IMPORTANT NOTICE

You must read the following disclaimer before continuing

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

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

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

On the Refinancing Date, without the express written consent of the Portfolio Manager in the form of a U.S. Risk Retention Waiver, Refinancing Notes may not be acquired in the Offering (as defined herein) by "U.S. persons" as defined in the U.S. Risk Retention Rules. Additionally, during the Restricted Period, without the express written consent of the Portfolio Manager in the form of a U.S. Risk Retention Waiver, Refinancing Notes may not be transferred to "U.S. persons" as defined in the U.S. Retention Rules. Any purchase or transfer of the Refinancing Notes in breach of this requirement will result in the affected Refinancing Notes becoming subject to forced transfer provisions. Prospective investors should note that the definition of "U.S. person" in the U.S. Risk Retention Rules is substantially similar to, but not identical to, the definition of "U.S. person" under Regulation S. Certain investors may be required by the Portfolio Manager to execute a written certification of representation letter in respect of their status under the U.S. Retention Rules.

AN INVESTMENT IN THE REFINANCING NOTES INVOLVES CERTAIN RISKS, INCLUDING THE RISK THAT INVESTORS WILL LOSE THEIR ENTIRE INVESTMENT. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER THE MONTHLY REPORT PREPARED AS OF END DECEMBER 2016 WHICH IS AVAILABLE ON THE WEBSITE OF THE IRISH STOCK EXCHANGE IN ADDITION TO THE MATTERS SET FORTH ELSEWHERE IN THIS PROSPECTUS PRIOR TO INVESTING IN THE REFINANCING NOTES.

THE INITIAL PURCHASER (I) DID NOT PARTICIPATE IN THE PREPARATION OF THE 2014 PROSPECTUS, ANY MONTHLY REPORT, ANY PAYMENT DATE REPORT OR THE FINANCIAL STATEMENTS OF THE ISSUER, (II) HAS NOT MADE A DUE DILIGENCE INQUIRY AS TO THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED IN THE 2014 PROSPECTUS, ANY MONTHLY REPORT, ANY PAYMENT DATE REPORT OR THE FINANCIAL STATEMENTS OF THE ISSUER, (III) IS RELYING ON REPRESENTATIONS FROM THE ISSUER AS TO THE ACCURACY AND COMPLETENESS OF THE INFORMATION CONTAINED IN THE 2014 PROSPECTUS, ANY MONTHLY REPORT, ANY PAYMENT DATE REPORT AND THE FINANCIAL STATEMENTS OF THE ISSUER AND (IV) SHALL HAVE NO RESPONSIBILITY WHATSOEVER FOR THE CONTENTS OF THE 2014 PROSPECTUS, ANY MONTHLY REPORT, ANY PAYMENT DATE REPORT AND THE FINANCIAL STATEMENTS OF THE ISSUER.

THE INITIAL PURCHASER, THE PORTFOLIO MANAGER AND THE COLLATERAL ADMINISTRATOR ARE NOT RESPONSIBLE TO INVESTORS FOR, AND NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, IS MADE BY THE INITIAL PURCHASER, THE COLLATERAL ADMINISTRATOR OR THE PORTFOLIO MANAGER OR ANY OTHER PARTY AS TO THE ACCURACY OR COMPLETENESS OF INFORMATION IN THE FINANCIAL STATEMENTS OF THE ISSUER INCORPORATED IN THIS PROSPECTUS AND NOTHING CONTAINED THEREIN IS, OR SHALL BE RELIED UPON AS, A REPRESENTATION, WHETHER AS TO THE PAST, THE PRESENT OR THE FUTURE ACCURACY OF SUCH INFORMATION.

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

HARVEST CLO X DESIGNATED ACTIVITY COMPANY
(a designated activity company limited by shares incorporated under the laws of Ireland,
under company number 544627)

€264,400,000 Class A Senior Secured Floating Rate Notes due 2028
€56,300,000 Class B Senior Secured Floating Rate Notes due 2028
€30,400,000 Class C Senior Secured Deferrable Floating Rate Notes due 2028
€23,600,000 Class D Senior Secured Deferrable Floating Rate Notes due 2028

This Prospectus incorporates the final Prospectus dated 4 November 2014 (the "**2014 Prospectus**") relating to the Original Notes (as defined below) which is annexed hereto as Annex A. Capitalised terms used herein and not otherwise defined shall have the meanings given to such terms in the 2014 Prospectus.

The assets securing the Refinancing Notes (as defined below) will consist, and the assets securing the Original Notes (as defined below) 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 Investcorp Credit Management EU Limited (the "**Portfolio Manager**").

On 6 November 2014 (the "**Original Issue Date**") Harvest CLO X Designated Activity Company (the "**Issuer**") issued €264,400,000 Class A Senior Secured Floating Rate Notes due 2028 (the "**Original Class A Notes**"), €56,300,000 Class B Senior Secured Floating Rate Notes due 2028 (the "**Original Class B Notes**"), €30,400,000 Class C Senior Secured Deferrable Floating Rate Notes due 2028 (the "**Original Class C Notes**"), €23,600,000 Class D Senior Secured Deferrable Floating Rate Notes due 2028 (the "**Original Class D Notes**" and, together with the Original Class A Notes, the Original Class B Notes and the Original Class C Notes, the "**Refinanced Notes** "), €29,200,000 Class E Senior Secured Deferrable Floating Rate Notes due 2028 (the "**Class E Notes**"), €12,400,000 Class F Senior Secured Deferrable Floating Rate Notes due 2028 (the "**Class F Notes**") and €50,200,000 Subordinated Notes due 2028 (the "**Subordinated Notes**") (the Refinanced Notes together with the Class E Notes, the Class F Notes and the Subordinated Notes, the "**Original Notes**"). The Original Notes were issued and secured pursuant to a trust deed (the "**Trust Deed**") dated 6 November 2014, made between (amongst others) the Issuer and Deutsche Trustee Company Limited, in its capacity as trustee (the "**Trustee**", which expression shall include all persons for the time being the trustee under the Trust Deed).

On or about 15 August 2017 (the "**Refinancing Date**", and with respect to the Refinanced Notes, shall be the Redemption Date), the Issuer will, subject to the certain conditions, redeem the Refinanced Notes by issuing €264,400,000 Class A Senior Secured Floating Rate Notes due 2028, €56,300,000 Class B Senior Secured Floating Rate Notes due 2028, €30,400,000 Class C Senior Secured Deferrable Floating Rate Notes due 2028, €23,600,000 Class D Senior Secured Deferrable Floating Rate Notes due 2028 the "**Refinancing Notes**" and, together with the Class E Notes, the Class F Notes and the Subordinated Notes, the "**Notes**").

The Refinancing Notes will be issued and secured pursuant to a Supplemental Trust Deed (the "**Supplemental Trust Deed**") dated on or about the Refinancing Date, made between (amongst others) the Issuer and the Trustee.

Interest on the Refinancing Notes will be payable quarterly in arrear on 15 February, 15 May, 15 August and 15 November prior to the occurrence of a Frequency Switch Event (as defined in the 2014 Prospectus), and semi-annually in arrear on 15 February and 15 August (where the Payment Date (as defined in the 2014 Prospectus) immediately following the occurrence of a Frequency Switch Event falls in either February or August) or 15 May and 15 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 in the 2014 Prospectus), 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 15 November 2017, and ending on the Maturity Date (as defined in the 2014 Prospectus) (subject to any earlier redemption of the Notes in accordance with the Conditions), in accordance with the Priorities of Payment (as defined in the 2014 Prospectus).

The Refinancing Notes will be subject to Optional Redemption (although are excluded from any optional redemption in part in accordance with Condition 7(b)(ii) (*Optional Redemption in Part – Refinancing of a Class or Classes of Notes in whole by Subordinated Noteholders*), Mandatory Redemption and Special Redemption, each as described herein. The Rated Notes will be subject to Optional Redemption in whole at the option of the

Subordinated Noteholders no earlier than the Payment Date in November 2018. See Condition 7 (*Redemption and Purchase*).

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

The Portfolio Manager has informed the Issuer and the Initial Purchaser that it does not intend to retain a risk retention interest contemplated by the U.S. Risk Retention Rules in connection with the refinancing transaction described in this Prospectus or the Refinancing Notes in reliance on the Foreign Safe Harbour. Consequently, the Refinancing Notes sold in this Offering may not be purchased by any person except for (a) persons that are not "U.S. persons" as defined in the U.S. Risk Retention Rules (such persons "**Risk Retention U.S. Persons**") or (b) persons that have obtained a U.S. Risk Retention Waiver (as defined herein) from the Portfolio Manager. Any purchase or transfer of the Refinancing Notes in breach of this requirement will result in the affected Refinancing Notes becoming subject to forced transfer provisions. Prospective investors should note that the definition of "U.S. person" in the U.S. Risk Retention Rules is substantially similar to, but not identical to, the definition of "U.S. person" in Regulation S. Certain investors may be required to execute a written certification of representation letter by the Portfolio Manager in respect of their status under the U.S. Risk Retention Rules. See "*Risk Factors – Regulatory Initiatives – U.S. Risk Retention Rules*" and "*Risk Factors – Relating to the Refinancing Notes – Forced Transfer*".

This document (the "**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 Prospectus 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 Prospectus Directive. Such approval relates only to the Refinancing Notes which are to be admitted to trading on a 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 Refinancing 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 Refinancing Date. There can be no assurance that such listing and admission to trading will be maintained. This Prospectus will be made available from the website of the Central Bank and will be filed with the Irish Companies Registration Office in accordance with Regulation 38(1)(b) of the Prospectus Directive.

The 2014 Prospectus does not constitute a prospectus for the purposes of the Prospectus Directive and, accordingly, has not been approved by the Central Bank. The 2014 Prospectus contains confidentiality language as it was not a public document and was provided to individual investors only.

The Refinancing Notes are limited recourse obligations of the Issuer which are payable solely out of amounts received by or on behalf of the Issuer in respect of the Collateral (as defined herein). The net proceeds of the realisation of the security over the Collateral following an Event of Default (as defined herein) or the aggregate proceeds of liquidation of the Collateral may be insufficient to pay all amounts due to the holders of the Refinancing Notes 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, all claims in respect of which shall be extinguished. See Condition 4 (*Security*).

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

The Refinancing Notes are being offered by the Issuer through Deutsche Bank AG, London Branch or an affiliate thereof in its capacity as initial purchaser of the Refinancing Notes (the "**Initial Purchaser**") subject to

prior sale, when, as and if delivered to and accepted by the Initial Purchaser, and to certain conditions (the "**Offering**"). It is expected that delivery of the Refinancing Notes will be made on or about the Refinancing Date. The Initial Purchaser may offer the Refinancing Notes at prices as may be negotiated at the time of sale which may vary among different purchasers.

Deutsche Bank AG, London Branch
Initial Purchaser

The date of this Prospectus is 15 August 2017

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 Arranger, the Placement Agent, 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 Arranger, the Placement Agent, the Portfolio Manager, 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 Refinancing Notes or their distribution or accepts any responsibility or liability therefor. None of the Trustee, the Arranger, the Placement Agent, the Portfolio Manager, 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 Refinancing 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 ARRANGER, THE PLACEMENT AGENT THE INITIAL PURCHASER OR ANY OF ITS AFFILIATES, THE PORTFOLIO MANAGER, THE COLLATERAL ADMINISTRATOR OR ANY OTHER PERSON TO SUBSCRIBE FOR OR PURCHASE ANY OF THE REFINANCING NOTES. THE DISTRIBUTION OF THIS PROSPECTUS AND THE OFFERING OF THE REFINANCING NOTES IN CERTAIN JURISDICTIONS MAY BE RESTRICTED BY LAW. PERSONS INTO WHOSE POSSESSION THIS PROSPECTUS COMES ARE REQUIRED BY THE ISSUER, THE ARRANGER, THE PLACEMENT AGENT AND THE INITIAL PURCHASER, 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 REFINANCING NOTES AND DISTRIBUTION OF THIS PROSPECTUS, SEE "PLAN OF DISTRIBUTION" AND "TRANSFER RESTRICTIONS".

UNAUTHORISED INFORMATION

IN CONNECTION WITH THE ISSUE AND SALE OF THE REFINANCING NOTES, NO PERSON IS AUTHORISED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION NOT CONTAINED IN THIS 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 ARRANGER, THE PLACEMENT AGENT, THE INITIAL PURCHASER 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 REFINANCING NOTES MUST COMPLY WITH ALL APPLICABLE LAWS AND REGULATIONS IN FORCE IN EACH JURISDICTION IN WHICH IT PURCHASES, OFFERS OR SELLS SUCH REFINANCING NOTES OR POSSESSES OR DISTRIBUTES THIS PROSPECTUS AND MUST OBTAIN ANY CONSENT, APPROVAL OR PERMISSION REQUIRED FOR THE PURCHASE, OFFER OR SALE BY IT OF SUCH SECURITIES UNDER THE LAWS AND REGULATIONS IN FORCE IN ANY JURISDICTIONS TO WHICH IT IS SUBJECT OR IN WHICH IT MAKES SUCH PURCHASES, OFFERS OR SALES, AND NONE OF THE ISSUER, THE INITIAL PURCHASER, THE RETENTION HOLDER, THE PORTFOLIO MANAGER, THE TRUSTEE OR THE COLLATERAL ADMINISTRATOR SPECIFIED HEREIN (OR ANY OF THEIR RESPECTIVE AFFILIATES) SHALL HAVE ANY RESPONSIBILITY THEREFOR.

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

PRIORITIES OF NOTES

The 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.

RETENTION REQUIREMENTS

Investors are directed to the further descriptions of the Retention Requirements in "*Risk Factors- General – Risk Retention in Europe"* and *"The Retention Holder and Retention Requirements"* and "*The Retention Holder and Retention Requirements*" in the 2014 Prospectus and "*Risk Factors – Regulatory Initiatives - U.S. Risk Retention Rules*" and "*The EU Retention Holder and Retention Requirements*" below.

The Portfolio Manager has informed the Issuer and the Initial Purchaser that it does not intend to retain a risk retention interest contemplated by the U.S. Risk Retention Rules in connection with the refinancing transaction described in this prospectus or the Refinancing Notes in reliance on the Foreign Safe Harbour. None of the Trustee, the Initial Purchaser, any Agent, any Hedge Counterparty or any other party (other than the Retention Holder) provides any assurances regarding, or assumes any responsibility for, the Portfolio Manager's compliance with the U.S. Risk Retention Rules prior to, on or after the Refinancing Date.

See "*Risk Factors – Regulatory Initiatives - U.S. Risk Retention Rules*" below.

Each prospective investor in the Refinancing 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 EU Risk Retention Requirements (as defined in the Conditions) or any other regulatory requirement. None of the Issuer, the Portfolio Manager, the Initial Purchaser, any Agent, 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 EU Risk Retention Requirements or any other applicable legal, regulatory or other requirements. Each prospective investor in the Refinancing Notes which is subject to the EU Risk 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.

INFORMATION AS TO PLACEMENT WITHIN THE UNITED STATES

The Refinancing Notes of each Class offered pursuant to an exemption from registration requirements under Rule 144A under the Securities Act ("**Rule 144A**") (the "**Rule 144A Notes**") may only be sold within the United States to persons and outside the United States to U.S. Persons (as such term is defined in Regulation S), in each case, who are "qualified institutional buyers" (as defined in Rule 144A)) ("**QIBs**") that are also "qualified purchasers" for purposes of Section 3(c)(7) of the Investment Company Act ("**QPs**"). Rule 144A Notes of each Class will each be represented on issue by beneficial interests in one or more permanent global certificates of such Class (each, a "**Rule 144A Global Certificate**" and together, the "**Rule 144A Global Certificates**") or, in some cases, by 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 Refinancing Date with, and registered in the name of, a nominee of a common depositary for Euroclear Bank S.A./N.V., as operator of the Euroclear system ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**") or, in the case of Rule 144A Definitive Certificates, the registered holder thereof. The Refinancing Notes of each Class sold outside the United States to non-U.S. Persons in reliance on Regulation S ("**Regulation S**") under the Securities Act (the "**Regulation S Notes**") will each be represented on issue by beneficial interests in one or more permanent global certificates of such Class (each, a "**Regulation S Global Certificate**" and together, the "**Regulation S Global Certificates**") or, in some cases, by definitive certificates of such Class (each a "**Regulation S Definitive Certificate**" and together, the "**Regulation S Definitive Certificates**"), in each case in fully registered form, without interest coupons or principal receipts, which will be deposited on or about the Refinancing Date with, and registered in the name of, a common depositary for Euroclear Bank S.A./N.V., as operator of the Euroclear System ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**") or, in the case of 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. Except as described herein, Notes in definitive certificated form will be issued in limited circumstances. In each case, purchasers and transferees of notes will be deemed and in certain circumstances will be required to have made certain representations and agreements. See "*Form of the Notes*", "*Book Entry Clearance Procedures*", "*Plan of Distribution*" and "*Transfer Restrictions*" below.

On the Refinancing Date, the Refinancing Notes sold in this Offering may not be purchased by any person except for (a) persons that are not Risk Retention U.S. Persons or (b) persons that have obtained a U.S. Risk Retention Waiver from the Portfolio Manager. Additionally, during the Restricted Period, the Refinancing Notes may not be transferred to any person except for (a) persons that are not Risk Retention U.S. Persons or (b) persons that have obtained a U.S. Risk Retention Waiver (as defined herein) from the Portfolio Manager. Purchasers and transferees of the Refinancing Notes, including beneficial interests therein, will be deemed and in certain circumstances will be required to have made certain representations and agreements, including that each purchaser or transferee (1) either (a) is not a Risk Retention U.S. Person or (b) it has received a U.S. Risk Retention Waiver from the Portfolio Manager, and (2) is not acquiring such Refinancing Note or a beneficial interest therein as part of a scheme to evade the requirements of the U.S. Risk Retention Rules (including acquiring such Refinancing Note through a non-Risk Retention U.S. Person, rather than a Risk Retention U.S. Person, as part of a scheme to evade the 10 per cent. Risk Retention U.S. Person limitation in the Foreign Safe Harbour). Any purchase or transfer of the Refinancing Notes in breach of this requirement will result in the affected Refinancing Notes becoming subject to forced transfer provisions. Certain investors may be required by the Portfolio Manager to execute a written certification of representation letter in respect of their status under the U.S. Retention Rules. See "*Risk Factors – Regulatory Initiatives – U.S. Risk Retention Rules*" and "*Risk Factors – Relating to the Refinancing Notes – Forced Transfer*" below.

The Issuer has not been registered under the Investment Company Act in reliance on Section 3(c)(7) of the Investment Company Act. Exemptions or exclusions from registration as an investment company under the Investment Company Act other than those set out in sections 3(c)(1) and 3(c)(7) of the Investment Company Act may be available to the Issuer, but it is unlikely, and there can be no assurance that, any such exemptions or exclusions will be available or that the Issuer will elect to rely on such exemptions. Each purchaser of an interest in the Refinancing Notes (other than a non-U.S. Person 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 Refinancing Note, by such purchase, agrees that such Refinancing Note is being acquired for its own account and not with a view to distribution (other than in the case of the Initial Purchaser) and may be resold, pledged or otherwise transferred only (1) to the Issuer (upon redemption thereof or otherwise), (2) to a person the purchaser reasonably believes is a QIB which is also a QP, in a transaction meeting the requirements of Rule 144A, or (3) outside the United States to a non-U.S. Person in an offshore transaction in reliance on Regulation S, in each case, in compliance with the Trust Deed and all applicable securities laws of any state of the United States or any other jurisdiction. See "*Transfer Restrictions*".

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

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

This Prospectus has been prepared by the Issuer solely for use in connection with the offering of the Refinancing Notes described herein (the "**Offering**"). Each of the Issuer and the Initial Purchaser reserves the right to reject any offer to purchase Refinancing Notes in whole or in part for any reason, or to sell less than the stated initial principal amount of any Class of Refinancing Notes offered hereby. This Prospectus is personal to each offeree to whom it has been delivered by the Issuer, the Initial Purchaser or any Affiliate thereof and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire the Refinancing 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, 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.

AVAILABLE INFORMATION

To permit compliance with the Securities Act in connection with the sale of the Refinancing Notes in reliance on Rule 144A, the Issuer will be required under the Trust Deed to furnish upon request to a holder or beneficial owner who is a QIB of a 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**", "**euro**", "**€**" and "**EUR**" are to the lawful currency of the member states of the European Union that have adopted and retain the single currency in accordance with the Treaty establishing the European Community, as amended from time to time; provided that if any member state or states ceases to have such single currency as its lawful currency (such member state(s) being the "**Exiting State(s)**"), the euro shall, for the avoidance of doubt, mean for all purposes the single currency adopted and retained as the lawful currency of the remaining member states and shall not include any successor currency introduced by the Exiting State(s) and any references to "**US Dollar**", "**US dollar**", "**USD**", "**U.S. Dollar**" or "**$**" shall mean the lawful currency of the United States of America. **NO STABILISATION**

In connection with the issue of the Refinancing Notes, no stabilisation will take place and neither Deutsche Bank AG, London Branch, nor any Affiliate thereof will be acting as stabilising manager in respect of the Refinancing Notes.

COMMODITY POOL REGULATION

BASED UPON INTERPRETATIVE GUIDANCE PROVIDED BY THE US COMMODITY FUTURES TRADING COMMISSION (THE "**CFTC**"), THE ISSUER IS NOT EXPECTED TO BE TREATED AS A COMMODITY POOL, AND AS SUCH, THE ISSUER (OR THE PORTFOLIO MANAGER ON THE ISSUER'S BEHALF) MAY ENTER INTO HEDGE AGREEMENTS 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 LEGAL COUNSEL OF INTERNATIONAL STANDING 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 CFTC AS A COMMODITY POOL OPERATOR (A "**CPO**") OR A COMMODITY TRADING ADVISOR (A "**CTA**") PURSUANT TO THE UNITED STATES COMMODITY EXCHANGE ACT OF 1936, AS AMENDED, WITH RESPECT TO THE ISSUER].

VOLCKER RULE

Section 619 of the Dodd-Frank Act and the corresponding implementing regulations (the "**Volcker Rule**") prevents "banking entities" as defined under the Volcker Rule (which would include U.S. and non-U.S. affiliates of U.S. and non-U.S. banking institutions) subject to the rule from, among other things, (i) conducting proprietary trading activities in a wide variety of financial instruments unless the transaction is excluded from the scope of the rule (e.g. if conducted solely for hedging purposes), and (ii) except as permitted by the rule, acquiring or retaining any equity, partnership, or other ownership interest in, or sponsoring, certain investment entities referred to in the Volcker Rule as "covered funds". In addition, in certain circumstances, the Volcker Rule restricts relevant banking entities from entering into certain credit exposure related transactions with covered funds with respect to which such banking entity serves as the sponsor, investment manager, investment adviser or similar role. Full conformance with the Volcker Rule was required from 21 July 2015, subject to certain exceptions and extensions provided by the Volcker Rule. In general, there is limited interpretive guidance regarding the Volcker Rule.

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

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

It is uncertain whether any of the Refinancing Notes may be characterised as ownership interests. The Transaction Documents have been drafted in a manner so as to disenfranchise the holders of any Refinancing Notes in the form of PM Removal and Replacement Non-Voting Notes or PM Removal and Replacement Exchangeable Non-Voting Notes in respect of any PM Removal Resolution or PM Replacement Resolution. There can be no assurance that these steps will be effective to avoid investments in the Issuer by U.S. or non-U.S. banking entities subject to the Volcker Rule (whether in the form of PM Removal and Replacement Non-Voting Notes or PM Removal and Replacement Exchangeable Non-Voting Notes or otherwise) being deemed to be an "ownership interest" in the Issuer.

Each prospective investor in the Refinancing Notes is required to independently consider the potential impact of the Volcker Rule in respect of any investment in the Refinancing Notes and none of the Issuer, the Portfolio Manager, the Initial Purchaser, the Trustee, the Collateral Administrator or any Agent makes any representation regarding such investment, including with respect to the ability of any investor to acquire or hold the Refinancing Notes, now or at any time in the future in compliance with the Volcker Rule or any other applicable laws.

The Volcker Rule and any similar measures introduced in another relevant jurisdiction may restrict the ability of relevant individual prospective purchasers to invest in the Notes and, in addition, may have a negative impact on the price and liquidity of the Notes in the secondary market. Investors should conduct their own analysis to determine whether the Issuer is a "covered fund" for their purposes. See "*Risk Factors – Regulatory Initiatives – Volcker Rule*" below.

FORWARD-LOOKING STATEMENTS

This Prospectus contains forward-looking statements, which can be identified by words like "anticipate", "believe", "plan", "hope", "goal", "initiative", "expect", "future", "intend", "will", "could" and "should" and by similar expressions. Other information contained herein, including any forecasted, estimated, targeted or assumed information, may also be deemed to be, or to contain, forward-looking statements. Prospective investors should not place undue reliance on forward-looking statements. Actual results could differ materially from those referred to in forward-looking statements for many reasons, including the risks described in "*Risk Factors*". Forward-looking statements are necessarily speculative in nature, and it can be expected that some or all of the assumptions underlying any forward-looking statements will not materialize or will vary significantly from actual results. Variations of assumptions and results may be material.

Without limiting the generality of the foregoing, the inclusion of forward-looking statements herein should not be regarded as a representation by any of the Issuer, the Portfolio Manager, the Initial Purchaser, the Trustee, the Collateral Administrator or any of their respective Affiliates or any other person of the results that will actually be achieved by the Issuers or the Refinancing Notes. None of the foregoing persons has any obligation to update or otherwise revise any forward-looking statements, including any revision to reflect changes in any circumstances arising after the date hereof relating to any assumptions or otherwise.

WEBSITES

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

ISSUER NOT REGULATED

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

THE REFINANCING NOTES ARE NOT INTENDED TO BE SOLD AND SHOULD NOT BE SOLD TO RETAIL INVESTORS. FOR THESE PURPOSES, A RETAIL INVESTOR MEANS (I) A RETAIL CLIENT AS DEFINED IN POINT (11) OF ARTICLE 4(1) OF DIRECTIVE 2014/65/EU OR (II) A CUSTOMER WITHIN THE MEANING OF DIRECTIVE 2002/92/EC, WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL CLIENT AS DEFINED IN POINT (10) OF ARTICLE 4(1) OF DIRECTIVE 2014/65/EU.

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TRANSACTION OVERVIEW

The following overview must be read in conjunction with the section entitled "Overview" in the 2014 Prospectus. The changes set forth below supersede all statements which are inconsistent therewith in the 2014 Prospectus. 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, including (except to the extent described in the immediately preceding sentence) in the 2014 Prospectus and related documents referred to herein; it being understood and agreed by each investor and prospective investor in the Refinancing Notes that the Initial Purchaser (i) did not participate in the preparation of the 2014 Prospectus, any Monthly Report, any Payment Date Report or any financial statements of the Issuer, (ii) has not made a due diligence inquiry as to the accuracy or completeness of the information contained in the 2014 Prospectus, (iii) is relying on representations from the Issuer as to the accuracy and completeness of the information contained in the 2014 Prospectus, the Monthly Reports and the Payment Date Reports and (iv) shall have no responsibility whatsoever for the contents of the 2014 Prospectus, any Monthly Report, any Payment Date Report or any financial statements of the Issuer. A glossary of defined terms appears at the back of this Prospectus and at the back of the 2014 Prospectus.

Issuer	Harvest CLO X Designated Activity Company, a designated activity company limited by shares under the laws of Ireland, under company number 544627.
Portfolio Manager and Retention Holder	Investcorp Credit Management EU Limited
Trustee	Deutsche Trustee Company Limited.
Initial Purchaser, Arranger, Placement Agent and Bookrunner	Deutsche Bank AG, London Branch
Account Bank	The Bank of New York Mellon, acting through its London Branch
Custodian	The Bank of New York Mellon, acting through its London Branch
Collateral Administrator	Deutsche Bank AG, London Branch.

Refinancing Notes[4]

Class of Refinancing Notes	Principal Amount	Initial Stated Interest Rate[1]	Alternative Stated Interest Rate[2]	S&P Ratings of[3]	Fitch Ratings of[3]	Maturity Date
A	€264,400,000	3 month EURIBOR + 0.92%	6 month EURIBOR + 0.92%	"AAA(sf)"	"AAAsf"	November 2028
B	€56,300,000	3 month EURIBOR + 1.50%	6 month EURIBOR + 1.50%	"AA+(sf)"	"AA+sf"	November 2028
C	€30,400,000	3 month EURIBOR + 2.00%	6 month EURIBOR + 2.00%	"A(sf)"	"Asf"	November 2028
D	€23,600,000	3 month EURIBOR + 2.85%	6 month EURIBOR + 2.85%	"BBB(sf)"	"BBBsf"	November 2028

1. Applicable at any time in respect of each Accrual Period commencing prior to the occurrence of a Frequency Switch Event.
2. Applicable in respect of each Accrual Period commencing following the occurrence of a Frequency Switch Event.
3. The ratings assigned to the Class A Notes and Class B Notes by S&P and Fitch address the timely payment of interest and the ultimate payment of principal. The ratings assigned to the Class C Notes and Class D Notes by S&P and Fitch address the ultimate payment of principal and interest. A security rating is not a recommendation to buy, sell or hold the Refinancing Notes and may be subject to revision, suspension or withdrawal at any time by the applicable Rating Agency. As of the date of this Prospectus, each of the Rating Agencies is established in the European Union ("EU") and is registered under Regulation (EC) No 1060/2009 (as amended) (the "CRA Regulation"). As such each Rating Agency is included in the list of credit rating agencies published by the European Securities and Markets Authority ("ESMA") on its website in accordance with the CRA Regulation
4. The Initial Purchaser may offer the Refinancing Notes at other prices as may be negotiated at the time of sale.

Eligible Purchasers

The Refinancing Notes of each Class will be offered:

(a) outside of the United States to non-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 and QPs in reliance on Rule 144A. The Refinancing Notes sold pursuant to this Offering may not be purchased by any person except for (a) persons that are not Risk Retention U.S. Persons or (b) persons that have obtained a U.S. Risk Retention Waiver from the Portfolio Manager. Any purchase or transfer of the Refinancing Notes in breach of this requirement will result in the affected Refinancing Notes becoming subject to forced transfer provisions. See "*Risk Factors – Regulatory Initiatives – U.S. Risk Retention Rules*" and "*Risk Factors – Relating to the Refinancing Notes – Forced Transfer*".
Original Closing Date	6 November 2014
Refinancing Date	15 August 2017
Stated Note Interest	The following replaces in full the section entitled "*Stated Note Interest*" within the "*Overview*" section in the 2014 Prospectus. Interest on the Refinancing Notes will be payable quarterly in arrear on 15 February, 15 May, 15 August and 15 November prior to the occurrence of a Frequency Switch Event (as defined in the 2014 Prospectus), and semi-annually in arrear on 15 February and 15 August (where the Payment Date (as defined in the 2014 Prospectus) immediately following the occurrence of a Frequency Switch Event falls in either February or August) or 15 May and 15 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 in the 2014 Prospectus), 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 15 November 2017, 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.
Redemption of the Notes	See the section entitled "*Optional Redemption*" within the "*Overview*" section in the 2014 Prospectus, which is amended herein to remove the right for principal payments on the Notes to be made: (a) in whole (with respect to all Classes of Rated Notes) from Refinancing Proceeds at any time prior to the Payment Date in November 2018; and (b) in part by the redemption in whole of one or more of the Class A Notes, the Class B Notes, the Class C Notes and/or the Class D Notes from Refinancing Proceeds.
PM Removal and Replacement Voting Notes, PM Removal and Replacement Non-Voting Notes and PM Removal and Replacement Exchangeable Non-Voting Notes	The Refinancing Notes may, in each case, be in the form of PM Removal and Replacement Voting Notes, PM Removal and Replacement Exchangeable Non-Voting Notes or PM Removal and Replacement Non-Voting Notes.

