management Agreement, are required to be contained in each Hedge Agreement and Hedge Transaction. Such summary does not purport to be complete and is qualified by reference to the detailed provisions of each Hedge Agreement and Hedge Transaction. The terms of a Hedge Agreement or Hedge Transaction may differ from the description provided herein, subject to receipt of Rating Agency Confirmation in respect thereof or without Rating Agency Confirmation if such Hedge Transaction constitutes a Form-Approved Asset Swap or Form-Approved Interest Rate Hedge.

Hedge Agreements

Subject to (i) such Hedge Transactions at the time they are entered into satisfying the Hedge Agreement Eligibility Criteria (as defined below), or (ii) in respect of which the Portfolio Manager (on behalf of the Issuer) obtains legal advice from reputable U.S. legal counsel familiar with the Volcker Rule and collateralised loan obligation transactions to the effect that the entry into such arrangements shall not require any of the Issuer, its directors or officers or the Portfolio Manager to register with the United States Commodity Futures Trading Commission as a commodity pool operator or a commodity trading advisor pursuant to the United States Commodity Exchange Act of 1936, as amended, and that such Hedge Transaction would be considered a "permitted derivative" within the meaning of and subject to the "loan securitisation" exemption under the Volcker Rule (as defined herein), and the Portfolio Manager having confirmed to the Trustee in writing that such legal advice has been received, the Issuer (or the Portfolio Manager on its behalf) may enter into hedging transactions as described below and documented under a 1992 (Multicurrency - Cross Border) or 2002 Master Agreement or such other form published by the International Swaps and Derivatives Association, Inc. ("**ISDA**").

The "**Hedge Agreement Eligibility Criteria**" will be satisfied in respect of a Hedge Transaction if, as of the time it is entered into, each of the following is true:

(a) such Hedge Transaction is an interest rate swap or cross-currency swap transaction (or both) and is being entered into solely to reduce interest rate and/or foreign exchange risk (or any combination of these) on the subject matter Collateral Debt Obligation;

(b) such Hedge Transaction relates to a single Collateral Debt Obligation only;

(c) such Hedge Transaction does not materially change (and any such change is *de minimis*) the tenor of the subject matter Collateral Debt Obligation;

(d) such Hedge Transaction does not leverage exposure to the subject matter Collateral Debt Obligation or otherwise inject leverage into the Issuer's exposure;

(e) other than with respect to introducing credit risk exposure to the counterparty on the Hedge Transaction, such Hedge Transaction does not materially change the Issuer's credit risk exposure to the Obligor on the subject matter Collateral Debt Obligation;

(f) such Hedge Transaction is documented pursuant to an ISDA Master Agreement, including pursuant to a confirmation for each Hedge Transaction thereunder;

(g) payment dates under such Hedge Transaction correspond to or occur on or about Payment Dates or the relevant Collateral Debt Obligation payment dates;

(h) the notional amount of such Hedge Transaction will decline in line with the principal amount of the relevant Collateral Debt Obligation;

(i) in the Portfolio Manager's view, in the context of the transaction as a whole, such Hedge Transaction will not change the noteholders' investment risk profile in respect of the Notes in any material way by virtue thereof; and

(j) either (i) such Hedge Transaction must terminate automatically in whole or in part (as applicable) if the subject matter Collateral Debt Obligation is sold or matures; or (ii) the Issuer must have the right to terminate such Hedge Transaction in whole or in part (as applicable) when the subject matter Collateral

Debt Obligation is sold or matures and at the time such Hedge Transaction is entered into the Portfolio Manager intends to cause the Issuer to exercise such right.

For a discussion relating to certain risk factors to be considered in connection with the entry into of any hedging transactions by the Issuer (or the Portfolio Manager on its behalf), see "*Risk Factors – Commodity Pool Regulation*".

Currency Hedging Arrangements

Asset Swap Agreements

Subject to the Eligibility Criteria, the Issuer (or the Portfolio Manager on behalf of the Issuer) may purchase Non-Euro Obligations *provided that* an Asset Swap Transaction is entered into by the Issuer (or the Portfolio Manager on its behalf) in respect of each such Non-Euro Obligation with one or more Asset Swap Counterparties satisfying the applicable Rating Requirement (and receipt of Rating Agency Confirmation in relation thereto unless such Asset Swap Transaction is a Form-Approved Asset Swap) no later than the settlement of the acquisition thereof.

Asset Swap Transactions will be on terms pursuant to which the initial principal exchange is made to fund the Issuer's acquisition of the related Non-Euro Obligation and the final and, if applicable, interim principal exchanges are made to convert the principal proceeds received in respect thereof at maturity and prior to maturity and coupon exchanges are made at the exchange rate specified for such transaction. Accordingly, under each Asset Swap Transaction, the currency risk arising from the receipt of certain cash flows from the relevant Non-Euro Obligation, including interest and principal payments thereon, will be hedged. The Asset Swap Transaction shall terminate on the maturity date of the Non-Euro Obligation and in the other circumstances specified therein.

Transactions entered into under an Asset Swap Agreement are documented in confirmations to such Asset Swap Agreement (each an "**Asset Swap Transaction**"). An Asset Swap Transaction, if entered into, will be:

(a) used to hedge the currency mismatch between the Notes and any Non-Euro Obligations; and

(b) other than in the case of a Form-Approved Asset Swap, subject to receipt of Rating Agency Confirmation in respect of the terms thereof.

Further, each Asset Swap Counterparty will be required to satisfy the applicable Rating Requirement (taking into account any guarantor thereof) and must have all necessary regulatory capacity to enter into derivatives transactions with the Issuer. No Asset Swap Transaction may be entered into if, at the time of entry into such transaction, there is a withholding or deduction for or on account of any tax required in respect of any payments by either party to such Asset Swap Transaction.

Upon the sale of an Asset Swap Obligation, the Issuer shall either receive a payment from the Asset Swap Counterparty or make a payment to the Asset Swap Counterparty out of such sale proceeds in connection with the termination of the Asset Swap Transaction as required under the applicable Hedge Agreement (any amounts so received by the Issuer to be converted into Euro at the prevailing spot exchange rate and paid into the Principal Account in accordance with the Conditions).

The Portfolio Manager (on behalf of the Issuer) is also authorised to enter into spot exchange transactions, as necessary, to fund the Issuer's payment obligations under any Asset Swap Transaction.

Without prejudice to the rights of the relevant Asset Swap Counterparty under the Asset Swap Agreement, the Issuer shall only be obliged to pay Scheduled Periodic Asset Swap Issuer Payments to an Asset Swap Counterparty if and to the extent it actually receives the corresponding amount in respect of the relevant Asset Swap Obligation.

Furthermore, upon the insolvency of the Issuer and/or the acceleration of the Notes in accordance with Condition 10(b) (*Acceleration*), the Asset Swap Counterparty may, but shall not be obliged to, terminate any Asset Swap Transaction, in which case an Asset Swap Counterparty Termination Payment may be payable to the Issuer or an Asset Swap Issuer Termination Payment may be payable by the Issuer to the Asset Swap Counterparty in accordance with the Priorities of Payment. In the event that the Asset Swap Counterparty elects not to terminate any Asset Swap Transaction, the Asset Swap Transaction shall terminate in accordance with its terms upon the sale of the relevant Asset Swap Obligation (which the Trustee or the Portfolio Manager at the

direction of the Trustee may decide to do in such circumstances) with the consequences described above. An Asset Swap Transaction may also terminate in accordance with its terms upon repayment in full of the related Asset Swap Obligation and related final exchange under such Asset Swap Transaction.

Prior to the entry into any Non-Euro Obligation which is a Revolving Collateral Obligation, the Issuer or the Portfolio Manager (acting on behalf of the Issuer) must obtain Rating Agency Confirmation of the Asset Swap Transaction proposed to be used in relation to such Revolving Collateral Obligation.

Replacement Asset Swap Transactions

Subject to the provisions of the Portfolio Management Agreement in the event that any Asset Swap Transaction terminates in whole at any time in circumstances in which the applicable Asset Swap Counterparty is the "Defaulting Party" or sole "Affected Party" (each as defined in the applicable Asset Swap Agreement) or where the applicable Asset Swap Counterparty terminates such Asset Swap Transaction following the occurrence of certain credit events with respect to the Non-Euro Obligation that is the subject of such Asset Swap Transaction in accordance with the terms of such Asset Swap Transaction, the Issuer, or the Portfolio Manager on its behalf, shall use commercially reasonable efforts to enter into a Replacement Asset Swap Transaction within 30 calendar days of the termination thereof with a counterparty which (or whose guarantor) satisfies, among other things, the applicable Rating Requirement and which has the regulatory capacity to enter into derivatives transactions with the Issuer.

Interest Rate Hedging Arrangements

Interest Rate Hedge Agreements

The Issuer (or the Portfolio Manager on its behalf) shall enter into Interest Rate Hedge Transactions from time to time in order to hedge any interest rate mismatch between the Notes and the Collateral Debt Obligations, subject to the receipt of Rating Agency Confirmation in respect thereof (other than in respect of a Form-Approved Interest Rate Hedge) and *provided that* the Interest Rate Hedge Counterparty satisfies the applicable Rating Requirement and has the regulatory capacity under all applicable laws, to enter into derivatives transactions with the Issuer. In accordance with the Portfolio Profile Tests, the Issuer shall hold a maximum of 5 per cent. of the Aggregate Collateral Balance of Unhedged Fixed Rate Collateral Debt Obligations.

Replacement Interest Rate Hedge Agreements

In the event that an Interest Rate Hedge Transaction terminates in whole at any time in circumstances which the applicable Interest Rate Hedge Counterparty is the "Defaulting Party" or sole "Affected Party" (each such term as defined in the applicable Interest Rate Hedge Agreement), the Issuer, or the Portfolio Manager on its behalf, shall use commercially reasonable efforts to enter into a Replacement Interest Rate Hedge Transaction within 30 days of termination thereof with an Interest Rate Hedge Counterparty which satisfies the applicable Ratings Requirement and which has the regulatory capacity to enter into derivatives transactions with the Issuer.

Termination of Asset Swap Transactions or Interest Rate Hedge Transactions

In the event of termination of an Asset Swap Transaction or an Interest Rate Hedge Transaction in the circumstances referred to above, any Asset Swap Counterparty Termination Payment or Interest Rate Hedge Counterparty Termination Payment (as the case may be) will be paid into the Interest Rate Hedge and Asset Swap Termination Receipt Account and shall be applied towards the costs of entry into a Replacement Asset Swap Transaction or a Replacement Interest Rate Hedge Transaction (as the case may be), together with, where necessary, Interest Proceeds that are available for such purpose, subject to receipt of Rating Agency Confirmation (unless such transaction is a Form-Approved Asset Swap or a Form-Approved Interest Rate Hedge), save:

(a) where the Issuer or the Portfolio Manager on its behalf, determines not to replace such Asset Swap Transaction or Interest Rate Hedge Transaction (as the case may be); or

(b) where termination of the Asset Swap Transaction or Interest Rate Hedge Transaction (as the case may be) occurs on the Maturity Date or a Redemption Date pursuant to Condition 7(a) (*Final Redemption*), Condition 7(b) (*Optional Redemption*) (other than in connection with a Refinancing), Condition 7(d) (*Redemption following a Note Tax Event*); or Condition 10 (*Events of Default*)); or

(c) to the extent that either such Asset Swap Counterparty Termination Payment is not required for application towards any Asset Swap Replacement Payment, or such Interest Rate Hedge Counterparty Termination Payment is not required for application towards any Interest Rate Replacement Payment,

in which event such Asset Swap Counterparty Termination Payment or Interest Rate Hedge Counterparty Termination Payment (as the case may be) shall be paid into the Interest Account upon receipt thereof by the Issuer.

In the event that the Issuer receives either any Asset Swap Replacement Receipt upon entry into a Replacement Asset Swap Transaction or any Interest Rate Hedge Replacement Receipt upon entry into a Replacement Interest Rate Hedge Transaction, such amount shall be paid into the Interest Rate Hedge and Asset Swap Termination Receipt Account and applied directly by the Collateral Administrator acting on the instructions of the Portfolio Manager (acting on behalf of the Issuer) in payment of either any Asset Swap Issuer Termination Payment payable upon termination of the Asset Swap Transaction being so replaced, or any Interest Rate Hedge Issuer Termination Payment payable upon termination of the Interest Rate Transaction being so replaced. To the extent not fully paid out of Asset Swap Replacement Receipts or Interest Rate Hedge Replacement Receipts, any Asset Swap Issuer Termination Payment or any Interest Rate Hedge Issuer Termination Payment (except for a Defaulted Asset Swap Issuer Termination Payment or Defaulted Interest Rate Hedge Issuer Termination Payment) (as the case may be) payable by the Issuer shall be paid to the applicable Asset Swap Counterparty or Interest Rate Hedge Counterparty out of Interest Proceeds (and in the case of any Defaulted Asset Swap Issuer Termination Payment or Defaulted Interest Rate Hedge Issuer Termination Payment on the next Payment Date out of Interest Proceeds and/or Principal Proceeds in accordance with the Priorities of Payment). To the extent not required for making any such Asset Swap Issuer Termination Payment or any such Interest Rate Hedge Issuer Termination Payment such Asset Swap Replacement Receipts or such Interest Rate Hedge Replacement Receipts (as the case may be) shall be paid into the Interest Account.

Subject to sub-paragraph (a) above, in the event that a Replacement Asset Swap Transaction cannot be entered into in such circumstances, the Portfolio Manager, acting on behalf of the Issuer, shall sell the applicable Non-Euro Obligation, pay the proceeds thereof to the applicable Asset Swap Counterparty, to the extent required pursuant to the terms of such Asset Swap Transaction and/or to the extent not so required, shall convert all or part of such proceeds, as applicable, into Euro at the spot rate available to the Issuer under the Agency Agreement and shall procure that such amounts are paid into the Principal Account.

In the event that such proceeds are insufficient to pay any Asset Swap Issuer Termination Payments or any Interest Rate Hedge Issuer Termination Payments in full, such amount shall be paid out of Interest Proceeds (and in the case of any Defaulted Asset Swap Issuer Termination Payment or Defaulted Interest Rate Hedge Issuer Termination Payment, on the next Payment Date out of Interest Proceeds and/or Principal Proceeds in accordance with the Priorities of Payment).

Standard Terms of the Hedge Agreements

Each Hedge Agreement entered into by or on behalf of the Issuer shall contain the following standard provisions, save to the extent that any change thereto is agreed by the Issuer and the applicable Hedge Counterparty and subject to receipt of Rating Agency Confirmation in respect thereof.

Gross up

Under each Hedge Agreement the Issuer will not be obliged to gross up any payments thereunder, however the applicable Hedge Counterparty may, subject to the terms of the relevant Hedge Agreement, in certain circumstances be obliged to gross up a payment thereunder, in the event of any withholding or deduction for or on account of tax required to be paid on such payments, *provided that* any withholding or deduction for or on account of FATCA may be excluded from such gross-up obligation. Any such event may result in a "Tax Event" which is a "Termination Event" (each such term as defined in the relevant Hedge Agreement) for the purposes of the relevant Hedge Agreement. In the event of the occurrence of a "Tax Event" (as defined in the Hedge Agreement), each Hedge Agreement will include provision for the relevant "Affected Party" (as defined therein) to use reasonable endeavours to (i) (in the case of the Hedge Counterparty) arrange for a transfer of all of its interests and obligations under the Hedge Agreement and all "Transactions" (as defined in the Hedge Agreement) thereunder to an Affiliate that is incorporated in another jurisdiction so as to avoid the requirement to withhold or deduct for or on account of tax; or (ii) (in the case of the Issuer) transfer its residence for tax purposes to another jurisdiction (subject in some cases to the consent of the Hedge Counterparty) or if a substitute principal obligor under the Notes has been substituted for the Issuer in accordance with Condition 9

(*Taxation*), arrange for a transfer of all of its interest and obligations under the Hedge Agreement and all Transactions thereunder to that substitute principal obligor so as to avoid the requirement to withhold or deduct for or on account of tax subject to satisfaction of the conditions specified therein and in the Conditions (including receipt of Rating Agency Confirmation).

Limited Recourse and Non-Petition

The obligations of the Issuer under each Hedge Agreement will be limited to the proceeds of enforcement of the Collateral as applied in accordance with the Priorities of Payment (other than in respect of any Counterparty Downgrade Collateral standing to the credit of a Counterparty Downgrade Collateral Account). The Issuer will have the benefit of non-petition language similar to the language set out in Condition 4(c) (*Limited Recourse*). Collateral transferred to the Issuer by a Hedge Counterparty and standing to the credit of a Counterparty Downgrade Collateral Account shall be returned to the relevant Hedge Counterparty in accordance with the Conditions by the Issuer, outside the Priorities of Payment.

Termination Provisions

Each Hedge Agreement may terminate by its terms, whether or not the Notes have been paid in full prior to such termination, upon the occurrence of a number of events (including without limitation):

(a) certain events of bankruptcy, insolvency, receivership or reorganisation of the Issuer or the related Hedge Counterparty;

(b) failure on the part of the Issuer or the related Hedge Counterparty to make any payment under the applicable Hedge Agreement after taking into account any applicable grace period;

(c) a change in law making it illegal for either the Issuer or the related Hedge Counterparty to be a party to, or to perform its obligations under, the applicable Hedge Agreement;

(d) the principal in respect of the Notes outstanding is declared to be due and payable in accordance with the terms of the Trust Deed;

(e) the Notes are redeemed in whole prior to the Maturity Date (otherwise than as a result of a Note Event of Default thereunder);

(f) the occurrence of certain circumstances upon a regulatory change or certain changes to the regulatory status of the Issuer, as further described in the relevant Hedge Agreement;

(g) changes are made to the Transaction Documents without the written consent of the relevant Hedge Counterparty which could have a material adverse effect on the rights and obligations of the Hedge Counterparty, as further described in the relevant Hedge Agreement;

(h) failure by a Hedge Counterparty to comply with the requirements of the Rating Agencies in the event that it (or, as relevant, its guarantor) is subject to a rating withdrawal or downgrade by the Rating Agencies to below the applicable Rating Requirement; and

(i) any other event as specified in the relevant Hedge Agreement.

A termination of a Hedge Agreement does not constitute a Note Event of Default under the Notes.

Asset Swap Agreements may also contain provisions which allow an Asset Swap Transaction to terminate upon the occurrence of certain credit events (including restructurings) related to the underlying Non-Euro Obligation. These credit events (including restructurings) could potentially be triggered in circumstances where the related Collateral Debt Obligation would not constitute a Defaulted Obligation (as such term is defined in the Conditions). In such instances the related Asset Swap Transaction would terminate and the Issuer (or the Portfolio Manager acting on its behalf) may need to sell the related Non-Euro Obligation unless a Replacement Asset Swap Transaction can be entered into.

Upon the occurrence of any Event of Default or Termination Event (each as defined in the applicable Hedge Agreement), a Hedge Agreement may be terminated by the Hedge Counterparty or the Issuer (or the Portfolio Manager on its behalf) in accordance with the detailed provisions thereof and a lump sum (the "**Termination Payment**") may become payable by the Issuer to the applicable Hedge Counterparty or vice versa. Depending

on the terms of the applicable Hedge Agreement, such Termination Payment may be determined by the applicable Hedge Counterparty and/or Issuer (or the Portfolio Manager on its behalf) by reference to market quotations obtained in respect of the entry into a replacement swap(s) on the same terms that terminated or as otherwise, as described in the applicable Hedge Agreement or any loss suffered by a party.

Rating Downgrade Requirements

Each Hedge Agreement shall contain the terms and provisions required by each Rating Agency for the type of derivative transaction described in this section in the event of the downgrade of the Hedge Counterparty. Such provisions may include a requirement that a Hedge Counterparty downgraded below certain minimum levels consistent with the ratings of the Notes must post collateral; or transfer the Hedge Agreement to another entity meeting the applicable Rating Requirement; or procure that an eligible guarantor meeting the applicable Rating Requirement guarantees its obligations under a Hedge Agreement; or takes other actions subject to Rating Agency Confirmation. In the event of any such transfer of the Hedge Agreement by a Hedge Counterparty, the Issuer shall notify each Rating Agency of such transfer.

Transfer and Modification

The Portfolio Manager acting on behalf of the Issuer, may not modify any Hedge Transaction or Hedge Agreement without Rating Agency Confirmation in relation to such modification, save to the extent that it would constitute a Form-Approved Asset Swap or a Form-Approved Interest Rate Hedge (as applicable) following such modification. A Hedge Counterparty may transfer its rights and obligations under a Hedge Agreement to any institution which (or whose Credit Support Provider (as defined in the applicable Hedge Agreement)) satisfies the applicable Rating Requirement and *provided that* such institution has the regulatory capacity to enter into derivatives transactions with the Issuer.

Any of the requirements set out herein may be modified in order to meet any new or additional requirements of any Rating Agency then rating any Class of Notes.

Governing Law

Each Hedge Agreement together with each Hedge Transaction thereunder in each case, including any non-contractual obligations arising out of or in relation thereto, will be governed by, and construed in accordance with, the laws of England.

Reporting of Specified Hedging Data

The Portfolio Manager, on behalf of the Issuer, may from time to time enter into agreements (each a "**Reporting Delegation Agreement**") in a form approved by the Rating Agencies for the delegation of certain derivative transaction reporting obligations to one or more Hedge Counterparties or third parties (each, in such capacity, a "**Reporting Delegate**").

Form-Approved Asset Swap or Form-Approved Interest Rate Hedge

If either Rating Agency provides written notice to the Portfolio Manager that a Form-Approved Asset Swap or Form-Approved Interest Rate Hedge is no longer so approved by such Rating Agency, then the Portfolio Manager shall cause all future Hedge Transactions to be entered into on the terms of such modified Form-Approved Asset Swap or Form-Approved Interest Rate Hedge as shall have been approved by the applicable Rating Agency or Rating Agencies. For the avoidance of doubt, any such notice provided by a Rating Agency in respect of a Form-Approved Asset Swap or Form-Approved Interest Rate Hedge, shall not affect any Hedge Transaction entered into at any time prior to the receipt of such notice by the Portfolio Manager.

DESCRIPTION OF THE REPORTS

Terms used and not otherwise defined herein or in this Prospectus as specifically referenced herein shall have the meaning given to them in Condition 1 (*Definitions*) of the Conditions.

Monthly Reports

The Collateral Administrator, not later than the 15th Business Day after the last calendar day of each month (save in respect of any month for which a Payment Date Report has been prepared), or if such day is not a Business Day, the immediately preceding Business Day, on behalf, and at the expense, of the Issuer and in consultation with the Portfolio Manager, shall compile a monthly report and in each case only to the extent that information has been provided to the Collateral Administrator (in respect of a holder of any Rated Notes, the "**Rated Notes Monthly Report**" or a "**Monthly Report**"), which shall contain the information set out below with respect to the Portfolio determined by the Collateral Administrator as of the last calendar day of the month in consultation with the Portfolio Manager, and which shall be made available in PDF format, with the underlying portfolio data being made available in excel format, via a secured website currently located at https://usbtrustgateway.usbank.com/portal/login.do (or such other website as may be notified in writing by the Collateral Administrator to the Issuer, the Trustee, the Portfolio Manager, the Joint Arrangers, the Joint Placement Agents, the Hedge Counterparties, the Rating Agencies and the Noteholders from time to time), which shall be accessible to the Issuer, the Trustee, the Portfolio Manager, the Joint Arrangers, the Joint Placement Agents, each Hedge Counterparty and each Rating Agency and, upon written request therefor in the form set out in the Agency Agreement, to any Noteholder by way of a unique password which in the case of each Noteholder may be obtained from the Collateral Administrator subject to receipt by the Collateral Administrator of certification that such holder is a holder of a beneficial interest in any Notes. The first such Monthly Report will be distributed by the Collateral Administrator not later than 3 months after the Issue Date. Each Rated Notes Monthly Report produced shall also contain a commentary provided by the Portfolio Manager with respect to the performance of the Portfolio. For the avoidance of doubt, there will not be more than ten Monthly Reports per calendar year. The Monthly Reports shall contain the following information:

Portfolio

(a) the Aggregate Principal Balance of the Collateral Debt Obligations;

(b) in respect of each Collateral Debt Obligation, its LoanX ID;

(c) in respect of each Collateral Debt Obligation, its Principal Balance, annual interest rate, Stated Maturity, Obligor, Obligor's principal place of business or significant operations, S&P Rating and Moody's Rating (other than any confidential credit estimates), S&P Recovery Rate and Moody's Recovery Rate (but excluding any confidential estimates in relation thereto) and S&P Industry Classification and whether it is a Cov-Lite Loan or Cov-Lite Obligation (i) for the purposes of determining the S&P Recovery Rate, and (ii) for all other purposes;

(d) the number, identity and, if applicable, Principal Balance of, respectively, any Collateral Debt Obligations or Exchanged Securities that were released for sale or other disposition (specifying the reason for such sale or other disposition and the section in the Portfolio Management Agreement pursuant to which such sale or other disposition was made), the Aggregate Principal Balance of Collateral Debt Obligations released for sale or other disposition at the Portfolio Manager's discretion (expressed as a percentage of the Aggregate Collateral Balance measured at the date of determination of the last Monthly Report) and the sale price thereof and identity of any of the purchasers thereof (if any) that are Affiliated with the Portfolio Manager;

(e) the number, identity (including where applicable, LoanX ID, ISIN and CUSIP) and, if applicable, Principal Balance of, respectively, any Collateral Debt Obligations or Exchanged Securities acquired by the Issuer since the date of determination of the last Monthly Report, whether such obligation is a Substitute Collateral Debt Obligation, and, if so, details of the section of the Portfolio Management Agreement pursuant to which it is being purchased, the purchase price thereof, any Purchased Accrued Interest and/or fees received in connection with such acquisition and the identity of the sellers thereof (if any) that are Affiliated with the Portfolio Manager;

(f) subject to any confidentiality obligations binding on the Issuer and any restrictions imposed by applicable law, the identity of each Collateral Debt Obligation which became a Defaulted Obligation or

in respect of which an Exchanged Security has been received since the date of determination of the last Monthly Report;

(g) the Aggregate Principal Balance of Collateral Debt Obligations which were upgraded or downgraded since the most recent Monthly Report and of which the Collateral Administrator or the Portfolio Manager has actual knowledge;

(h) in respect of each Collateral Debt Obligation that has been sold since the date of the previous report, its original acquisition price and the sale price of such Collateral Debt Obligation, together with, in each case, details of accrued interest (if any) and any premium or discount included therein;

(i) the approximate Market Value (as determined by the Portfolio Manager in its reasonable business judgement) of each Collateral Debt Obligation as of the preceding month-end;

(j) the Aggregate Principal Balance and identity of Collateral Debt Obligations that are Current Pay Obligations;

(k) the Aggregate Principal Balance and identity of Collateral Debt Obligations that are S&P CCC Obligations or Moody's Caa Obligations;

(l) the Aggregate Principal Balance and identity of Collateral Debt Obligations that are Discount Obligations;

(m) in relation to any Collateral Debt Obligations which are subject to withholding tax on payments, any applicable rate of withholding tax on payments under such Collateral Debt Obligations and whether or not such withholding tax was factored into the purchase price paid by the Issuer for such Collateral Debt Obligation;

(n) the Aggregate Principal Balance and identity of Collateral Debt Obligations that pay interest less frequently than semi-annually; and

(o) the Aggregate Principal Balance and identity of Collateral Debt Obligations that are (i) Second Lien Loans, (ii) Unsecured Senior Loans, and (iii) Mezzanine Loans.

Accounts

(a) the Balances standing to the credit of each of the Accounts (including the opening and closing Balances of such Accounts at the beginning and end, respectively, of such period) and the credits to, and debits from, such Accounts;

(b) the purchase price, principal amount, redemption price, annual interest rate, maturity date and Obligor under each Eligible Investment purchased from funds in the Accounts; and

(c) the name of each account bank for the time being.

Hedge Transactions

(a) the outstanding Notional Amount (as defined therein) of each Hedge Transaction;

(b) the amounts scheduled to be received and paid by the Issuer pursuant to each Hedge Transaction on or before the next Payment Date (distinguishing between different types of payment thereunder);

(c) the then current S&P rating and Moody's rating of each Hedge Counterparty; and

(d) the name of each Hedge Counterparty.

Coverage Tests and Collateral Quality Tests

(a) a statement as to whether each of the Class A/B Par Value Test, the Class C Par Value Test, the Class D Par Value Test, the Class E Par Value Test and the Class F Par Value Test is satisfied and details of the relevant Par Value Ratios;

(b) a statement as to whether each of the Class A/B Interest Coverage Test, the Class C Interest Coverage Test, the Class D Interest Coverage Test and the Class E Interest Coverage Test is satisfied and details of the relevant Interest Coverage Ratios;

(c) a statement as to whether each of the Collateral Quality Tests is satisfied (other than, following the expiry of the Reinvestment Period, the S&P CDO Monitor Test) and the pass levels thereof, together with details of the relevant S&P Matrix Spread, Moody's Matrix Spread, Weighted Average Spread (and separately, the Weighted Average Spread disregarding any base rate floors applicable to Collateral Debt Obligations), Weighted Average Fixed Coupon and Weighted Average Coupon Adjustment Percentage; and

(d) a statement identifying any Collateral Debt Obligation in respect of which the Portfolio Manager has made its own determination of "**Market Value**" (pursuant to the definition thereof) for the purposes of any of the Coverage Tests.

Portfolio Profile Tests

(a) in respect of each Portfolio Profile Test, a statement as to whether such test is satisfied, together with details of the result of the calculations required to be made in order to make such determination, which details shall include the applicable numbers, levels and/or percentages resulting from such calculations; and

(b) the identity and S&P rating and Moody's rating of each Selling Institution (other than any confidential credit estimates), together with any changes in the identity of such entities since the date of determination of the last Monthly Report and details of the aggregate amount of Participations entered into with each such entity.

Class A Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes and Class F Notes

(a) the Interest Amounts payable in respect of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes on the next Payment Date.

Additional Reinvestment Test

(a) during the Reinvestment Period, a statement as to whether the Additional Reinvestment Test is satisfied and the applicable Class F Par Value Ratio.

Retention

(a) confirmation that the Collateral Administrator has received a Retention Compliance Confirmation from the Retention Holder confirming:

    (i) that it continues to hold Subordinated Notes with a Principal Amount Outstanding as of the Issue Date representing not less than 5 per cent. of the Aggregate Collateral Balance (the "**Retention**");

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

    (iii) whether or not it continues to satisfy the requirements of a "sponsor" for the purposes of Article 405 of the CRR (as in effect on the date of such confirmation) in relation to the securitised Portfolio;

(b) confirmation of any other information or agreements supplied by the Retention Holder as reasonably required to satisfy the Retention Requirements from time to time subject to and in accordance with the Risk Retention Letter;

(c) the calculation of 5 per cent. of the Aggregate Collateral Balance as of the most recent Determination Date for the purposes of determining whether a Retention Deficiency has occurred;

(d) the amount of any Trading Gains paid into the Interest Account since the previous Payment Date pursuant to the Conditions; and

(e) confirmation as to whether, since the previous Payment Date an actual or potential Retention Deficiency has prohibited the Portfolio Manager from reinvesting in any Collateral Debt Obligations.

PM Voting Notes / PM Non-Voting Exchangeable Notes / PM Non-Voting Notes

For so long as any Class A Notes, Class B Notes, Class C Notes or Class D Notes are Outstanding:

(a) the aggregate Principal Amount Outstanding of all PM Voting Notes;

(b) the aggregate Principal Amount Outstanding of all PM Non-Voting Notes; and

(c) the aggregate Principal Amount Outstanding of all PM Non-Voting Exchangeable Notes .

Payment Date Report

The Collateral Administrator, on behalf, and at the expense, of the Issuer, and in consultation with the Portfolio Manager, shall compile a report (the "**Payment Date Report**"), prepared and determined as of each Determination Date, and shall make each such Payment Date Report available in PDF format, with the underlying portfolio data being made available in excel format, via a secured website currently located at https://usbtrustgateway.usbank.com/portal/login.do (or such other website as may be notified in writing by the Collateral Administrator to the Issuer, the Trustee, the Portfolio Manager, the Joint Arrangers, the Joint Placement Agents, the Hedge Counterparties, the Rating Agencies and the Noteholders from time to time), which shall be accessible to the Issuer, the Trustee, the Portfolio Manager, the Joint Arrangers, the Joint Placement Agents, each Hedge Counterparty and each Rating Agency and, upon written request therefor in the form set out in the Agency Agreement, to any Noteholder by way of a unique password which in the case of each Noteholder may be obtained from the Collateral Administrator subject to receipt by the Collateral Administrator of certification that such holder is a holder of a beneficial interest in any Notes, not later than the second Business Day preceding the related Payment Date. Upon receipt of each Payment Date Report, the Collateral Administrator, in the name and at the expense of the Issuer, shall notify the Irish Stock Exchange of the Principal Amount Outstanding of each Class of Notes after giving effect to the principal payments, if any, on the next Payment Date. The Payment Date Report shall contain the following information:

Portfolio

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

(b) a list of, respectively, the Collateral Debt Obligations indicating the Principal Balance and Obligor of each;

(c) the Principal Proceeds received during the related Due Period;

(d) the Interest Proceeds received during the related Due Period;

(e) the identity of any Collateral Debt Obligations or Exchanged Securities that were released for sale or other disposition, indicating whether such Collateral Debt Obligation is a Defaulted Obligation, a Credit Improved Obligation or a Credit Impaired Obligation and pursuant to which clause of the Portfolio Management Agreement such Collateral Debt Obligation or Exchanged Security was sold or disposed of; and

(f) the information required pursuant to "*Monthly Reports – Portfolio*" above.

Notes

(a) the interest payable in respect of each Class of Notes (as applicable) on the related Payment Date (in the aggregate and by Class); and

(b) the Principal Amount Outstanding of the Notes of each Class and as a percentage of the original Principal Amount Outstanding of the Notes of such Class at the beginning of the Due Period, the Principal Amount Outstanding of the Notes of each Class and as a percentage of the original amount Outstanding of the Notes of such Class, in each case after giving effect to the principal payments, if any, on such Payment Date the amount of any Deferred Interest deferred on such Payment Date and the amount of Deferred Interest already outstanding in respect of the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes and the amount of principal payments to be made on the Notes of each Class on the related Payment Date.

Payment Date Payments

(a) the amounts payable pursuant to the Interest Proceeds Priority of Payments, the Principal Proceeds Priority of Payments and the Post-Acceleration Priority of Payments;

(b) the amounts of the Trustee Fees and Expenses, the Portfolio Management Fees and the Administrative Expenses payable on the related Payment Date, in each case, on an itemised basis except that each of (i) the amount of the Trustee Fees and Expenses and (ii) the amount of Administrative Expenses payable to the Agents shall be on an aggregate basis;

(c) any Scheduled Periodic Asset Swap Counterparty Payments and any Asset Swap Counterparty Principal Exchange Amounts payable by any Asset Swap Counterparty on or immediately prior to the related Payment Date;

(d) any Scheduled Periodic Interest Rate Hedge Counterparty Payments payable by any Interest Rate Hedge Counterparty on or immediately prior to the related Payment Date;

(e) any Asset Swap Counterparty Termination Payments and any Interest Rate Hedge Counterparty Termination Payments payable by any Hedge Counterparty on or immediately prior to the related Payment Date; and

(f) whether a Frequency Switch Event has occurred on the relevant Determination Date.

Accounts

(a) the Balance standing to the credit of the Interest Account at the end of the related Due Period;

(b) the Balance standing to the credit of the Principal Account at the end of the related Due Period;

(c) the Balance standing to the credit of the Interest Account immediately after all payments and deposits to be made on the next Payment Date;

(d) the Balance standing to the credit of the Principal Account immediately after all payments and deposits to be made on the next Payment Date;

(e) the amounts payable from the Interest Account (through a transfer to the Payment Account) pursuant to the Priorities of Payment on such Payment Date;

(f) the amounts payable from the Principal Account (through a transfer to the Payment Account) pursuant to the Priorities of Payment on such Payment Date;

(g) the amounts payable from any other Accounts (through a transfer to the Payment Account) pursuant to the Priorities of Payment on such Payment Date, together with details of whether such amounts constitute Interest Proceeds or Principal Proceeds;

(h) the Balance standing to the credit of each of the other Accounts at the end of the related Due Period and the credits to, and debits from, such Accounts; and

(i) the purchase price, principal amount, redemption price, annual interest rate, maturity date of and Obligor of each Eligible Investment purchased from funds in the Accounts.

Coverage Tests, Collateral Quality Tests, Portfolio Profile Tests and Additional Reinvestment Test

The information required pursuant to "*Monthly Reports – Coverage Tests and Collateral Quality Tests*", "*Monthly Reports – Portfolio Profile Tests*", and "*Monthly Reports – Additional Reinvestment Test*" above.

Hedge Transactions

The information required pursuant to "*Monthly Reports – Hedge Transactions*" above.

Frequency Switch Event

A statement indicating whether a Frequency Switch Event has occurred on the relevant Determination Date (to the extent notified in writing by the Portfolio Manager following consultation with the Collateral Administrator).

PM Voting Notes / PM Non-Voting Exchangeable Notes / PM Non-Voting Notes

The information required pursuant to "*Monthly Reports – PM Voting Notes / PM Non-Voting Exchangeable Notes / PM Non-Voting Notes*" above.

TAX CONSIDERATIONS

1. General

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

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

2. EU Directive on the Taxation of Savings Income

Under Council Directive 2003/48/EC on the taxation of savings income (the "**Savings Directive**"), Member States were required to provide to the tax authorities of other Member States details of certain payments of interest or similar income paid or secured by a person established in a Member State to or for the benefit of an individual resident in another Member State or certain limited types of entities established in another Member State.

On 10 November 2015, the Council of the European Union adopted a Council Directive repealing the Savings Directive from 1 January 2016 in relation to all Member States other than Austria (and from 1 January 2017, or after 1 October 2016 for certain payments, in relation to Austria), subject to on-going requirements to fulfil administrative obligations such as the reporting and exchange of information relating to, and accounting for withholding taxes on, payments made before those dates. This is to prevent overlap between the Savings Directive and a new automatic exchange of information regime implemented under Council Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU). Council Directive 2011/16/EU (as amended) is generally broader in scope than the Savings Directive, although it does not impose withholding taxes.

3. Ireland Taxation

The following is a summary based on the laws and practices currently in force in Ireland regarding the tax position of investors beneficially owning their Notes and should be treated with appropriate caution. Particular rules may apply to certain classes of taxpayers holding Notes. The summary does not constitute tax or legal advice and the comments below are of a general nature only. Prospective investors in the Notes should consult their professional advisers on the tax implications of the purchase, holding, redemption or sale of the Notes and the receipt of interest thereon under the laws of their country of residence, citizenship or domicile.

Withholding Tax

In general, tax at the standard rate of income tax (currently 20 per cent.) is required to be withheld from payments of Irish source yearly interest. However, an exemption from withholding on interest payments exists under Section 64 of the Taxes Consolidation Act, 1997 (the "**1997 Act**") for certain securities ("**quoted Eurobonds**") issued by a body corporate (such as the Issuer) which are interest bearing and quoted on a recognised stock exchange (which would include the Irish Stock Exchange).

Any interest paid on such quoted Eurobonds can be paid free of withholding tax, provided:

(a) the person by or through whom the payment is made is not in Ireland; or

(b) the payment is made by or through a person in Ireland, and either:

    (i) the quoted Eurobond is held in a clearing system recognised by the Irish Revenue Commissioners (Euroclear and Clearstream, Luxembourg are so recognised); or

    (ii) the person who is the beneficial owner of the quoted Eurobond and who is beneficially entitled to the interest is not resident in Ireland and has made a declaration to a relevant person (such as an Irish paying agent) in the prescribed form.

So long as the Notes are quoted on a recognised stock exchange and are held in Euroclear and/or Clearstream, Luxembourg, interest on the Notes can be paid by the Issuer and any paying agent acting on behalf of the Issuer without any withholding or deduction for or on account of Irish income tax.

If, for any reason, the quoted Eurobond exemption referred to above does not or ceases to apply, the Issuer can still pay interest on the Notes free of withholding tax, provided it is a "qualifying company" (within the meaning of section 110 of the 1997 Act) and provided the interest is paid to a person resident in a member state of the European Union (other than Ireland) or in a country with which Ireland has a double taxation agreement (a "**Relevant Territory**"). For this purpose, residence is determined by reference to the law of the country in which the recipient claims to be resident. This exemption from withholding tax will not apply, however, if the interest is paid to a company in connection with a trade or business carried on by it through a branch or agency located in Ireland.

In certain circumstances, Irish tax will be required to be withheld at the standard rate from interest on any quoted Eurobond, where such interest is collected by a bank in Ireland on behalf of any Noteholder who is Irish resident.

Taxation of the Issuer - Corporation Tax

In general, Irish companies must pay corporation tax on their income at the rate of 12.5 per cent. in relation to trading income and at the rate of 25 per cent. in relation to income that is not income from a trade.

However, section 110 of the 1997 Act provides for special treatment in relation to qualifying companies within the meaning of section 110 of the 1997 Act (a "**Qualifying Company**") and it is expected that the Issuer will be such a Qualifying Company. A Qualifying Company is a company:

(a) which is resident in Ireland;

(b) which either:

  (i) acquires qualifying assets from a person;

  (ii) holds, manages or both holds and manages qualifying assets as a result of an arrangement with another person; or

  (iii) has entered into a legally enforceable arrangement with another person which itself constitutes a qualifying asset;

(c) which carries on in Ireland a business of holding, managing, or both the holding and management of, qualifying assets, including, in the case of plant and machinery acquired by the Qualifying Company, a business of leasing that plant and machinery;

(d) which, apart from activities ancillary to that business, carries on no other activities;

(e) which has notified an authorised officer of the Revenue Commissioners in the prescribed form within the prescribed time limit that it is, or intends to be, such a Qualifying Company; and

(f) the market value of all qualifying assets held, managed, or both held and managed by the company or the market value of qualifying assets in respect of which the company has entered into legally enforceable arrangements is not less than EUR 10,000,000 on the day on which the qualifying assets are first acquired, first held, or a legally enforceable arrangement in respect of the qualifying assets is entered into (which is itself a qualifying asset), but a company shall not be a Qualifying Company if any transaction is carried out by it otherwise than by way of a bargain made at arm's length apart from where that transaction is the payment of consideration for the use of principal in certain circumstances.

For this purpose, qualifying assets means assets which consist of, or of an interest (including a partnership interest) in, financial assets, commodities or plant and machinery.

If a company is a Qualifying Company, then profits arising from its activities shall be chargeable to corporation tax under Case III of Schedule D (which is applicable to non-trading income) at a rate of 25 per cent. However, for that purpose those profits shall be computed in accordance with the provisions applicable to Case I of that Schedule (which is applicable to trading income). Accordingly, expenses, including interest expenses, will be

deductible if they are incurred wholly and exclusively by the Issuer for the purposes of its business as a Qualifying Company, subject to any required statutory adjustments.

However, where the interest represents more than a reasonable commercial return on the principal outstanding or is dependent on the results of the Issuer's business, such interest on the Notes will only be deductible if certain conditions are met. In addition, certain other payments which are dependent on the results of the Issuer's business will only be deductible if certain conditions are met.

Taxation of Noteholders

Notwithstanding that a Noteholder may receive interest on the Notes free of withholding tax, the Noteholder may still be liable to pay Irish income tax (including Universal Social Charge ("**USC**")). Interest paid on the Notes may have an Irish source and therefore be within the charge to Irish income tax (including USC). Ireland operates a self assessment system in respect of income tax and any person, including a person who is neither resident nor ordinarily resident in Ireland, with Irish source income comes within its scope.

There are exemptions from Irish income tax (including USC) under section 198 of the 1997 Act in certain circumstances, including:

(a) where the Issuer is a qualifying company within the meaning of section 110 of the 1997 Act and the interest is paid by the Issuer out of the assets of the Issuer to a person who is a resident of a Relevant Territory;

(b) where the interest is exempt from withholding tax because it is payable on a quoted Eurobond and is paid by a company to:

    (i) a person is resident of a Relevant Territory; or

    (ii) a company controlled, either directly or indirectly, by persons resident in a Relevant Territory, and who are not under the control, whether directly or indirectly, of a person who is, or persons who are not so resident; or

    (iii) a company the principal class of shares of which, is substantially and regularly traded on a stock exchange in Ireland, on a recognised stock exchange in a Relevant Territory or on such other stock exchange as is approved by the Minister for Finance of Ireland; and

(c) where the interest is paid by a company in the ordinary course of business carried on by it to a company (i) which is not resident in Ireland and is a resident of a Relevant Territory for the purposes of section 198 of the 1997 Act, and that Relevant Territory imposes a tax that generally applies to interest receivable in that territory by companies from sources outside that territory, or (ii) where the interest is either (A) exempted from the charge to income tax under arrangements made with the government of a territory outside Ireland having the force of law under procedures set out in section 826(1) of the 1997 Act, or (B) would be exempted from the charge to income tax if arrangements made, on or before the date of payment of the interest with the government of a territory outside Ireland that do not have force of law under procedures set out in section 826(1) of the 1997 Act, had the force of law when the interest was paid.

For the purposes of section 198 of the 1997 Act, residence is determined under the terms of the relevant double taxation agreement, if such exists, or in any other case, the law of the country in which the Noteholder claims to be resident.

Notwithstanding these exemptions from income tax, a corporate recipient that carries on a trade in Ireland through a branch or agency in respect of which the Notes are held or attributed, may have a liability to Irish corporation tax on the interest.

Interest on the Notes which does not fall within the above exemptions may be within the charge to Irish income tax (including USC).

Capital Gains Tax

For as long as the Notes are listed on a stock exchange, a holder of Notes will not be subject to Irish tax on capital gains on a disposal of Notes, *provided that* such holder is neither resident nor ordinarily resident in Ireland and does not carry on a trade in Ireland through a branch or agency in respect of which the Notes are used or held.

Capital Acquisitions Tax

A gift or inheritance comprising of Notes will be within the charge to capital acquisitions tax if either (i) the disponor or the donee/successor in relation to the gift or inheritance is resident or ordinarily resident in Ireland (or, in certain circumstances, if the disponor is domiciled in Ireland irrespective of his residence or that of the donee/successor) or (ii) if the Notes are regarded as property situate in Ireland. Registered notes are generally regarded as situated where the principal register of Noteholders is maintained or is required to be maintained.

Stamp Duty

On the basis on an exemption provided for in Section 85(2)(c) of the Stamp Duties Consolidation Act 1999, no stamp duty or similar tax is imposed in Ireland on the issue, transfer or redemption of the Notes whether they are represented by Global Notes or Definitive Notes (each as defined in the Trust Deed), *provided that* the money raised by the Notes is used in the course of the Issuer's business.