	PM Removal and Replacement Voting Notes shall carry a right to vote in respect of, and be counted for the purposes of determining a quorum and the result of voting on any PM Replacement Resolutions and/or any PM Removal Resolutions. PM Removal and Replacement Non-Voting Notes and PM Removal and Replacement Exchangeable Non-Voting Notes shall not carry any rights in respect of, or be counted for the purposes of determining a quorum and the result of voting on any PM Removal Resolutions or any PM Replacement Resolutions but shall carry a right to vote on and be counted in respect of all other matters in respect of which the PM Removal and Replacement Voting Notes have a right to vote and be counted. PM Removal and Replacement Voting Notes shall be exchangeable at any time upon request by the relevant Noteholder into PM Removal and Replacement Exchangeable Non-Voting Notes or PM Removal and Replacement Non-Voting Notes. PM Removal and Replacement Exchangeable Non-Voting Notes shall be exchangeable for (a) upon request by the relevant Noteholder, PM Removal and Replacement Non-Voting Notes at any time; or (b) only in connection with the transfer of such Notes to an entity that is not an Affiliate of the transferor upon request of the relevant transferee or transferor, PM Removal and Replacement Voting Notes. PM Removal and Replacement Non-Voting Notes shall not be exchangeable at any time into PM Removal and Replacement Voting Notes or PM Removal and Replacement Exchangeable Non-Voting Notes.
Form, Registration and Transfer of the Refinancing Notes	The Regulation S Notes of each Class of Refinancing Notes sold outside the United States to non-U.S. Persons in reliance on Regulation S will be represented on issue by beneficial interests in one or more Regulation S Global Certificates in fully registered form, without interest coupons or principal receipts, which will be deposited on or about the Refinancing Date with, and registered in the name of, a common depositary for Euroclear and 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. Interests in any Regulation S Note may not at any time be held by any U.S. Person or U.S. Resident. See "*Form of the Notes*" and "*Book Entry Clearance Procedures*" in the 2014 Prospectus. Interests in any Regulation S Note may not at any time be held by any U.S. Person or U.S. Resident. The Rule 144A Notes of each Class of Refinancing Notes sold in reliance on Rule 144A within the United States to persons and outside of the United States to U.S. Persons, in each case, who are QIBs and also QPs will be represented on issue by one or more Rule 144A Global Certificates in fully registered form, without interest coupons or principal receipts deposited with a custodian for, 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 Regulation S Global Certificates and the Rule 144A Global Certificates will bear a legend and such Regulation S Global Certificates and Rule 144A Global Certificates, or any interest therein, may not be transferred except in compliance with the transfer restrictions set out in such legend. See "*Transfer Restrictions*" below.

No beneficial interest in a Rule 144A Global Certificate may be transferred to a person who takes delivery thereof through a Regulation S Global Certificate unless the transferor provides the Trustee and the Transfer Agent with a written certification substantially in the form set out in the Trust Deed regarding compliance with certain of such transfer restrictions and such other additional requirements as may be 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 a QIB and a QP. In addition, interests in any of the Regulation S Notes may not at any time be held by any U.S. Person or U.S. Resident. See "*Form of the Notes*" and "*Book Entry Clearance Procedures*" in the 2014 Prospectus.

Except in the limited circumstances described herein, the Refinancing Notes in definitive, certificated, fully registered form 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*" in the 2014 Prospectus.

The Refinancing Notes sold in this Offering may not be purchased by any person except for (a) persons that are not Risk Retention U.S. Persons or (b) persons that have obtained a U.S. Risk Retention Waiver from the Portfolio Manager. "*Risk Factors – Regulatory Initiatives – U.S. Risk Retention Rules*" below.

On the Refinancing Date, the Refinancing Notes may not be purchased by any person except for (a) persons that are not Risk Retention U.S. Persons, or (b) persons that have obtained a U.S. Risk Retention Waiver from the Portfolio Manager. Additionally, during the Restricted Period, the Refinancing Notes may not be transferred to any person except for (i) persons that are not Risk Retention U.S. Persons or (ii) persons that have obtained a U.S. Risk Retention Waiver from the Portfolio Manager. Any purchase or transfer of the Refinancing Notes in breach of this requirement will result in the affected Refinancing Notes becoming subject to forced transfer provisions. See "*Risk Factors – Regulatory Initiatives – U.S. Risk Retention Rules*".

Each person who becomes an owner of a beneficial interest in a Rule 144A Global Certificate will be deemed to have represented and agreed to the representations set forth in the below relating to such Refinancing Notes under the heading "*Transfer Restrictions*".

Transfers of interests in the Refinancing Notes are subject to

	certain restrictions and must be made in accordance with the procedures set forth in the Trust Deed. See "*Form of the Notes*", "*Book Entry Clearance Procedures*" in the 2014 Prospectus and "*Transfer Restrictions*" below. Each purchaser of the Refinancing Notes in making its purchase will be required to make, or will be deemed to have made, certain acknowledgements, representations and agreements. See "*Transfer Restrictions*" below. The transfer of Notes in breach of certain of such representations and agreements will result in affected Notes becoming subject to certain forced transfer provisions. See Condition 2(h) (*Forced Transfer of Rule 144A Notes*), Condition 2(i) (*Forced Transfer pursuant to FATCA*) and Condition 2(j) (*Forced Transfer pursuant to ERISA*).
Listing	Application has been made to the Irish Stock Exchange for the Refinancing Notes to be admitted to the Official List of the Irish Stock Exchange and trading on the Main Securities Market. It is anticipated that listing will take place on or about the Refinancing Date. See "*General Information*".
The Portfolio	The components and the operation of certain tests, including but not limited to the Weighted Average Life Test, and the Eligibility Criteria, set out in the Portfolio Management Agreement, are being amended. For the purpose of condition 14(c)(xxvii) (*Modification and Waiver*) the Class A Noteholders will approve such modifications to the Portfolio Management Agreement contained in the Supplemental Trust Deed by an Ordinary Resolution by way of, in respect of each Class A Noteholder of the Refinancing Notes, deemed approval upon their subscription for the Class A Notes of the Refinancing Notes. See the section entitled "*The Portfolio*" below and in the 2014 Prospectus.
Tax Status	See "*Tax Considerations*".
Certain ERISA Considerations	For a discussion of certain ERISA related restrictions on the ownership and transfer of the Refinancing Notes, see the section "*Certain ERISA Considerations*" and "*Transfer Restrictions*" in the 2014 Prospectus and "*Additional ERISA Considerations*" and "*Transfer Restrictions*" below..
Withholding Tax	No gross up of any payments will be payable to the Noteholders. See Condition 9 (*Taxation*).
Retention Holder and the EU Risk Retention Requirements	On the Original Closing Date, the Portfolio Manager (in its capacity as the Retention holder) purchased Subordinated Notes having a Principal Amount Outstanding (as of the Original Closing Date) equal to not less than 5 per cent. of the Aggregate Collateral Balance (as of the Original Issue Date). From and including the Refinancing Date. The Portfolio Manager (in its capacity as the Retention Holder) will, pursuant to the Refinancing Retention Letter, undertake on the Refinancing Date to continue to hold (either directly or indirectly) and retain the Retention with the intention of complying with the Retention Requirements. See "*The EU Retention Holder and Retention Requirements*" and "*Risk Factors – Regulatory Initiatives – EU Risk Retention Requirements*".
Retention Holder and U.S. Risk Retention Requirements	The Portfolio Manager has informed the Issuer and the Initial Purchaser that it does not intend to retain a risk retention

interest contemplated by the U.S. Risk Retention Rules in connection with the refinancing transaction described in this Prospectus or the Refinancing Notes in reliance on the Foreign Safe Harbour. See "*Risk Factors – Regulatory Initiatives – U.S. Risk Retention Rules*".

RISK FACTORS

An investment in the Refinancing Notes involves certain risks, including any risk relating to the Collateral securing such Refinancing Notes and risks relating to the structure and rights of such Refinancing Notes, the related arrangements and the risk that investors will lose their entire investment. Prospective investors should carefully consider the following factors, in addition to the "Risk Factors" section of the 2014 Prospectus and matters set forth elsewhere in this Prospectus and the 2014 Prospectus, prior to investing in the Refinancing Notes. To the extent any statement in this "Risk Factors" section conflicts with any statement in the "Risk Factors" section of the 2014 Prospectus, the statements herein shall supersede any such statements in the 2014 Prospectus.

The following limited supplemental disclosure is being provided to prospective investors to inform them of certain risks arising from the issuance of the Refinancing Notes, but does not purport to (and none of the Issuer, the Initial Purchaser, the Portfolio Manager, the Retention Holder or their respective affiliates makes any representations that it purports to) comprehensively update the 2014 Prospectus or disclose all risk factors (whether legal or otherwise) which may arise by or relate to the issuance of the Refinancing Notes.

The Initial Purchaser (i) did not participate in the preparation of the 2014 Prospectus, any Monthly Report or any Payment Date Report, (ii) has not made a due diligence inquiry as to the accuracy or completeness of the information contained in the 2014 Prospectus, (iii) is relying on representations from the Issuer as to the accuracy and completeness of the information contained in the 2014 Prospectus, the Monthly Reports and the Payment Date Reports and (iv) shall have no responsibility whatsoever for the contents of the 2014 Prospectus, any Monthly Report or any Payment Date Report.

1. GENERAL

1.1 Relating to the Refinancing Notes

The Issuer commenced operations under the Trust Deed on the Original Closing Date. While the most recent Monthly Report (as defined in the Trust Deed) prior to the Refinancing Date dated June 2017 with respect to the Portfolio (the "**Latest Monthly Report**") has been filed with the Irish Stock Exchange and is available for viewing at http://www.ise.ie/debt_documents/Harvest%2010%20Monthly%20Report_db2ead54-2687-453a-b54a-a2620cf712ae.PDF and the Payment Date Report to be dated August 2017 will be filed with the Irish Stock Exchange following its completion and publication, such information has not been audited or otherwise reviewed by any accounting firm.

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

The composition of the Collateral Debt Obligations will change over time as a result of (i) scheduled and unscheduled principal payments on the Collateral Debt Obligations, (ii) sales of Collateral Debt Obligations and

reinvestment of Sale Proceeds and other Principal Proceeds and (iii) other factors, subject to the limitations described in the Conditions.

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

1.2 Prior activities of the Issuer

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

1.3 UK manager/ Retention Holder

If the UK were, as a consequence of leaving the EU, no longer within the scope of EU Directive 2004/39/EC on Markets in Financial Instruments ("**MiFID**") passporting regime or third country recognition of the UK or a Dutch domestic exemption or exception is not in place, then (a) a UK manager such as the Portfolio Manager may be unable to continue to provide investment management services to the Issuer in reliance upon the passporting of relevant regulated services within the EU on a cross-border basis provided for under MiFID and (b) the Portfolio Manager may not be able to continue to act as Retention Holder to the extent it was required to hold the retention solely as "sponsor" in accordance with the EU Risk Retention Requirements (even if the Portfolio Manager were to remain subject to UK financial services regulation) unless any EU Retention Cure Action intended to enable the Portfolio Manager to take any action as it may deem reasonably necessary or appropriate with the intention of complying with, or preserving compliance with, the EU Risk Retention Requirements has been taken in accordance with the terms of the Transaction Documents. See "*Risk Factors – Regulatory Initiatives – EU Risk Retention Requirements*" and "*The EU Risk Retention Requirements*" of this Prospectus. If the Retention Holder no longer qualifies as a "sponsor" and no EU Retention Cure Action is, or can be taken, the transaction will no longer comply with the EU Risk Retention Requirements. See "*Risk Factors – Regulatory Initiatives – EU Risk Retention Requirements" and "The EU Risk Retention Requirements"* of this Prospectus.

1.4 Events in the CLO and Leveraged Finance Markets

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

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

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 the current economic conditions. These risks include, among others, (i) the likelihood that the Issuer will find it more difficult to sell any of its assets or to purchase new assets in the secondary market, (ii) the possibility that, on or after the Refinancing Date, the price at which assets can be sold by the Issuer will have deteriorated from their effective purchase price and (iii) the

illiquidity of the Notes. These additional risks may affect the returns on the Notes to investors and/or the ability of investors to realise their investment in the Notes prior to their Maturity Date. In addition, the primary market for a number of financial products 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, reduce 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.

1.5 European Union and Euro Zone Risk

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

As a result of the credit crisis in Europe, the European Commission created the European Financial Stability Facility (the "**EFSF**") and the European Financial Stability Mechanism (the "**EFSM**") to provide funding to Euro-zone countries in financial difficulties that seek such support. In March 2011, the European Council agreed on the need for Euro-zone countries to establish a permanent stability mechanism, the European Stability Mechanism (the "**ESM**"), to assume the role of the EFSF and the EFSM in providing external financial assistance to Euro-zone countries from 1 July 2013 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, Ireland, Italy, Portugal and Spain, together with the risk that some countries could leave the Euro-zone (either voluntarily or involuntarily), and that the impact of these events on Europe and the global financial system could be severe which could have a negative impact on the Collateral.

Furthermore, concerns that the Euro-zone sovereign debt crisis could worsen may lead to the reintroduction of national currencies in one or more Euro-zone countries or, in more extreme circumstances, the possible dissolution of the Euro entirely. The departure or risk of departure from the Euro by one or more Euro-zone countries and/or the abandonment of the Euro as a currency could have major negative effects on the Issuer, the Collateral (including the risks of currency losses arising out of redenomination and related haircuts on any affected assets) and the Notes. Should the Euro dissolve entirely, the legal and contractual consequences for holders of Euro-denominated obligations (including the Notes) would be determined by laws in effect at such

time. These potential developments, or market perceptions concerning these and related issues, could adversely affect the value of the Notes. It is difficult to predict the final outcome of the Euro-zone crisis. Investors should carefully consider how changes to the Euro-zone may affect their investment in the Notes.

1.6 UK Referendum on Membership of the European Union

On 23 June 2016 the United Kingdom (the "**UK**") held a referendum to decide on the UK's membership of the European Union. The UK vote was to leave the European Union. There are a number of uncertainties in connection with the future of the UK and its relationship with the European Union. Article 50 of the Treaty on the Functioning of the European Union ("**Article 50**") provides that a Member State which decides to withdraw from the European Union is required to notify the European Council of its intention to do so. The UK government invoked Article 50 on 29 March 2017 by notifying the European Council of its intention to withdraw from the European Union. The European Union and the UK will now negotiate and may conclude an agreement setting out the arrangements for the withdrawal of the UK from the European Union. In accordance with the terms of Article 50, such negotiations shall take a maximum of 2 years unless the Member States (acting through the European Council) unanimously agree to extend this period. Until the terms and timing of the UK's exit from the European Union are clearer, it is not possible to determine the impact that the referendum, the UK's departure from the European Union and/or any related matters may have on the business of the Issuer (including the performance of the loans), the Portfolio Manager (including its ability to manage the portfolio), one or more of the other parties to the Transaction Documents or any Obligor, or on the regulatory position of any such entity or of the transactions contemplated by the Transaction Documents under European Union regulation or more generally. As such, no assurance can be given that such matters would not adversely affect the ability of the Issuer to satisfy its obligations under the Notes and/or the market value and/or the liquidity of the Notes in the secondary market.

Regulatory Risk

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

There can be no assurance that the terms of the UK's exit from the EU or any replacement relationship will include arrangements for the continuation of a passporting regime (or for a similar regime in its effect) or mutual access rights to market infrastructure and recognition of insolvency, bank recovery and resolution regimes. Such uncertainty could adversely impact the Issuer and, in particular, the ability of third parties (see below for the discussion on how this may affect the Portfolio Manager) to provide services to the Issuer, and therefore could be materially detrimental to Noteholders. The replacement of any such third parties that are no longer able to provide services to the Issuer may result in additional costs and expenses, which may in turn affect the amounts payable to Noteholders.

If the UK were, as a consequence of leaving the EU, in a position where no passporting regime or third country recognition mechanism were in place, then (a) a UK manager such as the Portfolio Manager may no longer be able to rely upon passporting or similar rights in order to provide collateral management services to the Issuer and (b) the Portfolio Manager may no longer qualify as a "sponsor" for the purposes of the Retention Requirements.

However, in Ireland under Regulation 8(1) of the European Communities (Markets in Financial Instruments) Regulations 2007, if the Portfolio Manager has no head or registered office or branch in Ireland, it would not generally need to be an authorised investment firm in order to provide CLO services in Ireland to bodies corporate (such as the Issuer) and therefore the Portfolio Manager should be able to continue to provide collateral management services to the Issuer without the benefit of the passporting regime.

Reforms to MiFID pursuant to Directive 2014/65/EU and Regulation 600/2014/EU (collectively referred to as "**MiFID II**") providing (among other things) the ability for non-EU investment firms to provide collateral management services in the EU on a cross-border basis entered into force on 2 July 2014 and will apply from 3 January 2018. Transposition by Member States into domestic law of the MiFID II measures set out in Directive 2014/65/EU is required by 3 July 2017. So long as it forms part of Irish domestic law, a non-EU investment firm may continue to rely on the Irish "safe harbour" described above until such firm qualifies under the MiFID II measures to provide collateral management services in the EU on a cross-border basis. It is not yet clear though at this stage how MiFID II implementation may affect the Irish "safe harbor" and no assurances can be provided in this respect. The Irish "safe harbor" will cease to exist in its current form as part of the implementation of MifID II and it is not clear at this stage if, and to what extent, it will be preserved.

In order to qualify to provide collateral management services in the EU on a cross-border basis, non-EU investment firms will be required (i) to be authorised in a third country (A) in respect of which the Commission has adopted an equivalency decision and (B) where ESMA has established cooperation arrangements with the relevant competent authorities, and (ii) to be registered with ESMA to do so. It is not possible to guarantee or predict the timing of any Commission equivalency decision, cooperation arrangements or registration by ESMA and any equivalency determination may be withdrawn.

However, MiFID II provides certain transitional measures so that third country investment firms may continue to provide collateral management services in the EU on a cross-border basis in accordance with the relevant national regimes (i) until the time of any Commission equivalency decision and (ii) following any Commission equivalency decision, for a maximum of three years.

1.7 Flip Clauses

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

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

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

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

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

1.8 Benchmark Reform

The London Inter-Bank Offered Rate ("**LIBOR**") is currently being reformed, including (i) the replacement of the British Bankers Association (the "**BBA**") with ICE Benchmark Administration Limited as LIBOR administrator, (ii) a reduction in the number of currencies and tenors for which LIBOR is calculated, and (iii) changes in the way that LIBOR is calculated, by compelling more banks to provide LIBOR submissions and basing these submissions on actual transaction data. Investors should be aware that:

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

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

(i) such rate of interest will then be determined by the provisions of the affected Collateral 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 to the Hedge Counterparty 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; and

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

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

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. The European Commission has published a proposed regulation (the "**Proposed Benchmark Regulation**") on indices used as benchmarks in financial instruments and financial contracts. The Proposed Regulation is expected to apply from the end of 2017.

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

Investors should be aware that:

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

(ii) if the applicable rate of interest on any Collateral Debt Obligation is calculated with reference to a EURIBOR currency or tenor which is discontinued, such rate of interest will then be determined by the provisions of the affected Collateral Debt Obligation, which may include determination by the relevant calculation agent in its discretion; and

(iii) if the EURIBOR benchmarks referenced in the Condition 6 (*Interest*) are discontinued, interest on the Notes will be calculated under Condition 6(e) (*Interest on the Rated Notes*).

(iv) the administrator of EURIBOR will not have any involvement in the Collateral Debt Obligations or the Notes and may take any actions in respect of EURIBOR 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 LIBOR, EURIBOR or any other benchmark could have a material adverse effect on the value of, and the amount payable under (i) any Collateral Debt Obligations which pay interest linked to a LIBOR or EURIBOR rate or other benchmark (as applicable) and (ii) the Notes.

If any proposed changes when implemented change the way in which LIBOR or EURIBOR is calculated with respect to floating rate Collateral Debt Obligations, this could result in the rate of interest being lower than anticipated, which would adversely affect the value of the Notes. As the substantial majority of the interest payments due on the Issuer's assets are expected to be calculated based upon EURIBOR and the Notes pay interest based upon EURIBOR, an inaccurate EURIBOR setting could have adverse effects on the Issuer and/or the holders of the Notes. For example, holders of the Notes would receive lower Euro amounts as interest payments if EURIBOR was artificially lower than a properly functioning market would otherwise set EURIBOR. Other negative consequences of the perceived inaccuracy of EURIBOR could include fewer loans utilising EURIBOR as an index for interest payments and/or erratic swings in EURIBOR, both of which could result in interest rate mismatches between the Issuer's assets and its liabilities and expose the Issuer to cash shortfalls. Furthermore, questions surrounding the integrity in the process for determining EURIBOR may have other unforeseen consequences, including potential litigation against banks and/or obligors on loans, which could result in a material and adverse effect on the Issuer or the holders of the Notes. Similar issues could arise with respect to LIBOR.

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

1.9 Amendments to the Portfolio Management Agreement

Investors should note that pursuant to the Supplemental Trust Deed, the Eligibility Criteria, the Weighted Average Life Test and the Fitch Tests Matrix will be amended. Without limitation to the above, the amendment to the "Weighted Average Life Test" may affect the average life of the Notes. See "*Risk Factors – Relating to the Securities – Average Life and Prepayment Considerations*" and "*The Portfolio – Portfolio Profile Tests and Collateral Quality Tests – The Weighted Average Life Test*", in each case in the 2014 Prospectus.

1.10 No Initial Purchaser Role Post-Closing

The Initial Purchaser takes no responsibility for, and has no obligations in respect of, the Issuer and will have no obligation to monitor the performance of the Portfolio or the actions of the 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 the Initial Purchaser or its Affiliates own Notes, it will have no responsibility to consider the interests of any other owner of Notes with respect to actions it takes or refrain from taking in such capacity.

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

Many jurisdictions have adopted wide-ranging anti-money laundering, economic and trade sanctions, and anti-corruption and anti-bribery laws, and regulations (collectively, the "**Requirements**"). Any of the Issuer, the Portfolio Manager or the Trustee could be requested or required to obtain certain assurances from prospective investors intending to purchase the Refinancing 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.

2. TAXATION

2.1 EU Financial Transaction Tax

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

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

The FTT may give rise to tax liabilities for the Issuer with respect to certain transactions if it is adopted based on the Commission's Proposal. Examples of such transactions are the conclusion of a derivative contract in the context of the Issuer's hedging arrangements or the purchase or sale of securities (such as charged assets). Any such tax liabilities may reduce amounts available to the Issuer to meet its obligations under the Notes and may result in holders of the Notes receiving less than expected in respect of the Notes. It should also be noted that the FTT could be payable in relation to relevant transactions by investors in respect of the Notes (including secondary market transactions) if the conditions for a charge to arise are satisfied and the FTT is adopted based on the Commission's proposal. Primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006 are expected to be exempt. There is however uncertainty in relation to the intended scope of this exemption for certain money market instruments and structured issues.

However, the FTT proposal remains subject to negotiation between the Participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU member states may decide to participate. Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT and its potential impact on their dealings in the Notes before investing.

2.2 Irish Value Added Tax Treatment of the Portfolio Management Fees

Under current Irish law, the Portfolio Management Fees should be exempt from value added tax in Ireland as consideration paid for collective portfolio management services provided to a "qualifying company" for the purposes of Section 110 of the Taxes Consolidation Act of Ireland 1997, as amended ("**TCA**"). This is based upon Article 135(1)(g) of Council Directive 2006/112/EC on the Common System of VAT (the "**VAT Directive**"), which provides that EU member states shall exempt the management of "special investment funds" as defined by EU member states. The Value-Added Tax Consolidation Act 2010 of Ireland, in the provisions implementing Article 135(1)(g) of the VAT Directive, specifically lists, in the categories of undertakings to whom supplies of management services are exempt from VAT, undertakings which are "qualifying companies" for the purposes of Section 110. The Issuer will be such a "qualifying company", therefore management services supplied to it are exempt from value added tax in Ireland under current law. On 9 December 2015 the European Court of Justice handed down its judgment in the case of Staatssecretaris van Financiën v Fiscale Eenheid X NV cs Case C-595/13 which concerned Dutch law on value added tax, in particular the Dutch interpretation of the term "special investment fund" under the VAT Directive, and could suggest that the exemption had been enacted by some member states more broadly than is permitted by the VAT Directive. The Issuer is not, however, aware of any proposal to amend Irish domestic law to remove the exemption from value added tax on Portfolio Management Fees for entities such as the Issuer.

2.3 The Common Reporting Standard

The common reporting standard framework was first released by the OECD in February 2014 as a result of the G20 members endorsing a global model of automatic exchange of information in order to increase international

tax transparency. On 21 July 2014, the Standard for Automatic Exchange of Financial Account Information in Tax Matters was published by the OECD and this includes the Common Reporting Standard (the "CRS""). The goal of the CRS is to provide for the annual automatic exchange between governments of financial account information reported to them by local reporting financial institutions (as defined) ("FIs") relating to account holders who are tax resident in other participating jurisdictions.

Council Directive 2011/16/EU on Administrative Co-operation in the Field of Taxation (as amended by Council Directive 2014/107/EU) ("DAC II") implements CRS in a European context and creates a mandatory obligation for all EU Member States to exchange financial account information in respect of residents in other EU Member States on an annual basis commencing in 2017 in respect of the 2016 calendar year (or from 2018 in the case of Austria).

Ireland is a signatory jurisdiction to a Multilateral Competent Authority Agreement on the automatic exchange of financial account information in respect of CRS.

Over 95 jurisdictions have committed to exchanging information under the CRS and a group of 50 countries, including Ireland, have committed to the early adoption of the CRS from 1 January 2016 (known as the "Early Adopter Group"), with the first data exchanges expected to take place in September 2017. All EU Member States (other than Austria) are members of the Early Adopter Group. The Finance Act 2014 of Ireland and the Finance Act 2015 of Ireland contain measures necessary to implement the CRS internationally and across the European Union, respectively. The Returns of Certain Information by Reporting Financial Institutions Regulations 2015 of Ireland (the "**Regulations**") giving effect to the CRS from 1 January 2016 came into operation on 31 December 2015.

Irish FIs (such as the Issuer) are obliged to make a single return in respect of CRS and DAC II. For the purposes of complying with its obligations under CRS and DAC II, an Irish FI (such as the Issuer) shall be entitled to require Noteholders to provide any information regarding their and, in certain circumstances, their controlling persons' tax status, identity or residence in order to satisfy any reporting requirements which the Issuer may have as a result of CRS and DAC II and Noteholders will be deemed, by their holding to have authorised the automatic disclosure of such information by the Issuer (or any nominated service provider) or any other person to the Irish Revenue Commissioners. The information will be provided to the Irish Revenue Commissioners who will exchange the information with the tax authorities of other participating jurisdictions, as applicable. Failure by an Irish FI to comply with its CRS and DAC II obligations may result in the Issuer being deemed to be non-compliant in respect of its CRS obligations and monetary penalties may be imposed on a non-compliant FI under Irish legislation.

The Issuer (or any nominated service provider) will agree that information (including the identity of any Noteholder) supplied for the purposes of CRS and DAC II compliance is intended for the Issuer's (or any nominated service provider's) use for the purposes of satisfying CRS and DAC II requirements and the Issuer (or any nominated service provider) will agree, to the extent permitted by applicable law, that it will take reasonable steps to treat such information in a confidential manner, except that the Issuer may disclose such information (i) to its officers, directors, agents and advisors, (ii) to the extent reasonably necessary or advisable in connection with tax matters, including achieving CRS and DAC II compliance, (iii) to any person with the consent of the applicable Noteholder, or (iv) as otherwise required by law or court order or on the advice of its advisors. Further information in relation to CRS can be found on the Automatic Exchange of Information webpage on www.revenue.ie.

2.4 Recharacterization of the Refinancing Notes for U.S. tax purposes

Upon the issuance of the Refinancing Notes, Allen & Overy LLP will deliver an opinion generally to the effect that under current law, assuming compliance with the Transaction Documents, and based on certain assumptions and factual representations made by the Issuer and/or the Portfolio Manager, the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes will be treated as debt of the Issuer for U.S. federal income tax purposes. The Issuer has agreed and, by its acceptance of a Refinancing Note, each Noteholder (and any beneficial owners of any interest therein) will be deemed to have agreed, to treat the Refinancing Notes as debt of the Issuer for U.S. federal income tax purposes, except as otherwise required by applicable law and for certain limited purposes. The determination of whether a Refinancing Note will be treated as debt for U.S. federal income tax purposes is based on the facts and circumstances existing at the time the Refinancing Note is issued. Prospective investors should be aware that the classification of an instrument as debt or equity is highly factual, and there can be no assurance that the IRS will not seek to characterise as something other than indebtedness any particular Class or Classes of the Refinancing Notes. If any of the Refinancing Notes were treated as equity for U.S. federal income tax purposes, adverse U.S. federal income tax consequences might apply.

2.5 FATCA

FATCA imposes a reporting regime and, potentially, a 30 per cent. withholding tax with respect to (i) certain payments from sources within the United States, (ii) "foreign passthru payments" made to certain non-US financial institutions that do not comply with this reporting regime, and (iii) payments to certain investors that do not provide identification information with respect to interests issued by a participating non-US financial institution. The Issuer expects to be classified as a financial institution for these purposes. The Issuer intends to comply with FATCA and does not expect that payments to it will be subject to withholding tax pursuant to FATCA.

Each Noteholder may be required to provide certifications and identifying information about itself and the beneficial owners of the Note, as well as the owners (or beneficial owners) thereof in order to enable the Issuer (or an intermediary) to identify and report on such persons to the IRS or an Irish authority. The Issuer may also be required to withhold amounts from Noteholders (including intermediaries through which such Notes are held) that do not provide the required information, or that are "foreign financial institutions" that are not compliant with, or not exempt from, FATCA. Although certain exceptions to these disclosure requirements could apply, each Noteholder (other than the Retention Holder with respect to the Retention Notes) should assume that the failure to provide the required information generally will permit the Issuer (or an intermediary) to force the sale of the Noteholder's Notes (and such sale could be for less than its then fair market value) - see Condition 2(i) (*Forced sale pursuant to FATCA*). Moreover, the Issuer is also permitted to make any amendments to the Trust Deed or any other Transaction Document (subject to the consent of the other parties thereto) (as applicable), and the Trustee shall consent to (without the consent of the Noteholders) such amendment, to enable the Issuer to comply with FATCA.

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

2.6 OECD Action Plan on Base Erosion and Profit Shifting

Fiscal and taxation policy and practice is constantly evolving and recently the pace of change has increased due to a number of developments. In particular a number of changes of law and practice are occurring as a result of

the Organisation for Economic Co-operation and Development ("**OECD**") Base Erosion and Profit Shifting project ("**BEPS**").

In 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**"). Investors should note that other action points, such as Action 4 which can deny deductions for financing costs, may be implemented in a manner which affects 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. On 24 November 2016, more than 100 jurisdictions (including the United Kingdom and Ireland) concluded negotiations on a multilateral convention that is intended to implement a number of BEPS related measures swiftly, including Action 6 and Action 7. The multilateral convention opened for signing as of 31 December 2016 and was signed by over 60 jurisdictions (including the United Kingdom and Ireland) on 7 June 2017. It enters into force on the first day of the month following the expiration of a period of three calendar months beginning on the date of deposit of the fifth instrument of ratification, acceptance or approval. For signatories who deposit their ratification, acceptance or approval later, the Convention comes into force at the start of the month which is three entire calendar months after such deposit takes place. The date from which provisions of the multilateral convention have effect in relation to a treaty depends on several factors including the type of tax which the article relates to.

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 Articles 5 and 8 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 multilateral convention provides for double tax treaties to include a "principal purpose test", ("**PPT**") which would deny a treaty benefit where it is reasonable to conclude, having regard to all relevant facts and circumstances, for this purpose that obtaining that benefit was one of the principal purposes of any arrangement or transaction that resulted directly or indirectly in that benefit, unless it is established that granting that benefit in those circumstances would be in accordance with the object and purpose of the relevant provisions of the treaty. It is unclear how a PPT, if adopted, would be applied by either the tax authorities of those jurisdictions from which payments are made to the Issuer or the United Kingdom in relation to the application of Articles 5 and 8 of the United Kingdom-Ireland double tax treaty (the consequences of denial of treaty benefits are discussed further below).

The multilateral convention also permits jurisdictions to choose to apply, in addition to the PPT, a "simplified limitation of benefits" rule. This rule would generally deny a treaty benefit to a resident which is not a "qualified person" as defined in the multilateral convention. It is not expected that the Issuer would be a "qualified person".

The multilateral convention permits a further degree of flexibility, by allowing jurisdictions to choose to have no PPT at all, but instead to include a "detailed limitation of benefits" rule together with rules to address "conduit financing structures". The multilateral convention does not include language for either, on the basis that jurisdictions that agree to adopt this approach would be required to negotiate bespoke amendments to their double tax treaty bilaterally.

Upon signing the multilateral convention the United Kingdom and Ireland each provided a provisional list of expected reservations and notifications to be made pursuant to it. In the United Kingdom list (the "**UK Notification**"), the United Kingdom has not elected to apply the simplified limitation of benefits rule or to allow other jurisdictions to apply it to its treaties. In the equivalent document provided by Ireland. Ireland also did not elect to apply the simplified limitation of benefits rule or permit it to be applied by other jurisdictions to its treaties. As a result, the double tax treaties Ireland has entered into with the United Kingdom and other jurisdictions are expected to only apply a PPT. It is not clear, however, how this test will be interpreted by the relevant tax authorities. On 24 March 2016, the OECD published a public discussion draft consulting on the treaty entitlement of non-CIV funds (that is, of funds that are not collective investment vehicles). The OECD

published a further public discussion draft on 6 January 2017. This work may be relevant to the treaty entitlement of the Issuer. However, the OECD has not yet finalised its position in relation to non-CIV funds, and in any event it is not clear how any such position might be implemented through the multilateral convention otherwise than by the bilateral negotiation of a "detailed limitation of benefits" rule.

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 United Kingdom 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 United Kingdom-Ireland double tax treaty.

Amendments to be made by the multilateral convention would exclude the Portfolio Manager from the definition of an independent agent if it acts exclusively, or almost exclusively, on behalf of enterprises to which it is closely related. A person is closely related to an enterprise if, based on all the relevant facts and circumstances, one has control of the other or both are under the control of the same persons or enterprises. In any case, a person is considered to be closely related to an enterprise if one possesses directly or indirectly more than 50 per cent of the beneficial interest in the other (or, in the case of a company, more than 50 per cent of the aggregate vote and value of the company's shares or of the beneficial equity interest in the company) or if another person possesses directly or indirectly more than 50 per cent of the beneficial interest (or, in the case of a company, more than 50 per cent of the aggregate vote and value of the company's shares or of the beneficial equity interest in the company) in the person and the enterprise. It is not clear in which other circumstances "control" might exist.

In the UK Notification the United Kingdom reserved against the adoption of this Action 7 recommendation in all of its double tax treaties.

Consequences of a denial of treaty benefits

Provided that the Issuer carries on investment activities as opposed to a trade, the incorporation of the final recommendations for Action 6 and Action 7 in the United Kingdom-Ireland double tax treaty is not expected to affect the Issuer's exposure to United Kingdom corporation tax. However, if the Issuer were to be trading, the United Kingdom-Ireland double tax treaty were amended to incorporate the final recommendations for Action 6 (and/or, contrary to the indication given in the UK Notification, Action 7), and it were concluded that obtaining treaty benefits was one of the principal purposes of any arrangement or transaction to which the Issuer were party, then there may be a risk that the Issuer could be treated as having a taxable permanent establishment in the United Kingdom (see the risk factor entitled "*UK Corporation Tax and Diverted Profits Tax Treatment of the Issuer*" below for further information in relation to the circumstances in which the Issuer could be treated as having a United Kingdom permanent establishment for United Kingdom tax purposes).

If, as a consequence of the application of Action 6 and/or Action 7, United Kingdom tax were imposed on the net income or profits of the Issuer, the amount of United Kingdom tax due would likely be significant on the basis that some or all of the interest which it pays on the Notes may not be deductible for United Kingdom tax purposes. If the United Kingdom imposed tax on the net income or profits of the Issuer, this could in certain circumstances constitute a Collateral Tax Event

In the event that as a result of the application of Action 6 the Issuer were to be denied the benefit of a treaty entered into by Ireland and as a consequence payments of interest in respect of the Collateral Debt Obligations made by an Obligor to the Issuer were subject to a withholding or deduction for or on account of tax , this may also constitute a Collateral Tax Event.

If a Collateral Tax Event were to occur the Rated Notes may be redeemed (in whole but not in part) in accordance with Condition 7(b)(i)(B) (*Optional Redemption*) at the direction of the Subordinated Noteholders, acting by way of Ordinary Resolution, subject to certain conditions.

2.7 UK Corporation Tax **and Diverted Profits Tax** Treatment of the Issuer

United Kingdom corporation tax

In the context of the activities to be carried on under the Transaction Documents, the Issuer will be subject to UK corporation tax if it is: (i) tax resident in the UK or (ii) carries on a trade in the UK through a permanent establishment. The Issuer will not be treated as being tax resident in the UK provided that it is not incorporated

in the United Kingdom and the central management and control of the Issuer is not in the United Kingdom. The Issuer was incorporated in Ireland and the Directors intend to conduct the affairs of the Issuer in such a manner so that it does not become resident in the UK for taxation purposes. The Issuer would be liable to pay (in accordance with the Priorities of Payment (as applicable)) United Kingdom tax on its United Kingdom taxable profits if it were treated as being tax resident in the United Kingdom.

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

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 taxation, it will not be subject to UK corporation tax in respect of the agency of the Portfolio Manager if the domestic UK tax exemption for profits generated in the UK by an investment manager on behalf of its non-resident clients (the "**Investment Manager Exemption**") applies. This domestic exemption will be available in the context of this transaction if, amongst other conditions, the Portfolio Manager does not have a beneficial entitlement to more than 20 per cent. of the Issuer's chargeable profit arising from transactions carried out through the Portfolio Manager. If this domestic exemption is not available, the Issuer should nonetheless be able to rely on Article 8 of the UK-Ireland double tax treaty to exclude a charge to UK tax on its profits resulting from the agency of the Portfolio Manager, provided that the Portfolio Manager is regarded as an independent agent acting in the ordinary course of its business for the purpose of Article 5(6) of the UK-Ireland tax treaty.

In the event that the Portfolio Manager were assessed to UK tax on behalf of the Issuer, it will in certain circumstances be entitled to an indemnity from the Issuer. Any payment to be made by the Issuer under this indemnity will be paid as Administrative Expenses of the Issuer. Administrative Expenses are payable by the Issuer on any Payment Date in accordance with the Priorities of Payment (as applicable). Investors should also note that 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 would 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).

If the UK imposed corporation tax on the net income or profits of the Issuer this may, in certain circumstances, constitute a Collateral Tax Event. If a Collateral Tax Event were to occur the Rated Notes may be redeemed (in whole but not in part) in accordance with Condition 7(b)(i)(B) (*Optional Redemption*) at the direction of the Subordinated Noteholders, acting by way of Ordinary Resolution, subject to certain conditions.

Diverted Profits Tax

With effect from 1 April 2015 a new tax was introduced in the United Kingdom called the "diverted profits tax" ("**DPT**"). The DPT is charged at a rate of 25 per cent. on any "taxable diverted profits". The DPT may apply in circumstances including where arrangements are designed to ensure either: (i) that a non-UK resident company does not carry on a trade in the United Kingdom for corporation tax purposes through a permanent establishment or (ii) that a tax reduction is secured through the involvement of entities or transactions lacking economic substance. The DPT is a new tax and its scope and the basis upon which it will be applied by HM Revenue & Customs remains uncertain.

In the event that the Portfolio Manager were assessed to DPT, it would 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 in accordance with the Priorities of Payment (as applicable). It should be noted that H.M. Revenue & Customs would be entitled to seek to assess the Issuer to any DPT 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 the Priorities of Payment (as applicable).

Imposition of the DPT by the UK tax authorities in these circumstances may also give rise to a Collateral Tax Event. If a Collateral Tax Event were to occur the Rated Notes may be redeemed (in whole but not in part) in

accordance with Condition 7(b)(i)(B) (Optional Redemption) at the direction of the Subordinated Noteholders, acting by way of Ordinary Resolution, subject to certain conditions.

3. REGULATORY INITIATIVES

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

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

3.1 Basel III

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

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

3.2 EU Risk Retention Requirements

Investors should be aware of 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, investment firms, authorised alternative investment fund managers, investment firms, insurance and reinsurance undertakings and funds under the Undertakings for Collective Investment in Transferable Securities (Directive 2001/107/EU and 2001/108/EC). Such requirements as they apply to credit institutions and investment firms (pursuant to the CRR Retention Requirements), authorised alternative investment fund managers (pursuant to the AIFMD Retention Requirements) and insurance and re-insurance undertakings (pursuant to the Solvency II Retention Requirements) are currently in force. Amongst other things, such requirements restrict a relevant investor from investing in asset-backed securities unless (i) that investor is able to demonstrate that it has undertaken certain due diligence in respect of various matters including its investment position, the underlying assets and (in the case of certain types of investors) the relevant sponsor, original lender or originator and (ii) the originator, sponsor or original lender in respect of the relevant securitisation has explicitly disclosed to the investor that it will retain, on an on-going basis, a net economic interest of not less than 5 per cent. in respect of certain specified credit risk tranches or asset exposures. 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 penal 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.

The risk retention and due diligence requirements described above apply, or are expected to apply, in respect of the Refinancing Notes. Investors should therefore make themselves aware of such requirements (and any corresponding implementing rules of their regulator), where applicable to them, in addition to any other regulatory requirements applicable to them with respect to their investment in the Refinancing 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 section entitled "*Description of the Retention Holder and Retention Requirements – The Retention Requirements*" in the 2014 Prospectus.

Relevant investors are required to independently assess and determine the sufficiency of the information described above for the purposes of complying with any relevant requirements and none of the Issuer, the Initial Purchaser, the Arranger, the Portfolio Manager, the Retention Holder, the Trustee nor any of their respective Affiliates makes any representation that the information described above is sufficient in all circumstances for such purposes or any other purpose or that the structure of the Refinancing Notes, the Retention Holder (including its holding of the Retention Notes) and the transactions described herein are compliant with the EU risk retention and due diligence requirements described above or any other applicable legal or regulatory or other requirements and no such person shall have any liability to any prospective investor or any other person with respect to any deficiency in such information or any failure of the transactions or structure contemplated hereby to comply with or otherwise satisfy such requirements. Any relevant regulator's views with regard to the CRR Retention Requirements may not be based exclusively on technical standards, guidance or other information known at this time.

It should be noted that the European authorities have reached political agreement on two new regulations related to securitisation (the "**Securitisation Regulation"**). The regulations are in the process of being formally adopted and are intended to apply in general from 1 January 2019. Amongst other things, the regulations include provisions intended to implement the revised securitisation framework developed by BCBS and provisions intended to harmonise and replace the risk retention and due diligence requirements (including the corresponding guidance provided through technical standards) applicable to certain EU regulated investors. While the final texts are not yet available, there will be material differences between the coming new requirements and the current requirements including with respect to application approach under the retention requirements and the originator entities eligible to retain the required interest. It is expected that securitisations established prior to the application date of 1 January 2019 and that do not involve the issuance of securities (or otherwise involve the creation of a new securitisation position) from that date will remain subject to the current risk retention and due diligence requirements and will not be subject to the revised requirements in general, although this will depend on the specific drafting of the relevant provisions included in the final text.

At this time, the legislative proposals are in draft form and they remain subject to finalisation and subsequent adoption by the European Council of Ministers and the European Parliament. It is not clear whether, and in what form, the STS Regulation (and any corresponding technical standards) will be adopted and/or when any such adoption may occur. In particular, the proposed restriction in relation to originators may be adopted in a different and/or more restrictive form to that proposed by the European Commission (including in a manner which imposes jurisdictional limits, as to which we refer you to the risk factor entitled "*UK Referendum on Membership of the European Union*") and/or other changes to the EU risk retention requirements (including to the technical standards) applicable to securitisations such as this transaction and any affected investors may be made through the political negotiation process and adopted. It should be noted that the compliance position under any adopted and potentially revised requirements of transactions entered into, and of activities undertaken by a party (including an investor), prior to (and, in certain circumstances, on and after) adoption is uncertain at this time. While certain provisions in the legislative proposals suggest that transactions issued prior to the application date of the corresponding regulation would not be subject to the new EU retention requirements, there can be no assurances as to whether the transactions described herein and any investors in the Notes will be affected, if at all, by any change which may be adopted in any final law or regulation (including any regulatory technical standards) relating to the EU Risk Retention Requirements.

To the extent the Securitisation Regulation imposes disclosure or reporting requirements on the Issuer, the Issuer has agreed to assume the costs of compliance with such requirements, which will be paid as Administrative Expenses.

The EU risk retention and due diligence requirements described above and any other changes in the law or regulation, the interpretation or application of any law or regulation or changes in the regulatory capital treatment of the Refinancing Notes for some or all investors may negatively impact the regulatory position of individual investors and, in addition, may have a negative impact on the price and liquidity of the Refinancing Notes in the secondary market. Without limitation to the foregoing, no assurance can be given that the Retention Requirements, or the interpretation or application thereof, will not change (whether as a result of the legislative proposals put forward by the European Commission or otherwise), and, if any such change is effected, whether such change would affect the regulatory position of current or future investors in the Refinancing Notes. The Retention Holder does not have an obligation to change the quantum or nature of its holding of the Retention Notes due to any future changes in the Retention Requirements or in the interpretation thereof.

With respect to the fulfilment by the Portfolio Manager of the requirements of the Retention Requirements, please refer to the section entitled "*Description of the Retention Holder and Retention Requirements – The Retention Requirements*" in the 2014 Prospectus and below. In particular, investors should note that the Retention Holder intends to retain such material economic interest as "sponsor" pursuant to the EU Risk Retention Requirements. However, the UK's departure from the EU may result in the Portfolio Manager being unable to provide CLO management services to the Issuer and/or to continue to act as Retention Holder as sponsor unless the Portfolio Manager is able to identify, and elects to take, any Retention Cure Action in accordance with the terms of the Transaction Documents. As detailed in "*The Retention Holder and Retention Requirements*" below, the Portfolio Manager may in its sole discretion, having determined that a Retention Compliance Event has occurred, take such action as it may deem to be reasonably necessary or appropriate (in light of the facts and circumstances existing at the time) with the intention of being able to continue to provide CLO management services to the Issuer and/or of complying with, or preserving compliance with, the EU Risk Retention Requirements (such action, a "**Retention Cure Action**") subject to: (i) internal approval of such Retention Cure Action in accordance with the Portfolio Manager's usual policies and procedures, (ii) receipt of legal advice from Freshfields Bruckhaus Deringer LLP or other reputable legal counsel as selected in the Portfolio Manager's sole discretion that such Retention Cure Action is consistent with the EU Risk Retention Requirements and (iii) the requirements of Condition 14(c)(xxviii), if applicable. The Portfolio Manager will not have any obligation to consider or take any Retention Cure Action and, if the Portfolio Manager determines not to take any Retention Cure Action, it may no longer be eligible to act as the Retention Holder pursuant to the EU Risk Retention Requirements.

3.3 U.S. Risk Retention Rules

Section 941 of the Dodd-Frank Act amended the Exchange Act to generally require the "securitizer" of a "securitization transaction" to retain at least 5 per cent. of the "credit risk" of "securitized assets," as such terms are defined for purposes of that statute, and generally prohibit a securitizer from directly or indirectly eliminating or reducing its credit exposure by hedging or otherwise transferring the credit risk that the securitizer is required to retain. Final rules implementing the statute (the "**U.S. Risk Retention Rules**") came into effect on 24 December 2016 with respect to CLOs. The U.S. Risk Retention Rules provide that the securitizer of an asset backed securitization (including a CLO) is its sponsor, and that the sponsor of a CLO is its collateral manager. The U.S. Risk Retention Rules also provide for certain exemptions from the risk retention obligation that they generally impose.

The Portfolio Manager does not intend to retain at least 5 per cent. of the credit risk to the assets collateralising the asset-backed securities, but has informed the Issuer and the Initial Purchaser that it intends to rely on the safe harbour for certain foreign-related securitisation transactions (the "**Foreign Safe Harbour**") set forth at 17 C.F.R. 246.20 and that it intends that the requirements of such exemption will be satisfied in connection with the issuance of the Refinancing Notes. To rely on this exemption from the U.S. Risk Retention Rules, such non-U.S. transactions must meet certain requirements, including that (1) the transaction is not required to be and is not registered under the Securities Act; (2) no more than 10 per cent. of the dollar value (or equivalent amount in the currency in which the securities are issued), as determined by fair value under U.S. GAAP, of all classes of securities issued in the securitisation transaction are sold or transferred to, or for the account or benefit of U.S. persons (in each case, as defined in the U.S. Risk Retention Rules) or for the account or benefit of U.S. persons (as defined in the U.S. Risk Retention Rules); (3) neither the sponsor nor the issuer is organized under U.S. law or is a branch or office located in the United States of a non-U.S. entity, or is a branch or office (wherever located) of an entity chartered, incorporated or organised under United States law; and (4) no more than 25 per cent. of the underlying collateral was acquired (directly or indirectly) from a majority-owned affiliate or branch of the sponsor or issuer organised or located in the United States.

The Portfolio Manager has advised the Issuer that it has not acquired, and it does not intend to acquire, more than 25 per cent. of the assets from an affiliate or branch of the Portfolio Manager or Issuer that is organised or located in the United States.

The terms of the Refinancing Notes provide that they may not be purchased by or transferred to as part of the Offering on the Refinancing Date or during the Restricted Period by "U.S. persons" within the meaning given to such term in the U.S. Risk Retention Rules (referred to in this Prospectus as **Risk Retention U.S. Persons**) in the Offering unless such limitation is waived by the Portfolio Manager.

Under the U.S. Risk Retention Rules, and subject to limited exceptions, "U.S. person" means any of the following:

i. Any natural person resident in the United States;

ii. Any partnership, corporation, limited liability company, or other organisation or entity organised or incorporated under the laws of any State or of the United States;[1]

iii. Any estate of which any executor or administrator is a U.S. person (as defined under any other clause of this definition);

iv. Any trust of which any trustee is a U.S. person (as defined under any other clause of this definition);

v. Any agency or branch of a foreign entity located in the United States;

vi. Any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. person (as defined under any other clause of this definition);

vii. Any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated, or (if an individual) resident in the United States; and

viii. Any partnership, corporation, limited liability company, or other organisation or entity if:

   a. Organised or incorporated under the laws of any foreign jurisdiction; and

   b. Formed by a U.S. person (as defined under any other clause of this definition) principally for the purpose of investing in securities not registered under the Securities Act;[2]

Prospective investors should note that the definition of "U.S. person" in the U.S. Risk Retention Rules is substantially similar to, but not identical to, the definition of "U.S. person" under Regulation S. The material difference between such definitions is that (1) a "U.S. person" under Regulation S includes any partnership, corporation, limited liability company or other organization or entity that is organized under the laws of any foreign jurisdiction formed by one or more "U.S. persons" (as defined in Regulation S) principally for the purpose of investing in securities that are not registered under the Securities Act unless such organization or entity is organized or incorporated, and owned, by accredited investors (as defined in Rule 502 of Regulation D under the Securities Act) who are not natural persons, estates or trusts, while (2) any organization or entity described in clause (1) is treated as a "U.S. person" under the U.S. Risk Retention Rules, regardless of whether it is so organized or incorporated and owned by accredited investors (as defined in Rule 502 of Regulation D under the Securities Act) who are not natural persons, estates or trusts.

The Portfolio Manager has advised the Issuer that it will not provide a waiver ("**U.S. Risk Retention Waiver**") to any investor if such investor's purchase would result in more than 10 per cent. of the dollar value (or equivalent amount in the currency in which the securities are issued), as determined by fair value under U.S. GAAP, of all Classes of Refinancing Notes to be sold or transferred to, or held by, Risk Retention U.S. Persons on the Refinancing Date or during the Restricted Period. Consequently, (a) on the Refinancing Date, the

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[1] The comparable provision from Regulation S is "(ii) any partnership or corporation organised or incorporated under the laws of the United States."

[2] The comparable provision from Regulation S "(vii)(B) formed by a U.S. person principally for the purpose of investing in securities not registered under the Securities Act, unless it is organised or incorporated, and owned, by accredited investors (as defined in [17 CFR 230.501(a)]) who are not natural persons, estates or trusts."

Refinancing Notes sold pursuant to this Offering may not be purchased by any person except for (i) persons that are not Risk Retention U.S. Persons or (ii) persons that have obtained a U.S. Risk Retention Waiver from the Portfolio Manager, and (b) during the Restricted Period, the Refinancing Notes may not be transferred to any person except for (i) persons that are not Risk Retention U.S. Persons or (ii) persons that have obtained a U.S. Risk Retention Waiver from the Portfolio Manager. Each holder of a Refinancing Note or a beneficial interest therein acquired on the Refinancing Date or during the Restricted Period, by its acquisition of a Refinancing Note or a beneficial interest in a Refinancing Note, will be deemed to represent to the Issuer, the Trustee, the Portfolio Manager and the Initial Purchaser that (1) it either (a) is not a Risk Retention U.S. Person or (b) has received a U.S. Risk Retention Waiver from the Portfolio Manager and (2) it is not acquiring such Refinancing Note or a beneficial interest therein as part of a scheme to evade the requirements of the U.S. Risk Retention Rules (including acquiring such Refinancing Note through a non-Risk Retention U.S. Person, rather than a Risk Retention U.S. Person, as part of a scheme to evade the 10 per cent. Risk Retention U.S. Person limitation in the Foreign Safe Harbour described above). "**Restricted Period**" means the period from the Refinancing Date to (and including) the date falling 40 calendar days after the Refinancing Date. See "*Plan of Distribution*" and "*Transfer Restrictions*".

The Portfolio Manager, the Issuer and the Initial Purchaser have agreed that none of the Initial Purchaser or any person who controls it or any director, officer, employee, agent or Affiliate of the Initial Purchaser shall have any responsibility for determining the proper characterisation of potential investors for such restriction or for determining the availability of the exemption provided for in the Foreign Safe Harbour, and none of the Initial Purchaser or any person who controls it or any director, officer, employee, agent or Affiliate of the Initial Purchaser accepts any liability or responsibility whatsoever for any such determination.

There can be no assurance that the exemption provided for in the Foreign Safe Harbour will be available to the Portfolio Manager. In particular, the Portfolio Manager may not be successful in limiting investment by Risk Retention U.S. Persons to no more than 10 per cent. of the dollar value (or equivalent amount in the currency in which the securities are issued) of all Classes of Refinancing Notes held by Risk Retention U.S. Persons on the Refinancing Date. This may result from (a) misidentification of Risk Retention U.S. Person investors as non-Risk Retention U.S. Person investors, (b) market movements or other matters that affect the calculation of the 10 per cent. of the dollar value of such securities or (c) misidentification of the classes of securities to which such limitation applies or the timing of the application of such limitation. Failure on the part of the Portfolio Manager to comply with the U.S. Risk Retention Rules (regardless of the reason for such failure to comply) could give rise to regulatory action against the Portfolio Manager, which could adversely affect the ability of the Portfolio Manager to perform its obligations under the Portfolio Management Agreement (and accordingly the value and secondary market liquidity of the Refinancing Notes). Furthermore, the general impact of the U.S. Risk Retention Rules on the loan securitisation market and the leveraged loan market is uncertain. In addition, after the Refinancing Date, the U.S. Risk Retention Rules may have adverse effects on the Issuer and/or the holders of the Refinancing Notes. Unless the exemption provided for in the Foreign Safe Harbour or another exemption is available to the Portfolio Manager, the U.S. Risk Retention Rules would apply to any additional notes offered and sold by the Issuer after the Refinancing Date or any subsequent Refinancing.

In addition, the U.S. Securities and Exchange Commission (the "**SEC**") has indicated in contexts separate from the U.S. Risk Retention Rules that an "offer" and "sale" of securities may arise when amendments to securities are so material as to require holders to make a new "investment decision" with respect to such securities. Thus, if the SEC were to take a similar position with respect to the U.S. Risk Retention Rules, they could apply to future material amendments to the terms of the Refinancing Notes, to the extent such amendments require investors to make a new investment decision with respect to the Notes. As noted above, the Portfolio Manager does not intend to retain at least 5 per cent. of the credit risk of the assets collateralising the asset-backed securities and there can be no assurance that the exemption provided for in the Foreign Safe Harbour or any other exemption will be available in connection with any such additional issuance, Refinancing or amendment occurring after the Refinancing Date. As a result, the U.S. Risk Retention Rules may adversely affect the Issuer (and the performance, market value or liquidity of the Refinancing Notes) if the Issuer is unable to undertake any such additional issuance, Refinancing or amendment. 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 Refinancing Notes.

3.4 European Market Infrastructure Regulation (EMIR)

The European Market Infrastructure Regulation EU 648/2012 ("**EMIR**") and the regulations made under it impose certain obligations on parties to OTC derivative contracts according to whether they are "financial counterparties", such as European investment firms, alternative investment funds (in respect of which, see

Alternative Investment Fund Managers Directive below), credit institutions and insurance companies, or other entities which are "non-financial counterparties" or third country entities equivalent to "financial counterparties" or "non-financial counterparties".

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

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

The clearing obligation, the reporting obligation, the risk mitigation obligations and the margin requirement have been implemented. Whilst the Hedge Transactions are expected to be treated as hedging transactions and deducted from the total in assessing the notional value of OTC derivative contracts entered by the Issuer and/or non-financial entities within its "group" (as defined in EMIR), there is currently no certainty as to whether the relevant regulators will share this view.

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

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

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

Further changes may be made to the EMIR framework in the context of the EMIR review process, including in respect of counterparty classification. In this regard, the EU Commission has published legislative proposals providing for certain amendments to EMIR. If the proposals are adopted in their current form, the classification of certain counterparties under EMIR would change including with respect to certain securitisation vehicles such as the Issuer. It is not clear when, and in what form, the legislative proposals (and any corresponding technical standards) will be adopted and will become applicable. In addition, the compliance position under any adopted amended framework of swap transactions entered into prior to adoption is uncertain. No assurances can be given that any changes made to EMIR would not cause the status of the Issuer to change and lead to some or all of the potentially adverse consequences outlined above.

3.5 Alternative Investment Fund Managers Directive

EU Directive 2011/61/EU on Alternative Investment Fund Managers ("**AIFMD**") regulates alternative investment fund managers ("**AIFMs**") and provides in effect that each alternative investment fund (an "**AIF**") within the scope of the AIFMD must have a designated AIFM responsible for ensuring compliance with the

AIFMD. Although there is an exemption in the AIFMD for "securitisation special purpose entities" (the "**SSPE Exemption**"), the European Securities and Markets Authority has not yet given any formal guidance on the application of the SSPE Exemption or whether a vehicle such as the Issuer would fall within it, so there can be no certainty as to whether the Issuer would benefit from the SSPE Exemption.

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

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

3.6 CRA3

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

3.7 Volcker Rule

Section 619 of the Dodd-Frank Act and the corresponding implementing rules (the "**Volcker Rule**") prevents a "banking entity" (a term which includes a banking institution organised in the United States and any of its affiliates, regardless of where such affiliate is located or organised and also includes a banking institution organised outside the United States with a branch or agency office in the US and any of its affiliates, regardless of where such affiliates are located) from (a) engaging in proprietary trading in a wide variety of financial instruments unless the transaction is excluded or exempted from the scope of the rule (e.g. if conducted solely for hedging purposes), or (b) acquiring or retaining any equity, partnership or other ownership interest in, or sponsoring, a "covered fund", subject to certain exemptions. In addition, in certain circumstances, the Volcker Rule restricts relevant banking entities from entering into certain credit exposure related transactions with covered funds. Full conformance with the Volcker Rule was required from 21 July 2015, subject to certain exceptions and extensions provided by the Volcker Rule. In general, there is limited interpretive guidance regarding the Volcker Rule.

An "ownership interest" is defined widely and may arise through a holder's exposure to the profits and losses of the covered fund, as well as through any right of the holder to participate in the selection or removal of an investment advisor, investment manager, or general partner, trustee, or member of the board of directors of the covered fund. A "covered fund" is defined broadly, 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 the ICA, subject to certain exemptions found in the Volcker Rule's implementing regulations, which definition may extend to the Issuer given its intention to rely on section 3(c)(7). It should be noted that a commodity pool as defined in the U.S. Commodity Exchange Act of 1936, as amended (the "**CEA**") could, depending on which CEA exemption is used by such commodity pool, also fall within the definition of a "covered fund". Because the Issuer relies on Section 3(c)(7) for its exemption from regulations under the ICA, it is likely to be considered a covered fund. It should be noted that a commodity pool as defined in the CEA (see "*Risk Factors-Commodity Pool Regulation*" in the 2014 Prospectus) will also fall within the definition of a covered fund as described above.

The holders of any of the Class A Notes, Class B Notes Class C Notes and the Class D Notes in the form of PM Removal and Replacement Non-Voting Exchangeable Notes or PM Removal and Replacement Non-Voting Notes are disenfranchised in respect of any PM Removal Resolution or PM Replacement Resolution. However, there can be no assurance that this feature will be effective in resulting in instruments issued by the Issuer not being characterised as "ownership interests" in the Issuer.

If the Issuer is deemed to be a covered fund, then in the absence of regulatory relief, the provisions of the Volcker Rule and its related regulatory provisions will severely limit 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 Refinancing Notes is prohibited or restricted by the Volcker Rule, this could impair the marketability and liquidity of such Refinancing 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 Refinancing Notes. Each prospective investor in the Refinancing Notes is required to independently consider the potential impact of the Volcker Rule in respect of any investment in the Refinancing Notes. The Volcker Rule and any similar measures introduced in another relevant jurisdiction may restrict the ability of relevant individual prospective purchasers to invest in the Refinancing Notes and, in addition, may have a negative impact on the price and liquidity of the Refinancing Notes in the secondary market. Investors should conduct their own analysis to determine whether the Issuer is a "covered fund" and/or whether their investment in the Refinancing Notes would constitute an "ownership interest" for their purposes.

3.8 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 not otherwise subject to an exception, could be subject to the exercise of "bail-in" powers of the relevant Resolution Authorities. It should be noted that certain secured liabilities of relevant institutions are excepted. If the relevant Resolution Authority decides to "bail-in" the liabilities of a relevant institution, then subject to certain exceptions set out in the BRRD, the liabilities of such relevant institution could, among other things, be reduced, converted or extinguished in full. As a result, the Issuer and ultimately, the Noteholders may not be able to recover any liabilities owed by such an entity to the Issuer. In addition, a relevant Resolution Authority may exercise its discretions in a manner that produces different outcomes amongst institutions resolved in different EU Member States. It should also be noted that similar powers and provisions are being considered in the context of financial institutions of other jurisdictions.

The European Commission adopted a set of draft regulatory technical standards in respect of the valuation of derivatives for the purposes of the BRRD on 23 May 2016. They were published in the Official Journal on 8 July 2016 and entered into force on 28 July 2016 and provide, among other things, that the relevant Resolution Authorities will have the power to terminate swap agreements (as part of the bail-in process) and to value the position thereunder. This will therefore limit any control the Issuer or the Trustee may have in respect of the valuation process, which may be detrimental to the Issuer and consequently, the Noteholders.

3.9 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 REFINANCING NOTES

4.1 Optional Redemption

Reference is made to the section "*Risk Factors – Relating to the Notes – Optional Redemption*" in the 2014 Prospectus. Pursuant to the Conditions, the Rated Notes may not be redeemed in whole from Refinancing Proceeds at any time prior to the Payment Date in November 2018. In addition, the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes may not be redeemed in part from Refinancing Proceeds in accordance with Condition 7(b)(ii) (*Optional Redemption in Part – Refinancing of a Class or Classes of Notes in whole by Subordinated Noteholders*).