EU Savings Directive

The Council of the European Union adopted a directive regarding the taxation of interest income known as the "European Union Directive on the Taxation of Savings Income (Directive 2003/48/EC)".

Ireland implemented the Savings Directive into national law.

However, on 10 November 2015 the Council of the European Union adopted a Council Directive repealing the Savings Directive from 1 January 2017 in the case of Austria and from 1 January 2016 in the case of all other Member States (subject to on-going requirements to fulfil administrative obligations such as reporting and exchange of information relating to and account for withholding taxes on payments made before those dates). This is to prevent overlap between the Savings Directive and a new automatic exchange of information regime implemented under Council Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU).

Common Reporting Standard (CRS)

The Common Reporting Standard ("**CRS**") framework was first released by the OECD in February 2014. To date, more than 90 jurisdictions have publically committed to implementation, many of which are early adopter countries, including Ireland. On 21 July 2014, the Standard for Automatic Exchange of Financial Account Information in Tax Matters (the "**Standard**") was published, involving the use of two main elements, the Competent Authority Agreement ("**CAA**") and the CRS.

The goal of the Standard is to provide for the annual automatic exchange between governments of financial account information reported to them by local Financial Institutions ("**FIs**") relating to account holders tax resident in other participating countries to assist in the efficient collection of tax. The OECD, in developing the CRS, have used FATCA concepts and as such the Standard is broadly similar to the FATCA requirements, albeit with numerous alterations. It will result in a significantly higher number of reportable persons due to the increased instances of potentially in-scope accounts and the inclusion of multiple jurisdictions to which accounts must be reported.

4. Certain U.S. Federal Income Tax Considerations

General

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

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

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

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

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

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

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

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

U.S. Federal Tax Treatment of the Issuer

The Issuer will be treated as a foreign corporation for U.S. federal income tax purposes.

The Issuer intends to operate so as not to be treated as engaged in a trade or business in the United States for U.S. federal income tax purposes. Upon the issuance of the Notes, the Issuer will receive an opinion of

Freshfields Bruckhaus Deringer US LLP generally to the effect that the Issuer will not be engaged in a trade or business within the United States for U.S. federal income tax purposes. The opinion of Freshfields Bruckhaus Deringer US LLP will be based on certain factual assumptions, covenants and representations as to the Issuer's contemplated activities, including the compliance with certain investment guidelines contained in the Portfolio Management Agreement (the "**U.S. Tax Guidelines**"). Failure of the Issuer or the Portfolio Manager to comply with the U.S. Tax Guidelines, the Trust Deed or the Portfolio Management Agreement may not give rise to a default, Note Event of Default, or Portfolio Manager Event of Default under the Trust Deed or the Portfolio Management Agreement, as applicable, and may not give rise to a claim against the Issuer or the Portfolio Manager. The Portfolio Manager may depart from the U.S. Tax Guidelines upon receipt of advice of counsel that such departures will not cause the Issuer to be considered engaged in a U.S. trade or business, or otherwise subject to U.S. federal net income tax. Such permitted variations from the U.S. Tax Guidelines will not be covered by the opinion of Freshfields Bruckhaus Deringer US LLP delivered upon issuance of the notes. Legal opinions are not binding on the IRS or the courts, and no ruling will be sought from the IRS regarding this, or any other aspect of the U.S. federal income tax treatment of the Issuer. Consequently, there can be no assurance that positions contrary to those stated in the opinion of Freshfields Bruckhaus Deringer US LLP delivered upon the issuance of the may not be successfully asserted by the IRS. In this regard, there are no legal authorities that deal with activities closely comparable to those to be engaged in by the Issuer, and the Issuer could be treated as engaged in a trade or business in the United States as a result of unanticipated activities, changes in law (including interpretations thereof) or administrative practice or procedure, contrary conclusions by the IRS, amendment of the Trust Deed in a manner that permits or causes the Issuer to be engaged in a trade or business in the United States or other causes. If it is determined that the Issuer is engaged in a trade or business in the United States for U.S. federal income tax purposes, and the Issuer has taxable income that is effectively connected with such U.S. trade or business, the Issuer will be subject under the Code to the regular U.S. corporate income tax on its effectively connected taxable income, possibly on a gross basis, and possibly to a 30 per cent. branch profits tax and state and local taxes as well. The imposition of such a tax liability could materially adversely affect the Issuer's ability to make payments on the Notes. The balance of this summary assumes that the Issuer is not subject to U.S. federal income tax on its net income.

U.S. Federal Tax Treatment of the Notes

General. Upon the issuance of the Notes, the Issuer will receive an opinion of Cadwalader, Wickersham & Taft LLP to the effect that, based on certain assumptions, the Class A Notes, Class B Notes, Class C Notes, and Class D Notes will be treated, and the Class E Notes should be treated, as indebtedness for U.S. federal income tax purposes. No opinion will be received with respect to the Class F Notes. The Issuer intends to treat each Class of the Rated Notes as indebtedness for U.S. federal, state, and local income and franchise tax purposes. The Issuer's characterisations will be binding on all Noteholders, and the Trust Deed requires the Noteholders to treat the Rated Notes as indebtedness for U.S. federal, state and local income and franchise tax purposes. Nevertheless, the IRS could assert, and a court could ultimately hold, that one or more Classes of Rated Notes are equity in the Issuer. In addition, as discussed below under "*Recently Proposed Regulations*", the IRS recently issued proposed regulations that, if finalized in their current form, could treat Rated Notes as equity in the Issuer for periods during which those Rated Notes are held by a person that is related to the Issuer. If any Rated Notes were treated as equity in, rather than debt of, the Issuer for U.S. federal income tax purposes, then the Noteholders of those Notes would be subject to the special and potentially adverse U.S. tax rules applicable to U.S. equity owners in PFICs. See "*Possible Treatment of Class E Notes and Class F Notes as Equity for U.S. Federal Tax Purposes*" below. Except as otherwise indicated, the balance of this summary assumes that all of the Rated Notes are treated as indebtedness of the Issuer for U.S. federal, state and local income and franchise tax purposes. Prospective investors in the Rated Notes should consult their tax advisors regarding the U.S. federal, state and local income and franchise tax consequences to the investors in the event their Rated Notes are treated as equity in the Issuer.

The Issuer intends to treat the Subordinated Notes as equity in the Issuer for U.S. federal income tax purposes, and each holder by its purchase of a Subordinated Note agrees to treat the Subordinated Notes consistently with this treatment.

The Trust Deed could be amended in a manner that materially adversely affects the U.S. federal tax consequences of an investment in the Notes as described herein, including by affecting the U.S. federal income tax characterization of the Notes as indebtedness or equity or changing the characterization and timing of income inclusions to U.S. Holders in respect of the Notes. The remainder of this discussion and the tax opinion of Cadwalader, Wickersham & Taft LLP assume that the Trust Deed is not so amended.

Recently Proposed Regulations. The IRS recently issued proposed regulations that, if finalized in their current form, could retroactively treat Rated Notes as equity in the Issuer for periods during which those Rated Notes are held by a person that is directly or indirectly connected to the Issuer through chains of 80% or greater ownership. If those Rated Notes cease to be held by a person that is so related (either because the person ceases to be so related or because the person sells some or all of those Rated Notes to an unrelated person), then, for U.S. federal income tax purposes, those Rated Notes will be deemed to have been exchanged for new debt instruments at that time, and the amount of OID (if any) on the new debt instruments may differ from the amount of OID on the other Rated Notes of the same Class. Because all Rated Notes of a single Class will bear the same ISIN, investors may not be able to distinguish between the Rated Notes that were held by the related person and the Rated Notes that were not held by the related person, which could have material adverse consequences to holders of the Rated Notes that were not held by the related person (including a reduction in the liquidity of their Rated Notes). In addition, the treatment of any Rated Notes as equity under the proposed regulations could affect the timing and amount of income to a U.S. Holder of Subordinated Notes (or any other Notes that are treated as equity in the Issuer for U.S. federal income tax purposes) that is subject to the CFC rules or has made a QEF election with respect to the Issuer. Investors should consult their own tax advisors regarding the consequences to them in the event that the proposed regulations are finalized.

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

Class A Notes and Class B Notes

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

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

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

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

Original Issue Discount. In addition, if the discount at which a substantial amount of the Class A Notes or Class B Notes is first sold to investors is at least 0.25 per cent. of the principal amount of the Class, multiplied by the number of complete years to the weighted average maturity of the Class, then the Issuer will treat the Class as issued with original issue discount ("**OID**") for U.S. federal income tax purposes. The total amount of OID with respect to a Note within the Class will equal the excess of the principal amount of the Note over its issue price (the first price at which a substantial amount of Notes within the Class was sold to investors). U.S. Holders of Notes that are issued with OID will be required to include the U.S. dollar value of OID in advance of the receipt of cash attributable to such income. In general, U.S. Holders of the Class A Notes or Class B Notes will calculate the U.S. dollar value of OID based on the average euro-to-U.S. dollar spot exchange rate during the applicable Accrual Period (or, with respect to an Accrual Period that spans two taxable years, at the average euro-to-U.S. dollar spot exchange rate for the partial period within the U.S. Holder's taxable year). Alternatively, a U.S. Holder of the Class A Notes or Class B Notes can elect to calculate the U.S. dollar value of OID based on the euro-to U.S. dollar spot exchange rate on the last day of the applicable Accrual Period (or, with respect to an Accrual Period that spans two taxable years, at the euro-to-U.S. dollar spot exchange rate on

the last day of the U.S. Holder's taxable year) or, if the last day of the Accrual Period is within five business days of the U.S. Holder's receipt of the payment of accrued OID, the spot exchange rate on the date of receipt. Any such election must be applied to all debt instruments held by the U.S. Holder and is irrevocable without the consent of the IRS.

A U.S. Holder will be required to include OID in income as it accrues (regardless of the U.S. Holder's method of accounting) under a constant yield method. Accruals of any such OID will be based on the weighted average life of the applicable Class rather than its stated maturity. It is possible, however, that the IRS could assert and a court could ultimately hold that some other method of accruing OID should apply. Accruals of OID on the Class A Notes and the Class B Notes will be calculated by assuming that interest will be paid over the life of the applicable Class based on the value of EURIBOR used in setting the interest rate for the first Accrual Period, and then adjusting the accrual for each subsequent Accrual Period based on the difference between the value of EURIBOR used in setting interest for that subsequent Accrual Period and the assumed rate.

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

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

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

Upon a sale, exchange, or retirement of a Class A Note or Class B Note, a U.S. Holder will generally recognise gain or loss equal to the difference between the U.S. dollar value of the amount realised on the sale, exchange, or retirement (less any accrued and unpaid interest, which will be taxable as described above) and the holder's tax basis in such Note. In the case of a Class A Note or Class B Note, any such gain or loss will be foreign currency exchange gain or loss to the extent that the U.S. dollar value of the principal amount of the Note on the date of the sale, exchange, or retirement (based on the euro-to-U.S. dollar spot exchange rate on such date) differs from the U.S. dollar value of the equivalent principal amount of the Note (based on the euro-to-U.S. dollar spot exchange rate on the date the Note was acquired). Any such foreign currency exchange gain or loss generally will be treated as ordinary income or loss. Any gain or loss in excess of foreign currency exchange gain or loss will be capital gain or loss, and generally will be treated as long-term capital gain or loss if the U.S. Holder held the Note for more than one year at the time of disposition. In certain circumstances, U.S. Holders who are individuals may be entitled to preferential tax rates for net long-term capital gains; however, the ability of U.S. Holders to offset capital losses against ordinary income is limited.

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

Original Issue Discount. The Issuer will treat the Class C Notes, Class D Notes, Class E Notes and Class F Notes as issued with OID for U.S. federal income tax purposes. The total amount of OID with respect to a Class C Note, Class D Note, Class E Note or Class F Note will equal the sum of all payments to be received under such Note less its issue price (the first price at which a substantial amount of Notes within the applicable Class was sold to investors). U.S. Holders of the Class C Notes, Class D Notes, Class E Notes, or Class F Notes will be required to include the U.S. dollar value of OID in advance of the receipt of cash attributable to such income. In general, U.S. Holders will calculate the U.S. dollar value of OID based on the average euro-to-U.S. dollar spot exchange rate during the applicable Accrual Period (or, with respect to an Accrual Period that spans

two taxable years, at the average euro-to-U.S. dollar spot exchange rate for the partial period within the U.S. Holder's taxable year). Alternatively, a U.S. Holder can elect to calculate the U.S. dollar value of OID based on the euro-to-U.S. dollar spot exchange rate on the last day of the applicable Accrual Period (or, with respect to an Accrual Period that spans two taxable years, at the euro-to-U.S. dollar spot exchange rate on the last day of the U.S. Holder's taxable year) or, if the last day of the Accrual Period is within five business days of the U.S. Holder's receipt of the payment of accrued OID, the euro-to-U.S. dollar spot exchange rate on the date of receipt. Any such election must be applied to all debt instruments held by the U.S. Holder and is irrevocable without the consent of the IRS.

A U.S. Holder of Class C Notes, Class D Notes, Class E Notes or Class F Notes will be required to include OID in income as it accrues (regardless of the U.S. Holder's method of accounting) under a constant yield method. Accruals of any such OID will be based on the weighted average life of the applicable Class rather than its stated maturity. Accruals of OID on the Class C Notes, Class D Notes, Class E Notes, and Class F Notes will be calculated by assuming that interest will be paid over the life of the applicable Class based on the value of EURIBOR used in setting the interest rate for the first Payment Date, and then adjusting the accrual for each subsequent Payment Date based on the difference between the value of EURIBOR used in setting interest for that subsequent Payment Date and the assumed rate. It is possible, however, that the IRS could assert, and a court could ultimately hold, that some other method of accruing OID on the Class C Notes, Class D Notes, Class E Notes, or Class F Notes should apply.

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

Sale, Exchange or Retirement. In general, a U.S. Holder of a Class C Note, Class D Note, Class E Note or Class F Note will have a basis in such Note equal to the U.S. dollar value of the cost of such Note (based on the euro-to-U.S. dollar spot exchange rate on the date the Note was acquired, or the settlement date for the purchase of the Note if the Note is treated under applicable Treasury regulations as a security traded on an established securities market and the U.S. Holder either uses the cash method of accounting, or uses the accrual method of accounting and so elects (which election must be applied consistently from year to year)), (i) increased by any amount includable in income by such U.S. Holder as OID (as described above), and (ii) reduced by the U.S. dollar value of any payments received on such Note (based on the euro-to-U.S. dollar spot exchange rate on the date any such payments were received). A U.S. Holder will generally recognise foreign currency exchange gain or loss on the receipt of any principal payments on a Class C Note, Class D Note, Class E Note or Class F Note prior to a sale, exchange, or retirement of such Note to the extent that the U.S. dollar value of each such principal payment (based on the euro-to-U.S. dollar spot exchange rate on the date any such payment was received) differs from the U.S. dollar value of the equivalent principal amount of the Note (based on the euro-to-U.S. dollar spot exchange rate on the date the Note was acquired). Any such foreign currency exchange gain or loss generally will be treated as ordinary income or loss.

Upon a sale, exchange, or retirement of a Class C Note, Class D Note, Class E Note or Class F Note, a U.S. Holder will generally recognise gain or loss equal to the difference between the U.S. dollar value of the amount realised on the sale, exchange, or retirement and the holder's tax basis in such Note. Any such gain or loss will be foreign currency exchange gain or loss to the extent that the U.S. dollar value of the principal amount of the Note on the date of the sale, exchange, or retirement (based on the euro-to-U.S. dollar spot exchange rate on such date) differs from the U.S. dollar value of the equivalent principal amount of the Note (based on the euro-to-U.S. dollar spot exchange rate on the date the Note was acquired). Any such foreign currency exchange gain or loss generally will be treated as ordinary income or loss. Any gain or loss in excess of foreign currency exchange gain or loss will be capital gain or loss, and generally will be treated as long-term capital gain or loss if the U.S. Holder held the Note for more than one year at the time of disposition. In certain circumstances, U.S. Holders who are individuals may be entitled to preferential tax rates for net long-term capital gains; however, the ability of U.S. Holders to offset capital losses against ordinary income is limited.

Alternative Characterisation.

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

Receipt of Euro.

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

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

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

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

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

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

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

Prospective U.S. Holders of Class E Notes and Class F Notes should consult with their tax advisors regarding whether to make protective filings of IRS Forms 8621, 926 and 5471 with respect to such Notes and the consequences to them if the Class E Notes or Class F Notes are treated as equity in the Issuer.

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

Investment in a Passive Foreign Investment Company. The Issuer will constitute a PFIC for U.S. federal income tax purposes, and, except to the extent that the Issuer is also a CFC and a U.S. Holder is a 10 per cent. United States shareholder in the Issuer (as described below under "*Investment in a Controlled Foreign Corporation*"), U.S. Holders of Subordinated Notes will be subject to the PFIC rules. U.S. Holders should consider making an election to treat the Issuer as a QEF. Generally, a U.S. Holder makes a QEF election on IRS Form 8621, attaching a copy of that form to its U.S. federal income tax return for the first taxable year for which it held its Subordinated Notes. If a U.S. Holder makes a timely QEF election with respect to the Issuer, the electing U.S. Holder will be required in each taxable year to include in gross income (i) as ordinary income, the U.S. dollar value of the U.S. Holder's *pro rata* share of the Issuer's ordinary earnings and (ii) as long-term capital gain, the U.S. dollar value of the U.S. Holder's *pro rata* share of the Issuer's net capital gain, whether or not distributed. A U.S. Holder will not be eligible for the dividends received deduction in respect of such income or gain. In addition, any losses of the Issuer in a taxable year will not be available to the U.S. Holder and may not be carried back or forward in computing the Issuer's ordinary earnings and net capital gain in other taxable years. If applicable, the rules pertaining to a CFC, discussed below generally override those pertaining to a PFIC with respect to which a QEF election is in effect.

In certain cases in which a QEF does not distribute all of its earnings in a taxable year, the electing U.S. Holder may also be permitted to elect to defer payment of some or all of the taxes on the QEF's income, subject to a nondeductible interest charge on the deferred amount. In this respect, prospective purchasers of Subordinated Notes should be aware that it is expected that the Collateral Debt Obligations will include high-yield debt obligations and such instruments may have substantial OID, the cash payment of which may be deferred, perhaps for a substantial period of time. In addition, the Issuer may use proceeds from the sale of Collateral Debt Obligations to retire other classes of Notes. As a result, in any given year, the Issuer may have substantial amounts of earnings for U.S. federal income tax purposes that are not distributed on the Subordinated Notes. Thus, absent an election to defer payment of taxes, U.S. Holders that make a QEF election with respect to the Issuer may owe tax on significant "phantom" income.

The Issuer will provide, upon request, all information and documentation that a U.S. Holder making a QEF election with respect to the Issuer is required to obtain for U.S. federal income tax purposes.

A U.S. Holder of Subordinated Notes (other than certain U.S. Holders that are subject to the rules pertaining to a CFC, described below) that does not make a timely QEF election will be required to report the U.S. dollar value of any gain on the disposition of its Subordinated Notes as ordinary income, rather than capital gain, and to compute the tax liability on such gain and any "Excess Distribution" (as defined below) received in respect of the Subordinated Notes as if such items had been earned ratably over each day in the U.S. Holder's holding period (or a certain portion thereof) for the Subordinated Notes. The U.S. Holder will be subject to tax on such gain or Excess Distributions at the highest ordinary income tax rate for each taxable year in which such gain or Excess Distributions are treated as having been earned, other than the current year (for which the U.S. Holder's regular ordinary income tax rate will apply), regardless of the rate otherwise applicable to the U.S. Holder. Further, such U.S. Holder will also be liable for a nondeductible interest charge as if such income tax liabilities had been due with respect to each such prior year. For purposes of these rules, gifts, exchanges pursuant to corporate reorganisations and use of the Subordinated Notes as security for a loan may be treated as taxable dispositions of such Subordinated Notes. In addition, a stepped-up basis in the Subordinated Notes will not be available upon the death of an individual U.S. Holder who has not made a timely QEF election with respect to the Issuer.

An "**Excess Distribution**" is the amount by which the U.S. dollar value of distributions during a taxable year in respect of a Note exceeds 125 per cent. of the average amount of distributions in respect thereof during the three preceding taxable years (or, if shorter, the U.S. Holder's holding period for the Note).

In many cases, the U.S. federal income tax on any gain on disposition or receipt of Excess Distributions is likely to be substantially greater than the tax if a timely QEF election is made. A U.S. HOLDER OF A SUBORDINATED NOTE SHOULD STRONGLY CONSIDER MAKING A QEF ELECTION WITH RESPECT TO THE ISSUER.

Investment in a Controlled Foreign Corporation. The Issuer will be a CFC if more than 50 per cent. of the equity interests in the Issuer, measured by reference to combined voting power or value, are owned directly, indirectly, or constructively by 10 per cent. United States shareholders. For this purpose, a "**10 per cent. United States shareholder**" is any United States person that possesses directly, indirectly, or constructively 10 per

cent. or more of the combined voting power of all classes of equity in the Issuer. It is likely that the Subordinated Notes will be treated as voting securities. In this case, a U.S. Holder of Subordinated Notes possessing directly, indirectly, or constructively 10 per cent. or more of the sum of the aggregate outstanding principal amount of the Subordinated Notes would be treated as a 10 per cent. United States shareholder. If more than 50 per cent. of the Subordinated Notes (and any Rated Notes that are treated as equity in the Issuer for U.S. federal income tax purposes), determined with respect to aggregate value or aggregate outstanding principal amount, are owned directly, indirectly, or constructively by such 10 per cent. United States shareholders, the Issuer will be treated as a CFC. If, for any given taxable year, the Issuer is treated as a CFC, a 10 per cent. United States shareholder of the Issuer will be required to include as ordinary income an amount equal to the U.S. dollar value of that person's *pro rata* share of the Issuer's "subpart F income" at the end of such taxable year. Among other items, and subject to certain exceptions, "subpart F income" includes dividends, interest, annuities, gains from the sale of shares and securities, certain gains from commodities transactions, certain types of insurance income and income from certain transactions with related parties. It is likely that, if the Issuer were to constitute a CFC, all of its income would be subpart F income.

If the Issuer is treated as a CFC and a U.S. Holder is treated as a 10 per cent. United States shareholder of the Issuer, the Issuer will not be treated as a PFIC with respect to the U.S. Holder for the period during which the Issuer remains a CFC and the U.S. Holder remains a 10 per cent. United States shareholder of the Issuer (the "qualified portion" of the U.S. Holder's holding period for the Subordinated Notes). As a result, to the extent the Issuer's subpart F income includes net capital gains, such gains will be treated as ordinary income to the 10 per cent. United States shareholder under the CFC rules, notwithstanding the fact that the character of such gains generally would otherwise be preserved under the QEF rules. If the qualified portion of the U.S. Holder's holding period for the Subordinated Notes subsequently ceases (either because the Issuer ceases to be a CFC or the U.S. Holder ceases to be a 10 per cent. United States shareholder), then solely for purposes of the PFIC rules, the U.S. Holder's holding period for the Subordinated Notes will be treated as beginning on the first day following the end of such qualified portion, unless the U.S. Holder has owned any Subordinated Notes for any period of time prior to such qualified portion and has not made a QEF election with respect to the Issuer. In that case, the Issuer will again be treated as a PFIC which is not a QEF with respect to the U.S. Holder and the beginning of the U.S. Holder's holding period for the Subordinated Notes will continue to be the date upon which the U.S. Holder acquired the Subordinated Notes, unless the U.S. Holder makes an election to recognise gain with respect to the Subordinated Notes and a QEF election with respect to the Issuer. In the event that the Issuer is a CFC, then, at the request and expense of any U.S. Holder that is a 10 per cent. United States shareholder with respect to the Issuer, the Issuer will provide the information necessary for the U.S. Holder to comply with any filing requirements that arise as a result of the Issuer's classification as a CFC.