4.2 Limited Liquidity and Restrictions on Transfer

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

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

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

4.4 Resolutions, Amendments and Waivers

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

Refinancing Notes in the form of PM Removal and Replacement Voting Notes may form a small percentage of the Controlling Class and/or be held by a concentrated group of Noteholders. Investors should be aware that such PM Removal and Replacement 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 Removal and Replacement Non-Voting Notes and/or PM Removal and Replacement Exchangeable Non-Voting Notes) will be bound by such Resolution.

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

Investors in the Class A Notes should be aware that for so long as the Class A Notes have not been redeemed and paid in full, if no Class A Notes are held in the form of PM Removal and Replacement Voting Notes, the Class A Notes will not be entitled to vote in respect of such PM Removal Resolution or PM Replacement Resolution and such right shall pass to a more junior Class of Notes in accordance with the definition of Controlling Class.

Investors in the Class B Notes should be aware that for so long as the Class B Notes have not been redeemed and paid in full, if no Class B Notes are held in the form of PM Removal and Replacement Voting Notes, the Class B Notes will not be entitled to vote in respect of such PM Removal Resolution or PM Replacement Resolution and such right shall pass to a more junior Class of Notes in accordance with the definition of Controlling Class.

Investors in the Class C Notes should be aware that for so long as the Class C Notes have not been redeemed and paid in full, if no Class C Notes are held in the form of PM Removal and Replacement Voting Notes, the Class C Notes will not be entitled to vote in respect of such PM Removal Resolution or PM Replacement Resolution and such right shall pass to a more junior Class of Notes in accordance with the definition of Controlling Class.

Investors in the Class D Notes should be aware that for so long as the Class D Notes have not been redeemed and paid in full, if no Class D Notes are held in the form of PM Removal and Replacement Voting Notes, the Class D Notes will not be entitled to vote in respect of such PM Removal Resolution or PM Replacement Resolution and such right shall pass to a more junior Class of Notes in accordance with the definition of Controlling Class.

Each Hedge Counterparty may also need to be notified and its consent required to the extent provided for in the applicable Hedge Agreement in respect of a modification, amendment or supplement to any provision of the Transaction Documents. Any such consent, if withheld, may prevent a modification of the Transaction Documents which may have been beneficial to or in the best interests of the Noteholders or in a manner required in order to ensure regulatory compliance.

4.5 Interest Rate Risk

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

4.6 Forced Transfer

Each holder of a Refinancing Note or a beneficial interest therein acquired on the Refinancing Date of the Refinancing Notes or during the Restricted Period, by its acquisition of a Refinancing Note or a beneficial interest in a Refinancing Note, will be deemed to represent to the Issuer, the Trustee, the Portfolio Manager and the Initial Purchaser that it (1) either (a) is not a Risk Retention U.S. Person or (b) it has received a U.S. Risk

Retention Waiver from the Portfolio Manager, and (2) is not acquiring such Refinancing Note or a beneficial interest therein as part of a scheme to evade the requirements of the U.S. Risk Retention Rules.

The Trust Deed will provide that if, notwithstanding the restrictions on transfer contained therein (if applicable), the Issuer determines that any purchaser on the Refinancing Date or during the Restricted Period of an interest in a Refinancing Note (i) (a) is a Risk Retention U.S. Person and (b) has not received a U.S. Risk Retention Waiver from the Portfolio Manager or (ii) acquired such Refinancing Notes or a beneficial interest therein as part of a scheme to evade the requirements of the U.S. Risk Retention Rules (including acquiring such Refinancing Note through a non-Risk Retention U.S. Person, rather than a Risk Retention U.S. Person, as part of a scheme to evade the 10 per cent. Risk Retention U.S. Person limitation in the exemption provided for in Foreign Safe Harbour (such a person, an "**Non-Permitted Risk Retention U.S. Person**"), the Issuer shall, promptly after determination that such person is a Non-Permitted Risk Retention U.S. Person by the Issuer, send notice to such Non-Permitted Risk Retention U.S. Person demanding that such Noteholder transfer its interest to a person that is not a Non-Permitted Risk Retention U.S. Person within 30 days of the date of such notice. If such Noteholder fails to effect the transfer required within such 30 day period, (a) the Issuer or the Portfolio Manager on its behalf, shall cause such beneficial interest to be transferred in a commercially reasonable sale to a person or entity that certifies to the Issuer, in connection with such transfer, that such person or entity is not a Non-Permitted Risk Retention U.S. Person and (b) pending such transfer, no further payments will be made in respect of such beneficial interest.

5. CONFLICTS OF INTEREST

Each of the Portfolio Manager and Initial Purchaser 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 advisory, investment and other activities of the Portfolio Manager, its Affiliates and their respective clients and from the conduct by the Arranger, the Agent 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*".

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

The Portfolio Manager and/or its Affiliates and its clients may invest in collateral that would be appropriate as security for the Refinancing 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 Refinancing 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 Refinancing 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, and (iii) 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 in accordance with the US Tax Guidelines (as defined in the Portfolio Management Agreement).

Notwithstanding any other provision of the Portfolio Management Agreement, while the Portfolio Manager is a subsidiary of Investcorp S.A. 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 majority 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 retain Subordinated Notes having a Principal Amount Outstanding (as at the Refinancing Date) equal to or greater than 5 per cent. of the Aggregate Collateral Balance as at the Refinancing 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 or by holders of PM Non-Voting Notes and/or PM Non-Voting Exchangeable Notes, 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 or by holders of PM Non-Voting Notes and/or PM Non-Voting Exchangeable Notes) within 30 days of such appointment, see "*Description of the Portfolio Management Agreement*" below and in the 2014 Prospectus. Any Notes held by or on behalf of the Portfolio Manager, any Portfolio Manager Related Person or by a holder of PM Non-Voting Notes and/or PM Non-Voting Exchangeable Notes, 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, any Portfolio Manager Related Person or by a holder of PM Non-Voting Notes and/or PM Non-Voting Exchangeable Notes, 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, any Portfolio Manager Related Person or by a holder of PM Non-Voting Notes and/or PM Non-Voting Exchangeable Notes shall be excluded. See "*Description of the Portfolio Management Agreement*" below and in the 2014 Prospectus.

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. In addition, the Portfolio Manager may enter into agreements which provide that certain transaction parties, its Affiliates or the Initial Purchaser, or other third parties, may be entitled to receive certain fees or other payments whether payable by reference to certain of the Portfolio Management Fees or otherwise, from the Portfolio Manager on one or more Payment Dates during the term of the transaction. Such fees or other payments 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.

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

Each of the Initial Purchaser and its Affiliates (excluding, for these purposes, the Trustee and the Agents) (the **Deutsche Bank Parties** play various roles in relation to the offering, including acting as the structurer of the transaction and in other roles described below.

The Deutsche Bank Parties have been involved (together with the Portfolio Manager) in the formulation and development of the Percentage Limitations, Coverage Tests, Collateral Quality Tests, 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 Initial Purchaser may have or has 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 Initial Purchaser will purchase the Refinancing Notes from the Issuer on the Refinancing Date and resell them in individually negotiated transactions at varying prices, which may result in a lower fee being paid to the Initial Purchaser in respect of those Refinancing Notes. The Initial Purchaser may assist clients and counterparties in transactions related to the Refinancing Notes (including assisting clients in future purchases and sales of the Refinancing Notes and hedging transactions). The Initial Purchaser expects to earn fees and other revenues from these transactions.

The Deutsche Bank Parties may retain a certain proportion of the Refinancing 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 Refinancing Notes in the primary or secondary market. The Deutsche Bank Parties are part of a global investment banking and securities and

investment management firm that provides a wide range of financial services to a substantial and diversified client base that includes corporations, financial institutions, governments and high-net-worth individuals. As such, they actively make markets in and trade financial instruments for their own account and for the accounts of customers in the ordinary course of their business. In carrying out its obligations as Initial Purchaser or any other transaction party, no Deutsche Bank Party shall be under any duty to disclose to the Portfolio Manager, the Issuer, the Trustee, any Noteholders, any prospective investor or any other person, any non-public information acquired in the course of carrying on any business for, or in connection with, the provision of services to any other party. The Deutsche Bank 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 Deutsche Bank 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 Deutsche Bank 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 Refinancing Notes or any other party. Moreover, the Issuer may invest in loans of obligors Affiliated with the Deutsche Bank Parties or in which one or more Deutsche Bank 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 Deutsche Bank Party's own investments in such obligors.

From time to time the Portfolio Manager will purchase from or sell Collateral Debt Obligations through or to the Deutsche Bank Parties (including a portion of the Collateral Debt Obligations to be purchased on or prior to the Refinancing Date) and that one or more Deutsche Bank Parties may act as the selling institution with respect to participation interests and/or a counterparty under a Hedge Agreement. The Deutsche Bank Parties may act as placement agent and/or initial purchaser or 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 Refinancing Notes.

The Deutsche Bank Parties do not disclose specific trading positions or their hedging strategies, including whether they are in long or short positions in any Refinancing Notes or obligations referred to in this Prospectus except where required in accordance with the applicable law. Nonetheless, in the ordinary course of business, Deutsche Bank Parties and employees or customers of the Deutsche Bank Parties may actively trade in and/or otherwise hold long or short positions in the Refinancing Notes, Collateral Debt Obligations and Eligible Investments or enter into transactions similar to or referencing the Refinancing Notes, Collateral Debt Obligations and Eligible Investments or the obligors thereof for their own accounts and for the accounts of their customers. If a Deutsche Bank Party becomes an owner of any of the Refinancing 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 Refinancing Notes. To the extent a Deutsche Bank Party makes a market in the Refinancing 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 Refinancing 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 Refinancing Notes. The price at which a Deutsche Bank Party may be willing to purchase Refinancing 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 Refinancing Notes and significantly lower than the price at which it may be willing to sell the Refinancing Notes.

DESCRIPTION OF THE REFINANCING NOTES

The information set forth in this section should be read in conjunction with the section entitled "*Terms and Conditions*" in the 2014 Prospectus.

Pursuant to the Trust Deed as amended by a supplemental trust deed to be dated the Refinancing Date (the **Supplemental Trust Deed**), the Refinancing Notes will be issued on the Refinancing Date and the Refinanced Notes will be redeemed at their Redemption Prices on the same date.

Purchasers of the Refinancing Notes will be deemed to have approved the modifications contained in the Supplemental Trust Deed.

Except as expressly set forth herein, the Class A Notes will be subject to the same terms and conditions as the Original Class A Notes, the Class B Notes will be subject to the same terms and conditions as the Original Class B Notes, the Class C Notes will be subject to the same terms and conditions as the Original Class C Notes and the Class D Notes will be subject to the same terms and conditions as the Original Class D Notes. Therefore, except as expressly set forth herein, the information regarding the Original Class A Notes, the Original Class B Notes, the Original Class C Notes and the Original Class D Notes set forth in the 2014 Prospectus also applies to the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes respectively and all references to the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes in the Conditions shall be references to the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes issued on the Redemption Date.

The revised terms and conditions of the Notes will be set forth in the Supplemental Trust Deed and are set out below. This Prospectus, together with the 2014 Prospectus, summarises certain provisions of the Trust Deed and other transaction documents. The summaries do not purport to be complete and (whether or not so stated in this Prospectus or the 2014 Prospectus) are subject to, are qualified in their entirety by reference to, and incorporate by reference, the provisions of the transaction documents (including definitions of terms).

Supplemental Trust Deed – Amendments to the Conditions in respect of the Refinancing Notes

In connection with the Refinancing, the Issuer intends to enter into a supplemental trust deed which will, amongst other things, supplement the Trust Deed concurrently with the Refinancing. The purchasers of Refinancing Notes will be deemed to approve the amendments to the Trust Deed pursuant to the Supplemental Trust Deed.

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

Each reference to "Trust Deed" that appears in the Conditions is replaced by a reference to both this term and the term "Supplemental Trust Deed".

Each reference to "Harvest CLO X Limited" is replaced with a reference to "Harvest CLO X Designated Activity Company".

It is anticipated that the following amendments will be effected by entry into the Supplemental Trust Deed by the Issuer and the Trustee, however, there is no guarantee that the Issuer will be able to sell the Refinancing Notes with the terms set forth in the contemplated amendments and thus one or more of the amendments may not be implemented or effective on the Refinancing Date and there is no guarantee at what time, if any, they will be implemented or become effective with respect to the Refinancing Notes.

The following definitions are added to Condition 1:

(a) "**2017 Subscription Agreement**" means the subscription agreement between the Issuer and the Initial Purchaser dated as of 10 August 2017.

Wherever the term "Subscription Agreement" appears in the Conditions, this will be replaced by a reference to both this term and the term "2017 Subscription Agreement".

(b) "**Class A PM Removal and Replacement Exchangeable Non-Voting Notes**" means the Class A Notes in the form of PM Removal and Replacement Exchangeable Non-Voting Notes.

(c) "**Class A PM Removal and Replacement Non-Voting Notes**" means the Class A Notes in the form of PM Removal and Replacement Non-Voting Notes.

(d) "**Class A PM Removal and Replacement Voting Notes**" means the Class A Notes in the form of PM Removal and Replacement Voting Notes.

(e) "**Class B PM Removal and Replacement Exchangeable Non-Voting Notes**" means the Class B Notes in the form of PM Removal and Replacement Exchangeable Non-Voting Notes.

(f) "**Class B PM Removal and Replacement Non-Voting Notes**" means the Class B Notes in the form of PM Removal and Replacement Non-Voting Notes.

(g) "**Class B PM Removal and Replacement Voting Notes**" means the Class B Notes in the form of PM Removal and Replacement Voting Notes.

(h) "**Class C PM Removal and Replacement Exchangeable Non-Voting Notes**" means the Class C Notes in the form of PM Removal and Replacement Exchangeable Non-Voting Notes.

(i) "**Class C PM Removal and Replacement Non-Voting Notes**" means the Class C Notes in the form of PM Removal and Replacement Non-Voting Notes.

(j) "**Class C PM Removal and Replacement Voting Notes**" means the Class C Notes in the form of PM Removal and Replacement Voting Notes.

(k) "**Class D PM Removal and Replacement Exchangeable Non-Voting Notes**" means the Class D Notes in the form of PM Removal and Replacement Exchangeable Non-Voting Notes.

(l) "**Class D PM Removal and Replacement Non-Voting Notes**" means the Class D Notes in the form of PM Removal and Replacement Non-Voting Notes.

(m) "**Class D PM Removal and Replacement Voting Notes**" means the Class D Notes in the form of PM Removal and Replacement Voting Notes.

(n) "**Eligible Interest Rate Obligation**" means:

a) is an obligation that either pays a fixed amount of interest or pays a floating amount of interest determined by reference to a published reference rate commonly used in the financial markets such as EURIBOR, Euro LIBOR or LIBOR, as well as reference rates that may be introduced in succession or replacement in the future;

b) it is not an obligation that allows the Obligor to pay interest amounts in a currency that is different from the denomination of the principal amount of such obligation in respect of which such interest is expressed to accrue;

c) it is not an obligation in respect of which the interest coupon or margin may increase due to a decrease of the index or reference rate applicable to the determination of such interest amount or decrease due to an increase of the index or reference rate applicable to the determination of such interest amount other than due to the application of a cap or floor to the variable bench mark rate used to calculate floating interest;

d) it is not an obligation in respect of which the index or reference rate applicable to the determination of the interest amount is based on a derivative of any index or a derivative of any reference rate;

e) it is not an obligation in respect of which the tenor of the index or reference rate applicable to the determination of the interest amount is different to the tenor of the frequency of interest amount payments required to be made by the Obligor, other than in respect of the initial interest period or the final interest period prior to maturity or an acceleration or other early termination of such obligation (or both as the case may be), provided that in each case the difference of the tenor of the index or reference rate to the tenor of the frequency of interest amount payments required to be made by the Obligor is not more than one month at any time; and

f) it is an obligation in respect of which any interest amount that is deferred (including any interest amount that is automatically deferred or deferred at the option of the Obligor, and including any interest amount that is capitalised) incurs interest that is greater or the same as the rate that is applicable to the principal amount of such obligation.

(o) "**Foreign Safe Harbour**" means the safe harbour for certain foreign-related securitisation transactions set forth at 17 C.F.R. 246.20.

(p) "**Initial Purchaser**" means Deutsche Bank AG, London Branch, the initial purchaser of the Refinancing Notes issued on 15 August 2017.

(q) "**Original Risk Retention Letter**" means the letter entered into between the Issuer, the Retention Holder, the Trustee and the Arranger, dated on or about 6 November 2014 as may be amended or supplemented from time to time.

(r) "**PM Removal and Replacement Exchangeable Non-Voting Notes**" means Notes which:

(i) 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 Removal and Replacement Voting Notes have a right to vote and be so counted; and

(ii) are exchangeable into:

(A) PM Removal and Replacement Non-Voting Notes at any time; or

(B) PM Removal and Replacement Voting Notes only in connection with the transfer of such Notes to an entity that is not an Affiliate of the transferor.

(s) "**PM Removal and Replacement Non-Voting Notes**" means Notes which:

(i) 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 Removal and Replacement Voting Notes have a right to vote and be so counted; and

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

(t) "**PM Removal and Replacement Voting Notes**" means Notes which:

(i) 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 Noteholders have a right to vote and so be counted; and

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

(A) PM Removal and Replacement Non-Voting Notes; or

(B) PM Removal and Replacement Exchangeable Non-Voting Notes.

(u) "**PM Removal Resolution**" means any Resolution, vote, written direction or consent of the Noteholders in relation to the removal of the Portfolio Manager in accordance with the Portfolio Management Agreement.

(v) "**PM Replacement Resolution**" means any Resolution, vote, written direction or consent of the Noteholders 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.

(w) "**Refinancing Risk Retention Letter**" means the letter dated on or about 15 August 2017 entered into between the Issuer, the Retention Holder, the Trustee and Deutsche Bank AG, London Branch in its capacity as the Initial Purchaser.

(x) "**Restricted Period**" means the 40-day "distribution compliance period" as defined in Rule 902 of Regulation S.

(y) "**Retention Compliance Event**" means the withdrawal of the UK from the European Union such that:

(i) the UK is no longer within the scope of MiFID; and

(ii) a passporting regime or third country recognition of the UK is not in place,

such that the Portfolio Manager is or would, with the passage of time be, unable to make the representations contained in paragraph 1 of the Refinancing Risk Retention Letter or otherwise qualify as a "investment firm" (as such term is defined in Article 4 of the CRR as at the Refinancing Date).

(z) "**Retention Cure Action**" means, following the determination by the Portfolio Manager that a Retention Compliance Event has occurred (or with the passage of time, is reasonably likely to occur), any action taken by the Portfolio Manager, in its sole discretion, as it may deem to be reasonably necessary or appropriate (in light of the facts and circumstances existing at the time) with the intention of maintaining or complying with, or preserving compliance with, the authorisations required to provide CLO management services to the Issuer and/or the requirements for the EU Risk Retention Requirements

(aa) "**Risk Retention U.S. Persons**" means "U.S. persons" within the meaning given to such term in the U.S. Risk Retention Rules.

(bb) "**Solvency II**" means Directive 2009/138/EC including any implementing and/or delegated regulations, technical standards and guidance related thereto as may be amended, replaced or supplemented from time to time.

(cc) "**Solvency II Regulation**" means Commission Delegated Regulation (EU) 2015/35 as may be effective from time to time including any guidance or technical standards published thereto, with any amendments of any successor or replacement provisions included in any European Union directive or regulation.

(dd) "**Solvency II Retention Requirements**" means the risk retention requirements and due diligence requirements set out in Article 254 and Article 256 of the Solvency II Regulation, in each case together with any amendments to those provisions or any successor or replacement provisions included in any European Union directive or regulation.

(ee) "**U.S. Risk Retention Rules**" means the credit risk retention regulations under Section 15G of the U.S. Securities Exchange Act of 1934, as amended.

(ff) "**U.S. Risk Retention Waiver**" means a waiver provided by the Portfolio Manager to a Noteholder that is a Risk Retention U.S. Person which permits a Risk Retention U.S. Person to purchase Refinancing Notes.

The following definition is amended as provided below:

(a) The definition of "**Secured Party**" is amended by adding "the Initial Purchaser" to the list of Secured Parties.

The following definitions are deleted in their entirety and replaced as provided below:

(a) Class of Notes:

"**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. Notwithstanding that:

(i) the Class A PM Removal and Replacement Voting Notes, the Class A PM Removal and Replacement Exchangeable Non-Voting Notes and the Class A PM Removal and Replacement Non-Voting Notes are in the same Class; and

(ii) the Class B PM Removal and Replacement Voting Notes, the Class B PM Removal and Replacement Exchangeable Non-Voting Notes and the Class B PM Removal and Replacement Non-Voting Notes are in the same Class,

(iii) the Class C PM Removal and Replacement Voting Notes, the Class C PM Removal and Replacement Exchangeable Non-Voting Notes and the Class C PM Removal and Replacement Non-Voting Notes are in the same Class; and

(iv) the Class D PM Removal and Replacement Voting Notes, the Class D PM Removal and Replacement Exchangeable Non-Voting Notes and the Class D PM Removal and Replacement Non-Voting Notes are in the same Class,

they shall not be treated as a single Class in respect of any vote or determination of quorum under the Trust Deed in connection with any PM Removal Resolution or PM Replacement Resolution, as further described in the Conditions, the Trust Deed and the Portfolio Management Agreement. For the avoidance of doubt, each Class of Notes described in paragraphs (a) through (g) above shall be treated as a single Class for all other purposes.

(b) Controlling Class:

"**Controlling Class**" means:

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

(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 Removal and Replacement Non-Voting Notes and/or PM Removal and Replacement Exchangeable Non-Voting Notes and/or by or on behalf of the Portfolio Manager or any Portfolio Manager Related Person,

the Class B Notes; or

(c) (i) if the Class A Notes and 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 each of the Class A Notes and the Class B Notes is held in the form of PM Removal and Replacement Non-Voting Notes and/or PM Removal and Replacement Exchangeable Non-Voting Notes and/or by or on behalf of the Portfolio Manager or any Portfolio Manager Related Person,

the Class C Notes; or

(d) (i) if the Class A Notes, Class B Notes and 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 each of the Class A Notes, the Class B Notes and the Class C Notes is held in the form of PM Removal and Replacement Non-Voting Notes and/or PM Removal and Replacement Exchangeable Non-Voting Notes and/or by or on behalf of the Portfolio Manager or any Portfolio Manager Related Person,

the Class D Notes; or

(e) (i) if the Class A Notes, Class B Notes, Class C Notes and 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 each of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes is held in the form of PM Removal and Replacement Non-Voting Notes and/or PM Removal and Replacement Exchangeable Non-Voting Notes and/or by or on behalf of the Portfolio Manager or any Portfolio Manager Related Person,

the Class E Notes; or

(f) (i) if the Class A Notes, Class B Notes, Class C Notes, Class D Notes and 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 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 each of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and Class E Notes is held in the form of PM Removal and Replacement Non-Voting Notes and/or PM Removal and Replacement Exchangeable Non-Voting Notes and/or by or on behalf of the Portfolio Manager or any Portfolio Manager Related Person,

the Class F Notes; or

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

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

the Subordinated Notes.

(c) Refinancing Date:

"**Refinancing Date**" means:

(a) in respect of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes 15 August 2017 (or such other date as may shortly follow such date as may be agreed between the Issuer, the Initial Purchaser and the Portfolio Manager and is notified to the Noteholders in accordance with Condition 16 (*Notices*) and the Irish Stock Exchange); and

(b) in respect of the Class E Notes, the Class F Notes and the Subordinated Notes, 6 November 2014.

(d) Refinancing:

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

(a) a Refinancing as defined in Condition 7(b)(*Optional Redemption*); or

(b) the Refinancing of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes that took effect on 15 August 2017.

(e) Retention Requirements:

"**EU Risk Retention Requirements**" means the CRR Retention Requirements, the Solvency II Requirements and the AIFMD Retention Requirements.

Wherever the term "Retention Requirements" appears in the 2014 Prospectus, this will be replaced by a reference to "EU Risk Retention Requirements".

(f) Risk Retention Letter

"**Risk Retention Letter**" means the Original Risk Retention Letter and the Refinancing Risk Retention Letter.

The following Conditions are amended as follows:

(a) A new Condition 2(k) (*Exchange of Voting/Non-Voting Notes*) is added as follows:

(k) *Exchange of Voting/Non-Voting Notes*

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

PM Removal and Replacement Voting Notes shall carry a right to vote in respect of, and be counted for the purposes of determining a quorum and the result of voting on, any PM Replacement Resolution and any PM Removal Resolution. PM Removal and Replacement Exchangeable Non-Voting Notes and PM Removal and Replacement 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 Removal and Replacement Voting Notes have a right to vote and be counted.

PM Removal and Replacement Voting Notes shall be exchangeable at any time upon request by the relevant Noteholder into PM Removal and Replacement Exchangeable Non-Voting Notes or PM Removal and Replacement Non-Voting Notes. PM Removal and Replacement Exchangeable Non-Voting Notes shall be exchangeable (a) upon request by the relevant Noteholder at any time into PM Removal and Replacement Non-Voting Notes or (b) into PM Removal and Replacement 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 Removal and Replacement Non-Voting Notes shall not be exchangeable at any time into PM Removal and Replacement Voting Notes or PM Removal and Replacement Exchangeable Non-Voting Notes.

Any such right to exchange a Class A Note, a Class B Note, a Class C Note and a 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.

(b) A new Condition 2(l) (*Forced Transfer following breach of U.S. Risk Retention Rules U.S. Person requirements*) is added as follows:

(l) *Forced Transfer following breach of U.S. Risk Retention Rules U.S. Person requirements*

If any purchaser of the Refinancing Notes on the Refinancing Date of an interest in a Refinancing Note or during the Restricted Period (i) (a) is a Risk Retention U.S. Person and (b) has not received a U.S. Risk Retention Waiver from the Portfolio Manager or (ii) acquired such Refinancing Notes or a beneficial interest therein as part of a scheme to evade the requirements of the U.S. Risk Retention Rules (including acquiring such Refinancing Note through a non-Risk Retention U.S. Person, rather than a Risk Retention U.S. Person, as part of a scheme to evade the 10 per cent. Risk Retention U.S. Person limitation in the exemption provided for in Foreign Safe Harbour (such a person, an "**Non-Permitted Risk Retention U.S. Person**")), the Issuer shall, promptly after determination that such person is a Non-Permitted Risk Retention U.S. Person by the Issuer, send notice to such Non-Permitted Risk Retention U.S. Person demanding that such Noteholder transfer its interest to a person that is not a Non-Permitted Risk Retention U.S. Person within 30 days of the date of such notice. If such Noteholder fails to effect the transfer required within such 30 day period (a) the Issuer or the Portfolio Manager on its behalf, shall cause such beneficial interest to be transferred in a commercially reasonable sale to a person or entity that certifies to the Issuer, in connection with such transfer, that such person or entity is not a Non-Permitted Risk Retention U.S. Person and (b) pending such transfer, no further payments will be made in respect of such beneficial interest. None of the Issuer, the Trustee and the Registrar shall be liable to any Noteholder having an interest in the Refinancing 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 Risk Retention U.S. Person will receive the balance, if any.

(c) A new Condition 2(m) (*Modification of Fitch Tests Matrix, Weighted Average Life Test etc.*) is added as follows:

(m) *Modification of Eligibility Criteria, Fitch Tests Matrix, Weighted Average Life Test etc.*

For the purposes of Conditions 14(c)(xiv) and 14(c)(xxvii) (*Modification and Waiver*), the Noteholders of the Refinancing Notes which are Class A Notes (being the Controlling Class) issued pursuant to the Refinancing on 15 August 2017 have, as applicable, consented to and/or confirmed they waive their right to object to the modification of the Eligibility Criteria, the Weighted Average Life Test and the Fitch Tests Matrix as contemplated in the Supplemental Trust Deed by their subscription for such Class A Notes on 15 August 2017.

(d) Condition 6(e)(i)(A)(iii) is deleted and replaced with the following:

"[PARAGRAPH NOT USED]".

(d) Condition 6(e)(i)(B)(iii) is deleted and replaced with the following:

"[PARAGRAPH NOT USED]".

(e) Condition 6(e)(i)(D) is amended to read as follows:

(D) Where:

"**Applicable Margin**" means:

(i) in respect of the Class A Notes, 0.92 per cent. per annum;

(ii) in respect of the Class B Notes, 1.50 per cent. per annum;

(iii) in respect of the Class C Notes, 2.00 per cent. per annum;

(iv) in respect of the Class D Notes, 2.85 per cent. per annum;

(v) in respect of the Class E Notes, 5.00 per cent. per annum; and

(vi) in respect of the Class F Notes, 6.00 per cent. per annum.

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

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

Subject to the provisions of Condition 7(b)(iv) (*Terms and Conditions of an Optional Redemption*), Condition 7(b)(v) (*Optional Redemption effected in whole or 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, in the case of (I) any redemption in accordance with Condition 7(b)(v) (*Optional Redemption effected in whole or in part through Refinancing*), on or after the Payment Date in November 2018, and (II) any redemption in accordance with Condition 7(b)(vi) (*Optional Redemption effected through Liquidation only*), on or after expiry of the Non-Call Period, at the direction of 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.

(g) Condition 7(b)(ii) (*Optional Redemption in Part – Refinancing of a Class or Classes of Notes in Whole by Subordinated Noteholders*) is deleted and replaced with the following:

(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 (other than the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes) may be redeemed by the Issuer at the applicable Redemption Prices, solely from Refinancing Proceeds on any Payment Date falling on or after the expiry of the Non-Call Period, at the direction of the Subordinated Noteholders acting by Ordinary Resolution (as evidenced by duly completed Redemption Notices) or at the direction of the Portfolio Manager. No such Optional Redemption may occur unless such Class of Rated Notes (other than the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes) to be redeemed represents the entire Class of such Rated Notes.

(h) Condition 7(b)(v) (*Optional Redemption effected in whole or in part through Refinancing*) is amended by inserting the words "(other than the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes)" as follows:

(i) after the words "entire Class of a Class of Rated Notes" in the first sub-paragraph (B);

(ii) after the words "Refinancing Proceeds may be applied in the redemption of the Rated Notes in part by Class"; and

(iii) after the words "redemption of the Rated Notes in part by Class" in sub-paragraph (D).

(i) Condition 14(b)(ii) is amended to include the following paragraph at the end of such Condition:

Solely in connection with a PM Removal Resolution or a PM Replacement Resolution, no Notes held in the form of PM Removal and Replacement Non-Voting Notes or PM Removal and Replacement Exchangeable Non-Voting Notes and/or by or on behalf of the Portfolio Manager or any Portfolio Manager Related Person shall (A) constitute or form part of the Controlling Class, (B) be entitled to vote in respect of 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 such PM Removal Resolution or PM Replacement Resolution.

(j) Condition 14(c)(*Modification and Waiver*) is amended to read as follows:

(i) by deleting the word "and" at the end of paragraph (xxvi) and replacing "." with "; and" at the end of paragraph (xxvii); and

(ii) by adding a new paragraph (xxviii) to read as follows:

"to make any other modification of any of the provisions of the Trust Deed, the Portfolio Management Agreement or any other Transaction Document to:

(a) comply with the EU Risk Retention Requirements (whether as a result of a change or otherwise) or which result from the implementation of technical standards relating thereto or any subsequent risk retention legislation or official guidance or corresponding EU Risk Retention Requirements under the Securitisation Regulation (if applicable); or

(b) accommodate any Retention Cure Action,

provided however that if consent of Noteholders would be required to effect such modification were it not for this Condition 14(c)(xxviii), then such consent shall be required but only from the Class E Noteholders and the Class F Noteholders.

USE OF PROCEEDS

The proceeds of the issue of the Refinancing Notes will be €374,700,000.00. Such proceeds will be used by the Issuer to redeem the Refinanced Notes at the aggregate Redemption Prices of the entire Class or Classes of Rated Notes subject to the Optional Redemption. Refinancing Costs will be paid as Administrative Expenses and/or Trustee Fees and Expenses, as applicable, in accordance with the Conditions. This may result in some Refinancing Costs being paid on Payment Dates or other Business Days following the Redemption Date. In each case, any such payment of Refinancing Costs shall be made in accordance with and subject to the Conditions (including the Expense Cap).

FORM OF THE REFINANCING NOTES

The following description of the Form of the Refinancing Notes supplements the section headed "Form of the Notes" in the 2014 Prospectus.

PM Removal and Replacement Voting and Non-Voting Notes

A beneficial interest in a Rule 144A Global Certificate in the form of PM Removal and Replacement Exchangeable Non-Voting Notes may be transferred to a person who takes delivery in the form of an interest in a Rule 144A Global Certificate in the form of PM Removal and Replacement Non-Voting Notes or an entity that is not an Affiliate of the transferor who takes delivery in the form of an interest in a Rule 144A Global Certificate in the form of PM Removal and Replacement Voting Notes, in each case in denominations greater than or equal to the minimum denominations applicable to interests in such Rule 144A Global Certificate only upon receipt by a Transfer Agent of a written transfer request (in the form provided in the Trust Deed) from the transferor.

A beneficial interest in a Rule 144A Global Certificate in the form of PM Removal and Replacement Voting Notes may be transferred to a person who takes delivery in the form of an interest in a Rule 144A Global Certificate in the form of PM Removal and Replacement Non-Voting Notes or PM Removal and Replacement Exchangeable Non-Voting Notes in denominations greater than or equal to the minimum denominations applicable to interests in such Rule 144A Global Certificate only upon receipt by a Transfer Agent of a written transfer request (in the form provided in the Trust Deed) from the transferor.

A beneficial interest in a Regulation S Global Certificate in the form of PM Removal and Replacement Exchangeable Non-Voting Notes may be transferred to a person who takes delivery in the form of an interest in a Regulation S Global Certificate in the form of PM Removal and Replacement Non-Voting Notes or an entity that is not an Affiliate of the transferor who takes delivery in the form of an interest in a Regulation S Global Certificate in the form of PM Removal and Replacement Voting Notes in denominations greater than or equal to the minimum denominations applicable to interests in such Regulation S Global Certificate, in each case only upon receipt by a Transfer Agent of a written transfer request (in the form provided in the Trust Deed) from the transferor.

A beneficial interest in a Regulation S Global Certificate in the form of PM Removal and Replacement Voting Notes may be transferred to a person who takes delivery in the form of an interest in a Regulation S Global Certificate in the form of PM Removal and Replacement Non-Voting Notes or PM Removal and Replacement Exchangeable Non-Voting Notes in denominations greater than or equal to the minimum denominations applicable to interests in such Regulation S Global Certificate only upon receipt by a Transfer Agent of a written transfer request (in the form provided in the Trust Deed) from the transferor.

THE ISSUER

The information in this section should be read in conjunction with the section entitled "*The Issuer*" in the 2014 Prospectus.

Companies Act 2014

The Companies Act 2014 was commenced in Ireland by statutory instrument with effect on and from 1 June 2015. The Companies Act 2014 requires that an existing private company such as the Issuer re-register as a "Designated Activity Company" or "DAC" within the meaning of the Companies Act 2014 within a period of 18 months following the commencement date of the Companies Act 2014.

Pursuant to an ordinary resolution and special resolution of the Issuer dated 23 June 2016, the Issuer elected to reregister as a designated activity company under Section 56(1) of the Companies Act 2014 and to adopt a new Constitution in connection therewith.

By Certificate of Incorporation on Conversion to A Designated Activity Company dated 21 July 2016 issued by the Registrar of Companies in accordance with Section 63(8) of the Companies Act 2014, the Issuer was reregistered as "*Harvest CLO X Designated Activity Company*".

Capitalisation

The capitalisation of the Issuer as at the date of this Prospectus, adjusted for the issue of the Refinancing Notes, is as follows:

Share Capital	€
Issued and fully paid one ordinary registered share of €1.00	1.00

Loan Capital	€
Class A Notes	€264,400,000
Class B Notes	€56,300,000
Class C Notes	€30,400,000
Class D Notes	€23,600,000
Class E Notes	€29,200,000
Class F Notes	€12,400.000
Subordinated Notes	€50,200,000
Total Capitalisation	€466,500,000

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 Initial Purchaser, the Arranger, 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 Initial Purchaser, the Arranger, 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 Investcorp S.A., an international alternative investment manager focusing on corporate investments, real estate, alternative investments solutions and credit management across North America, Europe and the MENA region. The Portfolio Manager also forms part of "**Investcorp Credit Management**" (or "**ICM**"), the credit management business line of Investcorp S.A. 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 2016 ICM had approximately €10.6 billion of assets under management across 37 different funds with a team of approximately 48 professionals investing in over 550 companies.

The Portfolio Manager was previously known as 3i Debt Management Investments Limited and was a wholly owned subsidiary of 3i Group plc. On 25 October 2016, 3i Group plc announced the sale of 3i Debt Management Investment Limited to Investcorp S.A. The transaction completed on 3 March 2017. The Portfolio Manager currently serves and it or any of its Affiliates may serve as an investment manager or adviser of corporations, partnerships and other entities in the future. These include entities organised to issue collateralised loan obligations secured by loans, securities or other obligations.

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. This is supplemented 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, Head of Investcorp Credit Management Limited

Jeremy joined ICM when Investcorp S.A. acquired 3i Debt Management Investments Limited in 2017.

He joined 3i Debt Management Investments Limited in 2011 following the acquisition of Mizuho Investment Management from Mizuho Corporate Bank by 3i Group plc. At 3i Debt Management Investments Limited, Jeremy was a member of the Executive and Risk Committee of 3i Group plc and CEO and Managing Partner of the debt management business from inception. Prior to joining 3i, Jeremy was with Mizuho Corporate Bank (formerly The Fuji Bank) from 1988.

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 management controlled functions 3 & 30.

Peter Goody, Chief Operating Officer (COO), Investcorp Credit Management EU Limited ("**ICM EU**")

Peter joined the business in June 2008, initially as CIO, and is currently the COO and a member of the Investment Committee in Europe. Previously, 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 FCA controlled functions 1 & 30.

Neil Rickard, Director, Head of Credit Research and Portfolio Manager, Investcorp Credit Management EU Limited

Neil is a Director for ICM EU. Neil heads up the dedicated credit research function at ICM EU and is also the portfolio manager for the ICM Middle Market Fund. Neil joined 3i Debt Management Investments Limited, the predecessor to ICM EU in 2011 following the acquisition of Mizuho Investment Management from Mizuho Corporate Bank. At Mizuho, Neil was responsible for all of the credit processes within the company. Prior to joining Mizuho in 2005, Neil held various credit analyst roles within Leveraged Finance at Ahli United, GE Capital and Wachovia.

Neil has over 19 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 an MSc (Hons) in International Business, both of which were obtained from UMIST.

Barry Lane, Director, Investcorp Credit Management EU Limited

Barry is a Director with responsibility for European CLO issuance and working on strategic growth projects of the business. During his time with 3i Debt Management Investments Limited, the predecessor to ICM EU, Barry was involved in a number of strategic transactions, including the establishment of 3i Debt Management Investments Limited in 2011 through the acquisition of Mizuho Investment Management and the transaction to establish 3i Debt Management Investments Limited US.

He has worked on the issuance of each of ICM's nine European 2.0 CLOs and led the fund structuring of ICM's European Middle Market Fund. He is a committee member of the BVCA Alternative Lending Group. Barry studied Economics at Trinity College, Dublin.

David Fewtrell, Director, Portfolio Manager/Trader, Investcorp Credit Management EU Limited

David is a Director and Portfolio Manager for ICM EU having originally joined 3i Debt Management Investments Limited, the predecessor to ICM EU in July 2012. Prior to that, he was a Managing Director at HSBC where he headed the bank's institutional loan sales business in Europe.

David joining HSBC Investment Bank in 1988 to establish and run the bank's secondary loan trading business before heading leverage and secondary sales within the HSBC's Leveraged and Acquisition Finance group. David started his career at NatWest moving to NatWest International and then NatWest Markets undertaking a variety of loan syndication and trading, credit and corporate banking roles.

David has over 20 years sales and trading experience in the international syndicated loan and leverage finance market and is one of the pioneers of the modern secondary loan market in Europe. 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.

Andrew Strong, Portfolio Manager, Investcorp Credit Management EU Limited

Andrew is a Portfolio Manager at ICM EU, with 11 years at the company having originally joined Mizuho's CLO platform in 2006. Andrew was involved in the transaction to acquire the Invesco Management Contracts in 2012 and subsequently took Portfolio Manager responsibility for these funds. Prior to transitioning to the Portfolio Manager role, Andrew was 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 in 2005 before moving to Mizuho's CLO team. Andrew graduated from Brunel University with a first class honours degree in Economics and Business Finance.

David Stanbrook, Credit Analyst, Investcorp Credit Management EU Limited

David 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 Construction sector. Prior to this, David spent over 4

years at Resource Europe, a top performing CLO manager, where he was a key-man 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.

Richard Keast, Credit Analyst, Investcorp Credit Management EU Limited

Richard joined the Credit Management Group in November 2012 and is responsible for analysing new debt investment opportunities primarily in the Technology, Media and Telecom (TMT) sector. Richard joined from Lloyds Banking Group where he worked as a Leverage Analyst in the Acquisition Finance team for 2 years. Prior to this he spent 5 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.

Max Elliott-Taylor, Credit Analyst, Investcorp Credit Management EU Limited

Max joined the Credit Management Group 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.

Matthew Coleman, Credit Analyst, Investcorp Credit Management EU Limited

Matthew joined the Credit Management Group in August 2016. Prior to this he worked as an investment analyst at Aberdeen Asset Management covering European high yield bonds and leverage loans. Matthew graduated with a First Class Honours degree in International Relations and Modern History from the University of St. Andrews in 2013. Matthew has passed all 3 levels of the CFA qualification.

James Brailey, Credit Analyst, Investcorp Credit Management EU Limited

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 4 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.

Mikael de Pedro Nejjai, Portfolio Management Support, Investcorp Credit Management EU Limited

Mikael joined ICM EU, previously 3i Debt Management Investments Limited, in December 2015, where he supports the Portfolio Management and Credit Management teams. Prior to ICM EU, Mikael worked in BBVA S.A's Loan Trading desk within the Loan Syndicate, Sales and Trading division in London. Mikael holds a BSc in International Business, Finance, and Economics from the University of Manchester.

Mark Newman, Senior Counsel to Investcorp Credit Management EU Limited

Mark is Senior Counsel to ICM EU, responsible for the provision of internal and external legal advice and resource. Mark joined ICM EU in 2017 as part of the debt management team acquired from 3i Debt Management Investments Limited. Prior to joining ICM EU Mark worked with 3i Debt Management Investments Limited from 1995 to 2017 and has a gained 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 Debt Management Investments Limited for its own business development. Mark's background is in banking law and the credit markets. Prior to joining 3i Debt Management Investments Limited 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.

Thomas Page, Director, Investcorp Credit Management EU Limited

Tom is a Director for ICM with responsibility for strategic growth projects. He joined the team in 2006 and prior to his current role was a credit analyst in the investment team with a focus on mezzanine assets. Tom has been involved with a number of strategic transactions for the business, including the acquisition of the Invesco CLO management contracts in Europe, establishing 3i DM US and launching the ICM Global Floating Rate Income Fund. Prior to joining ICM EU, Tom worked in the Debt Principal Finance Group at Dresdner Kleinwort Wasserstein. Tom holds an MA from Magdalene College, Cambridge.

Lisa Johnson, Director, Investcorp Credit Management EU Limited

Lisa is a Director for ICM EU with responsibility for Business Development and Investor Relations in Asia ex-Japan. She has lived in Asia since 2000, residing in Tokyo, Shanghai, Mumbai and currently Singapore.

Lisa joined 3i Debt Management Investments Limited, the predecessor to ICM EU in 2013 from Vulpes Investment Management (formerly Artradis) where she was Managing Director responsible for the German Real Estate fund as well as the Private Equity funds that focused on global agricultural opportunities.

Prior to Vulpes, she was Senior Vice President at Parker Global Strategies responsible for all distribution of Fund of Hedge Fund and Hedge Fund strategies for Institutional clients in the region including Pensions, Endowments, Foundations, Family Offices, Private Banks, Sovereign Wealth Funds and Insurance Companies. She also covered Asian manager research for multi-manager strategies and SMAs. She is also responsible for Australia, China, Hong Kong, South Korea and Taiwan, where she has developed strong relationships.

Lisa is one of the founding members of the Singapore Chapter of 100 Women in Finance (formerly 100 Women in Hedge Funds), is on the Woman's Board of Rush Presbyterian St. Luke's Medical Center in Chicago and has a Business and Communications Degree from Meredith College.

Sanjay Kohli, Director, Investcorp Credit Management EU Limited

Sanjay is a Director for ICM EU with responsibility for Fundraising, Investor Coverage, and Business Development. He joined 3i Debt Management Investments Limited, the predecessor to ICM EU in 2011 following the acquisition of Mizuho Investment Management (MIM) from Mizuho Corporate Bank.

At Mizuho Investment Management Sanjay was responsible for investors and new business opportunities, mainly in India, Middle East and South East Asia. Prior to this at Mizuho Corporate Bank, he was Head of India, Middle East & Africa for the International Acquisition Finance Department and also Head of Central and East Europe and Russia for Mizuho Corporate Bank International Finance.

Before joining Mizuho, Sanjay worked for Credit Lyonnais (now Calyon) and was responsible for origination of corporate finance for non-bank financial institutions and for Bank of Tokyo Mitsubishi (Mitsubishi UJF) as a credit officer. Sanjay has worked for over 20 years in international banking, most of it spent in emerging markets. He is a former scholar of Harrow School and holds a BA (Hons) degree in Business Economics from the University of Reading. Sanjay is approved to perform the FCA controlled function 30.

Melissa Tessier, Director, Investcorp Credit Management EU Limited

Melissa is a Director for ICM EU with responsibility for fundraising in the Continental Europe regions. She joined 3i Debt Management Investments Limited, the predecessor to ICM EU, in 2012 from Cantor Fitzgerald, where she focused on origination and distribution of European and US Collateralised Loan Obligations (CLOs) and other leveraged credit 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 first on high yield fund management, then on the structuring and marketing of AXA IM-managed funds.

Melissa has over 17 years' experience in credit markets. She holds double BA 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.

Masaaki Fudeuchi, Senior Director, Investcorp Credit Management EU Limited

Masaaki is a Senior Director for ICM EU with responsibility for the Private Equity Fund of Funds business and fundraising in Japan. He joined 3i Debt Management Investments Limited, the predecessor to ICM EU in 2011 following the acquisition of Mizuho Investment Management from Mizuho Corporate Bank.

Prior to joining 3i Debt Management Investments Limited, Masaaki began his career at Mizuho Corporate Bank (formerly The Fuji Bank) in 1990. Having built up several years of corporate finance experience in Japan, he joined The Fuji Bank's Syndication Group in London in 1998 and subsequently moved to Mizuho Corporate Bank's Leveraged Finance Group in 2003 where he was responsible for Mizuho's private equity investments. Masaaki holds a B.A. in Politics from Keio University in Japan. Masaaki is approved to perform the FCA controlled function 30.

Jakob Mattsson, Associate, Investor Relations, Investcorp Credit Management EU Limited

Jakob joined the Investor Relations team in September 2014, prior to this he worked as an Associate in the Institutional Investor Group at Northern Trust. Jakob started his career at Santander Bank after joining the Graduate Corporate Banking Scheme.

Jakob graduated in Management from Royal Holloway, University of London in 2009 and completed a Masters in Global Management from Antwerp University.

Camilla Campion-Awwad, Associate, Investor Relations, Investcorp Credit Management EU Limited

Camilla joined ICM EU, previously 3i Debt Management Investments Limited, in May 2016 from TDR Capital, a private equity firm, where she worked as an Investor Relations Associate. Previous to this, Camilla worked in the Investment Management Division of Hoare's Bank as a Portfolio Manager's Assistant and Trainee. She began her career as a Graduate Analyst at Citigroup.

Camilla graduated with a First Class MA Hons degree in History from the University of Edinburgh and also received a departmental prize for academic achievement.

Kieran Carmody, Director, Investcorp Credit Management EU Limited

Kieran is a Director for ICM EU with responsibility for all fund reporting and operations of the business. This covers systems, liquidity, portfolio and hypothetical trade evaluation, data integrity and reporting of the ICM series of funds. Kieran joined ICM EU in February 2017, following the acquisition of 3i Debt Management Investments Limited, where he worked for six years. Prior to joining 3i Debt Management Investments Limited, Kieran worked at Royal Bank of Scotland (RBS) for six years, holding various roles in the Mezzanine, CDO and secondary debt markets team. Kieran holds an Honours degree in Business Studies and Economics and is approved to perform the FCA controlled function 30.

Alan Sawyer, Associate, Investcorp Credit Management EU Limited

Alan joined ICM EU, previously 3i Debt Management Investments Limited, in November 2011, where he is responsible for the Primary / Secondary Loan Closing and Bond Settlements for the Fund Administration team. Alan has 24 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, Investcorp Credit Management EU Limited

Sean joined ICM EU, previously 3i Debt Management Investments Limited, in August 2012, where he 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, Investcorp Credit Management EU Limited

Sehar joined ICM EU, previously 3i Debt Management Investments Limited, in October 2014, where she is 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.

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*" and in the 2014 Prospectus 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 in the 2014 Prospectus and the section headed "*Description of the Portfolio Management Agreement*" below and in the 2014 Prospectus);

(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*" in the 2014 Prospectus);

(d) policies and procedures in relation to risk mitigation techniques (as to which, see further the section of this Prospectus headed "*The Portfolio*" and in the 2014 Prospectus and the section headed "*Description of the Portfolio Management Agreement*" below and in the 2014 Prospectus, 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 in the 2014 Prospectus and "*Description of the Reports*" in the 2014 Prospectus, 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 Portfolio Manager to comply with the applicable qualitative requirements (as to which, see further the section of this Prospectus headed "*The Retention Holder and Retention Requirements – EU Risk Retention*", which describes the ways in which the Portfolio Manager is required to satisfy the EU Risk Retention Requirements and "*Description of the Reports*" in the 2014 Prospectus, which provides reporting requirements in respect of satisfaction of the EU Risk 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 – EU Risk Retention*", 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*" in this Prospectus, which describes the risks in respect of satisfaction of the EU Risk Retention Requirements and compliance with the AIFMD).

THE EU RISK RETENTION REQUIREMENTS

The information set out in this section "Description of the Retention Holder" has been prepared by the Portfolio Manager and none of the Trustee, the Initial Purchaser, 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 section and, accordingly, no such party makes any representation, recommendation or warranty, express or implied, regarding the accuracy, adequacy, reasonableness or completeness of the information contained in this section. This information has been accurately reproduced from information provided by the Portfolio Manager and as far as the Issuer is aware is able to ascertain, from information provided by the Portfolio Manager, no facts have been omitted which would render the reproduced information accurate or misleading.

Description of the Retention Holder

The Portfolio Manager shall act as Retention Holder for the purposes of the EU Risk Retention Requirements. The Portfolio Manager's regulatory permissions at the date of this Prospectus include "arranging safeguarding and administration of assets" and 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 Refinancing Risk Retention Letter, the Portfolio Manager makes no representation nor gives any undertaking to such effect and 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 Refinancing Date, the Retention Holder will sign the Refinancing Risk Retention Letter addressed to the Issuer, the Trustee and the Initial Purchaser.

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

(a) undertake to continue to hold (either directly or indirectly) and retain on an on-going basis for so long as a Class of Notes remains Outstanding Subordinated Notes which were issued on the Original Issue Date with a Principal Amount Outstanding as of the Refinancing Date equal to not less than 5 per cent. of the Aggregate Collateral Balance as of the Refinancing Date in accordance with paragraph 1(d) of Article 405 of the CRR, Article 51(d) of the AIFMD Level 2 Regulation 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 EU Risk Retention Requirements as of (a) the Refinancing Date and (b) solely as regards the provision of information in the possession of the Retention Holder and to the extent the same is not subject to a duty of confidentiality, at any time prior to maturity of the Notes;

(d) agree to confirm in writing (the "**Retention Compliance Confirmation**") its continued compliance with the covenants set out at paragraphs (a) and (b) above to the Trustee, the Issuer, the Collateral Administrator, the Principal Paying Agent and the Initial Purchaser (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 (i) it is an "investment firm" (as such term is defined in Article 4 of the CRR as at the Refinancing 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 Refinancing Date) of the securitisation constituted by the acquisition of the Portfolio and issue of the Notes and is entering into the Refinancing Risk Retention Letter in its capacity as "sponsor"; and

(f) agree that it shall immediately notify the Issuer, the Trustee and the Initial Purchaser 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 EU Risk 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. If permitted in accordance with the EU Risk Retention Requirements, the Retention Holder may elect to change the capacity in which it holds the Retention Notes.

The Retention Holder will not have any obligation to change the quantum, method or nature of its holding of the Retention as a result of any changes to the EU Risk Retention Requirements following the Refinancing Date or any other changes to regulations or the interpretation thereof the result of which the Issuer is considered to be an AIF following the Refinancing Date.

The Portfolio Manager may in its sole discretion, having determined that a Retention Compliance Event has occurred (or, with the passage of time, is reasonably likely to occur), take any Retention Cure Action subject to (i) internal approval of the Retention Cure Action in accordance with the Portfolio Manager's usual policies and procedures, (ii) receipt of legal advice from Freshfields Bruckhaus Deringer LLP or other reputable legal counsel as selected in the Portfolio Manager's sole discretion that such Retention Cure Action is consistent with the EU Risk Retention Requirements and (iii) the requirements of Condition 14(c)(xxviii), if applicable. Such Retention Cure Action may include, but is not limited to, action intended to enable the Portfolio Manager to qualify as the Retention Holder other than as a "sponsor" for purposes of the EU Risk Retention Requirements.

For the purposes hereof:

"**Retention Compliance Event**" means the withdrawal of the UK from the European Union such that:

(a) the UK is no longer within the scope of MiFID; and

(b) a passporting regime or third country recognition of the UK is not in place,

such that the Portfolio Manager is or would, with the passage of time be, unable to make the representations contained in paragraph 1 of the Refinancing Risk Retention Letter or otherwise qualify as a "investment firm" (as such term is defined in Article 4 of the CRR as at the Refinancing Date).

"**Retention Cure Action**" means, following the determination by the Portfolio Manager that a Retention Compliance Event has occurred (or with the passage of time, is reasonably likely to occur), any action taken by the Portfolio Manager, in its sole discretion, as it may deem to be reasonably necessary or appropriate (in light of the facts and circumstances existing at the time) with the intention of maintaining or complying with, or preserving compliance with, the authorisations required to provide CLO management services to the Issuer and/or the requirements for the EU Risk Retention Requirements.

In accordance with the Refinancing Risk Retention Letter, the Retention Holder shall promptly notify the Issuer, the Trustee, the Rating Agencies and the Noteholders (in accordance with Condition 16 (*Notices*)) in writing (by way of notice substantially in the form set out in the Refinancing Risk Retention Letter), of the taking of any Retention Cure Action.

U.S. Risk Retention Rules

The Portfolio Manager has informed the Issuer and the Initial Purchaser that it does not intend to retain a risk retention interest contemplated by the U.S. Risk Retention Rules in connection with the refinancing transaction described in this prospectus or the Refinancing Notes in reliance on the Foreign Safe Harbour. None of the Trustee, the Initial Purchaser, any Agent, any Hedge Counterparty or any other party (other than the Retention Holder) provides any assurances regarding, or assumes any responsibility for, the Portfolio Manager's compliance with the U.S. Risk Retention Rules prior to, on or after the Refinancing Date. See "*Risk Factors – Regulatory Initiatives - U.S. Risk Retention Rules*".

PORTFOLIO

Prospective investors should carefully consider the following information, in addition to the "The Portfolio" section of the 2014 Prospectus and matters set forth elsewhere in this Prospectus and the 2014 Prospectus, prior to investing in the Refinancing Notes. To the extent any statement in this "The Portfolio" section conflicts with any statement in the "The Portfolio" section of the 2014 Prospectus, the statements herein shall supersede any such statements in the 2014 Prospectus.

The Initial Purchaser (i) did not participate in the preparation of the 2014 Prospectus, any Monthly Report or any Payment Date Report, (ii) has not made a due diligence inquiry as to the accuracy or completeness of the information contained in the 2014 Prospectus, (iii) is relying on representations from the Issuer as to the accuracy and completeness of the information contained in the 2014 Prospectus, the Monthly Reports and the Payment Date Reports and (iv) shall have no responsibility whatsoever for the contents of the 2014 Prospectus, any Monthly Report or any Payment Date Report.

Collateral Debt Obligations

The most recent Monthly Report (as defined in the 2014 Prospectus) prior to the Refinancing Date with respect to the Collateral Debt Obligations is available on the website of the Irish Stock Exchange at http://www.ise.ie/debt_documents/Harvest%2010%20Monthly%20Report_db2ead54-2687-453a-b54a-a2620cf712ae.PDF. Such information has not been audited or otherwise reviewed by any accounting firm. Such information is limited and does not provide a full description of all Collateral Debt Obligations previously held or sold by the Issuer, nor the gains or losses associated with purchases or sales of Collateral Debt Obligations, nor the levels of compliance with the Coverage Tests and Collateral Quality Tests during periods prior to the periods covered by such report. Such report contains information as of the dates specified therein and none of the reports are calculated as of the date of this Prospectus. As such, the information in the report may no longer reflect the characteristics of the Collateral Debt Obligations as of the date of this Prospectus or on or after the Refinancing Date.

The composition of the Portfolio will change over time as a result of (i) scheduled and unscheduled principal payments on the Collateral Debt Obligations, (ii) sales of Collateral Debt Obligations and reinvestment of Sale Proceeds and other Principal Proceeds and (iii) other factors, subject to the limitations described under "*The Portfolio*" in the 2014 Prospectus.

With effect from the Refinancing Date, the below amends the relevant part of each applicable section in the 2014 Prospectus *and the Supplemental Trust Deed will amend the* Portfolio Management Agreement. *Purchasers of the Refinancing Notes will be deemed to have approved the modifications to the* Portfolio Management Agreement *contained in the Supplemental Trust Deed, including (without limitation) in respect of the amendment to the definition of the Eligibility Criteria and the Weighted Average Life Test set out below.*

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 Eligibility Criteria, as set out in the 2014 Prospectus, as determined by the Portfolio Manager. See "The Portfolio – Eligibility Criteria" in the 2014 Prospectus.

The following criteria will be added to the Eligibility Criteria:

(gg) it is not an obligation that contains limited recourse provisions that limit the obligations of the Obligor thereunder to a defined portfolio or pool of assets;

(hh) it is an "Eligible Interest Rate Obligation"; and

(ii) it is not a debt obligation whose material terms are subject to mandatory change triggered by non-credit related events.

Eligibility Criteria (gg), (hh) and (ii) will be construed and interpreted consistently with the purpose of ensuring that a Collateral Debt Obligation consists of solely payments of principal and interest when accounted for under IFRS 9.

Portfolio Profile Tests and Collateral Quality Tests

The Weighted Average Life Test

The definition of **Weighted Average Life Test** will be replaced with the following:

"The "Weighted Average Life Test" will be satisfied on any Measurement Date if the Weighted Average Life as of such date is less than the number of years (rounded to the nearest one hundredth thereof) during the period from such Measurement Date to 15 November 2023."

For the purpose of Condition 14(c)(xxvii) (Modification and Waiver), the Noteholders of the Refinancing Notes which are Class A Notes (being the Controlling Class) consent (and will not object) to the modifications to the Portfolio Management Agreement *contained in the Supplemental Trust Deed (including but not limited to the modification of the "Weighted Average Life Test") (in the form set out here and in the Supplemental Trust Deed) by their subscription for such Class A Notes, provided that Rating Agency Confirmation (or such other confirmation as the relevant Rating Agency is willing to provide from time to time that such modification or amendment will not result in the reduction or withdrawal of any of the ratings currently assigned to the Rated Notes by such Rating Agency) is received from Fitch and S&P.*

Collateral Quality Tests

Fitch Tests Matrix

With effect from the Refinancing Date, the Fitch Tests Matrix set out in the Portfolio Management Agreement shall be amended in the Supplemental Trust Deed as set out below. Purchasers of the Refinancing Notes will be deemed to have approved the modifications to the Portfolio Management Agreement contained in the Supplemental Trust Deed, including (without limitation) in respect of the amendment to the definition of the Fitch Tests Matrix set out below.

Fitch Tests Matrix

WARR	**WARF**										
WAS	**30**	**31**	**32**	**33**	**34**	**35**	**36**	**37**	**38**	**39**	**40**
2.40%	69.20%	70.40%	71.80%	73.40%	74.90%	76.10%	77.00%	77.80%	78.80%	80.40%	81.50%
2.60%	66.00%	67.30%	68.50%	70.00%	71.80%	73.20%	74.40%	75.70%	77.50%	79.20%	80.50%
2.80%	62.50%	64.00%	65.50%	67.20%	69.10%	71.10%	72.40%	74.40%	76.20%	78.00%	79.30%
3%	59.30%	61.50%	63.30%	65.50%	67.60%	69.60%	70.90%	72.90%	74.90%	76.80%	78.30%
3.20%	57.60%	59.90%	61.80%	64.10%	66.20%	68.30%	69.60%	71.40%	73.60%	75.70%	77.30%
3.40%	55.90%	58.20%	60.30%	62.60%	64.80%	66.90%	68.20%	70.10%	72.30%	74.70%	76.10%
3.60%	54.00%	56.50%	58.60%	61.10%	63.30%	65.40%	66.80%	68.90%	70.90%	73.20%	74.80%
3.80%	52.00%	54.70%	56.90%	59.50%	61.80%	64.00%	65.40%	67.60%	69.60%	71.90%	73.60%
4%	50.00%	52.80%	55.20%	57.90%	60.40%	62.70%	64.10%	66.40%	68.50%	70.60%	72.40%
4.20%	48.30%	51.10%	53.60%	56.50%	59.00%	61.40%	62.90%	65.20%	67.30%	69.40%	71.10%
4.40%	46.50%	49.30%	51.80%	54.80%	57.50%	59.90%	61.50%	63.80%	65.90%	68.00%	69.60%
4.60%	44.50%	47.40%	50.00%	53.00%	55.90%	58.50%	60.10%	62.30%	64.40%	66.60%	68.30%
4.80%	42.60%	45.60%	48.20%	51.30%	54.40%	57.00%	58.70%	60.80%	63.00%	65.20%	66.90%
5%	40.70%	43.80%	46.50%	49.60%	52.70%	55.50%	57.20%	59.30%	61.60%	63.80%	65.50%
5.20%	37.50%	41.90%	44.70%	47.90%	51.00%	54.00%	55.80%	58.00%	60.10%	62.40%	64.30%

For the purpose of Condition 14(c)(xiv) (Modification and Waiver), the Noteholders of the Refinancing Notes which are Class A Notes (being the Controlling Class) are deemed to waive their right to object to the modification of the Fitch Tests Matrix set out in the Portfolio Management Agreement (in the form set out here and in the Supplemental Trust Deed) by their subscription for such Class A Notes, provided that Rating Agency Confirmation (or such other confirmation as the relevant Rating Agency is willing to provide from time to time that such modification or amendment will not result in the reduction or withdrawal of any of the ratings currently assigned to the Rated Notes by such Rating Agency) is received from Fitch and S&P.

See "*The Portfolio – Portfolio Profile Tests and Collateral Quality Tests*" in the 2014 Prospectus.