Indirect Interests in PFICs and CFCs. If the Issuer owns a Collateral Debt Obligation that is treated as equity in a foreign corporation for U.S. federal income tax purposes, U.S. Holders of Subordinated Notes could be treated as owning an indirect equity interest in a PFIC or a CFC and could be subject to certain adverse tax consequences.

In particular, a U.S. Holder of an indirect equity interest in a PFIC is treated as owning the PFIC directly. The U.S. Holder, and not the Issuer, would be required to make a QEF election with respect to each indirect interest in a PFIC. However, certain PFIC information statements are necessary for U.S. Holders that have made QEF elections, and there can be no assurance that the Issuer can obtain such statements from a PFIC, and thus there can be no assurance that a U.S. Holder will be able to make the election with respect to any indirectly held PFIC.

Accordingly, if the U.S. Holder has not made a QEF election with respect to the indirectly held PFIC, the U.S. Holder would be subject to the adverse consequences described above under "*Investment in a Passive Foreign Investment Company*" with respect to any Excess Distributions of such indirectly held PFIC, any gain indirectly realised by such U.S. Holder on the sale by the Issuer of such PFIC, and any gain indirectly realised by such U.S. Holder with respect to the indirectly held PFIC on the sale by the U.S. Holder of its Subordinated Notes (which may arise even if the U.S. Holder realises a loss on such sale). Moreover, if the U.S. Holder has made a QEF election with respect to the indirectly held PFIC, the U.S. Holder will be required to include in income the U.S. dollar value of its *pro rata* share of the indirectly held PFIC's ordinary earnings and net capital gain as if the indirectly held PFIC were held directly (as described above), and the U.S. Holder will not be permitted to use any losses or other expenses of the Issuer to offset such ordinary earnings and/or net capital gains. Accordingly, if any of the Collateral Debt Obligations are treated as equity interests in a PFIC, U.S. Holders could experience significant amounts of "phantom" income with respect to such interests.

If a Collateral Debt Obligation is treated as an indirect equity interest in a CFC and a U.S. Holder owns directly, indirectly, or constructively 10 per cent. or more of the CFC's voting power for U.S. federal income tax purposes, the U.S. Holder generally will be required to include the U.S. dollar value of its *pro rata* share of the CFC's "subpart F income" as ordinary income at the end of each taxable year, as described above under "*Investment in a Controlled Foreign Corporation*", regardless of whether the CFC distributed any amounts to the Issuer during such taxable year or whether the U.S. Holder made a QEF election with respect to the indirectly held CFC. In addition, the U.S. dollar value of gain realised by the U.S. Holder on the sale by the Issuer of the CFC, and the U.S. dollar value of gain realised by the U.S. Holder on the sale by the U.S. Holder of its Subordinated Notes (as described below), generally will be treated as ordinary income to the extent of the U.S. Holder's *pro rata* share of the CFC's current and accumulated earnings and profits, reduced by any amounts previously taxed pursuant to the CFC rules. U.S. Holders should consult their own tax advisors regarding the tax issues associated with such investments in light of their own individual circumstances.

Phantom Income. U.S. Holders may be subject to U.S. federal income tax on the amounts that exceed the distributions they receive on the Subordinated Notes. For example, if the Issuer is a CFC and a U.S. Holder is a 10 per cent. United States shareholder with respect to the Issuer, or a U.S. Holder makes a QEF election with respect to the Issuer, the U.S. Holder will be subject to federal income tax with respect to its share of the Issuer's income and gain (to the extent of the Issuer's "earnings and profits"), which may exceed the Issuer's distributions. It is expected that the Issuer's income and gain (and earnings and profits) will exceed cash distributions with respect to (i) debt instruments that were issued with OID and are held by the Issuer, and (ii) the acquisition at a discount of the Rated Notes by the Issuer (including by reason of a Refinancing or any deemed exchange that occurs for U.S. federal income tax purposes as a result of a modification of the Trust Deed). U.S. Holders should consult their tax advisers regarding the timing of income and gain on the Subordinated Notes.

Distributions. The treatment of actual distributions of cash on the Subordinated Notes will vary depending on whether a U.S. Holder has made a timely QEF election with respect to the Issuer (as described above). See "*Investment in a Passive Foreign Investment Company*." If a timely QEF election has been made, distributions should be allocated first to amounts previously taxed pursuant to the QEF election (or pursuant to the CFC rules, if applicable) and to this extent will not be taxable to such U.S. Holder. Distributions in excess of such previously taxed amounts will be taxable to U.S. Holders as ordinary income upon receipt, to the extent of any remaining amounts of untaxed current and accumulated earnings and profits of the Issuer. Distributions in excess of previously taxed amounts and any remaining current and accumulated earnings and profits of the Issuer will be treated first as a nontaxable return of capital, to the extent of the U.S. Holder's adjusted tax basis in the Subordinated Notes (as described below under "*Sale, Redemption, or Other Disposition*") and then as a disposition of a portion of the Subordinated Notes. In addition, a U.S. Holder will recognise exchange gain or loss with respect to amounts previously taxed pursuant to the QEF election (or pursuant to the CFC rules, if applicable) equal to the difference, if any, between the U.S. dollar value of the distribution on the date received and the U.S. dollar value of the previously taxed amount. Any exchange gain or loss will generally be treated as ordinary income or loss.

If a U.S. Holder has not made a timely QEF election with respect to the Issuer then, except to the extent that distributions are attributable to amounts previously taxed pursuant to the CFC rules, some or all of any distributions with respect to the Subordinated Notes may constitute Excess Distributions, taxable as described above under the heading "*Investment in a Passive Foreign Investment Company*". In addition, distributions in excess of a U.S. Holder's adjusted tax basis in the Subordinated Notes would be treated as a disposition of a portion of the Subordinated Notes and subject to an additional tax reflecting a deemed interest charge, as described below under "*—Sale, Redemption, or Other Disposition*".

Distributions on the Subordinated Notes will not be eligible for the dividends received deduction, and will not qualify as "qualified dividend income."

Sale, Redemption, or Other Disposition. In general, a U.S. Holder of Subordinated Notes will recognise gain or loss upon the sale, redemption, or other disposition of the Subordinated Notes (including a distribution that is treated as a disposition of the Subordinated Notes, as described above under "*Distributions*") equal to the difference between the U.S. dollar value of the amount realised and the U.S. Holder's adjusted tax basis in the Subordinated Notes. The U.S. dollar value of the amount realised generally is based on the euro-to-U.S. dollar spot exchange rate on the date of the disposition. However, if the Subordinated Notes are treated under applicable Treasury regulations as stock or securities traded on an established securities market and the U.S. Holder uses the cash method of accounting, then the U.S. dollar value of the amount realised is based instead on the euro-to-U.S. dollar spot exchange rate on the settlement date for the sale. U.S. Holders that use the accrual

method of accounting also may elect to use the settlement date valuation, provided that they apply it consistently from year to year.

A U.S. Holder's tax basis in its Subordinated Notes initially will equal the U.S. dollar value of the amount paid by the U.S. Holder for the Subordinated Notes, determined under rules analogous to the rules for determining the U.S. dollar value of the amount realised. The U.S. Holder's tax basis in the Subordinated Notes will be increased by amounts taxable to the U.S. Holder by reason of any QEF election, or by reason of the CFC rules, as applicable, and decreased by the U.S. dollar value of actual distributions by the Issuer that are deemed to consist of such previously taxed amounts or are treated as a nontaxable return of capital, as described above under "*Distributions*".

If the U.S. Holder has made a timely QEF election with respect to the Issuer, then, except to the extent that the Issuer is treated as a CFC and the U.S. Holder is treated as a 10 per cent. United States shareholder of the Issuer, gain or loss upon the sale, redemption, or other disposition of the Subordinated Notes generally will be treated as foreign currency exchange gain or loss, and taxable as ordinary income or loss, to the extent of the positive or negative change in the U.S. dollar value of any amounts previously taxed pursuant to the QEF election from the date of each deemed distribution pursuant to the election (based on the euro-to-U.S. dollar spot exchange rate on that date) to the date of the disposition. Any gain or loss in excess of foreign currency exchange gain or loss will be capital gain or loss, and generally will be long-term capital gain or loss if the U.S. Holder has held the Subordinated Notes for more than one year at the time of the disposition. In certain circumstances, U.S. Holders who are individuals may be entitled to preferential tax rates for net long-term capital gains; however, the ability of U.S. Holders to offset capital losses against ordinary income is limited.

If a U.S. Holder does not make a timely QEF election with respect to the Issuer as described above and is not subject to the CFC rules, any gain realised on the sale, redemption, or other disposition of a Subordinated Note (or any gain deemed to accrue prior to the time a non-timely QEF election is made) will be taxed as ordinary income and subject to an additional tax reflecting a deemed interest charge under the special tax rules described above. See "*Investment in a Passive Foreign Investment Company*".

If the Issuer is treated as a CFC and a U.S. Holder is treated as a 10 per cent. United States shareholder of the Issuer, then any gain or loss realised by the U.S. Holder upon a sale, redemption, or other disposition of the Subordinated Notes, other than gain or loss subject to the PFIC rules, if applicable, generally will be treated as foreign currency exchange gain or loss, and taxable as ordinary income or loss, to the extent of the positive or negative change in the U.S. dollar value of any amounts previously taxed pursuant to the CFC rules from the date of each deemed distribution pursuant to the CFC rules (based on the euro-to-U.S. dollar spot exchange rate on that date) to the date of the disposition. Any gain in excess of foreign currency exchange gain will be treated as ordinary income to the extent of the U.S. dollar value of the U.S. Holder's *pro rata* share of the Issuer's previously untaxed earnings and profits.

In addition, as described above under "*Indirect Interests in PFICs and CFCs*", the U.S. dollar value of any gain attributable to interests in PFICs or CFCs owned by the Issuer may be treated as ordinary income to a U.S. Holder upon the sale, redemption, or other disposition of the U.S. Holder's Subordinated Notes.

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

Transfer and Information Reporting Requirements. A U.S. Holder that purchases the Subordinated Notes for cash will be required to file an IRS Form 926 or similar form with the IRS if (i) such person is treated as owning, directly or by attribution, immediately after the transfer, at least 10 per cent. by vote or value of the Issuer or (ii) the amount of cash transferred by such person (or any related person) to the Issuer during the 12-month period ending on the date of such transfer exceeds $100,000.

A U.S. Holder that is treated as owning (actually or constructively) at least 10 per cent. by vote or value of the equity of the Issuer for U.S. federal income tax purposes may be required to file an information return on IRS Form 5471, and provide additional information regarding the Issuer annually on IRS Form 5471 if it is treated as owning (actually or constructively) more than 50 per cent. by vote or value of the equity of the Issuer for U.S. federal income tax purposes.

In addition, U.S. Holders generally will be required to file an annual PFIC report.

U.S. Holders that fail to comply with these reporting requirements may be subject to adverse tax consequences, including a "tolling" of the statute of limitations with respect to their U.S. tax returns. U.S. Holders should consult their tax advisors with respect to these and any other reporting requirements that may apply with respect to their acquisition or ownership of the Subordinated Notes.

Specified Foreign Financial Asset Reporting

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

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

U.S. Holders that are individuals or estates and certain trusts are subject to an additional 3.8 per cent. tax on all or a portion of their "net investment income", or "undistributed net investment income" in the case of an estate or trust, which may include any income or gain with respect to the Notes, to the extent of their net investment income or undistributed net investment income (as the case may be) that, when added to their other modified adjusted gross income, exceeds $200,000 for an unmarried individual, $250,000 for a married taxpayer filing a joint return (or a surviving spouse), $125,000 for a married individual filing a separate return, or the dollar amount at which the highest tax bracket begins for an estate or trust (which, in 2016, is $12,400). The 3.8 per cent. Medicare tax is determined in a different manner than the regular income tax and special rules apply with respect to the PFIC and CFC rules described above. U.S. Holders should consult their advisers with respect to the 3.8 per cent. Medicare tax.

FBAR Reporting

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

Reportable Transactions

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

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

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

Information Reporting and Backup Withholding

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

dividend payments. The exemption generally is available to U.S. Holders that provide a properly completed IRS Form W-9.

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

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

Backup withholding is not an additional tax and may be refunded (or credited against the holder's U.S. federal income tax liability, if any), provided that certain required information is furnished. The information reporting requirements may apply regardless of whether withholding is required. Copies of the information returns also may be made available to the tax authorities in the country in which a Non-U.S. Holder is a resident under the provisions of an applicable income tax treaty or agreement.

FATCA

Under FATCA, the Issuer may be subject to a 30 per cent. withholding tax on certain income, and on the gross proceeds from the sale, maturity, or other disposition of certain of its assets. Under an intergovernmental agreement entered into between the United States and Ireland, the Issuer will not be subject to withholding under FATCA if it complies with Irish implementing regulations that require the Issuer to provide the name, address, and taxpayer identification number of, and certain other information with respect to, certain holders of Notes to the Office of Revenue Commissioners of Ireland, which would then provide this information to the IRS. The Issuer expects to comply with the intergovernmental agreement and these regulations. However, there can be no assurance that the Issuer will be able to do so. Moreover, the intergovernmental agreement or the Irish implementing regulations could be amended to require the Issuer to withhold on "passthru" payments to holders that fail to provide certain information to the Issuer or are certain "foreign financial institutions" that do not comply with FATCA.

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

Future Legislation and Regulatory Changes Affecting Noteholders

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

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

RULE 17G-5 AND STS REGULATION COMPLIANCE

Rule 17G-5

The Issuer, in order to permit each Rating Agency to comply with its obligations under Rule 17g-5 promulgated under the Exchange Act ("**Rule 17g-5**"), has agreed to post (or have its agent post) on a password-protected internet website (the "**Rule 17g-5 Website**"), at the same time such information is provided to any Rating Agency, all information (which will not include any reports from the Issuer's independent public accountants) that the Issuer or other parties on its behalf, including the Trustee and the Portfolio Manager, provide to such Rating Agency for the purposes of determining the initial credit rating of the Rated Notes or undertaking credit rating surveillance of the Rated Notes; *provided, however, that* prior to the occurrence of a Note Event of Default, without the prior written consent of the Portfolio Manager, no party other than the Issuer, the Trustee or the Portfolio Manager may provide information to any Rating Agency on the Issuer's behalf. On the Issue Date, the Issuer will engage Elavon Financial Services Limited, in accordance with the Portfolio Management Agreement, to assist the Issuer in complying with certain of the posting requirements under Rule 17g-5 (in such capacity, the "**Information Agent**"). Any notices or requests to, or any other written communications with or written information provided to, any of the Rating Agencies, or any of their respective officers, directors or employees, to be given or provided to such Rating Agencies pursuant to, in connection with or related, directly or indirectly, to the Trust Deed, the Portfolio Management Agreement, any Transaction Document relating thereto, the Portfolio or the Notes, will be in each case furnished directly to the applicable Rating Agency or Rating Agencies after a copy has been delivered to the Information Agent or the Issuer for posting to the Rule 17g-5 Website.

STS Regulation

In the event that the STS Regulation applies in the form that comes into force, the Issuer has agreed to assume the costs of compliance and making amendments to the Transaction Documents. In such circumstances the Issuer will establish and maintain a website or will procure that a website is established and maintained, in each case, for the purposes of ensuring compliance with the STS Regulation.

CERTAIN ERISA CONSIDERATIONS

The U.S. Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), imposes certain fiduciary standards and certain other requirements on employee benefit plans subject to Part 4, Subtitle B, Title I of ERISA, on entities such as collective investment funds, certain insurance company separate accounts, certain insurance company general accounts, and entities whose underlying assets include the assets of such plans (collectively, "**ERISA Plans**"), and on those persons who are fiduciaries with respect to ERISA Plans. Investments by ERISA Plans are subject to ERISA's general fiduciary requirements, including the requirement of investment prudence and diversification and the requirement that an ERISA Plan's investments be made in accordance with the documents governing the ERISA Plan. The prudence of a particular investment must be determined by the responsible fiduciary of an ERISA Plan by taking into account the ERISA Plan's particular circumstances and all of the facts and circumstances of the investment, including, but not limited to, the matters discussed above under "*Risk Factors*".

Section 406 of ERISA and Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), prohibit certain transactions involving the assets of an ERISA Plan, as well as those plans that are not subject to ERISA but which are subject to Section 4975 of the Code, such as individual retirement accounts and Keogh plans, and entities whose underlying assets include the assets of such plans (together with ERISA Plans, "**Plans**"), and certain persons (referred to as "parties in interest" under ERISA or "disqualified persons" under the Code) having certain relationships to Plans, unless a statutory or administrative exception or exemption is applicable to the transaction. A party in interest or disqualified person who engages in a prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and the Code, and the transaction may have to be rescinded.

Governmental plans (as defined in Section 3(32) of ERISA), certain church plans (as defined in Section 3(33) of ERISA) and certain non-U.S. plans (as described in Section 4(b)(4) of ERISA), while not subject to the fiduciary responsibility or prohibited transaction provisions of ERISA or the provisions of Section 4975 of the Code, may nevertheless be subject to federal, state, local, non-U.S. or other laws or regulations (such as the prohibited transaction rules of Section 503 of the Code) that are substantially similar to the foregoing provisions of ERISA or the Code.

Under a regulation issued by the United States Department of Labor (29 C.F.R. Section 2510.3-101), as modified by Section 3(42) of ERISA (the "**Plan Asset Regulation**"), if a Plan invests in an "equity interest" of an entity that is neither a "publicly offered security" nor a security issued by an investment company registered under the Investment Company Act of 1940, the Plan's assets are deemed to include both the equity interest and an undivided interest in each of the entity's underlying assets, unless either (a) immediately after the most recent acquisition of any equity interest in the entity, less than 25 per cent. of the total value of each class of equity interests in the entity is held by "Benefit Plan Investors" (disregarding equity interests held by certain persons, other than Benefit Plan Investors, with discretionary authority or control over the assets of the entity or who provide investment advice with respect to such assets for a fee, direct or indirect (such as the Portfolio Manager), or any affiliates of such persons (each a "**Controlling Person**") (the "**25 per cent. Limitation**") or (b) the entity is an "operating company", as defined in the Plan Asset Regulation. It is not anticipated that the Issuer will qualify as an operating company. A "**Benefit Plan Investor**" means (1) an employee benefit plan (as defined in Section 3(3) of ERISA) subject to the provisions of Part 4 of Subtitle B of Title I of ERISA, (2) a plan to which Section 4975 of the Code applies, or (3) any entity whose underlying assets are deemed for purposes of ERISA to include "plan assets" by reason of any such employee benefit plan and/or plan's investment in the entity.

If any Class of the Notes were deemed to be equity interests in the Issuer and no exception under ERISA or the Plan Asset Regulation applied, an undivided portion of the Issuer's assets would be deemed to be assets of each Plan that invests in those Notes. In such case, certain transactions that the Portfolio Manager might enter into, or may have entered into, on behalf of the Issuer, in the ordinary course of its business, might be deemed to constitute direct or indirect "prohibited transactions" under Section 406 of ERISA and/or Section 4975 of the Code with respect to such Plan investors and might have to be rescinded; the payment of certain of the fees to the Collateral Administrator might be considered to be a non-exempt prohibited transaction under Section 406 of ERISA and/or Section 4975 of the Code; the Portfolio Manager and other persons, in providing services with respect to the Issuer's assets, might be fiduciaries or other parties in interest or disqualified persons with respect to such Plans; and it is not clear whether the limitations of Section 403(a) of ERISA on the delegation of investment management responsibilities by fiduciaries of ERISA Plans or whether the rules of Section 404(b) of ERISA and the regulations thereunder regarding maintenance of the indicia of ownership of the assets of an ERISA Plan outside the jurisdiction of the U.S. district courts would be satisfied.

The Plan Asset Regulation defines an "equity interest" as any interest in an entity other than an instrument that is treated as indebtedness under applicable local law and which has no substantial equity features. Although the Plan Asset Regulation is silent with respect to the question of which law constitutes applicable local law for this purpose, the Department of Labor has stated that these determinations should be made under the state law governing interpretation of the instrument in question. In the preamble to the Plan Asset Regulation, the Department of Labor declined to provide a precise definition of what features are equity features or the circumstances under which such features would be considered "substantial", noting that the question of whether a Plan's interest has substantial equity features is an inherently factual one, but that in making a determination it would be appropriate to take into account whether the equity features are such that a Plan's investment would be a practical vehicle for the indirect provision of investment management services. There is little pertinent authority in this area.

Although there can be no assurance in this regard, based on the credit quality (as reflected by the credit rating assigned by each Rating Agency) of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes, the traditional debt characteristics of such Notes and the absence of rights to payment in excess of principal and stated interest under such Notes, the Issuer is treating the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes which are denominated as debt, as not being "equity interests" in the Issuer for purposes of ERISA and the Plan Asset Regulation.

There is a risk that the Class E Notes and the Class F Notes could constitute "equity interests" in the Issuer for purposes of ERISA and the Plan Asset Regulation. There is a risk that the Subordinated Notes would likely constitute "equity interests" in the Issuer for purposes of ERISA and the Plan Asset Regulation. Accordingly, the Issuer intends to limit investments by Benefit Plan Investors in each of the Class E Notes, the Class F Notes and the Subordinated Notes. In reliance on representations made, or deemed made, by investors in the Class E Notes, the Class F Notes and the Subordinated Notes, the Issuer intends to limit investment by Benefit Plan Investors in the Class E Notes, the Class F Notes and the Subordinated Notes to less than the 25 per cent. Limitation. Each prospective purchaser (including a transferee) of a Class E Note, a Class F Note or a Subordinated Note will be required to make, or will be deemed to make, certain representations regarding its status as a Benefit Plan Investor and Controlling Person and other ERISA matters as described under the "*Transfer Restrictions*" section of this Prospectus. No Class E Notes, Class F Notes or Subordinated Notes will be sold or transferred to purchasers that have represented that they are Benefit Plan Investors or Controlling Persons to the extent that such sale may result in holdings by Benefit Plan Investors exceeding the 25 per cent. Limitation. Except as otherwise provided by the Plan Asset Regulation, each Class E Note, Class F Note or Subordinated Note held by persons that have represented that they are Controlling Persons will be disregarded and will not be treated as outstanding for purposes of determining compliance with the 25 per cent. Limitation.

Each of the Issuer, the Portfolio Manager, the Joint Arrangers, the Joint Placement Agents, the Collateral Administrator, the Trustee, the Agents and certain other parties, or their respective affiliates, may be the sponsor of, or investment adviser with respect to, one or more Plans. Because such parties may receive certain benefits in connection with the sale of the Notes to such Plans, whether or not the Notes are treated as equity interests in the Issuer, the purchase of such Notes using the assets of a Plan sponsored by any such parties or with respect to which any of such parties has investment authority might be deemed to be a violation of the prohibited transaction rules of ERISA and/or Section 4975 of the Code for which no exemption may be available. Accordingly, Notes may not be purchased using the assets of any Plan if any of the Issuer, the Portfolio Manager, the Joint Arrangers, the Joint Placement Agents, the Collateral Administrator, the Trustee, the Agents, or their respective affiliates is the sponsor of such Plan, or has investment authority with respect to such assets (except to the extent (if any) that a favourable statutory or administrative exemption applies or the transaction is not otherwise a prohibited transaction).

In addition, if the Notes are acquired by a Plan with respect to which the Issuer, the Portfolio Manager, the Joint Arrangers, the Joint Placement Agents, the Collateral Administrator, the Trustee, the Agents, any holder of such Notes or any of their respective affiliates is a party in interest or a disqualified person, other than a sponsor of, or investment adviser with respect to, such Plan, such transaction could be deemed to be a prohibited transaction within the meaning of Section 406 of ERISA and/or Section 4975 of the Code. In addition, if a party in interest or disqualified person with respect to a Plan owns or acquires a 50 per cent. or more beneficial interest in the Issuer, the acquisition or holding of the Notes by or on behalf of such Plan could be considered to constitute a prohibited transaction. Moreover, the acquisition or holding of the Notes or other indebtedness issued by the Issuer by or on behalf of a party in interest or disqualified person with respect to a Plan that owns or acquires an equity interest in the Issuer also could give rise to an indirect prohibited transaction. Certain exemptions from the prohibited transaction provisions of ERISA and Section 4975 of the Code could be applicable, however, to a Plan's acquisition of a Note depending in part upon the type of Plan fiduciary making the decision to acquire

such Note and the circumstances under which such decision is made. Included among these exemptions are Prohibited Transaction Class Exemption ("**PTCE**") 90-1, regarding investments by insurance company pooled separate accounts; PTCE 91-38, regarding investments by bank collective investment funds; PTCE 84-14, regarding transactions effected by a "qualified professional asset manager"; PTCE 96-23, regarding investments by certain "in-house asset managers"; and PTCE 95-60, regarding investments by insurance company general accounts. In addition to the class exemptions listed above, Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code provide a statutory prohibited transaction exemption for transactions between a Plan and a person or entity that is a party in interest to such Plan solely by reason of providing services to the Plan (other than a party in interest that is a fiduciary, or its affiliate, that has or exercises discretionary authority or control or renders investment advice with respect to the assets of the Plan involved in the transaction), *provided that* there is adequate consideration for the transaction. Even if the conditions specified in one or more of these exemptions are met, the scope of the relief provided by these exemptions might not cover all acts which might be construed as prohibited transactions.

EACH ACQUIRER AND EACH TRANSFEREE OF A CLASS A NOTE, A CLASS B NOTE, A CLASS C NOTE OR A CLASS D NOTE, OR ANY INTEREST RESPECTIVELY THEREIN, WILL BE DEEMED, OR REQUIRED IN WRITING, AS APPLICABLE, TO REPRESENT, WARRANT AND AGREE, THAT (1) EITHER (A) IT IS NOT, AND IS NOT ACTING ON BEHALF OF (AND FOR SO LONG AS IT HOLDS ANY SUCH NOTE (OR ANY INTEREST THEREIN) WILL NOT BE, AND WILL NOT BE ACTING ON BEHALF OF), A BENEFIT PLAN INVESTOR OR A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN WHICH IS SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. OR OTHER LAW OR REGULATION THAT IS SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**"), AND NO PART OF THE ASSETS TO BE USED BY IT TO ACQUIRE OR HOLD SUCH NOTES (OR ANY INTEREST THEREIN) CONSTITUTES THE ASSETS OF ANY BENEFIT PLAN INVESTOR OR SUCH A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, OR (B) ITS ACQUISITION, HOLDING AND DISPOSITION OF SUCH NOTES (OR ANY INTEREST THEREIN) DOES NOT AND WILL NOT CONSTITUTE OR OTHERWISE RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE (OR, IN THE CASE OF A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, A NON-EXEMPT VIOLATION OF ANY SIMILAR LAW); AND (2) IT WILL NOT SELL OR OTHERWISE TRANSFER SUCH NOTES (OR ANY INTEREST THEREIN) OTHERWISE THAN TO AN ACQUIRER OR TRANSFEREE THAT IS DEEMED (OR, IF REQUIRED BY THE TRUST DEED, CERTIFIED) TO MAKE THESE SAME REPRESENTATIONS, WARRANTIES AND AGREEMENTS WITH RESPECT TO ITS ACQUISITION, HOLDING AND DISPOSITION OF SUCH NOTE.

EACH INITIAL INVESTOR AND EACH TRANSFEREE OF A CLASS E NOTE, A CLASS F NOTE OR A SUBORDINATED NOTE (OR ANY INTEREST THEREIN) (OTHER THAN THE PORTFOLIO MANAGER, PROVIDED IT HAS GIVEN AN ERISA CERTIFICATE (SUBSTANTIALLY IN THE FORM OF ANNEX A (*FORM OF ERISA CERTIFICATE*) TO THIS PROSPECTUS) TO THE ISSUER, OR AS OTHERWISE PERMITTED IN WRITING BY THE ISSUER WITH RESPECT TO ANY INTERESTS IN THE NOTE ACQUIRED IN THE INITIAL OFFERING) (I) WILL BE REQUIRED OR DEEMED TO REPRESENT, WARRANT AND AGREE THAT (A) (i) IT IS NOT, AND IS NOT ACTING ON BEHALF OF (AND FOR SO LONG AS IT HOLDS ANY SUCH NOTE (OR ANY INTEREST THEREIN) WILL NOT BE, AND WILL NOT BE ACTING ON BEHALF OF), A BENEFIT PLAN INVESTOR AND (ii) IT IS NOT (AND FOR SO LONG AS IT HOLDS ANY SUCH NOTE (OR INTEREST THEREIN) WILL NOT BE) A CONTROLLING PERSON, UNLESS IT RECEIVES THE WRITTEN CONSENT OF THE ISSUER, PROVIDES AN ERISA CERTIFICATE (SUBSTANTIALLY IN THE FORM OF ANNEX A (*FORM OF ERISA CERTIFICATE*)) TO THE ISSUER AS TO ITS STATUS AS A BENEFIT PLAN INVESTOR OR CONTROLLING PERSON AND HOLDS SUCH NOTE IN THE FORM OF A DEFINITIVE CERTIFICATE AND (B) (i) IF IT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, ITS ACQUISITION, HOLDING AND DISPOSITION OF SUCH NOTES (OR INTEREST THEREIN) WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE, OR (ii) IF IT IS A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, (x) IT IS NOT, AND FOR SO LONG AS IT HOLDS SUCH NOTE (OR INTEREST THEREIN) WILL NOT BE, SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. OR OTHER LAW OR REGULATION THAT IS SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**") OR (y) ITS ACQUISITION, HOLDING AND DISPOSITION OF SUCH NOTE (OR INTEREST THEREIN) WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT VIOLATION OF ANY SIMILAR LAW AND

(II) IT AGREES TO CERTAIN TRANSFER RESTRICTIONS REGARDING ITS INTEREST IN SUCH NOTE.

THE ISSUER, THE PORTFOLIO MANAGER, THE ARRANGERS, THE JOINT PLACEMENT AGENTS, THE COLLATERAL ADMINISTRATOR, THE TRUSTEE AND THE AGENTS, AND THEIR RESPECTIVE AFFILIATES, SHALL BE ENTITLED TO CONCLUSIVELY RELY UPON THE TRUTH AND ACCURACY OF THE FOREGOING REPRESENTATIONS, WARRANTIES AND AGREEMENTS BY ACQUIRERS AND TRANSFEREES OF ANY NOTES WITHOUT FURTHER INQUIRY. THE ACQUIRER AND ANY FIDUCIARY CAUSING IT TO ACQUIRE AN INTEREST IN ANY NOTES AGREES TO INDEMNIFY AND HOLD HARMLESS THE ISSUER, THE PORTFOLIO MANAGER, THE ARRANGERS, THE JOINT PLACEMENT AGENTS, THE COLLATERAL ADMINISTRATOR, THE TRUSTEE AND THE AGENTS, AND THEIR RESPECTIVE AFFILIATES, FROM AND AGAINST ANY COST, DAMAGE OR LOSS INCURRED BY ANY OF THEM AS A RESULT OF ANY OF THE FOREGOING REPRESENTATIONS AND AGREEMENTS BEING OR BECOMING FALSE.

NO TRANSFER OF AN INTEREST IN THE CLASS E NOTES, THE CLASS F NOTES OR THE SUBORDINATED NOTES WILL BE PERMITTED OR RECOGNISED IF IT WOULD CAUSE THE 25 PER CENT. LIMITATION TO BE EXCEEDED WITH RESPECT TO THE CLASS E NOTES, THE CLASS F NOTES OR THE SUBORDINATED NOTES, RESPECTIVELY.

ANY PURPORTED ACQUISITION OR TRANSFER OF ANY NOTE OR BENEFICIAL INTEREST THEREIN TO AN ACQUIRER OR TRANSFEREE THAT DOES NOT COMPLY WITH THE REQUIREMENTS DESCRIBED HEREIN SHALL BE NULL AND VOID AB INITIO, AND THE ISSUER WILL HAVE THE RIGHT TO CAUSE THE SALE OF ANY SUCH NOTE TO ANOTHER ACQUIROR THAT COMPLIES WITH THE REQUIREMENTS DESCRIBED HEREIN IN ACCORDANCE WITH THE TERMS OF THE TRUST DEED.

It should be noted that an insurance company's general account may be deemed to include assets of Plans under certain circumstances, e.g., where a Plan purchases an annuity contract issued by such an insurance company, based on the reasoning of the United States Supreme Court in *John Hancock Mutual Life Ins. Co. v. Harris Trust and Savings Bank*, 510 U.S. 86 (1993). An insurance company considering the purchase of Notes with assets of its general account should consider such purchase and the insurance company's ability to make the representations described above in light of *John Hancock Mutual Life Ins. Co. v. Harris Trust and Savings Bank*, Section 401(c) of ERISA and a regulation promulgated by the U.S. Department of Labor under that Section of ERISA, 29 C.F.R. Section 2550.401c-1.

A fiduciary of an ERISA Plan or other employee benefit plan that is subject to Similar Law, prior to investing in the Notes or any interest therein, should take into account, among other considerations, whether the fiduciary has the authority to make the investment; the composition of the plan's portfolio with respect to diversification by type of asset; the plan's funding objectives; the tax effects of the investment; and whether, under the general fiduciary standards of ERISA or other applicable laws, including investment prudence and diversification, an investment in the Notes or any interest therein is appropriate for the plan, taking into account the plan's particular circumstances and all of the facts and circumstances of the investment, including such matters as the overall investment policy of the plan and the composition of the plan's investment portfolio.

The sale of any Note or any interest therein to a Plan or a governmental, church, non-U.S. or other plan that is subject to any Similar Law is in no respect a representation by the Issuer, the Portfolio Manager, the Joint Arrangers, the Joint Placement Agents, the Collateral Administrator, the Agents or the Trustee, or any of their respective affiliates, that such an investment meets all relevant legal requirements with respect to investments by such plans generally or any particular plan; that the prohibited transaction exemptions described above, or any other prohibited transaction exemption, would apply to such an investment by such plan in general or any particular plan; or that such an investment is appropriate for such plan generally or any particular plan.

The discussion of ERISA and Section 4975 of the Code contained in this Prospectus, is, of necessity, general, and does not purport to be complete. Moreover, the provisions of ERISA and Section 4975 of the Code are subject to extensive and continuing administrative and judicial interpretation and review. Therefore, the matters discussed above may be affected by future regulations, rulings and court decisions, some of which may have retroactive application and effect.

Any Plan or employee benefit plan not subject to ERISA or Section 4975 of the Code, and any fiduciary thereof, proposing to invest in the Notes, or any interest respectively therein, should consult with its legal advisors regarding the applicability of the fiduciary responsibility and prohibited transaction provisions of ERISA, Section 4975 of the Code and any Similar Law, to such investment, and to confirm that such investment will not constitute or result in a non-exempt prohibited transaction or any other violation of any applicable requirement of ERISA, Section 4975 of the Code or Similar Law.

PLAN OF DISTRIBUTION

The following description consists of a summary of certain provisions of the Placement Agency Agreement which does not purport to be complete and is qualified by reference to the detailed provisions of such agreement. Capitalised terms used in this section and not otherwise defined herein or in this Prospectus shall have the meaning given to them in Condition 1 (Definitions) of the "Terms and Conditions of the Notes".

Resource Securities, Inc., Resource Europe Management Ltd. and RBC Europe Limited (in their capacity as joint placement agents, together the "**Joint Placement Agents**") have agreed with the Issuer, subject to the satisfaction of certain conditions, to facilitate the sale of the Notes other than the Subordinated Notes (the "**Placed Notes**") pursuant to the Placement Agency Agreement. The Placement Agency Agreement entitles the Joint Placement Agents to terminate it in certain circumstances prior to payment being made to the Issuer. Each of the Issuer and the Joint Placement Agents may offer the Placed Notes at prices as may be privately negotiated at the time of sale, which may vary among different purchasers and may be different from the issue price of the Placed Notes. Offers or sales of the Notes may be made by or through affiliates of the Joint Placement Agents.

Investors shall subscribe for Subordinated Notes from the Issuer on the Issue Date subject to the satisfaction of certain conditions pursuant to Note Purchase Agreements.

It is a condition of the issue of the Notes of each Class that the Notes of each other Class be issued in the following principal amounts: Class A Notes: €232,000,000, Class B Notes: €54,000,000, Class C Notes: €26,000,000, Class D Notes: €21,000,000, Class E Notes: €25,000,000, Class F Notes: €13,000,000, and the Subordinated Notes: €42,000,000.

Pursuant to the Placement Agency Agreement, the Issuer has agreed to indemnify the Joint Placement Agents against certain liabilities or to contribute to payments it may be required to make in respect thereof.

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

No action has or will be taken by the Issuer, the Joint Placement Agents or the Retention Holder that would permit a public offering of the Notes or possession or distribution of this Prospectus or any other offering material in relation to the Notes in any jurisdiction where action for the purpose is required, other than the application for the approval of this Prospectus to and by the Irish Stock Exchange and the Central Bank. No offers, sales or deliveries of any Notes, or distribution of this Prospectus or any other offering material relating to the Notes, may be made in or from any jurisdiction, except in circumstances which will result in compliance with any applicable laws and regulations and will not impose any obligations on the Issuer, the Joint Placement Agents or the Joint Arrangers.

(a) United States:

The Joint Placement Agents have made the following representations, warranties and covenants in respect of the Placed Notes:

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

(ii) The Joint Placement Agents propose to sell the Notes (a) outside the United States to non-U.S. Persons in offshore transactions in reliance on Regulation S and in accordance with applicable law and (b) in the United States (directly or through its U.S. broker dealer Affiliate) in reliance on Rule 144A only to or for the accounts of QIBs, provided that each of such purchasers or accountholders is also a QP.

(iii) Any offer or sale of Rule 144A Notes in reliance on Rule 144A will be made by broker dealers who are registered as such under the Exchange Act. After the Notes are released for sale, the offering price and other selling terms may from time to time be varied by the Joint Placement Agent.

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

(v) This Prospectus has been prepared by the Issuer for use in connection with the offer and sale of the Notes and for the listing of the Notes of each Class on the Irish Stock Exchange and the admission of the Notes to trading on its Main Securities Market. The Issuer and the Joint Placement Agents 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 Notes which may be offered. This Prospectus does not constitute an offer to any person in the United States or to any U.S. Person. Distribution of this Prospectus to any such U.S. Person or to any person within the United States, other than in accordance with the procedures described above, is unauthorised and any disclosure of any of its contents, without the prior written consent of the Issuer, the Joint Arrangers and the Joint Placement Agents, is prohibited.

(b) *United Kingdom*: Each Joint Placement Agent, each of whom are authorised and regulated by the Financial Conduct Authority, has represented and agreed that:

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

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

(c) *European Economic Area*: In relation to each member state of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**") the Joint Placement Agents have represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of the Notes to the public in that Relevant Member State at any time:

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

(ii) to fewer than 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the relevant dealer or dealers nominated by the Issuer for any such offer; or

(iii) in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of Notes shall require the publication by the Issuer or any other entity of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an "**offer of the Notes to the public**" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes, as the same may be varied in that EU member state by any measure implementing the Prospectus Directive in that EU member state and the expression "**Prospectus Directive**" means Directive 2003/71/EC of the European Parliament and of the Council of

4 November 2003 (as amended, by Directive 2010/73/EU), and includes any relevant implementing measure in a Relevant Member State.

(d) *Australia*: Neither this Prospectus nor any other prospectus or other disclosure document (as defined in the Corporations Act 2001 (the "**Corporations Act**")) in relation to the Notes has been or will be lodged with the Australian Securities and Investments Commission ("**ASIC**"). The Joint Placement Agents have therefore further represented and agreed that:

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

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

(e) *Austria*: No offering circular or prospectus has been or will be approved and/or published pursuant to the Austrian Capital Markets Act (*Kapitalmarktgesetz*– KMG) (the "**KMG**") as amended. Neither this Prospectus nor any other document connected therewith constitutes a prospectus according to the KMG and neither this Prospectus nor any other document connected therewith may be distributed, passed on or disclosed to any other person in Austria, save as specifically agreed with the Joint Placement Agents. No document pursuant to Directive 2003/71/EC (as amended, including by Directive 2010/73/EU) has been or will be drawn up and approved in Austria and no document pursuant to Directive 2003/71/EC (as amended, including by Directive 2010/73/EU) has been or will be passported into Austria as the Notes will be offered in Austria in reliance an on exemption from the document publication requirement under the KMG. The Joint Placement Agents have represented and agreed that it will offer the Notes in Austria only in compliance with the provisions of the KMG, and Notes will therefore not be publicly offered or (re)sold in Austria without a document being published or an applicable exemption from such requirement being relied upon.

(f) *Belgium*: The Joint Placement Agents have acknowledged and agreed that the offering of Notes has not been and will not be notified to the Belgian Financial Services and Markets Authority (*autoriteit voor financiële diensten en markten/autorité des services et marchés financiers*) nor has this Prospectus been, nor will it be, approved by the Belgian Financial Services and Markets Authority. The Notes may not be distributed in Belgium by way of an offer of the Notes to the public, as defined in Article 3, §1 of the Act of 16 June 2006 relating to Public Offers of Investment Instruments, as amended or replaced from time to time and taking into account the provisions of Directive 2010/73/EU that are sufficiently clear, precise and unconditional to be capable of vertical direct effect, save in those circumstances (commonly called "**private placement**") set out in Article 3 §2 of the Act of 16 June 2006 relating to public offers of investment instruments, as amended or replaced from time to time and taking into account the provisions of Directive 2010/73/EU that are sufficiently clear, precise and unconditional to be capable of vertical direct effect. This Prospectus may be distributed in Belgium only to such investors for their personal use and exclusively for the purposes of this offering of Notes. Accordingly, this Prospectus may not be used for any other purpose nor passed on to any other investor in Belgium. The Joint Placement Agents have represented and agreed they will not:

(i) offer for sale, sell or market the Notes in Belgium otherwise than in conformity with the Act of 16 June 2006 taking into account the provisions of Directive 2010/73/EU that are sufficiently clear, precise and unconditional to be capable of vertical direct effect; and

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

(g) *Denmark*: The Joint Placement Agents have represented and agreed that it has not offered or sold and will not offer or sell, directly or indirectly, any of the Notes to the public in Denmark unless in accordance with the Danish Securities Trading Act, Consolidation Act No. 831 of 12 June 2014 as amended from time to time and any Orders issued thereunder.

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

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

The Joint Placement Agents have represented and agreed that:

(i) the Notes have not been offered or sold and will not be offered or sold, directly or indirectly, to the public in France.

(ii) neither this Prospectus nor any other offering material relating to the Notes has been or will be:

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

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

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

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

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

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

(i) *Germany*: The Notes will not be registered for public distribution in Germany. This Prospectus does not constitute a sales document pursuant to the German Capital Investment Act (*Vermögensanlagengesetz*). Accordingly, the Joint Placement Agents have represented and agreed that no offer of the Notes will be made to the public in Germany. This Prospectus and any other document relating to the Notes, as well as information or statements contained therein, will not be supplied to the public in Germany or used in connection with any offer for subscription of the Notes to the public in Germany or any other means of public marketing.

(j) *Hong Kong*: The contents of this Prospectus have not been reviewed by any regulatory authority in Hong Kong. The Joint Placement Agents have therefore represented and agreed that:

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

(ii) It has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if

permitted to do so under the Securities Laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

(k) *Ireland*: The Joint Placement Agents have represented and agreed that:

(i) it will not underwrite the issue of, or place the Notes, otherwise than in conformity with the provisions of the European Communities (Markets in Financial Instruments) Regulations 2007 (Nos. 1 to 3) (as amended), including, without limitation, Regulations 7 and 152 thereof or any codes of conduct used in connection therewith and the provisions of the Investor Compensation Act 1998 (as amended);

(ii) it will not underwrite the issue of, or place, the Notes, otherwise than in conformity with the provisions of the Companies Act 2014, the Central Bank Acts 1942 to 2014 (as amended) and any codes of conduct rules made under Section 117(1) of the Central Bank Act 1989; and

(iii) it will not underwrite the issue of, place or otherwise act in Ireland in respect of the Notes, otherwise than in conformity with the provisions of the Market Abuse (Directive 2003/6/EC) Regulations 2005 (as amended) and any rules issued under Section 34 of the Investment Funds, Companies and Miscellaneous Provisions Act 2005 by the Central Bank of Ireland.

(l) *Israel*: The Joint Placement Agents have acknowledged and agreed that this Prospectus has not been approved by the Israeli Securities Authority and will only be distributed to Israeli residents in a manner that will not constitute "an offer to the public" under sections 15 and 15a of the Israel Securities Law, 5728-1968 (the "**Securities Law**").

The Joint Placement Agents have represented and agreed that the Notes are being offered to a limited number of investors (35 investors or fewer during any given 12 month period) and/or those categories of investors listed in the First Addendum (the "**Addendum**") to the Securities Law, ("**Sophisticated Investors**") namely joint investment funds or mutual trust funds, provident funds, insurance companies, banking corporations (purchasing the Notes for themselves or for clients who are Sophisticated Investors), portfolio managers (purchasing the Notes for themselves or for clients who are Sophisticated Investors), investment advisors or investment marketers (purchasing the Notes for themselves), members of the Tel-Aviv Stock Exchange (purchasing the Notes for themselves or for clients who are Sophisticated Investors), underwriters (purchasing the Notes for themselves), venture capital funds engaging mainly in the capital market, an entity which is wholly-owned by Sophisticated Investors, corporations, other than formed for the specific purpose of an acquisition pursuant to an offer, with a shareholder's equity in excess of NIS 50 million, and individuals in respect of whom the terms of item 9 in the Schedule to the Investment Advice Law hold true, investing for their own account, each as defined in the said Addendum, as amended from time to time, and who in each case have provided written confirmation that they qualify as Sophisticated Investors, and that they are aware of the consequences of such designation and agree thereto; in all cases under circumstances that will fall within the private placement or other exemptions of the Securities Law and any applicable guidelines, pronouncements or rulings issued from time to time by the Israeli Securities Authority.

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

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

This Prospectus does not constitute an offer to sell or solicitation of an offer to buy any securities other than the Notes referred to herein, nor does it constitute an offer to sell to, or solicitation of an offer to buy from, any person or persons in any state or other jurisdiction in which such offer or solicitation would be unlawful, or in which the person making such offer or solicitation is not qualified to do so, or to a person or persons to whom it is unlawful to make such offer or solicitation.