DESCRIPTION OF THE PORTFOLIO MANAGEMENT AGREEMENT

The following description the Portfolio Management Agreement supplements the section headed "Description of the Portfolio Management Agreement" in the 2014 Prospectus, as such amendments are provided for in the Supplemental Trust Deed.

Removal for Cause

With respect to the right of the Controlling Class to direct the removal of the Portfolio Manager for cause, the Controlling Class will also exclude any PM Removal and Replacement Non-Voting Notes and any PM Removal and Replacement Exchangeable Non-Voting Notes.

Appointment of Successor

No Refinancing Notes either held in the form of PM Removal and Replacement Non-Voting Notes or PM Removal and Replacement Exchangeable Non-Voting Notes or held by or on behalf of the Portfolio Manager or any Portfolio Manager Related Person shall have any voting rights with respect to and shall not be counted for the purposes of determining a quorum and the result of voting on any PM Replacement Resolution.

Assignments, Transfers and Delegation

The Portfolio Manager may not assign or transfer its material rights or delegate 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 Manger 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 or transfer will not result in the Retention Requirements ceasing to be complied with and following such assignment or transfer the Retention Requirements continue to be complied with; 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.

No Voting Rights

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

TAX CONSIDERATIONS

1. GENERAL

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

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

2. IRISH 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 Refinancing Notes and should be treated with appropriate caution. Particular rules may apply to certain classes of taxpayers holding Refinancing Notes. The summary does not constitute tax or legal advice and the comments below are of a general nature only. Prospective investors in the Refinancing Notes should consult their professional advisers on the tax implications of the purchase, holding, redemption or sale of the Refinancing Notes and the receipt of interest thereon under the laws of their country of residence, citizenship or domicile.

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 Refinancing Notes are quoted on a recognised stock exchange and are held in Euroclear and/or Clearstream, Luxembourg, interest on the Refinancing 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 Refinancing 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 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 Refinancing 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.

Finance Act 2016

The Finance Act 2016 seeks, subject to a number of exceptions, to restrict deductibility of interest paid by a qualifying company that is profit dependent or exceeds a reasonable commercial return on or after 6 September 2016 to the extent that interest is paid in connection with the holding or managing of certain assets by the qualifying company.

There is a specific carve out from the new legislation in respect of CLO transactions, provided the transaction is carried out in conformity with:

a) a prospectus, within the meaning of Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 (as amended, the "Prospectus Directive");

b) listing particulars, where any securities issued by the qualifying company are listed on an exchange, other than the main exchange, of an EEA State; or

c) where the securities issued by the qualifying company will not be listed on an exchange in an EEA State, legally binding documents that

   i. may provide for a warehousing period, which for the purposes of this subsection means a period not exceeding 3 years during which time the qualifying company is preparing to issue securities; and

   ii. provide for investment eligibility criteria that govern the type and quality of assets to be acquired,

and where, based on the documents referred to in paragraphs (a) to (c) and the activities of the qualifying company, it would not be reasonable to consider that the main purpose, or one of the main purposes, of the qualifying company was to acquire specified mortgages within the meaning of section 110 of the 1997 Act.

Accordingly, as this document will constitute listing particulars and pursuant to confirmations from the Issuer and the Portfolio Manager that neither the Issuer nor the Portfolio Manager has as its main purpose, or one of its main purposes, the acquisition of 'specified mortgages' within the meaning of the 1997 Act, the new rules should not apply to this transaction.

Taxation of Noteholders

Notwithstanding that a Noteholder may receive interest on the Refinancing Notes free of withholding tax, the Noteholder may still be liable to pay Irish income tax (including Universal Social Charge ("**USC**")). Interest paid on the Refinancing 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:

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;

where the interest is exempt from withholding tax because it is payable on a quoted Eurobond and is paid by a company to:

a) a person who is a resident of a Relevant Territory; or

b) 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

c) 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

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 Refinancing Notes are held or attributed, may have a liability to Irish corporation tax on the interest.

Interest on the Refinancing 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 Refinancing Notes are listed on a stock exchange, a holder of Refinancing Notes will not be subject to Irish tax on capital gains on a disposal of Refinancing 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 Refinancing Notes are used or held.

Capital Acquisitions Tax

A gift or inheritance comprising of Refinancing 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 Refinancing 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 of 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 Refinancing 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 Refinancing Notes is used in the course of the Issuer's business.

Automatic Exchange of Information

Council Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU) ("**DAC2**") provides for the implementation among EU Member States (and certain third countries that have entered into information exchange agreements) of the automatic exchange of information in respect of various categories of income and capital and broadly encompasses the regime known as the CRS published by the OECD as a new global standard for the automatic exchange of information between tax authorities in participating jurisdictions. Under the CRS, governments of participating jurisdictions (currently more than 95 jurisdictions) are required to collect detailed information to be shared with other jurisdictions annually. A group of over 40 countries, including Ireland, have committed to the early adoption of the CRS from 1 January 2016 with the first data exchanges taking place in September 2017. All EU Member States, except Austria introduced the CRS from 1 January 2016. Austria introduced CRS from 1 January 2017.

CRS is implemented in Ireland pursuant to the Returns of Certain Information by Reporting Financial Institutions Regulations 2015, S.I. 583 of 2015, made under Section 891F of the 1997 Act. DAC2 is implemented in Ireland pursuant to the Mandatory Automatic Exchange of Information in the Field of Taxation Regulations of 2015, S.I. No. 609 of 2015 made under Section 891G of the 1997 Act.

Pursuant to these regulations, the Issuer may be required to obtain and report to the Revenue Commissioners annually certain financial account and other information for all new and existing holders of Notes (and, in certain circumstances, their controlling persons). The first returns must be submitted on or before 18 August 2017 with respect to the year ended 31 December 2016, and by 30 June annually thereafter. The information will include amongst other things, details of the name, address, taxpayer identification number ("**TIN**"), place of residence and, in the case of holders of Notes who are individuals, the date and place of birth, together with details relating to payments made to accountholders and their holdings. This information may be shared with tax authorities in other EU Member States (and in certain third countries subject to the terms of Information Exchange Agreements entered into with those countries) and jurisdictions which implement the CRS.

3. UNITED STATES FEDERAL INCOME TAXATION

General

This is a discussion of the principal U.S. federal income tax consequences of the acquisition, ownership, disposition, and retirement of the Refinancing Notes.

Except as expressly set out below, this discussion does not address all aspects of U.S. federal income taxation that may be relevant to a particular Noteholder based on such Noteholder's particular circumstances, nor does it address any aspect of state, local, or non-U.S. tax laws, alternative minimum tax considerations, the Medicare tax on net investment income or the possible application of U.S. federal gift or estate taxes. In particular, except as expressly set out below, this discussion does not address aspects of U.S. federal income taxation that may be applicable to Noteholders that are subject to special treatment, including Noteholders that:

(i) are broker-dealers, securities traders, insurance companies, tax-exempt organisations, financial institutions, real estate investment trusts, regulated investment companies or grantor trusts;

(ii) are certain former citizens or long-term residents of the United States;

(iii) are partnerships or other pass-through entities for U.S. federal income tax purposes;

(iv) hold Refinancing Notes as part of a "straddle," "hedge," "conversion," "integrated transaction" or "constructive sale" with other investments; or

(v) own or are deemed to own 10 per cent. or more, by voting power or value, of the equity of the Issuer (including Subordinated Notes and any other Refinancing Notes treated as equity for U.S. federal income tax purposes).

This discussion considers only Noteholders that will hold Refinancing Notes as capital assets and does not address special tax consequences that apply to U.S. Noteholders (as defined below) whose functional currency is not the U.S. dollar. This discussion is generally limited to the tax consequences to initial Noteholders that purchase Refinancing Notes upon their initial issue at their issue price (as defined below).

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

(i) a citizen or individual resident of the United States;

(ii) a corporation created or organised under the laws of the United States or any political subdivision thereof or therein;

(iii) an estate, the income of which is subject to U.S. federal income tax regardless of the source; or

(iv) a trust, (i) that has validly elected to be treated as a U.S. person for U.S. federal income tax purposes; or (ii)(A) if a court within the U.S. is able to exercise primary supervision over the administration of the trust; and (B) one or more U.S. persons have the authority to control all substantial decisions of the trust.

The term "**non-U.S. Noteholder**" means, for purposes of this discussion, a beneficial owner of the Refinancing Notes, other than a partnership, that is not a U.S. Noteholder.

If a partnership (or any other entity treated as a partnership for U.S. federal income tax purposes) holds the Refinancing Notes, the tax treatment of the partnership and a partner in such partnership generally will depend on the status of the partner and the activities of the partnership. Such a partner or partnership should consult its own tax advisor as to the consequences of the acquisition, ownership, disposition and retirement of the Refinancing Notes.

This discussion is based upon the Code, existing and proposed regulations thereunder, and current administrative rulings and court decisions, each as available and in effect as of the date hereof. All of the foregoing are subject to change, possibly on a retroactive basis, and any such change could affect the continuing validity of this discussion. Furthermore, there are no cases or rulings by the IRS addressing entities similar to the Issuer or securities similar to the Refinancing Notes. As a result, the IRS might disagree with all or part of the discussion below. No rulings will be requested of the IRS regarding the issues discussed below or the U.S. federal income tax characterisation of the Refinancing Notes.

Finally, this summary does not address the tax consequences to Noteholders that owned Original Notes. Noteholders that owned Original Notes are urged to consult their tax advisors regarding the U.S. federal income tax consequences of the purchase, beneficial ownership, and disposition and retirement of the Refinanced Notes.

Prospective Noteholders should consult their tax advisor concerning the application of U.S. federal income tax laws, as well as the laws of any state or local taxing jurisdiction, to their particular situation.

U.S. Federal Tax Treatment of the Issuer

Generally. The Issuer will be treated as a foreign corporation for U.S. federal income tax purposes.

U.S. Federal Income Taxation. The Issuer intends to conduct its affairs in a manner designed to prevent the Issuer from being treated as engaged in the conduct of a trade or business within the United States for U.S. federal income tax purposes. Prospective investors should be aware, however, that no opinion of counsel or ruling from the IRS was sought in conjunction with the issuance of the Original Notes, and no new opinion of counsel or ruling from the IRS will be obtained with regard to whether the Issuer was or will be engaged in a trade or business within the United States for U.S. federal income tax purposes.

If it were determined that the Issuer is engaged in a trade or business in the United States for U.S. federal income tax purposes, and the Issuer has taxable income that is effectively connected with such U.S. trade or business, the Issuer would be subject under the Code to the regular U.S. corporate income tax on such effectively connected taxable income (possibly computed without any allowance for deductions) and possibly to a 30 per cent. branch profits tax as well. There can be no assurance that the Issuer's net income will not become subject to U.S. federal net income tax as a result of unanticipated activities by the Issuer, changes in law, contrary conclusions by U.S. tax authorities or other causes. 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.

Withholding Taxes. The Issuer may generally only acquire a particular Collateral Debt Obligation if, at the time of commitment to purchase, either the interest payments thereon are not subject to withholding tax, such withholding tax can be sheltered under an applicable income tax treaty or otherwise or the issuer of the Collateral Debt Obligation is required to make "gross up" payments. Notwithstanding the foregoing, there can be no assurance that income derived by the Issuer will not become subject to withholding or gross income taxes as a result of changes in law or contrary conclusions by the IRS.

U.S. Federal Tax Treatment of the Refinancing Notes

Upon the issuance of the Refinancing Notes, Allen & Overy LLP will deliver an opinion generally to the effect that under current law, assuming compliance with the Transaction Documents, and based on certain assumptions and factual representations made by the Issuer and/or the Portfolio Manager, Class A Notes, Class B Notes, Class C Notes, and Class D Notes will be treated as indebtedness of the Issuer for U.S. federal income tax purposes. The Issuer intends to treat the Refinancing Notes as indebtedness for U.S. federal income tax purposes. The Issuer's characterisations will be binding on all U.S. Noteholders and non-U.S. Noteholders, and the Trust Deed requires the U.S. Noteholders and non-U.S. Noteholders to treat the Refinancing Notes as indebtedness for U.S. federal income tax purposes. Nevertheless, the IRS could assert, and a court could

ultimately hold, that one or more Classes of Refinancing Notes are equity in the Issuer. If any Class of Refinancing 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 "*United States Federal Income Taxation — "* in the 2014 Prospectus. Except as otherwise indicated, the balance of this summary assumes that all of the Refinancing Notes are treated as indebtedness of the Issuer for U.S. federal income tax purposes. Prospective investors in the Refinancing Notes should consult their tax advisors regarding the U.S. federal income tax consequences to the investors in the event their Refinancing Notes are treated as equity in the Issuer.

U.S. Federal Tax Treatment of U.S. Noteholders of Refinancing Notes

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

A U.S. Noteholder of a Refinancing Note that uses the accrual method of accounting or any U.S. Noteholder required to accrue original issue discount ("**OID**") will be required to include in income the U.S. dollar value of Euro interest accrued during the accrual period. An accrual basis U.S. Noteholder may determine the amount of income recognised with respect to such interest using either of two methods, in either case regardless of whether the payments are in fact converted into U.S. dollars on the date of receipt. Under the first method, the U.S. dollar value of accrued interest is translated at the average spot rate for the interest accrual period (or, with respect to an accrual period that spans two taxable years, the partial period within the taxable year). Under the second method, the U.S. Noteholder can elect to accrue interest at the Euro spot rate on the last day of an interest accrual period (or, in the case of an accrual period that spans two taxable years, at the exchange rate in effect on the last day of the partial period within the taxable year) or, if the last day of an interest accrual period is within five business days of the receipt of such interest, the spot rate on the date of receipt. An election to accrue interest at the spot rate generally will apply to all foreign currency denominated debt instruments held by the U.S. Noteholder, and is irrevocable without the consent of the IRS. A U.S. Noteholder that uses the accrual method of accounting for U.S. federal income tax purposes or any U.S. Noteholder accruing original issue discount will recognise exchange gain or loss with respect to accrued stated interest income on the date such interest or accrued original issue discount is received. The amount of exchange gain or loss recognised will equal the difference, if any, between the U.S. dollar value of the euro payment received (determined based on the spot rate on the date such stated interest is received) in respect of such accrual period and the U.S. dollar value of the stated interest income that has accrued during such accrual period (as determined above), regardless of whether the payment is in fact converted to U.S. dollars at such time. Any such exchange gain or loss generally will constitute ordinary income or loss and be treated, for foreign tax credit purposes, as U.S. source income or loss, and generally not as an adjustment to interest income or expense. Regardless of the method used to accrue interest, a U.S. Noteholder may have additional foreign currency gain or loss upon a subsequent disposition of the Euro received.

For U.S. federal income tax purposes, OID is the excess of the "stated redemption price at maturity" of a debt instrument over its "issue price", if that excess equals or exceeds ¼ of 1 per cent. of the debt instrument's stated redemption price at maturity multiplied by the number of complete years from its issue date to its maturity or weighted average maturity in the case of instalment obligations (the "**OID de minimis amount**"). The "stated redemption price at maturity" of a debt instrument such as the Refinancing Notes is the sum of all payments required to be made on the Refinancing Note other than "qualified stated interest" payments. The "issue price" of a Refinancing Note generally is the first offering price to the public at which a substantial amount of the debt instrument is sold. The term "qualified stated interest" generally means stated interest that is unconditionally payable in cash or property (other than debt instruments of the issuer), or that is treated as constructively received, at least annually at a single fixed rate or, under certain conditions discussed below, at a variable rate.

Prospective U.S. Noteholders should note that to the extent that interest payments on the Class C Notes and the Class D Notes (together the "**Deferrable Notes**") are not made on a relevant Payment Date, such unpaid interest amounts will be deferred and the amount thereof added to the aggregate principal amount of such Notes. Consequently, such interest is not unconditionally payable in cash or property at least annually and will not be treated as "qualified stated interest". Therefore, all of the stated interest payments on each of the Deferrable

Notes, will be included in the stated redemption price at maturity of such Notes, and as a result the Deferrable Notes will be treated as issued with OID.

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

Each class of Refinancing Notes will be "variable rate debt instruments" if such class of Notes (a) has an issue price that does not exceed the total non-contingent principal payments on such Class of Notes by more than an amount equal to the lesser of: (i) 0.015 multiplied by the product of such total non-contingent principal payments and the number of complete years to maturity of such Class of Notes; and (ii) 15 per cent. of the total non-contingent principal payments on such Class of Notes; (b) provide for stated interest (compounded or paid at least annually) at the current value of one or more qualified floating rates, including the EURIBOR rate on such Class of Notes; and (c) does not provide for any principal payments that are contingent. The Refinancing Notes will qualify as variable rate debt instruments, provided the issue price is not more than 115,000 Euros per 100,000 Euro principal amount. Interest payments on certain "variable rate debt instruments" may be considered qualified stated interest.

If a debt instrument that provides for a variable rate of interest does not qualify as a variable rate debt instrument, the debt instrument will be treated as a contingent payment debt instrument. Thus, if any class of the Refinancing Notes does not qualify as a variable rate debt instrument, a U.S. Noteholder would be required to report income in respect of such Notes in accordance with U.S. Treasury regulations relating to contingent payment debt instruments, which generally require a U.S. Noteholder to accrue interest on a constant yield basis based on a projected payment schedule determined by the Issuer. The contingent payment debt instrument rules are complex and investors should consult with their own tax advisors with respect to the potential taxation of the Notes under the contingent payment debt instrument rules.

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

The Refinancing Notes may be debt instruments described in Section 1272(a)(6) of the Code (debt instruments that may be accelerated by reason of the prepayment of other debt obligations securing such debt instruments). Special tax rules principally relating to the accrual of OID apply to debt instruments described in Section 1272(a)(6). Prospective investors should consult with their own tax advisors regarding the effects of Section 1272(a)(6) of the Code.

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

Sale, exchange or other disposition of the Refinancing Notes

Unless a non-recognition provision applies, a U.S. Noteholder generally will recognise gain or loss on the sale, exchange or other disposition of a Refinancing Note equal to the difference between the amount realised on the disposition (other than amounts attributable to accrued but unpaid interest) and the U.S. Noteholder's adjusted tax basis in such Refinancing Note.

A U.S. Noteholder's adjusted tax basis in a Refinancing Note generally will be the cost of the Refinancing Note to the U.S. Noteholder, determined by translating the Euro purchase price into U.S. dollars at the spot rate on the date the Refinancing Note was purchased, and increased by the amount of any OID accrued and reduced by any payments other than payments of qualified stated interest of such Note. The amount realised on the sale, exchange or other disposition of a Refinancing Note generally is determined by translating the Euro proceeds into U.S. dollars at the spot rate on the date on which the Refinancing Note is disposed. To the extent this amount realised differs from the U.S. Dollar value of the currency received on the settlement date, the U.S. Noteholder will recognise foreign currency gain or loss to the extent of this difference. If, however, the Refinancing Notes are traded on an established securities market, a cash basis U.S. Noteholder or electing accrual basis U.S. Noteholder will determine the amount realised at the spot rate on the settlement date of the purchase. An election by an accrual basis U.S. Noteholder to apply the spot rate on the settlement date will be subject to the rules regarding currency translation elections described above, and cannot be changed without the consent of the IRS.

In addition to the above, a U.S. Noteholder generally will recognise foreign currency exchange gain or loss on disposition of a Refinancing Note equal to the difference between the U.S. dollar value of the principal amount of the Note on the date of acquisition and the date of disposition (or, if the Notes are traded on an established securities exchange and the U.S. Noteholder is a cash basis or electing accrual basis holder, the settlement date). For purposes of this determination, the issue price (reduced by any principal payments previously received by the U.S. Noteholder) of the Refinancing Notes in euro will be treated as their principal amount. Foreign currency gain or loss on a sale, exchange or other disposition of a Refinancing Note described in this paragraph is recognised only to the extent of total gain or loss on the transaction. The amount of foreign currency gain or loss realised with respect to accrued but unpaid interest is the difference between the U.S. dollar value of the interest based on the spot exchange rate on the date the Refinancing Notes are disposed of and the U.S. dollar value at which the interest was previously accrued. A U.S. Noteholder will have a tax basis in euro received on the sale, exchange or other disposition of a Refinancing Note equal to the U.S. dollar value of the euro on the date received.

Foreign currency gain or loss recognised by a U.S. Noteholder on the sale, exchange or other disposition of a Refinancing Note generally will be treated as ordinary income or loss. Gain or loss in excess of foreign currency gain or loss on a Refinancing Note generally will be treated as capital gain or loss. The deductibility of capital losses is subject to limitations. In the case of a non-corporate U.S. Noteholder, preferential rates may apply to any capital gain if such U.S. Noteholder's holding period for such Refinancing Notes exceeds one year.

Alternate Characterisation.

It is possible that the IRS may contend that any Class of Refinancing Notes should be treated in whole or in part as equity interests in the Issuer. Such a recharacterisation might result in material adverse U.S. federal income tax consequences to U.S. Noteholders. If U.S. Noteholders of one or more Classes of the Refinancing Notes were treated as owning equity interests in the Issuer, the U.S. federal income tax consequences to those U.S. Noteholders would be as described in the 2014 Offering Circular under "*United States Federal Income Taxation — Tax Treatment of U.S. Holders of Subordinated Notes*" and "*United States Federal Income Taxation — Transfer and Other Reporting Requirements*".

Transfer and Information Reporting Requirements

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

U.S. Noteholders that fail to comply with required 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. Noteholders 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 Notes.

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

Subject to the discussion relating to FATCA and backup withholding below, in general, payments on the Refinancing Notes to a Non-U.S. Noteholder that provides appropriate tax certifications to the Issuer and gain realised on the sale, exchange or other disposition of the Refinancing Notes by the Non-U.S. Noteholder 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. Noteholder in the United States, or (ii) in the case of gain, such Non-U.S. Noteholder 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.

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 Refinancing Notes. Backup withholding will apply to a U.S. Noteholder only if the U.S. Noteholder (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. U.S. Noteholders that provide a correct, complete, and accurate IRS Form W-9 generally will be exempt from U.S. backup withholding.

A Non-U.S. Noteholder that provides an applicable IRS Form W-8, together with all appropriate attachments, signed under penalties of perjury, identifying the Non-U.S. Noteholder and stating that the Non-U.S. Noteholder 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 Refinancing 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. Noteholder 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 timely furnished to the IRS. 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. Noteholder is a resident under the provisions of an applicable income tax treaty or agreement.

Foreign Account Tax Compliance Act (FATCA)

FATCA imposes a reporting regime and potentially a 30 per cent. withholding tax with respect to certain payments to (i) any non-U.S. financial institution (a "foreign financial institution", or "**FFI**" (as defined by FATCA)) that does not become a "**Participating FFI**" by entering into an agreement with the IRS to provide the IRS with certain information in respect of its account holders and investors or is not otherwise exempt from or in deemed compliance with FATCA and (ii) any investor (unless otherwise exempt from FATCA) that does not provide information sufficient to determine whether the investor is a U.S. person or should otherwise be treated as holding a "United States account" of the relevant FFI ("**Recalcitrant Noteholder**"). The Issuer expects to be classified as an FFI.

The withholding regime is in effect for payments from sources within the United States and will apply to "foreign passthru payments" (a term not yet defined) no earlier than 1 January 2019. This withholding would potentially apply to payments in respect of (i) any Notes characterised as debt for U.S. federal tax purposes that are issued after the "**grandfathering date**", which the date that is six months after the date on which final U.S. Treasury regulations defining the term foreign passthru payment are filed with the Federal Register, or which are materially modified after the grandfathering date and (ii) any Notes characterised as equity for U.S. federal tax purposes, whenever issued.

The United States and a number of other jurisdictions have entered into intergovernmental agreements to facilitate the implementation of FATCA (each, an "**IGA**"). Pursuant to FATCA and the "Model 1" and "Model 2" IGAs released by the United States, an FFI in an IGA signatory country could be treated as a "**Reporting FI**" not subject to withholding under FATCA on any payments it receives. Further, an FFI in an IGA jurisdiction generally would not be required to withhold under FATCA or an IGA (or any law implementing an IGA) (any

such withholding being "**FATCA Withholding**") from payments it makes. Under each Model IGA, a Reporting FI would still be required to report certain information in respect of its account holders and investors to its home government or to the IRS.

The United States and Ireland have entered into an agreement (the "**U.S.-Ireland IGA**") based largely on the Model 1 IGA. The Issuer expects to be treated as a Reporting FI pursuant to the U.S.-Ireland IGA and does not expect to be subject to FATCA Withholding on payments it receives. There can be no assurance, however, that the Issuer will be treated as a Reporting FI and that such withholding will not be imposed against the Issuer. If the Issuer does not become a Participating FFI, Reporting FI, or is not treated as exempt from or in deemed compliance with FATCA, the Issuer may be subject to FATCA Withholding on payments received from U.S. sources and Participating FFIs. Any such withholding imposed on the Issuer may reduce the amounts available to the Issuer to make payments on the Notes.

Provided that the Issuer is treated as a Reporting FI pursuant to the U.S.-Ireland IGA, the Issuer would not anticipate being obliged to deduct any FATCA Withholding on payments it makes. There can be no assurance, however, that the Issuer will be treated as a Reporting FI, or that it would in the future not be required to deduct FATCA Withholding from payments it makes. Accordingly, the Issuer and any financial institutions through which payments on the Notes are made may be required to withhold FATCA Withholding in respect of any Notes not treated as grandfathered as discussed above if (i) any FFI through or to which payment on such Notes is made is not a Participating FFI, a Reporting FI, or otherwise exempt from or in deemed compliance with FATCA or (ii) a Noteholder is a Recalcitrant Noteholder.

Each Noteholder may be required to provide certifications and identifying information about itself and its owners (or beneficial owners) in order to enable the Issuer (or an intermediary) to identify and report on certain Noteholders and certain of the Noteholder's direct and indirect U.S. beneficial owners to the IRS or the Irish Revenue Commissioners. Further, the Noteholder will be required to permit the Issuer to share such information with the relevant taxing authority. Although certain exceptions to these disclosure requirements could apply, each Noteholder should assume that if it fails to provide the required information or otherwise prevents the Issuer from achieving FATCA Compliance, the Issuer generally will have the right to force the sale of the Noteholder's Refinancing Notes (and such sale could be for less than its then fair market value).

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

ADDITIONAL ERISA CONSIDERATIONS

In addition to the ERISA considerations described in the 2014 Prospectus under "*Certain ERISA Considerations*," each purchaser and transferee of any Note or interest therein that is a Benefit Plan Investor (as defined below) shall be required or deemed to represent and warrant to the Issuer, on each day from the date on which such beneficial owner acquires such Note or interest therein through and including the date on which it disposes of such Note or interest therein, and at any time when regulation 29 C.F.R. Section 2510.3-21, as modified in 2016, is applicable, that the fiduciary making the decision to invest in the Notes on its behalf (the "**Independent Fiduciary**") (a) is a bank, insurance company, registered investment adviser, broker-dealer or other person with financial expertise, in each case as described in 29 C.F.R. Section 2510.3-21(c)(1)(i); (b) is an independent plan fiduciary within the meaning of 29 C.F.R. Section 2510.3-21(c); (c) is capable of evaluating investment risks independently, both in general and with regard to particular transactions and investment strategies; (d) is responsible for exercising independent judgment in evaluating the acquisition, holding and disposition of the Notes; and (e) neither the Benefit Plan Investor nor the Independent Fiduciary is paying or has paid any fee or other compensation to any of the Issuer, the Portfolio Manager, the Joint Arrangers, the Collateral Administrator, the Joint Placement Agents or the Trustee for investment advice (as opposed to other services) in connection with its acquisition or holding of the Notes. In addition, each such purchaser or transferee will be required or deemed to acknowledge and agree that the Independent Fiduciary (x) has been informed that none of the Issuer, the Portfolio Manager, the Joint Arrangers, the Collateral Administrator, the Joint Placement Agents or the Trustee, or other persons that provide marketing services, nor any of their Affiliates, has provided, and none of them will provide, impartial investment advice and they are not giving any advice in a fiduciary capacity, in connection with the purchaser or transferee's acquisition or holding of the Notes and (y) has received and understands the disclosure of the existence and nature of the financial interests contained in the offering circular and related materials. The term "Benefit Plan Investor" includes: (a) an employee benefit plan (as defined in Section 3(3) of ERISA) that is subject to Part 4 of Title I of ERISA, (b) a plan subject to Section 4975 of the Code or (c) an entity whose underlying assets include "plan assets" by reason of any such employee benefit plan or plan's investment in the entity.

PLAN OF DISTRIBUTION

This Plan of Distribution should be read in conjunction with the "Plan of Distribution" in the 2014 Prospectus.

Deutsche Bank AG, London Branch (in its capacity as Initial Purchaser has agreed with the Issuer, subject to the satisfaction of certain conditions, to subscribe and pay for each Class of the Refinancing Notes pursuant to the 2017 Subscription Agreement. The 2017 Subscription Agreement entitles the Initial Purchaser to terminate it in certain circumstances prior to payment being made to the Issuer. The Initial Purchaser may offer the Refinancing Notes at other prices in privately negotiated transactions at the time of sale.

It is a condition of the issue of the Refinancing Notes of each Class that the Refinancing Notes of each other Class be issued in the following principal amounts: Class A Notes: €264,400,000, Class B Notes: €56,300,000, Class C Notes: €30,400,000 and Class D Notes: €23,600,000.

The Refinancing 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.

Subject to the following paragraph, the Issuer has been advised that the Initial Purchaser proposes to offer the Refinancing Notes (a) to non-U.S. Persons in offshore transactions in reliance on Regulation S and in accordance with applicable law and (b) to U.S. Persons (directly or through its U.S. broker dealer Affiliate) in reliance on Rule 144A only to or for their own account or for the accounts of, in each case, QIBs and QPs. and any of its Affiliates may retain a certain proportion of the Refinancing Notes in their portfolios with an intention to hold to maturity or to trade. The holding or any sale of the Refinancing Notes by these parties may adversely affect the liquidity of the Refinancing Notes and may also affect the prices of the Refinancing Notes in the primary or secondary market.

On the Refinancing Date, the Refinancing Notes sold in this Offering may not be purchased by any person except for (a) persons that are not Risk Retention U.S. Persons or (b) persons that have obtained a U.S. Risk Retention Waiver from the Portfolio Manager. Additionally, during the Restricted Period, the Refinancing Notes may not be transferred to any person except for (a) persons that are not Risk Retention U.S. Persons or (b) persons that have obtained a U.S. Risk Retention Waiver (as defined herein) from the Portfolio Manager. Each holder of a Refinancing Note or a beneficial interest therein acquired during the Restricted Period, by its acquisition of a Refinancing Note or a beneficial interest in a Refinancing Note, will be deemed to represent to the Issuer, the Trustee, the Portfolio Manager and the Initial Purchaser that (1) it either (a) is not a Risk Retention U.S. Person or (b) has received a U.S. Risk Retention Waiver from the Portfolio Manager, and (2) it is not acquiring such Refinancing Note or a beneficial interest therein as part of a scheme to evade the requirements of the U.S. Risk Retention Rules (including acquiring such Refinancing Note through a non-Risk Retention U.S. Person, rather than a Risk Retention U.S. Person, as part of a scheme to evade the 10 per cent. Risk Retention U.S. Person limitation in the Foreign Safe Harbour). Any purchase or transfer of the Refinancing Notes in breach of this requirement will result in the affected Refinancing Notes becoming subject to forced transfer provisions. See *"Risk Factors – Regulatory Initiatives – U.S. Risk Retention Rules*" and "*Risk Factors – Relating to the Refinancing Notes – Forced Transfer*".

The Portfolio Manager, the Issuer and the Initial Purchaser have agreed that none of the Initial Purchaser or any person who controls it or any director, officer, employee, agent or Affiliate of the Initial Purchaser shall have any responsibility for determining the proper characterisation of potential investors for such restriction or for determining the availability of the exemption provided for in the Foreign Safe Harbour, and none of none of the Initial Purchaser or any person who controls it or any director, officer, employee, agent or Affiliate of the Initial Purchaser accepts any liability or responsibility whatsoever for any such determination.