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

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

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

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

(A) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the "**Banking Act**"); and

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

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

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

(o) *Netherlands*: The Joint Placement Agents have represented and agreed that it will not make an offer of the Notes which are the subject of the offering contemplated by this Prospectus to the public in The Netherlands in reliance on Article 3(2) of the Prospectus Directive, unless such offer is made exclusively to legal entities which are qualified investors (as defined in the Financial Markets Supervisions Act (*Wet op het financieel toezicht*) and which includes authorised discretionary asset managers acting for the account of retail investors under a discretionary investment management contract) in The Netherlands, provided that no such offer of Notes shall require the Issuer or the Joint Placement Agents 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 expressions (i) an "offer of Notes to the public" in relation to any Notes in The Netherlands; and (ii) "Prospectus Directive", have the meaning given to them above in the section entitled "*European Economic Area*".

(p) *Norway*: The Joint Placement Agents have represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in Norway (the "**Norway Relevant Implementation Date**") it has not made and will not make an offer of Notes to the public in Norway

except that it may, with effect from and including the Norway Relevant Implementation Date, make an offer of the Notes to the public in Norway at any time:

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

(ii) to fewer than 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant dealer or dealers nominated by the Issuer for any such offer; or

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

For the purposes of the provision above, the expression an 'offer of notes to the public' in relation to any Notes in Norway means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes, as the same may be varied in Norway by any measure implementing the Prospectus Directive in Norway and the expression 'Prospectus Directive' means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU) and includes any relevant implementing measure in Norway.

(q) *Qatar*: The Joint Placement Agents have represented and agreed that the Notes will only be offered to a limited number of investors who are willing and able to conduct an independent investigation of the risks involved in an investment in such Notes.

(r) *Singapore*: This Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore ("**MAS**") nor have any arrangements described in the Prospectus, which constitute a collective investment scheme for the purposes of the Securities and Futures Act, Chapter 289 of Singapore ("**SFA**"), been approved or registered with the AMS as an authorised or recognised CIS under the SFA (whether as a restricted scheme or otherwise). Accordingly, the Notes may not be offered or sold or made the subject of an invitation for subscription or purchase nor may this Prospectus or any other document or material in connection with the offer or sale or invitation for subscription or purchase of any Notes be circulated or distributed, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor pursuant to Sections 274 and 304 of the SFA, (b) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

(s) *South Korea*: The Notes have not been registered with the Financial Services Commission of Korea for a public offering in Korea. The Joint Placement Agents have therefore represented and agreed that the Notes have not been and will not be offered, sold or delivered directly or indirectly, or offered, sold or delivered to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea, except as otherwise permitted under applicable Korean Laws and regulations, including the Financial Investment Services and Capital Markets Act and the Foreign Exchange Transaction Law and the decrees and regulations thereunder.

(t) *Spain*: Neither the Notes nor the Prospectus have been approved or registered with the Spanish Notes Markets Commission (*Comision Nacional Del Mercado De Valores*). Accordingly, the Joint Placement Agents have represented and agreed that the Notes will not be offered or sold in Spain except in circumstances which do not constitute a public offering of notes within the meaning of Article 30-BIS of the Spanish Notes Market Law of 28 July 1988 (LEY 24/1988, *de 28 de Julio, del Mercado de Valores*), as developed by RD 1310/2005, and supplemental rules enacted thereunder or in substitution thereof from time to time.

(u) *Switzerland*: This Prospectus is not intended to constitute an offer or solicitation to purchase or invest in the Notes described herein. The Notes may not be publicly offered, sold or advertised, directly or indirectly, in, into or from Switzerland and will not be listed on the SIX Swiss Exchange or on any other exchange or regulated trading facility in Switzerland. Neither this Prospectus nor any other offering or marketing material relating to the Notes constitutes a prospectus as such term is understood pursuant to article 652a or article 1156 of the Swiss Code of Obligations, and neither this Prospectus nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland

(v) *Taiwan*: The Joint Placement Agents have acknowledged and agreed that the Notes may be made available outside Taiwan for purchase by investors residing in Taiwan (either directly or through properly licensed Taiwan intermediaries acting on behalf of such investors) but may not be offered or sold in Taiwan.

The Notes are being made available to professional investors in the R.O.C. through bank trust departments, licensed securities brokers and/or insurance company investment linked insurance policies pursuant to the R.O.C. rules governing offshore structured products. No other offer or sale in the R.O.C. is permitted.

(w) *United Arab Emirates*: This Prospectus, and the information contained herein, does not constitute, and is not intended to constitute, a public offer of securities in the United Arab Emirates. The Joint Placement Agents have therefore represented and agreed that the Notes are only being offered to a limited number of sophisticated investors in the UAE (a) who are willing and able to conduct an independent investigation of the risks involved in an investment in such Notes and (b) upon their specific request. The Notes have not been approved by or licensed or registered with the UAE Central Bank, the Securities and Commodities Authority or any other relevant licensing authorities or governmental agencies in the UAE. The Prospectus is for the use of the named addressee only and should not be given or shown to any other person (other than employees, agents or consultants in connection with the addressee's consideration thereof).

(x) General

Each purchaser of the Notes must comply with all applicable laws and regulations in force in each jurisdiction in which it purchases, offers or sells such Notes or possesses or distributes this Prospectus and must obtain consent, approval or permission required for the purchase, offer or sale by it of such Notes under the laws and regulations in force in any jurisdictions to which it is subject or in which it makes such purchases, offers or sales, and none of the Issuer, the Joint Placement Agents, the Joint Arrangers, the Portfolio Manager (or any of their Affiliates), the Trustee, any Agent or the Collateral Administrator specified herein shall have any responsibility therefor.

The Notes are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time.

TRANSFER RESTRICTIONS

Because of the following restrictions, purchasers are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of the Notes.

Rule 144A Notes

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

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

(1) The purchaser (a) is a QIB, (b) is aware that the sale of such Rule 144A Notes to it is being made in reliance on Rule 144A, (c) is acquiring such Notes for its own account or for the account of a QIB as to which the purchaser exercises sole investment discretion, and in a principal amount of not less than €250,000 for the purchaser and for each such account and (d) will provide notice of the transfer restrictions described herein to any subsequent transferees.

(2) The purchaser understands that such Rule 144A Notes have not been and will not be registered under the Securities Act, and may be reoffered, resold or pledged or otherwise transferred only (a)(i) to a person whom the purchaser reasonably believes is a QIB purchasing for its own account or for the account of a QIB as to which the purchaser exercises sole investment discretion in a transaction meeting the requirements of Rule 144A or (ii) to a non-U.S. Person in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S and (b) in accordance with all applicable securities laws including the securities laws of any state of the United States. The purchaser understands that the Issuer has not been registered under the Investment Company Act. The purchaser understands that before any interest in a Rule 144A Note may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in the Regulation S Notes, the Registrar is required to receive a written certification from the purchaser (in the form provided in the Trust Deed) as to compliance with the transfer restrictions described herein. The purchaser understands and agrees that any purported transfer of the Rule 144A Notes to a purchaser that does not comply with the requirements of this paragraph (2) will be of no force and effect, will be void ab initio and the Issuer will have the right to direct the purchaser to transfer its Rule 144A Notes to a Person who meets the foregoing criteria.

(3) The purchaser is not purchasing such Rule 144A Notes with a view toward the resale, distribution or other disposition thereof in violation of the Securities Act. The purchaser understands that an investment in the Rule 144A Notes involves certain risks, including the risk of loss of its entire investment in the Rule 144A Notes under certain circumstances. The purchaser has had access to such financial and other information concerning the Issuer and the Notes as it deemed necessary or appropriate in order to make an informed investment decision with respect to its purchase of the Rule 144A Notes, including an opportunity to ask questions of, and request information from, the Issuer.

(4) In connection with the purchase of the Rule 144A Notes: (a) none of the Issuer, the Joint Arrangers, the Joint Placement Agents, the Trustee, the Portfolio Manager, the Retention Holder or the Collateral Administrator is acting as a fiduciary or financial or investment manager for the purchaser; (b) the purchaser is not relying (for purposes of making any investment decision or otherwise) upon any advice, counsel or representations (whether written or oral) of the Issuer, the Joint Arrangers, the Joint Placement Agents, the Trustee, the Portfolio Manager or the Collateral Administrator other than in this Prospectus for such Notes and any representations expressly set forth in a written agreement with such party; (c) none of

the Issuer, the Joint Arrangers, the Joint Placement Agents, the Trustee, the Portfolio Manager, the Retention Holder or the Collateral Administrator has given to the purchaser (directly or indirectly through any other person) any assurance, guarantee or representation whatsoever as to the expected or projected success, profitability, return, performance, result, effect, consequence or benefit (including legal, regulatory, tax, financial, accounting or otherwise) as to an investment in the Rule 144A Notes; (d) the purchaser has consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisors to the extent it has deemed necessary, and it has made its own investment decisions (including decisions regarding the suitability of any transaction pursuant to the Trust Deed) based upon its own judgement and upon any advice from such advisors as it has deemed necessary and not upon any view expressed by the Issuer, the Joint Arrangers, the Joint Placement Agents, the Trustee, the Portfolio Manager or the Collateral Administrator; (e) the purchaser has evaluated the rates, prices or amounts and other terms and conditions of the purchase and sale of the Rule 144A Notes with a full understanding of all of the risks thereof (economic and otherwise); (f) the acquisition of the Rule 144A Notes is lawful under the purchaser's jurisdiction of incorporation and jurisdiction in which it operates (if different); and it is capable of assuming and willing to assume (financially and otherwise) those risks; and (g) the purchaser is a sophisticated investor.

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

(6) (a) With respect to the purchase, holding and disposition of any Class A Note, Class B Note, Class C Note or Class D Note or any interest in such Note, (i) either (A) it is not, and is not acting on behalf of (and for so long as it holds any such Note (or interest therein) will not be, and will not be acting on behalf of), a Benefit Plan Investor or a governmental, church, non-U.S. or other plan which is subject to any Similar Law, and no part of the assets to be used by it to acquire or hold such Note or any interest therein constitutes the assets of any Benefit Plan Investor or such governmental, church, non-U.S. or other plan, or (B) its acquisition, holding or disposition of such Note (or interest therein) will not constitute or result in a non-exempt prohibited transaction under section 406 of ERISA or section 4975 of the Code, or, in the case of a governmental, church, non-U.S. or other plan, a non-exempt violation of any Similar Law, and (ii) it will not sell or transfer such Note (or interest therein) to an acquiror acquiring such Note (or interest therein) unless the acquiror makes or is deemed to make the foregoing representations, warranties and agreements described in clause (i) hereof. Any purported transfer of the Notes in violation of the requirements set forth in this paragraph shall be null and void ab

initio and the acquiror understands that the Issuer will have the right to cause the sale of such Notes to another acquiror that complies with the requirements of this paragraph in accordance with the terms of the Trust Deed.

(b) (i) With respect to the Class E Notes, Class F Notes or Subordinated Notes (other than the Portfolio Manager, provided it has given an ERISA certificate (substantially in the form of Annex A (*Form of ERISA Certificate*) to this Prospectus) to the Issuer, or as otherwise permitted in writing by the Issuer with respect to any interests in any Class E Notes, Class F Notes or Subordinated Notes acquired in the initial offering): (1)(A) it is not, and is not acting on behalf of (and for so long as it holds such Notes or interest therein will not be, and will not be acting on behalf of), a Benefit Plan Investor and (B) it is not (and for so long as it holds any such Note (or interests therein) will not be) a Controlling Person, unless such initial investor or transferee: (x) obtains the written consent of the Issuer; (y) provides an ERISA certificate to the Issuer as to its status as a Benefit Plan Investor or Controlling Person (substantially in the form of Annex A (*Form of ERISA Certificate*)), and (z) holds such Note in the form of a Definitive Certificate and (2) (x) if it is, or is acting on behalf of, a Benefit Plan Investor, its acquisition, holding and disposition of such Notes will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code, and (y) if it is a governmental, church, non-U.S. or other plan, (I) it is not, and for so long as it holds such Notes or interest therein will be, subject to any Similar Law or (II) its acquisition, holding and disposition of such Notes will not constitute or result in a non-exempt violation of any Similar Law.

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

(c) The purchaser acknowledges that the Issuer, the Joint Arrangers, the Joint Placement Agents, the Trustee, the Portfolio Manager and the Collateral Administrator and their Affiliates, and others, will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

(7) In respect of a purchase or transfer of a PM Voting Note, or any interest in such Note, the purchaser or transferee understands that such PM Voting Note carries a right to vote with respect to matters concerning the Portfolio Manager as set out in the Conditions and the Portfolio Management Agreement.

(8) In respect of a purchase or transfer of a PM Non-Voting Exchangeable Note or PM Non-Voting Note, or any interest in such Note, the purchaser or transferee understands that such PM Non-Voting Exchangeable Note or PM Non-Voting Note does not carry a right to vote with respect to matters concerning the Portfolio Manager as set out in the Conditions and the Portfolio Management Agreement.

(9) The purchaser understands that pursuant to the terms of the Trust Deed, the Issuer has agreed that the Rule 144A Global Certificates or Rule 144A Definitive Certificates, as applicable, offered in reliance on Rule 144A will bear the legend set forth below, and will be represented by one or more Rule 144A Global Certificates or Rule 144A Definitive Certificates, as applicable. The Rule 144A Global Certificates may not at any time be held by or on behalf of, within the United States, persons, or outside the United States, U.S. Persons that are not QIB/QPs. Before any interest in a Rule 144A Global Certificate may be offered, resold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in a Regulation S Global Certificate, the transferor will be required to provide the Trustee with a written certification (in the form provided in the Trust Deed) as to compliance with the transfer restrictions.

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), AND THE ISSUER HAS NOT BEEN REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "**INVESTMENT COMPANY ACT**"). THE HOLDER HEREOF, BY PURCHASING THE NOTES IN RESPECT OF WHICH THIS NOTE HAS BEEN ISSUED, AGREES FOR THE BENEFIT OF THE ISSUER THAT THE NOTES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (A)(1) TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT, OR (2) TO A NON-U.S. PERSON IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT AND, IN THE CASE OF CLAUSE (1), IN A PRINCIPAL AMOUNT OF NOT LESS THAN €250,000 FOR THE PURCHASER AND FOR EACH ACCOUNT FOR WHICH IT IS ACTING, AND IN EACH CASE, TO A PURCHASER THAT (V) IS A QUALIFIED PURCHASER FOR THE PURPOSE OF SECTION 3(c)(7) OF THE INVESTMENT COMPANY ACT, (W) WAS NOT FORMED FOR THE PURPOSE OF INVESTING IN THE ISSUER (EXCEPT WHEN EACH BENEFICIAL OWNER OF THE PURCHASER IS A QUALIFIED PURCHASER), (X) HAS RECEIVED THE NECESSARY CONSENT FROM ITS BENEFICIAL OWNERS WHEN THE PURCHASER IS A PRIVATE INVESTMENT COMPANY FORMED BEFORE APRIL 30, 1996, (Y) IS NOT A BROKER-DEALER THAT OWNS AND INVESTS ON A DISCRETIONARY BASIS LESS THAN U.S.$25,000,000 IN SECURITIES OF UNAFFILIATED ISSUERS AND (Z) IS NOT A PENSION, PROFIT SHARING OR OTHER RETIREMENT TRUST FUND OR PLAN IN WHICH THE PARTNERS, BENEFICIARIES OR PARTICIPANTS, AS APPLICABLE, MAY DESIGNATE THE PARTICULAR INVESTMENTS TO BE MADE, AND IN A TRANSACTION THAT MAY BE EFFECTED WITHOUT LOSS OF ANY APPLICABLE INVESTMENT COMPANY ACT EXEMPTION OR IN THE CASE OF CLAUSE (2), €100,000 AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES. ANY TRANSFER IN VIOLATION OF THE FOREGOING WILL BE OF NO FORCE AND EFFECT, WILL BE VOID *AB INITIO* AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO THE TRANSFEREE, NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE ISSUER, THE TRANSFER AGENT OR ANY INTERMEDIARY. IN ADDITION TO THE FOREGOING, IN THE EVENT OF A VIOLATION OF (V) THROUGH (Z), THE ISSUER MAINTAINS THE RIGHT TO DIRECT THE RESALE OF ANY NOTES PREVIOUSLY TRANSFERRED TO NON-PERMITTED HOLDERS (AS DEFINED IN THE TRUST DEED) IN ACCORDANCE WITH AND SUBJECT TO THE TERMS OF THE TRUST DEED. EACH TRANSFEROR OF THIS NOTE WILL PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET FORTH HEREIN AND IN THE TRUST DEED TO ITS TRANSFEREE. TRANSFERS OF THIS NOTE OR OF PORTIONS OF THIS NOTE SHOULD BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE TRUST DEED REFERRED TO HEREIN.

PRINCIPAL OF THIS NOTE IS PAYABLE AS SET FORTH HEREIN. ACCORDINGLY, THE OUTSTANDING PRINCIPAL OF THIS NOTE AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ON THE FACE HEREOF. ANY PERSON ACQUIRING THIS NOTE MAY ASCERTAIN ITS CURRENT PRINCIPAL AMOUNT BY INQUIRY OF THE PRINCIPAL PAYING AGENT.

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS A NOTES, CLASS B NOTES, CLASS C NOTES AND CLASS D NOTES ONLY*] [EACH PERSON ACQUIRING OR HOLDING THIS NOTE (OR ANY INTEREST HEREIN) SHALL BE REQUIRED OR DEEMED TO HAVE REPRESENTED, WARRANTED AND AGREED THAT (I) EITHER (A) IT IS NOT, AND IS NOT ACTING ON BEHALF OF (AND FOR SO LONG AS IT HOLDS ANY SUCH NOTE (OR INTEREST THEREIN) WILL NOT BE, AND WILL NOT BE ACTING ON BEHALF OF), AN EMPLOYEE BENEFIT PLAN, AS DEFINED IN SECTION 3(3) OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME

SECURITY ACT OF 1974, AS AMENDED ("**ERISA**"), THAT IS SUBJECT TO THE PROVISIONS OF PART 4 OF SUBTITLE B OF TITLE I OF ERISA, A PLAN TO WHICH SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**"), APPLIES, OR AN ENTITY WHOSE UNDERLYING ASSETS ARE DEEMED FOR PURPOSES OF ERISA TO INCLUDE PLAN ASSETS BY REASON OF SUCH AN EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN SUCH ENTITY WITHIN THE MEANING OF 29 C.F.R. SECTION 2510.3-101 (AS MODIFIED BY SECTION 3(42) OF ERISA) ("**BENEFIT PLAN INVESTOR**"), OR A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN WHICH IS SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. OR OTHER LAW THAT IS SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**"), AND NO PART OF THE ASSETS TO BE USED BY IT TO ACQUIRE OR HOLD SUCH NOTE (OR ANY INTEREST THEREIN) CONSTITUTES THE ASSETS OF ANY BENEFIT PLAN INVESTOR OR SUCH GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, OR (B) ITS ACQUISITION, HOLDING AND DISPOSITION OF SUCH NOTE (OR INTEREST THEREIN) WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE, OR, IN THE CASE OF A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, A NON-EXEMPT VIOLATION OF ANY SIMILAR LAW, AND (II) IT WILL NOT SELL OR TRANSFER SUCH NOTE (OR INTEREST THEREIN) TO AN ACQUIROR ACQUIRING SUCH NOTE (OR INTEREST THEREIN) UNLESS THE ACQUIROR MAKES THE FOREGOING REPRESENTATIONS, WARRANTIES AND AGREEMENTS DESCRIBED IN CLAUSE (I) HEREOF. ANY PURPORTED TRANSFER OF THE NOTES IN VIOLATION OF THE REQUIREMENTS SET FORTH IN THIS PARAGRAPH SHALL BE NULL AND VOID *AB INITIO* AND THE ACQUIROR UNDERSTANDS THAT THE ISSUER WILL HAVE THE RIGHT TO CAUSE THE SALE OF SUCH NOTES TO ANOTHER ACQUIROR THAT COMPLIES WITH THE REQUIREMENTS OF THIS PARAGRAPH IN ACCORDANCE WITH THE TERMS OF THE TRUST DEED.]

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS E NOTES, CLASS F NOTES AND SUBORDINATED NOTES ONLY*] [EACH TRANSFEREE OF THIS NOTE (OTHER THAN THE PORTFOLIO MANAGER, PROVIDED IT HAS GIVEN AN ERISA CERTIFICATE TO THE ISSUER, OR AS OTHERWISE PERMITTED IN WRITING BY THE ISSUER WITH RESPECT TO ANY INTERESTS IN THIS NOTE ACQUIRED IN THE INITIAL OFFERING) WILL BE REQUIRED OR DEEMED TO REPRESENT, WARRANT AND AGREE THAT (A) (i) IT IS NOT, AND IS NOT ACTING ON BEHALF OF (AND FOR SO LONG AS IT HOLDS ANY SUCH NOTE (OR AN INTEREST THEREIN) WILL NOT BE, AND WILL NOT BE ACTING ON BEHALF OF), A BENEFIT PLAN INVESTOR AND (ii) IT IS NOT (AND FOR SO LONG AS IT HOLDS ANY SUCH NOTE (OR INTEREST THEREIN) WILL NOT BE) A CONTROLLING PERSON, UNLESS SUCH JOINT PLACEMENT AGENT OR TRANSFEREE RECEIVES THE WRITTEN CONSENT OF THE ISSUER AND PROVIDES AN ERISA CERTIFICATE TO THE ISSUER AS TO ITS STATUS AS A BENEFIT PLAN INVESTOR OR CONTROLLING PERSON, HOLDS SUCH NOTE IN THE FORM OF A DEFINITIVE CERTIFICATE AND (B) (i) IF IT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, ITS ACQUISITION, HOLDING AND DISPOSITION OF SUCH NOTE (OR AN INTEREST THEREIN) WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**") OR SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**"), OR (ii) IF IT IS A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, (x) IT IS NOT, AND FOR SO LONG AS IT HOLDS THIS NOTE (OR AN INTEREST HEREIN) IT WILL NOT BE, SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. OR OTHER LAW OR REGULATION SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**"), OR (y) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE (OR AN INTEREST HEREIN) WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT VIOLATION OF ANY SIMILAR

LAW. "**BENEFIT PLAN INVESTOR**" MEANS A BENEFIT PLAN INVESTOR, AS DEFINED IN SECTION 3(42) OF ERISA, AND INCLUDES (A) AN EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF TITLE I OF ERISA) THAT IS SUBJECT TO THE FIDUCIARY RESPONSIBILITY PROVISIONS OF TITLE I OF ERISA, (B) A PLAN THAT IS SUBJECT TO SECTION 4975 OF THE CODE OR (C) ANY ENTITY WHOSE UNDERLYING ASSETS ARE DEEMED FOR PURPOSES OF ERISA TO INCLUDE "**PLAN ASSETS**" BY REASON OF ANY SUCH EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN THE ENTITY. "**CONTROLLING PERSON**" MEANS A PERSON (OTHER THAN A BENEFIT PLAN INVESTOR) WHO HAS DISCRETIONARY AUTHORITY OR CONTROL WITH RESPECT TO THE ASSETS OF THE ISSUER OR ANY PERSON WHO PROVIDES INVESTMENT ADVICE FOR A FEE (DIRECT OR INDIRECT) WITH RESPECT TO SUCH ASSETS, OR ANY AFFILIATE OF ANY SUCH PERSON. AN "**AFFILIATE**" OF A PERSON INCLUDES ANY PERSON, DIRECTLY OR INDIRECTLY THROUGH ONE OR MORE INTERMEDIARIES, CONTROLLING, CONTROLLED BY OR UNDER COMMON CONTROL WITH THE PERSON. "**CONTROL**" WITH RESPECT TO A PERSON OTHER THAN AN INDIVIDUAL MEANS THE POWER TO EXERCISE A CONTROLLING INFLUENCE OVER THE MANAGEMENT OR POLICIES OF SUCH PERSON. ANY PURPORTED TRANSFER OF THE CLASS E NOTES, THE CLASS F NOTES OR THE SUBORDINATED NOTES IN VIOLATION OF THE REQUIREMENTS SET FORTH IN THIS PARAGRAPH SHALL BE NULL AND VOID *AB INITIO* AND THE ACQUIROR UNDERSTANDS THAT THE ISSUER WILL HAVE THE RIGHT TO CAUSE THE SALE OF SUCH CLASS E NOTES, CLASS F NOTES OR SUBORDINATED NOTES TO ANOTHER ACQUIROR THAT COMPLIES WITH THE REQUIREMENTS OF THIS PARAGRAPH IN ACCORDANCE WITH THE TERMS OF THE TRUST DEED.