The Refinancing Notes sold in reliance on Regulation S will be issued in minimum denominations of €100,000 each and integral multiples of €1,000 in excess thereof.

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

This Prospectus has been prepared by the Issuer for use in connection with the offer and sale of the Refinancing Notes and for the admission to listing to the Official List of the Irish Stock Exchange of the Refinancing Notes of each Class and trading of the Refinancing Notes on the Main Securities Market.

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

(a) ***European Economic Area***: In relation to each member state of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**") the Initial Purchaser has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of the Refinancing 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 Refinancing 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 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the 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 the Refinancing 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 Refinancing Notes to the public" in relation to any Refinancing 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 Refinancing Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Refinancing Notes, as the same may be varied in 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 (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in each Relevant Member State and the expression 2010 PD Amending Directive means Directive 2010/73/EU.

(b) ***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 Initial Purchaser. No document pursuant to the Prospectus Directive has been or will be drawn up and approved in Austria and no document pursuant to the Prospectus Directive has been or will be passported into Austria as the Refinancing Notes will be offered in Austria in reliance an on exemption from the document publication requirement under the KMG. The Initial Purchaser has represented and agreed that it will offer the Refinancing Notes in Austria only in compliance with the provisions of the KMG, and the Refinancing 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.

(c) ***Denmark***: The Initial Purchaser has represented and agreed that it has not offered or sold and will not offer or sell, directly or indirectly, any of the Refinancing Notes to the public in Denmark unless in accordance with the Danish Securities Trading Act, Consolidation Act No. 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 Refinancing Notes in Denmark means the communication in any form and by any means of sufficient information on the terms of the offer and the Refinancing Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Refinancing Notes.

(d) ***Finland***: For selling restrictions in respect of Finland, please see "*European Economic Area*" above.

(e) ***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 Refinancing Notes in France and neither this Prospectus nor any offering material relating to the Refinancing Notes have been submitted to the *Autorité des Marchés Financier*s ("**AMF**") for prior review or approval. Accordingly, the Refinancing Notes may not be offered, sold, transferred or delivered and neither this Prospectus nor any offering material relating to the Refinancing Notes may be distributed or made available (in whole or in part) in France, directly or indirectly, except as permitted by French law and regulation.

The Initial Purchaser has represented and agreed that:

(i) the Refinancing Notes have not been offered or sold and will not be offered or sold, directly or indirectly, to the public in France;

(ii) neither this Prospectus nor any other offering material relating to the Refinancing Notes has been or will be:

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

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

(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.

(f) ***Germany***: The Refinancing 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 Initial Purchaser has represented and agreed that no offer of the Refinancing Notes will be made to the public in Germany. This Prospectus and any other document relating to the Refinancing Notes, as well as information or statements contained therein, will not be supplied to the public in Germany or used in connection with any offer for subscription of the Refinancing Notes to the public in Germany or any other means of public marketing.

(g) ***Ireland***: The Initial Purchaser has represented to and agreed with the Issuer that:

(i) to the extent applicable, it will not underwrite the issue or placement of the Refinancing 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 issued in connection therewith, and the provisions of the Investor Compensation Act 1998;

(ii) it will not underwrite the issue or placement of the Refinancing Notes, otherwise than in conformity with the provisions of the Irish Companies Act 2014, the Central Bank Acts 1942 to 2015 (as amended) and any codes of conduct rules made under Section 117(1) of the Central Bank Act 1989; and

(iii) it will not underwrite the issue or placement of, or otherwise act in Ireland in respect of the Refinancing Notes, otherwise than in conformity with the provisions of the Market Abuse Regulation (EU 596/2014) (as amended), the European Union (Market Abuse) Regulations 2016, the Prospectus (Directive 2003/71/EC) Regulations 2005 (as amended) and any rules issued by the Central Bank under Sections 1363 and 1370 of the Irish Companies Act 2014.

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

(i) to qualified investors (*investitori qualificati*), as defined pursuant to Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the "**Financial Services Act**") and Article 34-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 Refinancing Notes or distribution of copies of this Prospectus or any other document relating to the Refinancing Notes in the Republic of Italy under (i) or (ii) above must be:

(A) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the "**Banking Act**"); and

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

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

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

(j) ***Grand Duchy of Luxembourg***: The Notes may not be offered to the public in Luxembourg, except that they may be offered in Luxembourg in the following circumstances:

(i) in the period beginning on the date of publication of a prospectus in relation to those Notes which have been approved by the Commission de surveillance dusecteur financier (the "**CSSF**") in Luxembourg or, where appropriate, approved in another relevant Member State and notified to the CSSF, all in accordance with the Prospectus Directive and ending on the date which is 12 months after the date of such publication;

(ii) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;

(iii) at any time to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts; or

(iv) at any time in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 3 of the Prospectus Directive. For the purposes of this

provision, the expression an "offer of Securities to the public" in relation to any Notes in Luxembourg means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase the Notes, as defined in the Prospectus Directive, or any variation thereof or amendment thereto.

(k) ***Netherlands***: The Initial Purchaser has represented and agreed that it will not make an offer of the Refinancing Notes which are the subject of the offering contemplated by this 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 the Refinancing Notes shall require the Issuer or the Initial Purchaser to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expressions (i) an "offer of the Refinancing Notes to the public" in relation to any Refinancing Notes in The Netherlands; and (ii) "Prospectus Directive", have the meaning given to them above in the section entitled "European Economic Area".

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

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

(ii) to fewer than 100 or, if Norway has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the 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 the Refinancing Notes to the public' in relation to any Refinancing Notes in Norway means the communication in any form and by any means of sufficient information on the terms of the offer and the Refinancing Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Refinancing Notes, as the same may be varied in Norway by any measure implementing the Prospectus Directive in Norway and the expression 'Prospectus Directive' means Directive 2003/71/EC (as amended) and includes any relevant implementing measure in Norway.

(m) ***Spain***: Neither the Refinancing Notes nor this Prospectus have been approved or registered with the Spanish Notes Markets Commission (*Comisión Nacional Del Mercado De Valores*). Accordingly, the Initial Purchaser has represented and agreed that the Refinancing Notes will not be offered or sold in Spain except in circumstances which do not constitute a public offering of notes within the meaning of Article 30-BIS of the Spanish Notes Market Law of 28 July 1988 (LEY 24/1988, de 28 de julio, del Mercado de Valores), as amended and restated, and supplemental rules enacted thereunder.

(n) ***Sweden***: The Initial Purchaser has confirmed and agreed that it will not, directly or indirectly, offer for subscription or purchase or issue invitations to subscribe for or buy the Refinancing Notes or distribute any draft or final document in relation to any such offer, invitation or sale except in circumstances that will not result in a requirement to prepare a prospectus pursuant to the provisions of the Swedish Financial Instruments Trading Act (*lag* (1991:980) *om handel med finansiella instrument*).

(o) ***Switzerland***: This Prospectus is not intended to constitute an offer or solicitation to purchase or invest in the Refinancing Notes described herein. The Refinancing Notes may not be publicly offered, sold or advertised, directly or indirectly, in, into or from Switzerland and will not be listed on the SIX Swiss Exchange or on any other exchange or regulated trading facility in Switzerland. Neither this Prospectus

nor any other offering or marketing material relating to the Refinancing 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 Refinancing Notes may be publicly distributed or otherwise made publicly available in Switzerland.

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

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

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

TRANSFER RESTRICTIONS

*The following description of the Transfer Restrictions supplements the section headed "**Transfer Restrictions**" in the 2014 Prospectus to reflect amendments made in the Supplemental Trust Deed. Prospective investors are required to read the section headed "Transfer Restrictions" in the 2014 Prospectus together with the following description prior to making an investment decision in the Refinancing Notes.*

Because of the following restrictions, purchasers are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of the Refinancing Notes.

During the 40-day "distribution compliance period" as defined in Rule 902 of Regulation S (the "**Restricted Period**"), the Refinancing Notes may not be transferred to any person except for (a) persons that are not Risk Retention U.S. Persons or (b) persons that have obtained a U.S. Risk Retention Waiver from the Portfolio Manager. Each holder of a Refinancing Note or a beneficial interest therein acquired during the Restricted Period, by its acquisition of a Refinancing Note or a beneficial interest in a Refinancing Note, will be deemed to represent to the Issuer, the Trustee, the Portfolio Manager, the Initial Purchaser and the Arranger that it (1) either (a) is not a Risk Retention U.S. Person or (b) it has received a U.S. Risk Retention Waiver from the Portfolio Manager, and (2) is not acquiring such Refinancing Note or a beneficial interest therein as part of a scheme to evade the requirements of the U.S. Retention Rules (including acquiring such Refinancing Note through a non-Risk Retention U.S. Person, rather than a Risk Retention U.S. Person, as part of a scheme to evade the 10 per cent. Risk Retention U.S. Person limitation in the exemption provided for in Section __.20 of the U.S. Retention Rules described in "*Risk Factors – Regulatory Initiatives – U.S. Retention Rules*"). The Portfolio Manager, the Issuer, the Initial Purchaser and the Arranger have agreed that the determination of the proper characterisation of potential investors for such restriction or for determining the availability of the exemption provided for in Section __.20 of the U.S. Retention Rules is solely the responsibility of the Portfolio Manager, and none of the Initial Purchaser or the Arranger or any person who controls either of them or any director, officer, employee, agent or Affiliate of the Initial Purchaser or the Arranger shall have any responsibility for determining the proper characterisation of potential investors for such restriction or for determining the availability of the exemption provided for in Section __.20 of the U.S. Retention Rules, and none of the Initial Purchaser or the Arranger or any person who controls either of them or any director, officer, employee, agent or Affiliate of the Initial Purchaser or the Arranger accepts any liability or responsibility whatsoever for any such determination.

Rule 144A Notes

[LEGEND TO BE INCLUDED IN RELATION TO THE CLASS A NOTES, CLASS B NOTES, CLASS C NOTES AND CLASS D NOTES IN THE FORM OF PM REMOVAL AND REPLACEMENT NON-VOTING NOTES OR PM REMOVAL AND REPLACEMENT EXCHANGEABLE NON-VOTING NOTES ONLY] [EACH PERSON ACQUIRING OR HOLDING THIS NOTE OR ANY INTEREST HEREIN SHALL BE DEEMED TO HAVE ACKNOWLEDGED AND AGREED THAT SUCH NOTE OR INTEREST HEREIN SHALL NOT CARRY ANY RIGHT TO VOTE IN RESPECT OF, OR BE COUNTED FOR THE PURPOSES OF DETERMINING A QUORUM AND THE RESULT OF VOTING ON A PM REMOVAL RESOLUTION AND/OR A PM REPLACEMENT RESOLUTION.]

[LEGEND TO BE INCLUDED IN RELATION TO THE CLASS A NOTES, CLASS B NOTES, CLASS C NOTES AND CLASS D NOTES IN THE FORM OF PM REMOVAL AND REPLACEMENT VOTING NOTES ONLY] [EACH PERSON ACQUIRING OR HOLDING THIS NOTE OR ANY INTEREST HEREIN SHALL BE DEEMED TO HAVE ACKNOWLEDGED AND AGREED THAT SUCH NOTE OR INTEREST HEREIN SHALL CARRY A RIGHT TO VOTE IN RESPECT OF, AND BE COUNTED FOR THE PURPOSES OF DETERMINING A QUORUM AND THE RESULT OF VOTING ON A PM REMOVAL RESOLUTION AND/OR A PM REPLACEMENT RESOLUTION.]

[LEGEND TO BE INCLUDED IN RELATION TO REFINANCING NOTES THAT ARE RULE 144A NOTES] [EACH HOLDER OF A NOTE OR A BENEFICIAL INTEREST IN A NOTE ACQUIRED IN THE INITIAL ISSUANCE OF THE NOTES OR DURING THE 40-DAY "DISTRIBUTION COMPLIANCE PERIOD" AS DEFINED IN RULE 902 OF REGULATION S, BY ITS ACQUISITION OF A NOTE OR A BENEFICIAL INTEREST THEREIN, WILL BE DEEMED TO REPRESENT TO THE ISSUER, THE TRUSTEE, THE PORTFOLIO MANAGER AND THE INITIAL PURCHASER THAT IT (1) EITHER (A) IS NOT A "U.S. PERSON" AS DEFINED UNDER SECTION _.20 OF THE JOINT FINAL RULE ("U.S. RISK RETENTION RULES") TO IMPLEMENT THE CREDIT RISK RETENTION REQUIREMENTS OF SECTION 15G OF THE U.S. SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, OR (B) IT HAS

RECEIVED THE WRITTEN CONSENT OF THE PORTFOLIO MANAGER TO ACQUIRE SUCH NOTE OR BENEFICIAL INTEREST IN SUCH NOTE AND (2) IS NOT ACQUIRING SUCH NOTE OR BENEFICIAL INTEREST IN SUCH NOTE AS PART OF A SCHEME TO EVADE THE REQUIREMENTS OF THE U.S. RISK RETENTION RULES (INCLUDING ACQUIRING THIS NOTE THROUGH A NON-U.S. PERSON, RATHER THAN A U.S. PERSON (IN EACH CASE, AS DEFINED UNDER THE U.S. RISK RETENTION RULES), AS PART OF A SCHEME TO EVADE THE 10 PER CENT. U.S. PERSON LIMITATION IN THE EXEMPTION PROVIDED FOR IN SECTION __.20 OF THE U.S. RISK RETENTION RULES). ANY PURCHASE OR TRANSFER OF THE REFINANCING NOTES IN BREACH OF THIS REQUIREMENT WILL RESULT IN THE AFFECTED REFINANCING NOTES BECOMING SUBJECT TO FORCED TRANSFER PROVISIONS.]

EACH PURCHASER AND TRANSFEREE OF THIS NOTE OR INTEREST HEREIN THAT IS A BENEFIT PLAN INVESTOR SHALL BE REQUIRED OR DEEMED TO REPRESENT AND WARRANT TO THE ISSUER, ON EACH DAY FROM THE DATE ON WHICH SUCH BENEFICIAL OWNER ACQUIRES THIS NOTE OR INTEREST HEREIN THROUGH AND INCLUDING THE DATE ON WHICH IT DISPOSES OF THIS NOTE OR INTEREST HEREIN, AND AT ANY TIME WHEN REGULATION 29 C.F.R. SECTION 2510.3-21, AS MODIFIED IN 2016, IS APPLICABLE, THAT THE FIDUCIARY MAKING THE DECISION TO INVEST IN THIS NOTE ON ITS BEHALF (THE "**INDEPENDENT FIDUCIARY**") (A) IS A BANK, INSURANCE COMPANY, REGISTERED INVESTMENT ADVISER, BROKER-DEALER OR OTHER PERSON WITH FINANCIAL EXPERTISE, IN EACH CASE AS DESCRIBED IN 29 C.F.R. SECTION 2510.3-21(C)(1)(I); (B) IS AN INDEPENDENT PLAN FIDUCIARY WITHIN THE MEANING OF 29 C.F.R. SECTION 2510.3- 21(C); (C) IS CAPABLE OF EVALUATING INVESTMENT RISKS INDEPENDENTLY, BOTH IN GENERAL AND WITH REGARD TO PARTICULAR TRANSACTIONS AND INVESTMENT STRATEGIES; (D) IS RESPONSIBLE FOR EXERCISING INDEPENDENT JUDGMENT IN EVALUATING THE ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE; AND (E) NEITHER THE BENEFIT PLAN INVESTOR NOR THE INDEPENDENT FIDUCIARY IS PAYING OR HAS PAID ANY FEE OR OTHER COMPENSATION TO ANY OF THE ISSUER, THE PORTFOLIO MANAGER, THE JOINT ARRANGERS, THE COLLATERAL ADMINISTRATOR, THE JOINT PLACEMENT AGENTS OR THE TRUSTEE FOR INVESTMENT ADVICE (AS OPPOSED TO OTHER SERVICES) IN CONNECTION WITH ITS ACQUISITION OR HOLDING OF THIS NOTE. IN ADDITION, EACH SUCH PURCHASER OR TRANSFEREE WILL BE REQUIRED OR DEEMED TO ACKNOWLEDGE AND AGREE THAT THE INDEPENDENT FIDUCIARY (X) HAS BEEN INFORMED THAT NONE OF THE ISSUER, THE PORTFOLIO MANAGER, THE JOINT ARRANGERS, THE COLLATERAL ADMINISTRATOR, THE JOINT PLACEMENT AGENTS OR THE TRUSTEE, OR OTHER PERSONS THAT PROVIDE MARKETING SERVICES, NOR ANY OF THEIR AFFILIATES, HAS PROVIDED, AND NONE OF THEM WILL PROVIDE, IMPARTIAL INVESTMENT ADVICE AND THEY ARE NOT GIVING ANY ADVICE IN A FIDUCIARY CAPACITY, IN CONNECTION WITH THE PURCHASER OR TRANSFEREE'S ACQUISITION OR HOLDING OF THIS NOTE AND (Y) HAS RECEIVED AND UNDERSTANDS THE DISCLOSURE OF THE EXISTENCE AND NATURE OF THE FINANCIAL INTERESTS CONTAINED IN THE OFFERING CIRCULAR AND RELATED MATERIALS.

Each purchaser or transferee of Refinancing Notes represented by a Rule 144A Global Certificate will be deemed to have represented and agreed and Refinancing Notes that are Rule 144A Notes represented by Definitive Certificates will be required to represent and agree, as follows:

1. In respect of a purchase or transfer of a PM Removal and Replacement Voting Note, or any interest in such Note, the purchaser or transferee understands that such PM Removal and Replacement 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.

2. In respect of a purchase or transfer of a PM Removal and Replacement Exchangeable Non-Voting Note or PM Removal and Replacement Non-Voting Note, or any interest in such Note, the purchaser or transferee understands that such PM Removal and Replacement Exchangeable Non-Voting Note or PM Removal and Replacement 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.

3. If the purchaser acquires such Rule 144A Notes in the initial syndication of the Refinancing Notes, the purchaser (1) either (a) is not a Risk Retention U.S. Person or (b) has received a U.S. Risk Retention Waiver from the Portfolio Manager, and (2) is not acquiring such Refinancing Note or a beneficial interest therein as part of a scheme to evade the requirements of the U.S. Risk Retention Rules

(including acquiring such Refinancing Note through a non-Risk Retention U.S. Person, rather than a Risk Retention U.S. Person, as part of a scheme to evade the 10 per cent. Risk Retention U.S. Person limitation in the exemption provided for in Section __.20 of the U.S. Risk Retention Rules).

4. The purchaser is not purchasing such Rule 144A Notes with a view toward the resale, distribution or other disposition thereof that would cause the exemption provided for in Section __.20 of the U.S. Risk Retention Rules to not be available with respect to the issuance of the Refinancing Notes.

5. With respect to the purchase or transfer of any Note or interest therein by a Benefit Plan Investor, on each day from the date on which the beneficial owner acquires such Note or interest therein through and including the date on which it disposes of such Note or interest therein, and at any time when regulation 29 C.F.R. Section 2510.3-21, as modified in 2016, is applicable, that the fiduciary making the decision to invest in the Notes on its behalf (the "Independent Fiduciary") (a) is a bank, insurance company, registered investment adviser, broker-dealer or other person with financial expertise, in each case as described in 29 C.F.R. Section 2510.3- 21(c)(1)(i); (b) is an independent plan fiduciary within the meaning of 29 C.F.R. Section 2510.3-21(c); (c) is capable of evaluating investment risks independently, both in general and with regard to particular transactions and investment strategies; (d) is responsible for exercising independent judgment in evaluating the acquisition, holding and disposition of the Notes; and (e) neither the Benefit Plan Investor nor the Independent Fiduciary is paying or has paid any fee or other compensation to any of the Issuer, the Portfolio Manager, the Joint Arrangers, the Collateral Administrator, the Joint Placement Agents or the Trustee for investment advice (as opposed to other services) in connection with its acquisition or holding of the Notes. In addition, each such purchaser or transferee will be required or deemed to acknowledge and agree that the Independent Fiduciary (x) has been informed that none of the Issuer, the Portfolio Manager, the Joint Arrangers, the Collateral Administrator, the Joint Placement Agents or the Trustee, or other persons that provide marketing services, nor any of their Affiliates, has provided, and none of them will provide, impartial investment advice and they are not giving any advice in a fiduciary capacity, in connection with the purchaser or transferee's acquisition or holding of the Notes and (y) has received and understands the disclosure of the existence and nature of the financial interests contained in the offering circular and related materials.

Regulation S Notes

[LEGEND TO BE INCLUDED IN RELATION TO THE CLASS A NOTES, CLASS B NOTES, CLASS C NOTES AND CLASS D NOTES IN THE FORM OF PM REMOVAL AND REPLACEMENT NON-VOTING NOTES OR PM REMOVAL AND REPLACEMENT EXCHANGEABLE NON-VOTING NOTES ONLY] [EACH PERSON ACQUIRING OR HOLDING THIS NOTE OR ANY INTEREST HEREIN SHALL BE DEEMED TO HAVE ACKNOWLEDGED AND AGREED THAT SUCH NOTE OR INTEREST HEREIN SHALL NOT CARRY ANY RIGHT TO VOTE IN RESPECT OF, OR BE COUNTED FOR THE PURPOSES OF DETERMINING A QUORUM AND THE RESULT OF VOTING ON A PM REMOVAL RESOLUTION AND/OR A PM REPLACEMENT RESOLUTION.]

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[LEGEND TO BE INCLUDED IN RELATION TO REFINANCING NOTES THAT ARE REGULATION S NOTES] [EACH HOLDER OF A NOTE OR A BENEFICIAL INTEREST IN A NOTE ACQUIRED IN THE INITIAL ISSUANCE OF THE NOTES OR DURING THE 40-DAY "DISTRIBUTION COMPLIANCE PERIOD" AS DEFINED IN RULE 902 OF REGULATION S, BY ITS ACQUISITION OF A NOTE OR A BENEFICIAL INTEREST THEREIN, WILL BE DEEMED TO REPRESENT TO THE ISSUER, THE TRUSTEE, THE PORTFOLIO MANAGER AND THE INITIAL PURCHASER THAT IT (1) EITHER (A) IS NOT A "U.S. PERSON" AS DEFINED UNDER SECTION _.20 OF THE JOINT FINAL RULE ("U.S. RISK RETENTION RULES") TO IMPLEMENT THE CREDIT RISK RETENTION REQUIREMENTS OF SECTION 15G OF THE U.S. SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, OR (B) IT HAS RECEIVED THE WRITTEN CONSENT OF THE PORTFOLIO MANAGER TO ACQUIRE SUCH NOTE OR BENEFICIAL INTEREST IN SUCH NOTE AND (2) IS NOT ACQUIRING SUCH NOTE OR

BENEFICIAL INTEREST IN SUCH NOTE AS PART OF A SCHEME TO EVADE THE REQUIREMENTS OF THE U.S. RISK RETENTION RULES (INCLUDING ACQUIRING THIS NOTE THROUGH A NON-U.S. PERSON, RATHER THAN A U.S. PERSON (IN EACH CASE, AS DEFINED UNDER THE U.S. RISK RETENTION RULES), AS PART OF A SCHEME TO EVADE THE 10 PER CENT. U.S. PERSON LIMITATION IN THE EXEMPTION PROVIDED FOR IN SECTION __.20 OF THE U.S. RISK RETENTION RULES). ANY PURCHASE OR TRANSFER OF THE REFINANCING NOTES IN BREACH OF THIS REQUIREMENT WILL RESULT IN THE AFFECTED REFINANCING NOTES BECOMING SUBJECT TO FORCED TRANSFER PROVISIONS.]

EACH PURCHASER AND TRANSFEREE OF THIS NOTE OR INTEREST HEREIN THAT IS A BENEFIT PLAN INVESTOR SHALL BE REQUIRED OR DEEMED TO REPRESENT AND WARRANT TO THE ISSUER, ON EACH DAY FROM THE DATE ON WHICH SUCH BENEFICIAL OWNER ACQUIRES THIS NOTE OR INTEREST HEREIN THROUGH AND INCLUDING THE DATE ON WHICH IT DISPOSES OF THIS NOTE OR INTEREST HEREIN, AND AT ANY TIME WHEN REGULATION 29 C.F.R. SECTION 2510.3-21, AS MODIFIED IN 2016, IS APPLICABLE, THAT THE FIDUCIARY MAKING THE DECISION TO INVEST IN THIS NOTE ON ITS BEHALF (THE "**INDEPENDENT FIDUCIARY**") (A) IS A BANK, INSURANCE COMPANY, REGISTERED INVESTMENT ADVISER, BROKER-DEALER OR OTHER PERSON WITH FINANCIAL EXPERTISE, IN EACH CASE AS DESCRIBED IN 29 C.F.R. SECTION 2510.3-21(C)(1)(I); (B) IS AN INDEPENDENT PLAN FIDUCIARY WITHIN THE MEANING OF 29 C.F.R. SECTION 2510.3- 21(C); (C) IS CAPABLE OF EVALUATING INVESTMENT RISKS INDEPENDENTLY, BOTH IN GENERAL AND WITH REGARD TO PARTICULAR TRANSACTIONS AND INVESTMENT STRATEGIES; (D) IS RESPONSIBLE FOR EXERCISING INDEPENDENT JUDGMENT IN EVALUATING THE ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE; AND (E) NEITHER THE BENEFIT PLAN INVESTOR NOR THE INDEPENDENT FIDUCIARY IS PAYING OR HAS PAID ANY FEE OR OTHER COMPENSATION TO ANY OF THE ISSUER, THE PORTFOLIO MANAGER, THE JOINT ARRANGERS, THE COLLATERAL ADMINISTRATOR, THE JOINT PLACEMENT AGENTS OR THE TRUSTEE FOR INVESTMENT ADVICE (AS OPPOSED TO OTHER SERVICES) IN CONNECTION WITH ITS ACQUISITION OR HOLDING OF THIS NOTE. IN ADDITION, EACH SUCH PURCHASER OR TRANSFEREE WILL BE REQUIRED OR DEEMED TO ACKNOWLEDGE AND AGREE THAT THE INDEPENDENT FIDUCIARY (X) HAS BEEN INFORMED THAT NONE OF THE ISSUER, THE PORTFOLIO MANAGER, THE JOINT ARRANGERS, THE COLLATERAL ADMINISTRATOR, THE JOINT PLACEMENT AGENTS OR THE TRUSTEE, OR OTHER PERSONS THAT PROVIDE MARKETING SERVICES, NOR ANY OF THEIR AFFILIATES, HAS PROVIDED, AND NONE OF THEM WILL PROVIDE, IMPARTIAL INVESTMENT ADVICE AND THEY ARE NOT GIVING ANY ADVICE IN A FIDUCIARY CAPACITY, IN CONNECTION WITH THE PURCHASER OR TRANSFEREE'S ACQUISITION OR HOLDING OF THIS NOTE AND (Y) HAS RECEIVED AND UNDERSTANDS THE DISCLOSURE OF THE EXISTENCE AND NATURE OF THE FINANCIAL INTERESTS CONTAINED IN THE OFFERING CIRCULAR AND RELATED MATERIALS.

Each purchaser or transferee of Refinancing Notes that are Regulation S Notes will be deemed to have represented and agreed and Refinancing Notes that are Regulation S Notes represented by Definitive Certificates will be required to represent and agree, as follows:

1. In respect of a purchase or transfer of a PM Removal and Replacement Voting Note, or any interest in such Note, the purchaser or transferee understands that such PM Removal and Replacement 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.

2. In respect of a purchase or transfer of a PM Removal and Replacement Exchangeable Non-Voting Note or PM Removal and Replacement Non-Voting Note, or any interest in such Note, the purchaser or transferee understands that such PM Removal and Replacement Exchangeable Non-Voting Note or PM Removal and Replacement 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.

3. If the purchaser acquires such Regulation S Notes in the initial syndication of the Refinancing Notes, the purchaser (1) either (a) is not a Risk Retention U.S. Person or (b) has received a U.S. Risk Retention Waiver from the Portfolio Manager, and (2) is not acquiring such Refinancing Note or a beneficial interest therein as part of a scheme to evade the requirements of the U.S. Risk Retention Rules (including acquiring such Refinancing Note through a non-Risk Retention U.S. Person, rather

than a Risk Retention U.S. Person, as part of a scheme to evade the 10 per cent. Risk Retention U.S. Person limitation in the exemption provided for in Section __.20 of the U.S. Risk Retention Rules).

4. The purchaser is not purchasing such Regulation S Notes with a view toward the resale, distribution or other disposition thereof that would cause the exemption provided for in Section __.20 of the U.S. Risk Retention Rules to not be available with respect to the issuance of the Refinancing Notes.

5. With respect to the purchase or transfer of any Note or interest therein by a Benefit Plan Investor, on each day from the date on which the beneficial owner acquires such Note or interest therein through and including the date on which it disposes of such Note or interest therein, and at any time when regulation 29 C.F.R. Section 2510.3-21, as modified in 2016, is applicable, that the fiduciary making the decision to invest in the Notes on its behalf (the "Independent Fiduciary") (a) is a bank, insurance company, registered investment adviser, broker-dealer or other person with financial expertise, in each case as described in 29 C.F.R. Section 2510.3- 21(c)(1)(i); (b) is an independent plan fiduciary within the meaning of 29 C.F.R. Section 2510.3-21(c); (c) is capable of evaluating investment risks independently, both in general and with regard to particular transactions and investment strategies; (d) is responsible for exercising independent judgment in evaluating the acquisition, holding and disposition of the Notes; and (e) neither the Benefit Plan Investor nor the Independent Fiduciary is paying or has paid any fee or other compensation to any of the Issuer, the Portfolio Manager, the Joint Arrangers, the Collateral Administrator, the Joint Placement Agents or the Trustee for investment advice (as opposed to other services) in connection with its acquisition or holding of the Notes. In addition, each such purchaser or transferee will be required or deemed to acknowledge and agree that the Independent Fiduciary (x) has been informed that none of the Issuer, the Portfolio Manager, the Joint Arrangers, the Collateral Administrator, the Joint Placement Agents or the Trustee, or other persons that provide marketing services, nor any of their Affiliates, has provided, and none of them will provide, impartial investment advice and they are not giving any advice in a fiduciary capacity, in connection with the purchaser or transferee's acquisition or holding of the Notes and (y) has received and understands the disclosure of the existence and nature of the financial interests contained in the offering circular and related materials.

GENERAL INFORMATION

Clearing Systems

The Refinancing Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The Common Code and International Securities Identification Number ("**ISIN**") for the Refinancing Notes of each Class:

	Regulation S Notes		Rule 144 A Notes	
	ISIN	**Common Code**	**ISIN**	**Common Code**
Class A PM Removal and Replacement Exchangeable Non-Voting Notes	XS1649634620	164963462	XS1649635601	164963560
Class A PM Removal and Replacement Non-Voting Notes	XS1649634893	164963489	XS1649635783	164963578
Class A PM Removal and Replacement Voting Notes	XS1649635866	164963586	XS1649636914	164963691
Class B PM Removal and Replacement Exchangeable Non-Voting Notes	XS1649634976	164963497	XS1649636088	164963608
Class B PM Removal and Replacement Non-Voting Notes	XS1649635197	164963519	XS1649635940	164963594
Class B PM Removal and Replacement Voting Notes	XS1649636161	164963616	XS1649637052	164963705
Class C PM Removal and Replacement Exchangeable Non-Voting Notes	XS1649635270	164963527	XS1649636328	164963632
Class C PM Removal and Replacement Non-Voting Notes	XS1649635353	164963535	XS1649636245	164963624
Class C PM Removal and Replacement Voting Notes	XS1649636591	164963659	XS1649637136	164963713
Class D PM Removal and Replacement Exchangeable Non-Voting Notes	XS1649635437	164963543	XS1649636757	164963675
Class D PM Removal and Replacement Non-Voting Notes	XS1649635510	164963551	XS1649636674	164963667
Class D PM Removal and Replacement Voting Notes	XS1649636831	164963683	XS1649637219	164963721

Listing

Application has been made to the Irish Stock Exchange for the Refinancing Notes to be admitted to the Official List of the Irish Stock Exchange and to trading on the Main Securities Market. There can be no assurance that such listing will be maintained. It is expected that the total expenses related to admission to trading will be approximately €6,441.20 (inclusive of VAT).