NO TRANSFER OF A CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE (OR ANY INTEREST THEREIN) WILL BE PERMITTED, AND THE ISSUER WILL NOT RECOGNIZE ANY SUCH TRANSFER, IF IT WOULD CAUSE 25 PER CENT. OR MORE OF THE TOTAL VALUE OF THE CLASS E NOTES, THE CLASS F NOTES OR THE SUBORDINATED NOTES (DETERMINED SEPARATELY BY CLASS) TO BE HELD BY BENEFIT PLAN INVESTORS, DISREGARDING CLASS E NOTES, CLASS F NOTES, OR SUBORDINATED NOTES (OR INTERESTS THEREIN) HELD BY CONTROLLING PERSONS ("**25 PER CENT. LIMITATION**").

THE ISSUER HAS THE RIGHT, UNDER THE TRUST DEED, TO COMPEL ANY BENEFICIAL OWNER OF A CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE WHO HAS MADE OR HAS BEEN DEEMED TO MAKE A PROHIBITED TRANSACTION, BENEFIT PLAN INVESTOR, CONTROLLING PERSON OR SIMILAR LAW REPRESENTATION THAT IS SUBSEQUENTLY SHOWN TO BE FALSE OR MISLEADING OR WHOSE OWNERSHIP OTHERWISE CAUSES A VIOLATION OF THE 25 PER CENT. LIMITATION TO SELL ITS INTEREST IN THE CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER.]

[*LEGEND TO BE INCLUDED IN THE CLASS C NOTES, CLASS D NOTES, CLASS E NOTES, AND CLASS F NOTES.*] [THIS NOTE HAS BEEN ISSUED WITH ORIGINAL ISSUE DISCOUNT ("**OID**") FOR UNITED STATES FEDERAL INCOME TAX PURPOSES. THE ISSUE PRICE, AMOUNT OF OID, ISSUE DATE AND YIELD TO MATURITY OF THIS NOTE MAY BE OBTAINED BY CONTACTING THE ISSUER AT 3RD FLOOR, KILMORE HOUSE, PARK LANE, DUBLIN 1, IRELAND.]

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

[*LEGEND TO BE INCLUDED IN RELATION TO THE NOTES IN THE FORM OF PM VOTING NOTES ONLY*] [EACH PERSON ACQUIRING OR HOLDING THIS NOTE OR ANY INTEREST HEREIN SHALL BE DEEMED TO HAVE ACKNOWLEDGED AND AGREED THAT SUCH NOTE OR INTEREST HEREIN SHALL CARRY A RIGHT TO VOTE IN RESPECT OF, AND BE COUNTED FOR THE PURPOSES OF DETERMINING A QUORUM AND THE RESULT OF VOTING ON A PM REMOVAL RESOLUTION OR A PM REPLACEMENT RESOLUTION.]

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

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

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

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

(14) The purchaser will provide the Issuer and its agents with any correct, complete and accurate information and documentation that may be required for the Issuer to comply with FATCA and to prevent the imposition of tax under FATCA on payments to or for the benefit of the Issuer. In the event the purchaser fails to provide such information or documentation, or to the extent that its ownership of the Notes would otherwise cause the Issuer to be subject to tax under FATCA, (A) the Issuer or its agents are authorised to withhold amounts otherwise distributable to the purchaser as compensation for any amounts withheld from payments to or for the benefit of the Issuer as a result of such failure or such ownership, and (B) in the case of any Noteholder other than the Retention Holder with respect to the Retention, to the extent necessary to avoid an adverse effect on the Issuer as a result of such failure or such ownership, the Issuer will have the right to compel the purchaser to sell its Notes, and, if such purchaser does not sell its Notes within 10 business days after notice from the Issuer or any agent of the Issuer, the Issuer will have the right to sell such Notes at a public or private sale called and conducted in any manner permitted by law, and to remit the net proceeds of such sale (taking into account any costs, charges, and any taxes incurred by the Issuer in connection with such sale) to such purchaser as payment in full for such Notes. The Issuer may also assign each such Note a separate ISIN in the Issuer's sole discretion. The purchaser agrees that the Issuer, the Trustee or their agents or representatives may (1) provide any information and documentation concerning its investment in its Notes to the Office of Revenue Commissioners of Ireland, the U.S. Internal Revenue Service and any other relevant tax authority and (2) take such other steps as they deem necessary or helpful to ensure that the Issuer complies with FATCA.

(15) If it is a purchaser of Class E Notes, Class F Notes, or Subordinated Notes and is not a "United States person" (as defined in Section 7701(a)(30) of the Code):

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

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

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

(16) If it is a purchaser of Subordinated Notes and owns more than 50 per cent. of the Subordinated Notes by value or is otherwise treated as a member of the Issuer's "expanded affiliated group" (as defined in Treasury regulations section 1.1471-5T(i) (or any successor provision)), it will (A) ensure that any member of such expanded affiliated group (assuming that the Issuer is a "participating FFI" within the meaning of Treasury regulations section 1.1471-1T(b)(91) (or any successor provision)) that is treated as a "foreign financial institution" within the meaning of Section 1471(d)(4) of the Code and any Treasury regulations promulgated thereunder is either a "participating FFI", a "registered deemed-compliant FFI" or an "exempt beneficial owner" within the meaning of Treasury regulations section 1.1471-4T(e) (or any successor provision), and (B) promptly notify the Issuer in the event that any member of such expanded affiliated group that is treated as a "foreign financial institution" within the meaning of Section 1471(d)(4) of the Code and any Treasury regulations promulgated thereunder is not either a "participating FFI", a "registered deemed-compliant FFI" or an "exempt beneficial owner" within the meaning of Treasury regulations section 1.1471-4T(e) (or any successor provision), in each case except to the extent that the Issuer or its agents have provided such purchaser with an express waiver of this clause (14).

(17) No purchaser of Subordinated Notes will treat any income with respect to its Subordinated Notes as derived in connection with the Issuer's active conduct of a banking, financing, insurance, or other similar business for purposes of Section 954(h)(2) of the Code.

(18) No purchase or transfer of a Subordinated Note in the form of a Definitive Certificate will be recorded or otherwise recognized unless the purchaser or transferee has provided the Issuer with a certificate substantially in the form of Annex A (*Form of ERISA Certificate*) hereto.

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

(20) The purchaser acknowledges that the Issuer, the Arrangers the Placement Agents, the Retention Holder, the Trustee, the Portfolio Manager or the Collateral Administrator and their Affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

Regulation S Notes

Each purchaser or transferee of Regulation S Notes will be deemed to have made the representations (or in the case of a Definitive Certificate, shall make the representations) set forth in clauses (4), (6), (10) and (12) through (20) (inclusive) above (except that references to Rule 144A Notes shall be deemed to be references to Regulation S Notes) and to have further represented and agreed as follows:

(1) The purchaser is not a U.S. person and is purchasing the Notes or any interest or participation therein in an offshore transaction meeting the requirements of Rule 903 or Rule 904 of Regulation S.

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

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

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), AND THE ISSUER HAS NOT BEEN REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "**INVESTMENT COMPANY ACT**"). THE HOLDER HEREOF, BY PURCHASING THE NOTES IN RESPECT OF WHICH THIS NOTE HAS BEEN ISSUED, AGREES FOR THE BENEFIT OF THE ISSUER THAT THE NOTES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (A)(1) TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT, OR (2) TO A NON-U.S. PERSON IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT AND, IN THE CASE OF CLAUSE (1), IN A PRINCIPAL AMOUNT OF NOT LESS THAN €250,000 FOR THE PURCHASER AND FOR EACH ACCOUNT FOR WHICH IT IS ACTING, AND IN EACH CASE, TO A PURCHASER THAT (V) IS A QUALIFIED PURCHASER FOR THE PURPOSE OF SECTION 3(c)(7) OF THE INVESTMENT COMPANY ACT, (W) WAS NOT FORMED FOR THE PURPOSE OF INVESTING IN THE ISSUER (EXCEPT WHEN EACH BENEFICIAL OWNER OF THE PURCHASER IS A QUALIFIED PURCHASER), (X) HAS RECEIVED THE NECESSARY CONSENT FROM ITS BENEFICIAL OWNERS WHEN THE PURCHASER IS A PRIVATE INVESTMENT COMPANY FORMED BEFORE APRIL 30, 1996, (Y) IS NOT A BROKER-DEALER THAT OWNS AND INVESTS ON A DISCRETIONARY BASIS LESS THAN U.S.$25,000,000 IN SECURITIES OF UNAFFILIATED ISSUERS AND (Z) IS NOT A PENSION, PROFIT SHARING OR OTHER RETIREMENT TRUST FUND OR PLAN IN WHICH THE PARTNERS, BENEFICIARIES OR PARTICIPANTS, AS APPLICABLE, MAY DESIGNATE THE PARTICULAR INVESTMENTS TO BE MADE, AND IN A TRANSACTION THAT MAY BE EFFECTED WITHOUT LOSS OF ANY APPLICABLE INVESTMENT COMPANY ACT EXEMPTION OR IN THE CASE OF CLAUSE (2), €100,000 AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES. ANY TRANSFER IN VIOLATION OF THE FOREGOING WILL BE OF NO FORCE AND EFFECT, WILL BE VOID *AB INITIO* AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO THE TRANSFEREE, NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE ISSUER, THE TRANSFER AGENT OR ANY INTERMEDIARY. IN ADDITION TO THE FOREGOING, IN THE EVENT OF A VIOLATION OF (V) THROUGH (Z), THE ISSUER MAINTAINS THE RIGHT TO DIRECT THE RESALE OF ANY NOTES PREVIOUSLY TRANSFERRED TO NON-PERMITTED HOLDERS (AS DEFINED IN THE TRUST DEED) IN ACCORDANCE WITH AND SUBJECT TO THE TERMS OF THE TRUST DEED. EACH TRANSFEROR OF THIS NOTE WILL PROVIDE NOTICE OF THE

TRANSFER RESTRICTIONS SET FORTH HEREIN AND IN THE TRUST DEED TO ITS TRANSFEREE. TRANSFERS OF THIS NOTE OR OF PORTIONS OF THIS NOTE SHOULD BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE TRUST DEED REFERRED TO HEREIN.

PRINCIPAL OF THIS NOTE IS PAYABLE AS SET FORTH HEREIN. ACCORDINGLY, THE OUTSTANDING PRINCIPAL OF THIS NOTE AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ON THE FACE HEREOF. ANY PERSON ACQUIRING THIS NOTE MAY ASCERTAIN ITS CURRENT PRINCIPAL AMOUNT BY INQUIRY OF THE PRINCIPAL PAYING AGENT.

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS A NOTES, CLASS B NOTES, CLASS C NOTES AND CLASS D NOTES ONLY*] [EACH PERSON ACQUIRING OR HOLDING THIS NOTE (OR ANY INTEREST HEREIN) SHALL BE REQUIRED OR DEEMED TO HAVE REPRESENTED, WARRANTED AND AGREED THAT (I) EITHER (A) IT IS NOT, AND IS NOT ACTING ON BEHALF OF (AND FOR SO LONG AS IT HOLDS ANY SUCH NOTE (OR INTEREST THEREIN) WILL NOT BE, AND WILL NOT BE ACTING ON BEHALF OF), AN EMPLOYEE BENEFIT PLAN, AS DEFINED IN SECTION 3(3) OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**"), THAT IS SUBJECT TO THE PROVISIONS OF PART 4 OF SUBTITLE B OF TITLE I OF ERISA, A PLAN TO WHICH SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**"), APPLIES, OR AN ENTITY WHOSE UNDERLYING ASSETS ARE DEEMED FOR PURPOSES OF ERISA TO INCLUDE PLAN ASSETS BY REASON OF SUCH AN EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN SUCH ENTITY WITHIN THE MEANING OF 29 C.F.R. SECTION 2510.3-101 (AS MODIFIED BY SECTION 3(42) OF ERISA) ("**BENEFIT PLAN INVESTOR**"), OR A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN WHICH IS SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. OR OTHER LAW THAT IS SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**"), AND NO PART OF THE ASSETS TO BE USED BY IT TO ACQUIRE OR HOLD SUCH NOTE (OR ANY INTEREST THEREIN) CONSTITUTES THE ASSETS OF ANY BENEFIT PLAN INVESTOR OR SUCH GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, OR (B) ITS ACQUISITION, HOLDING AND DISPOSITION OF SUCH NOTE (OR INTEREST THEREIN) WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE, OR, IN THE CASE OF A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, A NON-EXEMPT VIOLATION OF ANY SIMILAR LAW, AND (II) IT WILL NOT SELL OR TRANSFER SUCH NOTE (OR INTEREST THEREIN) TO AN ACQUIROR ACQUIRING SUCH NOTE (OR INTEREST THEREIN) UNLESS THE ACQUIROR MAKES THE FOREGOING REPRESENTATIONS, WARRANTIES AND AGREEMENTS DESCRIBED IN CLAUSE (I) HEREOF. ANY PURPORTED TRANSFER OF THE NOTES IN VIOLATION OF THE REQUIREMENTS SET FORTH IN THIS PARAGRAPH SHALL BE NULL AND VOID *AB INITIO* AND THE ACQUIROR UNDERSTANDS THAT THE ISSUER WILL HAVE THE RIGHT TO CAUSE THE SALE OF SUCH NOTES TO ANOTHER ACQUIROR THAT COMPLIES WITH THE REQUIREMENTS OF THIS PARAGRAPH IN ACCORDANCE WITH THE TERMS OF THE TRUST DEED.]

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS E NOTES, CLASS F NOTES AND SUBORDINATED NOTES ONLY*] [EACH TRANSFEREE OF THIS NOTE (OTHER THAN THE PORTFOLIO MANAGER, PROVIDED IT HAS GIVEN AN ERISA CERTIFICATE TO THE ISSUER, OR AS OTHERWISE PERMITTED IN WRITING BY THE ISSUER WITH RESPECT TO ANY INTERESTS IN THIS NOTE ACQUIRED IN THE INITIAL OFFERING) WILL BE REQUIRED OR DEEMED TO REPRESENT, WARRANT AND AGREE THAT (A) (i) IT IS NOT, AND IS NOT ACTING ON BEHALF OF (AND FOR SO LONG AS IT HOLDS ANY SUCH NOTE (OR AN INTEREST THEREIN) WILL NOT BE, AND WILL NOT BE ACTING ON BEHALF OF), A BENEFIT PLAN INVESTOR AND (ii) IT IS NOT (AND FOR SO LONG AS IT HOLDS ANY SUCH NOTE (OR INTEREST THEREIN) WILL NOT BE) A CONTROLLING PERSON,

UNLESS SUCH JOINT PLACEMENT AGENT OR TRANSFEREE RECEIVES THE WRITTEN CONSENT OF THE ISSUER AND PROVIDES AN ERISA CERTIFICATE TO THE ISSUER AS TO ITS STATUS AS A BENEFIT PLAN INVESTOR OR CONTROLLING PERSON, HOLDS SUCH NOTE IN THE FORM OF A DEFINITIVE CERTIFICATE AND (B) (i) IF IT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, ITS ACQUISITION, HOLDING AND DISPOSITION OF SUCH NOTE (OR AN INTEREST THEREIN) WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**") OR SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**"), OR (ii) IF IT IS A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, (x) IT IS NOT, AND FOR SO LONG AS IT HOLDS THIS NOTE (OR AN INTEREST HEREIN) IT WILL NOT BE, SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. OR OTHER LAW OR REGULATION SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**"), OR (y) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE (OR AN INTEREST HEREIN) WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT VIOLATION OF ANY SIMILAR LAW. "**BENEFIT PLAN INVESTOR**" MEANS A BENEFIT PLAN INVESTOR, AS DEFINED IN SECTION 3(42) OF ERISA, AND INCLUDES (A) AN EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF TITLE I OF ERISA) THAT IS SUBJECT TO THE FIDUCIARY RESPONSIBILITY PROVISIONS OF TITLE I OF ERISA, (B) A PLAN THAT IS SUBJECT TO SECTION 4975 OF THE CODE OR (C) ANY ENTITY WHOSE UNDERLYING ASSETS ARE DEEMED FOR PURPOSES OF ERISA TO INCLUDE "**PLAN ASSETS**" BY REASON OF ANY SUCH EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN THE ENTITY. "**CONTROLLING PERSON**" MEANS A PERSON (OTHER THAN A BENEFIT PLAN INVESTOR) WHO HAS DISCRETIONARY AUTHORITY OR CONTROL WITH RESPECT TO THE ASSETS OF THE ISSUER OR ANY PERSON WHO PROVIDES INVESTMENT ADVICE FOR A FEE (DIRECT OR INDIRECT) WITH RESPECT TO SUCH ASSETS, OR ANY AFFILIATE OF ANY SUCH PERSON. AN "**AFFILIATE**" OF A PERSON INCLUDES ANY PERSON, DIRECTLY OR INDIRECTLY THROUGH ONE OR MORE INTERMEDIARIES, CONTROLLING, CONTROLLED BY OR UNDER COMMON CONTROL WITH THE PERSON. "**CONTROL**" WITH RESPECT TO A PERSON OTHER THAN AN INDIVIDUAL MEANS THE POWER TO EXERCISE A CONTROLLING INFLUENCE OVER THE MANAGEMENT OR POLICIES OF SUCH PERSON. ANY PURPORTED TRANSFER OF THE CLASS E NOTES, THE CLASS F NOTES OR THE SUBORDINATED NOTES IN VIOLATION OF THE REQUIREMENTS SET FORTH IN THIS PARAGRAPH SHALL BE NULL AND VOID *AB INITIO* AND THE ACQUIROR UNDERSTANDS THAT THE ISSUER WILL HAVE THE RIGHT TO CAUSE THE SALE OF SUCH CLASS E NOTES, CLASS F NOTES OR SUBORDINATED NOTES TO ANOTHER ACQUIROR THAT COMPLIES WITH THE REQUIREMENTS OF THIS PARAGRAPH IN ACCORDANCE WITH THE TERMS OF THE TRUST DEED.

NO TRANSFER OF A CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE (OR ANY INTEREST THEREIN) WILL BE PERMITTED, AND THE ISSUER WILL NOT RECOGNIZE ANY SUCH TRANSFER, IF IT WOULD CAUSE 25 PER CENT. OR MORE OF THE TOTAL VALUE OF THE CLASS E NOTES, THE CLASS F NOTES OR THE SUBORDINATED NOTES (DETERMINED SEPARATELY BY CLASS) TO BE HELD BY BENEFIT PLAN INVESTORS, DISREGARDING CLASS E NOTES, CLASS F NOTES, OR SUBORDINATED NOTES (OR INTERESTS THEREIN) HELD BY CONTROLLING PERSONS ("**25 PER CENT. LIMITATION**").

THE ISSUER HAS THE RIGHT, UNDER THE TRUST DEED, TO COMPEL ANY BENEFICIAL OWNER OF A CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE WHO HAS MADE OR HAS BEEN DEEMED TO MAKE A PROHIBITED TRANSACTION, BENEFIT PLAN INVESTOR, CONTROLLING PERSON OR SIMILAR LAW REPRESENTATION THAT IS SUBSEQUENTLY SHOWN TO BE FALSE OR MISLEADING OR WHOSE OWNERSHIP OTHERWISE CAUSES A VIOLATION OF THE 25 PER CENT. LIMITATION TO SELL ITS INTEREST IN THE CLASS E NOTE,

CLASS F NOTE OR SUBORDINATED NOTE, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER.]

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS C NOTES, CLASS D NOTES, CLASS E NOTES, AND CLASS F NOTES.*] [THIS NOTE HAS BEEN ISSUED WITH ORIGINAL ISSUE DISCOUNT ("**OID**") FOR UNITED STATES FEDERAL INCOME TAX PURPOSES. THE ISSUE PRICE, AMOUNT OF OID, ISSUE DATE AND YIELD TO MATURITY OF THIS NOTE MAY BE OBTAINED BY CONTACTING THE ISSUER AT 3RD FLOOR, KILMORE HOUSE, PARK LANE, DUBLIN 1, IRELAND.]

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

[*LEGEND TO BE INCLUDED IN RELATION TO THE NOTES IN THE FORM OF PM VOTING NOTES ONLY*] [EACH PERSON ACQUIRING OR HOLDING THIS NOTE OR ANY INTEREST HEREIN SHALL BE DEEMED TO HAVE ACKNOWLEDGED AND AGREED THAT SUCH NOTE OR INTEREST HEREIN SHALL CARRY A RIGHT TO VOTE IN RESPECT OF, AND BE COUNTED FOR THE PURPOSES OF DETERMINING A QUORUM AND THE RESULT OF VOTING ON A PM REMOVAL RESOLUTION OR A PM REPLACEMENT RESOLUTION.]

(4) The purchaser acknowledges that the Issuer, the Joint Arrangers, the Joint Placement Agents, the Retention Holder, the Trustee, the Portfolio Manager or the Collateral Administrator and their Affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

(5) The purchaser understands that the Regulation S Notes may not, at any time, be held by, or on behalf of, U.S. Persons or U.S. Residents.

A transferor who transfers an interest in a Regulation S Note to a transferee who will hold the interest in the same form is not required to make any additional representation or certification.

GENERAL INFORMATION

Clearing Systems

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

	Regulation S Notes		Rule 144A Notes	
	ISIN	**Common Code**	**ISIN**	**Common Code**
Class A Notes PM Voting Notes	XS1364810884	136481088	XS1364811692	136481169
Class A Notes PM Non-Voting Notes	XS1389035160	138903516	XS1389035327	138903532
Class A Notes PM Non-Voting Exchangeable Notes	XS1389035756	138903575	XS1389035830	138903583
Class B Notes PM Voting Notes	XS1364810967	136481096	XS1364811775	136481177
Class B Notes PM Non-Voting Notes	XS1389050557	138905055	XS1389057131	138905713
Class B Notes PM Non-Voting Exchangeable Notes	XS1389060192	138906019	XS1389068336	138906833
Class C Notes PM Voting Notes	XS1364811007	136481100	XS1364811858	136481185
Class C Notes PM Non-Voting Notes	XS1389069573	138906957	XS1389069730	138906973
Class C Notes PM Non-Voting Exchangeable Notes	XS1389069813	138906981	XS1389070159	138907015
Class D Notes PM Voting Notes	XS1364811189	136481118	XS1364811932	136481193
Class D Notes PM Non-Voting Notes	XS1389070589	138907058	XS1389070746	138907074
Class D Notes PM Non-Voting Exchangeable Notes	XS1389070829	138907082	XS1389071124	138907112
Class E Notes	XS1364811262	136481126	XS1364812070	136481207
Class F Notes	XS1364811346	136481134	XS1364812153	136481215
Subordinated Notes	XS1364811429	136481142	XS1364812237	136481223

Listing

The admission to trading of the Notes on the regulated market of the Irish Stock Exchange and the listing of the offered Notes on the Official List of the Irish Stock Exchange is expected to be on or about the Issue Date.

Consents and Authorisations

The Issuer has obtained all necessary consents, approvals and authorisations in Ireland (if any) in connection with the issue and performance of the Notes. The issue of the Notes was authorised by resolution of the board of Directors passed on or about 12 May 2016.

No Significant or Material Change

There has been no significant change in the financial or trading position or prospects of the Issuer since its incorporation on 29 July 2015 and there has been no material adverse change in the financial position or prospects of the Issuer since its incorporation on 29 July 2015.

No Litigation

The Issuer is not involved, and has not been involved, in any legal, governmental or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) which may have, or have had since the date of its incorporation, a significant effect on the Issuer's financial position or profitability.

Accounts

Since the date of its incorporation, the Issuer has not commenced operations other than in respect of entering into the documentation in respect of the Warehouse Arrangements and the acquisition of certain assets to be comprised in the Portfolio on or prior to the Issue Date and has not produced accounts.

So long as any Note remains outstanding, copies of the most recent annual audited financial statements of the Issuer can be obtained at the specified offices of the Registrar and Transfer Agent during normal business hours.

The first financial statements of the Issuer will be in respect of the period from incorporation to 31 December 2015. The annual accounts of the Issuer will be audited. The Issuer will not prepare interim financial statements.

The Trust Deed requires the Issuer to provide written confirmation to the Trustee on an annual basis that no Note Event of Default or other matter which is required to be brought to the Trustee's attention has occurred.

Documents Available

Copies of the following documents may be inspected (and will be available for collection free of charge) in physical and/or electronic form at the specified offices of the Principal Paying Agent and at the registered offices of the Issuer during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) for the term of the Notes:

(a) the currently effective constitution;

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

(c) the Agency Agreement;

(d) the Portfolio Management Agreement;

(e) the Risk Retention Letter;

(f) the Issuer Corporate Services Agreement;

(g) each Hedge Agreement;

(h) each Monthly Report;

(i) each Payment Date Report; and

(j) the most recent Retention Compliance Confirmation.

Copies of the above documents will be available electronically.

The most recent Retention Compliance Confirmation will be made available in electronic form to actual and prospective investors of the Notes upon request to the Principal Paying Agent or the Issuer.

Enforceability of Judgments

The Issuer is a company organised under the laws of Ireland. None of the directors of the Issuer are residents of the United States, and all or a substantial portion of the assets of the Issuer and such persons are located outside of the United States. As a result, it may not be possible for investors to effect service of process within the United States upon the Issuer or such persons or to enforce against any of them in the United States courts judgments obtained in United States courts, including judgments predicated upon civil liability provisions of the securities laws of the United States or any State or territory within the United States.

Expenses

The total expenses related to the admission to trading on the Irish Stock Exchange will be approximately €11,241.20.

As at the date of this Prospectus, each of the Rating Agencies is established in the European Union and is registered under Regulation (EC) No 1050/2009 (as amended) (the "**CRA Regulation**"). As such each Rating Agency is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation.

Post-Issuance Reporting

The Issuer will provide post-issuance transaction information in relation to the issue of the Notes.

Foreign Language

The language of this Prospectus is English. Any foreign language text that is included with or within this document has been included for convenience purposes only and does not form part of this Prospectus.

GLOSSARY

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ANNEX A

FORM OF ERISA CERTIFICATE

The purpose of this ERISA Certificate (this "**Certificate**") is, among other things, to (i) endeavour to ensure that less than 25 per cent. of the total value of the Class E Notes, Class F Notes and the Subordinated Notes (determined separately by Class) issued by Harvest CLO XV DAC (the "**Issuer**") is held by (a) an employee benefit plan that is subject to the fiduciary responsibility provisions of Title I of the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), (b) a plan that is subject to Section 4975 of the Internal Revenue Code of 1986, as amended (the "**Code**") or (c) any entity whose underlying assets include "plan assets" by reason of any such employee benefit plan's or plan's investment in the entity (collectively, "**Benefit Plan Investors**"), (ii) obtain from you certain representations and agreements and (iii) provide you with certain related information with respect to your acquisition, holding or disposition of the Class E Notes, Class F Notes and Subordinated Notes. By signing this Certificate, you agree to be bound by its terms.

Please be aware that the information contained in this Certificate is not intended to constitute advice and the examples given below are not intended to be, and are not, comprehensive. You should contact your own counsel if you have any questions in completing this Certificate. Capitalised terms not defined in this Certificate shall have the meanings ascribed to them in the Trust Deed.

If a box is not checked, you are representing, warranting and agreeing that the applicable Section does not, and will not, apply to you.

1 □ **Employee Benefit Plans Subject to ERISA or the Code**. We, or the entity on whose behalf we are acting, are an "employee benefit plan" within the meaning of Section 3(3) of ERISA that is subject to the fiduciary responsibility provisions of Title I of ERISA or a "plan" within the meaning of Section 4975(e)(1) of the Code that is subject to Section 4975 of the Code.

Examples: (i) tax qualified retirement plans such as pension, profit sharing and section 401(k) plans, (ii) welfare benefit plans such as accident, life and medical plans, (iii) individual retirement accounts or "IRAs" and "Keogh" plans and (iv) certain tax qualified educational and savings trusts.

2 □ **Entity Holding Plan Assets**. We, or the entity on whose behalf we are acting, are an entity or fund whose underlying assets include "plan assets" by reason of a Benefit Plan Investor's investment in such entity and we and any such entity are not described in Question 3 below.

Examples: (i) an insurance company separate account, (ii) a bank collective trust fund and (iii) a hedge fund or other private investment vehicle where 25 per cent. or more of the total value of any class of its equity is held by Benefit Plan Investors.

If you check Box 2, please indicate the maximum percentage of the entity or fund that will constitute "plan assets" for purposes of Title I of ERISA or Section 4975 of the Code: ______per cent.

AN ENTITY OR FUND THAT CANNOT PROVIDE THE FOREGOING PERCENTAGE HEREBY ACKNOWLEDGES THAT FOR PURPOSES OF DETERMINING WHETHER BENEFIT PLAN INVESTORS OWN LESS THAN 25 PER CENT. OF THE VALUE OF THE CLASS E NOTES, CLASS F NOTES OR SUBORDINATED NOTES, 100 PER CENT. OF THE ASSETS OF THE ENTITY OR FUND WILL BE TREATED AS "PLAN ASSETS."

ERISA and the regulations promulgated thereunder are technical. Accordingly, if you have any questions regarding whether you may be an entity described in this Section 2, you should consult with your counsel.

3 □ **Insurance Company General Account**. We, or the entity on whose behalf we are acting, are an insurance company purchasing the [Class E Notes][Class F Notes][Subordinated Notes] with funds from our or their general account (i.e., the insurance company's corporate investment portfolio), whose assets, in whole or in part, constitute "plan assets" under Section 401(a) of ERISA for purposes of 29 C.F.R. Section 2510.3-101, as modified by Section 3(42) of ERISA (the "**Plan Asset Regulations**").

If you check Box 3, please indicate the maximum percentage of the insurance company general account that will constitute "plan assets" under Section 401(a) of ERISA for purposes of conducting the 25 per

cent. test under the Plan Asset Regulations: ____per cent. IF YOU DO NOT INCLUDE ANY PERCENTAGE IN THE BLANK SPACE, YOU WILL BE COUNTED AS IF YOU FILLED IN 100 PER CENT. IN THE BLANK SPACE.

4 □ **None of Sections (1) Through (3) Above Apply**. We, or the entity on whose behalf we are acting, are a person that does not fall into any of the categories described in Sections (1) to (3) above. If, after the date hereof, any of the categories described in Sections (1) to (3) above would apply, we will promptly notify the Issuer of such change.

5 **No Prohibited Transaction**. If we checked any of the boxes in Sections (1) to (3) above, we represent, warrant and agree that our acquisition, holding and disposition of the [Class E Notes][Class F Notes][Subordinated Notes] or an interest therein do not and will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code.

6 **Not Violation of Similar Law**. If we are a governmental, church, non-U.S. or other plan, we represent, warrant and agree that (a) we are not, and for so long as we hold such Note (or interest therein) will not be subject to any federal, state, local or non-U.S. or other law or regulation that is substantially similar to the prohibited transaction provisions of Section 406 of ERISA or Section 4975 of the Code ("**Similar Law**") or (b) our acquisition, holding and disposition of the [Class E Notes][Class F Notes][Subordinated Notes] or an interest therein do not and will not constitute or result in a non-exempt violation of any Similar Law.

7 □ **Controlling Person**. We are, or we are acting on behalf of any of: (i) the Trustee, (ii) the Portfolio Manager, (iii) any person that has discretionary authority or control with respect to the assets of the Issuer, (iv) any person who provides investment advice for a fee (direct or indirect) with respect to such assets or (v) any "affiliate" of any of the above persons. "**Affiliate**" shall have the meaning set forth in the Plan Asset Regulations. Any of the persons described in the first sentence of this Section 7 is referred to in this Certificate as a "Controlling Person."

Note: We understand that, for purposes of determining whether Benefit Plan Investors hold less than 25 per cent. of the total value of the [Class E Notes] [Class F Notes] [Subordinated Notes], the [Class E Notes] [Class F Notes] [Subordinated Notes] held by Controlling Persons (other than Benefit Plan Investors) are required to be disregarded.

8 **Compelled Disposition**. We acknowledge and agree that:

(i) if any representation that we made hereunder is subsequently shown to be false or misleading or our beneficial ownership otherwise causes a violation of the 25 per cent. Limitation, the Issuer shall, promptly after such discovery send notice to us demanding that we transfer our interest to a person that is not a Non-Permitted ERISA Holder within 10 days after the date of such notice;

(ii) if we fail to transfer our [Class E Notes][Class F Notes][Subordinated Notes,], the Issuer shall have the right, without further notice to us, to sell our [Class E Notes][Class F Notes][Subordinated Notes] or our interest in the [Class E Notes][Class F Notes][Subordinated Notes] to a purchaser selected by the Issuer that is not a Non-Permitted ERISA Holder on such terms as the Issuer may choose;

(iii) the Issuer may select the purchaser by soliciting one or more bids from one or more brokers or other market professionals that regularly deal in securities similar to the [Class E Notes][Class F Notes][Subordinated Notes] and selling such securities to the highest such bidder. However, the Issuer may select a purchaser by any other means determined by it in its sole discretion;

(iv) by our acceptance of an interest in the [Class E Notes][Class F Notes][Subordinated Notes], we agree to such limitations and to cooperate with the Issuer to effect such transfers;

(v) the proceeds of such sale, net of any commissions, expenses and taxes due in connection with such sale shall be remitted to us; and

(vi) the terms and conditions of any sale under this sub-section shall be determined in the sole discretion of the Issuer, and the Issuer shall not be liable to us as a result of any such sale or the exercise of such discretion.

9 **Required Notification and Agreement**. We hereby agree that we (a) will inform the Issuer of any proposed transfer by us of all or a specified portion of the [Class E Notes] [Class F Notes] [Subordinated Notes] and (b) will not initiate any such transfer after we have been informed by the Issuer in writing that such transfer would cause the 25 per cent. Limitation to be exceeded. We hereby agree and acknowledge that after the Issuer effects any permitted transfer of [Class E Notes] [Class F Notes] [Subordinated Notes] owned by us to a Benefit Plan Investor or a Controlling Person or receives notice of any such permitted change of status, the Issuer shall include such Class E Notes, Class F Notes or Subordinated Notes in future calculations of the 25 per cent. Limitation made pursuant hereto unless subsequently notified that such [Class E Notes] [Class F Notes] [Subordinated Notes] (or such portion), as applicable, would no longer be deemed to be held by Benefit Plan Investors or Controlling Persons.

10 **Continuing Representation; Reliance**. We acknowledge and agree that the representations, warranties and agreements contained in this Certificate shall be deemed made on each day from the date we make such representations, warranties and agreements through and including the date on which we dispose of our interests in the [Class E Notes][Class F Notes][Subordinated Notes]. We understand and agree that the information supplied in this Certificate will be used and relied upon by the Issuer to determine that Benefit Plan Investors own or hold less than 25 per cent. of the total value of the [Class E Notes] [Class F Notes] [Subordinated Notes] upon any subsequent transfer of the [Class E Notes][Class F Notes][Subordinated Notes] in accordance with the Trust Deed.

11 **Further Acknowledgement and Agreement**. We acknowledge and agree that (i) all of the assurances contained in this Certificate are for the benefit of the Issuer, the Trustee, the Joint Placement Agents and the Portfolio Manager as third party beneficiaries hereof, (ii) copies of this Certificate and any information contained herein may be provided to the Issuer, the Trustee, the Joint Placement Agents, the Portfolio Manager, affiliates of any of the foregoing parties and to each of the foregoing parties' respective counsel for purposes of making the determinations described above and (iii) any acquisition or transfer of the [Class E Notes][Class F Notes][Subordinated Notes] by us that is not in accordance with the provisions of this Certificate shall be null and void from the beginning, and of no legal effect.

12 **Future Transfer Requirements**. Transferee Letter and its Delivery. We acknowledge and agree that (A) a transferee of a Class E Note, Class F Note or Subordinated Note (or any interest therein) from us will be deemed to represent (among other things) that it is not a Benefit Plan Investor or a Controlling Person and (B) if such a transferee holds such a Note in the form of a Definitive Certificate, it may acquire such Class E Note, Class F Note or Subordinated Note if such transferee: (i) obtains the written consent of the Issuer; and (ii) provides an ERISA certificate to the Issuer as to its status as a Benefit Plan Investor or Controlling Person.

13 [**Transferee Letter and its Delivery**. We acknowledge and agree that we may not transfer any Subordinated Notes to any person unless the Issuer has received a certificate substantially in the form of this Certificate. Any attempt to transfer in violation of this section will be null and void from the beginning, and of no legal effect.][1]

Note: Unless you are notified otherwise, the name and address of the Issuer is as follows:

Harvest CLO XV DAC, 3rd Floor, Kilmore House, Park Lane, Spencer Dock, Dublin 1, Ireland.

IN WITNESS WHEREOF, the undersigned has duly executed and delivered this Certificate.

________________________ [Insert Purchaser's Name]

By:

Name:
Title:

1 Only to be used for the Subordinated Note.

Dated:
This Certificate relates to EUR_________ of [Class E Notes][Class F Notes][Subordinated Notes]

Based upon the representations and certifications contained herein, the Issuer by countersigning this certificate, hereby consents to the purchase by [Insert Purchaser's Name] of EUR _________ of [Class E Notes][Class F Notes][Subordinated Notes].

By:

Name:
Title:
Dated:

This Certificate relates to EUR_________ of [Class E Notes][Class F Notes][Subordinated Notes]

HARVEST CLO XV DAC

ANNEX B

S&P RECOVERY RATES

(i) If a Collateral Debt Obligation has an S&P Recovery Rating, or is *pari passu* with another obligation of the same Obligor that has an S&P Recovery Rating and is secured by the same collateral as such other obligation, the S&P Recovery Rate for such Collateral Debt Obligation shall be determined as follows:

S&P Recovery Rating of Collateral Debt Obligation		**Initial Rated Note Rating**					
	Range from published reports	**"AAA"**	**"AA"**	**"A"**	**"BBB"**	**"BB"**	**"B/CCC"**
1+	100	75%	85%	88%	90%	92%	95%
1	90-100	65%	75%	80%	85%	90%	95%
2	80-90	60%	70%	75%	81%	86%	90%
2	70-80	50%	60%	66%	73%	79%	80%
3	60-70	40%	50%	56%	63%	67%	70%
3	50-60	30%	40%	46%	53%	59%	60%
4	40-50	27%	35%	42%	46%	48%	50%
4	30-40	20%	26%	33%	39%	40%	40%
5	20-30	15%	20%	24%	26%	28%	30%
5	10-20	5%	10%	15%	20%	20%	20%
6	0-10	2%	4%	6%	8%	10%	10%

S&P Recovery Rate

If (x) a Collateral Debt Obligation does not have an S&P Recovery Rating and such Collateral Debt Obligation is an Unsecured Senior Loan or a Second Lien Loan and (y) the Obligor or issuer of such Collateral Debt Obligation has issued another debt instrument that is outstanding and senior to such Collateral Debt Obligation that is a Senior Secured Loan, or Senior Secured Bond (a "**Senior Secured Debt Instrument**") that has an S&P Recovery Rating, the S&P Recovery Rate for such Collateral Debt Obligation shall be determined as follows:

For Obligors Domiciled in Group A

S&P Recovery Rating of the Senior Secured Debt Instrument	**Initial Rated Note Rating**					
	"AAA"	**"AA"**	**"A"**	**"BBB"**	**"BB"**	**"B" and below**
1+	18%	20%	23%	26%	29%	31%
1	18%	20%	23%	26%	29%	31%
2	18%	20%	23%	26%	29%	31%
3	12%	15%	18%	21%	22%	23%
4	5%	8%	11%	13%	14%	15%
5	2%	4%	6%	8%	9%	10%
6	0%	0%	0%	0%	0%	0%

S&P Recovery Rate
For Obligors Domiciled in Group B

S&P Recovery Rating of the Senior Secured Debt Instrument	Initial Rated Note Rating					
	"AAA"	"AA"	"A"	"BBB"	"BB"	"B" and below
1+	16%	18%	21%	24%	27%	29%
1	16%	18%	21%	24%	27%	29%
2	16%	18%	21%	24%	27%	29%
3	10%	13%	15%	18%	19%	20%
4	5%	5%	5%	5%	5%	5%
5	2%	2%	2%	2%	2%	2%
6	0%	0%	0%	0%	0%	0%

S&P Recovery Rate
For Obligors Domiciled in Group C

S&P Recovery Rating of the Senior Secured Debt Instrument	Initial Rated Note Rating					
	"AAA"	"AA"	"A"	"BBB"	"BB"	"B" and below
1+	13%	16%	18%	21%	23%	25%
1	13%	16%	18%	21%	23%	25%
2	13%	16%	18%	21%	23%	25%
3	8%	11%	13%	15%	16%	17%
4	5%	5%	5%	5%	5%	5%
5	2%	2%	2%	2%	2%	2%
6	0%	0%	0%	0%	0%	0%

S&P Recovery Rate

If (x) a Collateral Debt Obligation does not have an S&P Recovery Rating and such Collateral Debt Obligation is not a Senior Secured Loan, a Second Lien Loan or an Unsecured Senior Loan and (y) the Obligor or issuer of such Collateral Debt Obligation has issued another debt instrument that is outstanding and senior to such Collateral Debt Obligation that is a Senior Secured Debt Instrument that has an S&P Recovery Rating, the S&P Recovery Rate for such Collateral Debt Obligation shall be determined as follows:

For Obligors Domiciled in Groups A, B and C

S&P Recovery Rating of the Senior Secured Debt Instrument	Initial Rated Note Rating					
	"AAA"	"AA"	"A"	"BBB"	"BB"	"B" and below
1+	8%	8%	8%	8%	8%	8%
1	8%	8%	8%	8%	8%	8%
2	8%	8%	8%	8%	8%	8%
3	5%	5%	5%	5%	5%	5%
4	2%	2%	2%	2%	2%	2%
5	0%	0%	0%	0%	0%	0%
6	0%	0%	0%	0%	0%	0%

S&P Recovery Rate

(ii) If an S&P Recovery Rate cannot be determined using clause (i) above, the S&P Recovery Rate shall be determined as follows:

Recovery rates for Obligors Domiciled in Group A, B, C or D:

Priority Category	**Initial Rated Note Rating**					
	"AAA"	**"AA"**	**"A"**	**"BBB"**	**"BB"**	**"B" and "CCC"**
Senior Secured Loans (excluding Cov-Lite Loans)						
Group A	50%	55%	59%	63%	75%	79%
Group B	45%	49%	53%	58%	70%	74%
Group C	39%	42%	46%	49%	60%	63%
Group D	17%	19%	27%	29%	31%	34%
Senior Secured Loans that are Cov-Lite Loans						
Group A	41%	46%	49%	53%	63%	67%
Group B	37%	41%	44%	49%	59%	62%
Group C	32%	35%	39%	41%	50%	53%
Group D	17%	19%	27%	29%	31%	34%
Unsecured Senior Loans, Mezzanine Loans and Second Lien Loans						
Group A	18%	20%	23%	26%	29%	31%
Group B	16%	18%	21%	24%	27%	29%
Group C	13%	16%	18%	21%	23%	25%
Group D	10%	12%	14%	16%	18%	20%

S&P Recovery Rate

Group A: Australia, Denmark, Finland, Hong Kong, Ireland, The Netherlands, New Zealand, Norway, Singapore, Sweden, UK.

Group B: Austria, Belgium, Canada, Germany, Israel, Japan, Luxembourg, Portugal, South Africa, Switzerland, U.S.

Group C: Brazil, France, Greece, Italy, Mexico, South Korea, Spain, Taiwan, Turkey, United Arab Emirates.

Group D: Kazakhstan, Russia, Ukraine, others

For the purposes of the above,

"**S&P Recovery Rate**" means in respect of any Collateral Debt Obligation and each Class of Rated Notes the recovery rate determined in accordance with the Portfolio Management Agreement or advised by S&P; and

"**S&P Recovery Rating**" means, with respect to a Collateral Debt Obligation for which an S&P Recovery Rate is being determined, the "**Recovery Rating**" assigned by S&P to such Collateral Debt Obligation based upon the tables set forth in this Annex B (*S&P Recovery Rates*).

REGISTERED OFFICE OF THE ISSUER
Harvest CLO XV DAC
3rd Floor, Kilmore House
Park Lane, Spencer Dock
Dublin 1, Ireland

PORTFOLIO MANAGER
3i Debt Management Investments Limited
16 Palace Street
London
SW1E 5JD

REGISTRAR
U.S. Bank National Association
3rd Floor
One Federal Street
Boston MA, 02110

TRUSTEE
U.S. Bank Trustees Limited
Fifth Floor
125 Old Broad Street
London
EC2N 1AR

COLLATERAL ADMINISTRATOR
Elavon Financial Services Limited
125 Old Broad Street
London
EC2N 1AR

ACCOUNT BANK, CUSTODIAN, CALCULATION AGENT, PRINCIPAL PAYING AGENT, TRANSFER AGENT AND INFORMATION AGENT
Elavon Financial Services Limited
125 Old Broad Street
London
EC2N 1AR

LEGAL ADVISERS

To the Joint Arrangers and the
Joint Placement Agents as to English Law
Cadwalader, Wickersham & Taft LLP
Dashwood House
69 Old Broad Street
London
EC2M 1QS

To the Issuer, the Joint Arrangers and
the Joint Placement Agents as to Irish Law
McCann FitzGerald
Tower 42
Level 38C
25 Old Broad Street
London
EC2N 1HQ

To the Portfolio Manager
as to English Law
Freshfields Bruckhaus Deringer LLP
65 Fleet Street
London
EC4Y 1HS

To the Trustee
as to English Law
Norton Rose Fulbright LLP
3 More London Riverside
London
SE1 2AQ

IRISH LISTING AGENT
McCann FitzGerald Listing Services Limited
Riverside One
Sir John Rogerson's Quay
Dublin 2
Ireland