Consents and Authorisations

The Issuer has obtained all necessary consents, approvals and authorisations in Ireland (if any) in connection with the issue and performance of the Refinancing Notes. The issue of the Refinancing Notes was authorised by resolution of the board of Directors passed on 27 July 2017.

No Significant or Material Change

There has been no significant change in the financial or trading position or prospects of the Issuer since its last audited financial statement dated 31 December 2016 and there has been no material adverse change in the financial position or prospects of the Issuer since its last audited financial statement dated 31 December 2016.

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.

Documents Incorporated

The 2014 Prospectus is included herein as Annex A and is expressly incorporated herein as an integral part of this Prospectus. The information in this Prospectus should be read in conjunction with the 2014 Prospectus. The changes described herein supersede all statements which are inconsistent therewith in the 2014 Prospectus.

Unless the context otherwise specifically requires, all references in the 2014 Prospectus to a relevant Class of Notes shall be a reference to the same Class of Notes as defined herein (as the context requires) and all references in the 2014 Prospectus to the Notes shall include the Refinancing Notes (as the context requires). All references in the 2014 Prospectus to the Trust Deed shall be to the Trust Deed as modified by the Supplemental Trust Deed.

The audited financial statements of the Issuer as at and for the years ended 31 December 2015 and 31 December 2016, together with the audit reports thereon, have been filed with the Central Bank of Ireland and shall be deemed to be incorporated in, and to form part of, this Prospectus. Such financial statements are available on the website of the Irish Stock Exchange at http://ise.ie/app/announcementDetails.aspx?ID=13323050 and http://ise.ie/app/announcementDetails.aspx?ID=13320428.

Documents Available

In addition to the copies of the documents available for inspection pursuant to the 2014 Prospectus, copies of the Supplemental Trust Deed and the audited financial statements of the Issuer as at and for the years ended 31 December 2015 and 31 December 2016, together with the audit reports thereon, may be inspected in electronic format at the registered offices of Issuer during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) for the term of the Refinancing Notes.

INDEX OF DEFINED TERMS

ANNEX A

2014 PROSPECTUS

IMPORTANT NOTICE

You must read the following disclaimer before continuing

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

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

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

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

The contents of the document are confidential and may not be copied, distributed, published, reproduced or reported (in whole or in part) or disclosed by you to any other person. If at any time we request that the document be returned, you will (a) return the document, (b) arrange to destroy all analyses, compilations, notes, structures, memoranda or other documents prepared by you to the extent that the same contain, reflect or derive from information in the document and (c) so far as is practicable to do so (but, in any event, without prejudice to the obligations of confidentiality imposed herein) expunge any information relating to the document in electronic form from any computer, word processor or other device. The document and any information contained herein shall remain our property and in sending the document to you, no rights (including any intellectual property rights) over the document and the information contained therein has been given to you. We specifically prohibit the redistribution of the document and accept no liability whatsoever for the actions of third parties in this respect.

Confirmation of Your Representation: In order to be eligible to view the document or make an investment decision with respect to the securities, investors must either be (a) U.S. Persons that are QIBs that are also QPs or (b) non-U.S. Persons (in compliance with Regulation S under the Securities Act). The document is being sent at your request and by accepting the e-mail and accessing the document, you shall be deemed to have represented to us that (1) you and any customers you represent are either (a) both QIBs and QPs and U.S. Persons or (b) non-U.S. Persons and that the electronic email address that you gave us and to which this email has been delivered is not located in the U.S., (2) such acceptance and access to the document by you and any customer that you represent is not unlawful in the jurisdiction where it is being made to you and any customers you represent, (3) that you consent to delivery of the document by electronic transmission and (4) you consent to accept delivery by electronic transmission of any subsequent prospectus on distribution and publication of the same.

The document has been sent to you in the belief that you are (a) a person of the kind described in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the UK Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 or who otherwise falls within an exemption set forth in such Order so that section 21(1) of the Financial Services and Markets Act 2000 does not apply to the Issuer and (b) a person to whom the document can be sent lawfully in accordance with all other applicable securities laws. If this is not the case then you must return the document immediately.

The document has been sent to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and consequently none of *Harvest CLO X Limited*,

Resource Capital Markets, Inc., *Resource Securities, Inc.*, *Resource Europe Management Limited*, *HSBC Bank plc* or *3i Debt Management Investment*s *Limited* (or, in each case, any person who controls it or any director, officer, employee or agent of it, or affiliate of any such person) accepts any liability or responsibility whatsoever in respect of any difference between the document distributed to you in electronic format and the hard copy version available to you on request from us.

You are reminded that the document has been delivered to you on the basis that you are a person into whose possession the document may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not nor are you authorised to deliver the document to any other person.

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

This Prospectus may not be used for and does not constitute an offer to sell, or the solicitation of an offer to subscribe for or purchase Notes. This Prospectus is an advertisement and does not comprise a prospectus for the purposes of EU Directive 2003/71/EC or any legislation or rules in any jurisdiction implementing such Directive.

HARVEST CLO X LIMITED
(a private company with limited liability incorporated under the laws of Ireland, under company number 544627)

€264,400,000 Class A Senior Secured Floating Rate Notes due 2028
€56,300,000 Class B Senior Secured Floating Rate Notes due 2028
€30,400,000 Class C Senior Secured Deferrable Floating Rate Notes due 2028
€23,600,000 Class D Senior Secured Deferrable Floating Rate Notes due 2028
€29,200,000 Class E Senior Secured Deferrable Floating Rate Notes due 2028
€12,400,000 Class F Senior Secured Deferrable Floating Rate Notes due 2028
€50,200,000 Subordinated Notes due 2028

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 X Limited (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 2028 are referred to herein as the "**Class A Notes**". The Class B Senior Secured Floating Rate Notes due 2028 are referred to herein as the "**Class B Notes**". The Class C Senior Secured Deferrable Floating Rate Notes due 2028 are referred to herein as the "**Class C Notes**". The Class D Senior Secured Deferrable Floating Rate Notes due 2028 are referred to herein as the "**Class D Notes**". The Class E Senior Secured Deferrable Floating Rate Notes due 2028 are referred to herein as the "**Class E Notes**". The Class F Senior Secured Deferrable Floating Rate Notes due 2028 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 2028 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 6 November 2014 (the "**Issue Date**") made between (amongst others) the Issuer and Deutsche Trustee Company Limited, in its capacity as trustee (the "**Trustee**", which expression shall include all persons for the time being the trustee under the Trust Deed).

Interest on the Notes will be payable quarterly in arrear on 15 February, 15 May, 15 August and 15 November prior to the occurrence of a Frequency Switch Event (as defined herein), and semi-annually in arrear on 15 February and 15 August (where the Payment Date (as defined herein) immediately following the occurrence of a Frequency Switch Event falls in either February or August) or 15 May and 15 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 15 May 2015, 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.

Application will be made to the Central Bank of Ireland (the "**Central Bank**"), as competent authority under Directive 2003/71/EC (as amended, the "**Prospectus Directive**") for this Prospectus to be approved. The Central Bank will only approve this Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. Such approval relates only to Notes which are to be admitted to trading on a 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 will be 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 such listing will be granted. 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 Standard & Poor's Credit Market Services Europe Limited ("**S&P**") and Fitch Ratings Limited ("**Fitch**" and, together with S&P, the "**Rating Agencies**", and each, a "**Rating Agency**"): the Class A Notes: "AAA(sf)" from S&P and "AAAsf" from Fitch; the Class B Notes: "AA+(sf)" from S&P and "AA+sf" from Fitch; the Class C Notes: "A(sf)" from S&P and "Asf" from Fitch; the Class D Notes: "BBB(sf)" from S&P and "BBBsf" from Fitch; the Class E Notes: "BB(sf)" from S&P and "BBsf" from Fitch; and the Class F Notes: "B(sf)" from S&P and "Bsf" from Fitch. 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**")); and (b) within the United States to persons and outside the United States to U.S. persons (as such term is defined in Regulation S ("**U.S. Persons**")), in each case, who are both 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 Offered Notes (as defined in "*Plan of Distribution*" below) (being the Notes other than those Notes to be purchased by investors directly from the Issuer pursuant to certain Note Purchase Agreements (as defined herein)) are being offered by the Issuer through each of HSBC Bank plc, Resource Securities, Inc. and Resource Europe Management Limited in their capacity as joint placement agents of the offering of such Notes (each a "**Joint Placement Agent**") subject to prior sale when, as and if delivered to and accepted by the applicable Joint Placement Agent and subject to certain conditions.

Each Joint Placement Agent may, on behalf of the Issuer, place the Offered Notes at prices as may be negotiated at the time of sale. Each Joint Placement Agent may offer the Offered Notes at prices other than the issue price.

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

The date of this Prospectus is 4 November 2014.

HSBC Bank plc and Resource Capital Markets, Inc. as Joint Arrangers.

HSBC Bank plc, Resource Securities, Inc. and Resource Europe Management Limited, as Joint Placement Agents.

HSBC Bank plc as sole Bookrunner

PRIORITIES OF NOTES

The 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 an 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, EACH JOINT ARRANGER, EACH JOINT PLACEMENT AGENT OR ANY OF ITS 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 EACH JOINT PLACEMENT AGENT TO INFORM THEMSELVES ABOUT AND TO OBSERVE ANY SUCH RESTRICTIONS. IN PARTICULAR, THE COMMUNICATION CONSTITUTED BY THIS PROSPECTUS IS DIRECTED ONLY AT PERSONS WHO (I) ARE OUTSIDE THE UNITED KINGDOM AND ARE OFFERED AND ACCEPT THIS PROSPECTUS IN COMPLIANCE WITH SUCH RESTRICTIONS OR (II) ARE PERSONS FALLING WITHIN ARTICLE 49(2)(A) TO (D) (*HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS ETC.*) OF THE 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, EACH JOINT ARRANGER, EACH JOINT PLACEMENT AGENT 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 JOINT ARRANGERS, THE JOINT PLACEMENT AGENTS (OR ANY OF ITS AFFILIATES), THE PORTFOLIO MANAGER, 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.

NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES (THE "RSA") WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY, OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER, OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

RETENTION REQUIREMENTS

The Retention Holder will represent and undertake to the Issuer, the Trustee and each Joint Arranger 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 Risk*", "*Risk Factors – Risk Retention in Europe*", "*Risk Factors – 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 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 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 each Joint Placement Agent reserves the right to reject any offer to purchase Notes in whole or in part for any reason, or to sell less than the stated initial principal amount of any Class of Notes offered hereby. This Prospectus is personal to each offeree to whom it has been delivered by the Issuer, each Joint Arranger, each Joint Placement Agent or any affiliate thereof and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire the Notes. Distribution of this Prospectus to any persons other than the offeree and those persons, if any, retained to advise such offeree with respect thereto is unauthorised and any disclosure of any of its contents, without the prior written consent of the Issuer and each Joint Arranger or each Joint Placement Agent, is prohibited. Any reproduction or distribution of this Prospectus in whole or in part and any disclosure of its contents or use of any information herein for any purpose other than considering an investment in the securities offered herein is prohibited.

WE HEREBY INFORM YOU THAT THE DESCRIPTION SET OUT HEREIN WITH RESPECT TO U.S. FEDERAL TAX ISSUES WAS NOT INTENDED OR WRITTEN TO BE USED, BY ANY

TAXPAYER FOR THE PURPOSE OF AVOIDING ANY PENALTIES THAT MAY BE IMPOSED ON THE TAXPAYER UNDER THE U.S. INTERNAL REVENUE CODE. SUCH DESCRIPTION WAS WRITTEN IN CONNECTION WITH THE MARKETING OF THE NOTES. TAXPAYERS SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

NOTWITHSTANDING ANYTHING IN THIS PROSPECTUS TO THE CONTRARY, EACH PROSPECTIVE INVESTOR (AND EACH EMPLOYEE, REPRESENTATIVE OR OTHER AGENT OF EACH PROSPECTIVE INVESTOR) MAY DISCLOSE TO ANY AND ALL PERSONS, WITHOUT LIMITATION OF ANY KIND, THE TAX TREATMENT AND TAX STRUCTURE OF AN INVESTMENT IN THE NOTES AND ALL MATERIALS OF ANY KIND (INCLUDING OPINIONS OR OTHER TAX ANALYSES) THAT ARE PROVIDED TO THE PROSPECTIVE INVESTOR RELATING TO SUCH TAX TREATMENT AND TAX STRUCTURE. FOR THESE PURPOSES, THE TAX TREATMENT OF AN INVESTMENT IN THE NOTES MEANS THE PURPORTED OR CLAIMED U.S. FEDERAL INCOME TAX TREATMENT OF AN INVESTMENT IN THE NOTES. IN ADDITION, THE TAX STRUCTURE OF AN INVESTMENT IN THE NOTES INCLUDES ANY FACT THAT MAY BE RELEVANT TO UNDERSTANDING THE PURPORTED OR CLAIMED U.S. FEDERAL INCOME TAX TREATMENT OF AN INVESTMENT IN THE NOTES.

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 any Joint Placement Agent 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**" UNDER THE COMMODITY EXCHANGE ACT, THE PORTFOLIO MANAGER EXPECTS TO BE EXEMPT FROM REGISTRATION WITH THE COMMODITY FUTURES TRADING COMMISSION (THE "**CFTC**") AS A COMMODITY POOL OPERATOR (A "**CPO**") PURSUANT TO CFTC RULE 4.13(a)(3). 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 X Limited, a private company with limited liability incorporated under the Companies Acts 1963 to 2013.
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[5]

Class of Notes	Principal Amount	Initial Stated Interest Rate[2]	Alternative Stated Interest Rate[3]	S&P Rating[1]	Fitch Rating[1]	Stated Maturity
Class A	€264,400,000	3 month EURIBOR + 1.25%	6 month EURIBOR + 1.25%	"AAA(sf)"	"AAAsf"	November 2028
Class B	€56,300,000	3 month EURIBOR + 2.07%	6 month EURIBOR + 2.07%	"AA+(sf)"	"AA+sf"	November 2028
Class C	€30,400,000	3 month EURIBOR + 2.30%	6 month EURIBOR + 2.30%	"A(sf)"	"Asf"	November 2028
Class D	€23,600,000	3 month EURIBOR + 3.20%	6 month EURIBOR + 3.20%	"BBB(sf)"	"BBBsf"	November 2028
Class E	€29,200,000	3 month EURIBOR + 5.00%	6 month EURIBOR + 5.00%	"BB(sf)"	"BBsf"	November 2028
Class F	€12,400,000	3 month EURIBOR + 6.00%	6 month EURIBOR + 6.00%	"B(sf)"	"Bsf"	November 2028
Subordinated Notes	€50,200,000	N/A[4]	N/A[4]	N/A	N/A	November 2028

[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] 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 the Notes of each Class for the first Accrual Period will be determined by reference to a straight line interpolation of 6 month EURIBOR and 9 month EURIBOR.

[3] Applicable in respect of each Accrual Period commencing following the occurrence of a Frequency Switch Event.

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

[5] Each Joint Placement Agent may, on behalf of the Issuer, place the Notes at prices as may be negotiated at the time of sale and may offer the Notes at prices other than the issue price.

Trustee	Deutsche Trustee Company Limited
Collateral Administrator	Deutsche Bank AG, London Branch
Custodian	Deutsche Bank AG, London Branch
Principal Paying Agent	Deutsche Bank AG, London Branch
Account Bank	Deutsche Bank AG, London Branch
Registrar and Transfer Agent	Deutsche Bank Luxembourg S.A.
Information Agent	Deutsche Bank Trust Company Americas
Joint Arrangers	Each of HSBC Bank plc and Resource Capital Markets, Inc. as Joint Arrangers
Joint Placement Agents	Each of HSBC Bank plc, Resource Securities, Inc. and Resource Europe Management Limited, an Affiliate of Resource Securities, Inc. (each of Resource Securities, Inc. and Resource Europe Management Limited are wholly owned entities of Resource America, Inc.) as Joint Placement Agents pursuant to the Placement Agency Agreement.
Bookrunner	HSBC Bank plc as sole Bookrunner.
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.

Distributions on the Notes

Stated Note Interest	Interest on the Notes will be payable quarterly in arrear on 15 February, 15 May, 15 August and 15 November prior to the occurrence of a Frequency Switch Event (as defined herein), and semi-annually in arrear on 15 February and 15 May (where the Payment Date (as defined herein) immediately following the occurrence of a Frequency Switch Event falls in either February or May) or 15 August and 15 November (where the Payment Date immediately following the occurrence of a Frequency Switch Event falls in either August 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 15 May 2015, 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 Class A Notes or the Class B Notes in accordance with the Priorities of Payment shall not constitute an Event of Default unless and until such failure continues for a period of five consecutive Business Days and save in each case as the result of any deduction therefrom or the imposition of any withholding 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 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 Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Subordinated Notes as a result of the insufficiency of available Interest Proceeds or, with respect to the Subordinated Notes, Interest Proceeds or Principal Proceeds will not constitute an 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 following the expiry of the Non-Call Period from Sale Proceeds or Refinancing Proceeds (or any combination thereof) if directed in writing by the Subordinated Noteholders (acting by way of Ordinary Resolution) (see Condition 7(b)(i)(A) (*Optional Redemption in Whole – Subordinated Noteholders*));

(e) in part by redemption in whole of one or more Classes of Rated Notes from Refinancing Proceeds on any Payment Date following 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 Payment Date following the expiry of the Non-Call Period if, upon or at any time following the expiry of the Non-Call Period, the Aggregate Collateral Balance is less than 15 per cent. of the Target Par Amount and if directed in writing by the Portfolio Manager (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 an 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 the period from the Issue Date up to, but excluding, the Payment Date falling on 15 November 2016, 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*)).
During Non-Call Period	
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 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 (Y) 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 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*), Interest Proceeds will be applied in accordance with the Interest Proceeds Priority of Payments and Principal Proceeds will be applied in accordance with the Principal Proceeds Priority of Payments. Upon any Optional Redemption in whole of the Notes in accordance with Condition 7(b) (*Optional Redemption*) or 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 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 Agreement complying with the Hedge Agreement Eligibility Criteria at the time of entry into such Hedge Agreement, or (ii) the receipt by the Portfolio Manager of legal advice from reputable legal counsel to the effect that the entry into such arrangements shall not require any of the Issuer, its directors or officers or the Portfolio Manager to register with the United States Commodities 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 Agreement would be considered a "permitted derivative" within the meaning of and subject to the "loan securitization" exemption under the Volcker Rule (as defined herein), 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 S&P Collateral Value and its Fitch Collateral Value) (exclusive of value added tax), calculated quarterly in respect of each Due Period commencing prior to the occurrence of a Frequency Switch Event and semi-annually at all other times 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 S&P Collateral Value and its Fitch Collateral Value) (exclusive of value added tax), calculated quarterly in respect of each Due Period commencing prior to the occurrence of a Frequency Switch Event and semi-annually at all other times 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. 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) 15 April 2015 (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, Credit Improved 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 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 Notes rated by Fitch are Outstanding:

(a) the Fitch Maximum Weighted Average Rating Factor Test; and

(b) the Fitch Minimum Weighted Average Recovery Rate Test.

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

(a) the Minimum Weighted Average Spread Test;

(b) the Minimum Weighted Average Fixed Coupon Test; and

(c) 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	2.50%
(d)	Unsecured Senior Loans, Second Lien Loans and/or Mezzanine Loans to a single Obligor	N/A	1.50%
(e)	Collateral Debt Obligations to a single Obligor	N/A	3%
(f)	Participations	N/A	5%

(g)	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 S&P Collateral Value and its Fitch Collateral Value for the purposes of determining the Aggregate Collateral Balance)
(h)	Annual Obligations	N/A	5% unless Rating Agency Confirmation has been obtained
(i)	Revolving Collateral Obligations/ Delayed Drawdown Collateral Obligations	N/A	5%
(j)	S&P CCC Obligations	N/A	7.5%
(k)	Fitch CCC Obligations	N/A	7.5%
(l)	Unhedged Fixed Rate Collateral Debt Obligations	N/A	5%
(m)	Non-Euro Obligations	N/A	30%
(n)	Bridge Loans	N/A	2.5%
(o)	Corporate Rescue Loans	N/A	5% provided that not more than 2% shall consist of Corporate Rescue Loans from a single Obligor
(p)	Cov-Lite Loans	N/A	30% provided that if more than 15% of Cov-Lite Loans are rated less than BB- by

			S&P and Fitch, no further purchase of Cov-Lite Loans is permitted until no more than 15% of Cov-Lite Loans are rated less than BB- by S&P and Fitch
(q)	Maximum in any single Fitch industry classification	N/A	Any three Fitch industries may comprise up to 35% and one Fitch industry may comprise up to 15%
(r)	Maximum in any single S&P Industry Classification (as defined in paragraph 5 under the section "*The Portfolio*")	N/A	10% provided any two S&P industries may comprise up to 12% and one S&P industry may comprise up to 20%
(s)	S&P Rating derived from Moody's Rating	N/A	10%
(t)	Domicile of Obligors	N/A	10% Domiciled in countries rated below "A-" by S&P or Fitch
(u)	Bivariate Risk Table	N/A	See limits set out in "*The Portfolio - Bivariate Risk Table*"
(v)	Total Indebtedness – less than EUR 50,000,000	N/A	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) of less than EUR 50,000,000
	(w) Total Indebtedness – between EUR 50,000,000 and EUR 100,000,000	N/A	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 50,000,000 and less than EUR 100,000,000
	(x) Total Indebtedness – between EUR 100,000,000 and EUR 200,000,000	N/A	12.5% 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

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 paragraphs (a) to (x) 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 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	130.4%
C	121.2%
D	114.1%
E	106.4%
F	103.6% (during the Reinvestment Period) and 104.6% (following the Reinvestment Period)

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 Payment 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 and which will be satisfied as of any Payment Date on and after the Effective Date during the Reinvestment Period, on such Payment Date if the Class F Par Value Ratio is at least 104.1 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.

Form, Registration and Transfer of the Notes

The Regulation S Notes of each Class (other than, in certain circumstances, 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 and 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 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. See "*Form of the Notes*" and "*Book-Entry Clearance Procedures*".
	Except in the limited circumstances described herein, Notes (other than, in certain circumstances, 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*".
	A transferee of any Class E Notes or any Class F Notes will be required or deemed to represent (among other things) that it is not a Benefit Plan Investor or a Controlling Person unless such transferee: (i) acquires such Class E Notes or Class F Notes on the Issue Date; (ii) obtains the written consent of the Issuer; and (iii) provides an ERISA certificate to the Issuer as to its status as a Benefit Plan Investor or Controlling Person (substantially in the form of Annex B to this Prospectus).
	A transferee of a Subordinated Note in the form of a Rule 144A Global Certificate or a Regulation S Global Certificate will be deemed to represent (among other things) that it is not a Benefit Plan Investor or a Controlling Person. If a transferee is unable to make such deemed representation, such transferee may not acquire such Subordinated Note in the Form of a Rule 144A Global Certificate or a Regulation S Global Certificate unless such transferee (i) obtains the written consent of the Issuer; (ii) provides an ERISA certificate to the Issuer as to its status as a Benefit Plan Investor or Controlling Person (substantially in the form of Annex B to this Prospectus); and (iii) holds such Subordinated Note in the Form of a Definitive Certificate other than in the case where the transferee is the Retention Holder or an Affiliate of the Retention Holder purchasing Subordinated Notes on the Issue Date, in which case it may acquire such Subordinated Notes in the form of a Rule 144A Global Certificate or a Regulation S Global Certificate.
	Transfers of interests in the Notes are subject to certain restrictions and must be made in accordance with the procedures set forth in the Trust Deed. See "*Form of the Notes*", "*Book-Entry Clearance Procedures*" and "*Transfer Restrictions*". Each purchaser of Notes in making its purchase will be required to make, or will be deemed to have made, certain acknowledgements, representations and agreements. See "*Transfer Restrictions*". The transfer of Notes in breach of certain of such representations and agreements will result in affected Notes becoming subject to certain forced transfer provisions. See Condition 2(h) (*Forced Transfer of Rule 144A Notes*) and Condition 2(j) (*Forced Transfer pursuant to ERISA*).
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 and the Euroclear Pledge Agreement which will be governed by Belgian Law.
Listing	Application will be made to the Central Bank, as competent authority under the Prospectus Directive, for this Prospectus to be approved. The Central Bank will only approve this Prospectus as meeting the requirements imposed under Irish and EU law

	pursuant to the Prospectus Directive. Such approval relates only to Notes which are to be admitted to trading on a 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 will be made to the Irish Stock Exchange for the Notes to be admitted to the official list (the "**Official List**") of The Irish Stock Exchange plc (the "**Irish Stock Exchange**") and trading on its regulated market. See "*General Information*".
Tax Status	See "*Tax Considerations*".
Forced sale and withholding pursuant to FATCA	Under the Foreign Account Tax Compliance provisions of the HIRE Act, commonly referred to as FATCA (which is defined herein), the Issuer (and any intermediary) may require each Noteholder to provide certifications and identifying information about itself and certain of its owners. 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).
Additional Issuances	Subject to certain conditions being met additional Notes of all existing Classes may be issued and sold. See Condition 17 (*Additional Issuances*). Noteholders should be aware that additional Notes that are treated for non-tax purposes as a single series with the original Notes may be treated as a separate series for U.S. federal income tax purposes. In such cases the new Notes may be considered to have been issued with original issue discount, which may affect the market value of the original Notes since such additional Notes may not be distinguishable from the original Notes.
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. 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, payments in respect of the Class A Notes are 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. None of the Joint Placement Agents, 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 any Joint Placement Agent, Joint Arranger, 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 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 collateral loan obligation ("CLO") and leveraged finance markets and European financial markets have experienced volatility and have been adversely affected by concerns over economic contraction in certain 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 "*Euro 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 leaving the Euro are difficult to predict. 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.

There exist significant risks for the Issuer and investors as a result of adverse 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 stalled. 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 macroeconomic 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 CLO transactions and other types of investment funds 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 will be an introduction of a significantly more restrictive regulatory environment including the implementation of new accounting and capital adequacy rules in addition to further regulation of derivative 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 **Euro and Euro-zone risk** The deterioration of the sovereign debt of countries, together with the risk of contagion to other, more stable, countries, particularly France and Germany, has also raised a number of uncertainties regarding the stability and overall standing of the European Economic and Monetary Union and may result in changes to the composition of the Euro-zone.

As a result of the credit crisis in Europe, 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**"), which was activated by mutual agreement, assuming the role of the EFSF and the EFSM in providing external financial assistance to Euro-zone countries after June 2013.

Despite these measures, concerns persist regarding the risk that other Euro-zone countries could be subject to an increase in borrowing costs and could face an economic crisis similar to that of Cyprus, Greece, 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 regarding the Euro-zone sovereign debt crisis 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 and the Notes. Should the Euro dissolve entirely, the legal and contractual consequences for holders of Euro-denominated obligations would be determined by laws in effect at such time. These potential developments, or market perceptions concerning these and related issues, could adversely affect the value of the Notes. It is difficult to predict the final outcome of the Euro-zone crisis. Investors should carefully consider how changes to the Euro-zone may affect their investment in the Notes.

1.8 **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 capital charge to certain investors in securitisation exposures and/or the incentives for certain investors to hold asset-backed securities, and may thereby affect the liquidity of such securities. Investors in the Notes are responsible for analysing their own regulatory position and none of the Issuer, the 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 capital treatment of their investment in the Notes on the Issue Date or at any time in the future.

1.9 **U.S. Dodd-Frank Act** The Dodd-Frank Wall Street Reform and Consumer Protection Act (the "**Dodd-Frank Act**") was signed into law on 21 July 2010. The Dodd-Frank Act represents a comprehensive change to financial regulation in the United States, and affects virtually every area of the capital markets. Implementation of the Dodd-Frank Act requires many lengthy rulemaking processes that will ultimately result in the adoption of a multitude of new regulations potentially applicable to the Issuer, the Trustee and the Portfolio Manager and its subsidiaries and affiliates to the extent that any of them 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 certain regulations implementing various provisions of the Dodd-Frank Act have been finalised and adopted, many implementing regulations currently exist only in draft form and are subject to comment and revision, while 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, the Trustee 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 United States Securities and Exchange Commission (the **"SEC"**) had proposed changes to Regulation AB 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 August 27, 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.

In addition, the joint final rule implementing the credit risk retention requirements of Section 941 of the Dodd-Frank Act was adopted on October 21 and October 22, 2014 (the "**Credit Risk Retention Rule**"). Although the Credit Risk Retention Rule will not become effective until two years after the date of publication thereof in the U.S. Federal Register, it could limit the ability of the Issuer to issue additional Notes or undertake any Refinancing after the Effective Date.

1.10 **Commodity Pool Regulation** Pursuant to the Dodd-Frank Act, the Commodity Futures Trading Commission ("**CFTC**") has promulgated a range of new regulatory requirements (the "**CFTC Regulations**") that may affect the pricing, terms and compliance costs associated with the entry into of any Hedge Transaction by the Issuer and the availability of such Hedge Transactions. Some or all of the Hedge Transactions that the Issuer may enter into may be affected by (i) the requirement that certain swaps be centrally cleared and in some cases traded on a designated contract market or swap execution facility, (ii) initial and variation margin requirements of any central clearing organisation (with respect to cleared swaps) or initial or variation requirements as may otherwise be required with respect to uncleared swaps, (iii) 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.

In addition, the Issuer's ability to enter into Hedge Transactions may cause the Issuer to be a "commodity pool" as defined in the United States Commodity Exchange Act of 1936, as amended ("**CEA**") and the Portfolio Manager to be a "commodity pool operator" ("**CPO**") 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 are subject to regulation by the CFTC and must register with the CFTC unless an exemption from registration is available. Based on CFTC interpretive guidance, the Issuer is not expected to be treated as a commodity pool 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) (i) if at the time such Hedge Agreement is entered into, it satisfies the Hedge Agreement Eligibility Criteria; or (ii) in respect of which it obtains legal advice from reputable counsel to the effect that none of the Issuer, its directors or officers, the Portfolio Manager or any of its or their affiliates or any other person would be required to register as a CPO with the CFTC with respect to the Issuer and that such Hedge Agreement would be considered a "permitted derivative" within the meaning of and subject to the "loan securitization" exemption under the Volcker Rule.

In the event that the CFTC guidance changes or the Issuer engages in one or more activities that might cause it to be treated as a commodity pool and no exemption from registration is available, registration of the Portfolio Manager as a CPO with respect to the Issuer may be required before the Issuer (or the Portfolio Manager on the Issuer's behalf) may enter into any transaction under any Hedge Agreement. Registration of the Portfolio Manager as a CPO could cause the Portfolio Manager to be subject to extensive compliance and reporting requirements. The cost of obtaining and maintaining these registrations and the related compliance obligations are uncertain but would be paid by the Issuer as Administrative Expenses. Such costs would reduce 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. 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 "commodity pool operator", the Portfolio Manager may elect to withdraw its exemption from registration and instead register with the CFTC as the Issuer's CPO. The related registration and compliance 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. In addition, it may not be possible or advisable for the Portfolio Manager to withdraw from registration as a CPO after any relevant swap transactions terminate or expire. The costs of CPO registration and the ongoing CPO compliance obligations of the Portfolio Manager could exceed, perhaps significantly, the financial risks that are being hedged pursuant to any Hedge Transaction.

1.11 **Volcker Rule** Section 619 of the Dodd-Frank Act (the "**Volcker Rule**") prevents "banking entities" as defined under the Volcker Rule (which would include certain non-U.S. affiliates of U.S. banking entities) from (i) conducting proprietary trading activities in a wide variety of financial instruments unless the transaction is excluded from the scope of the rule (e.g. if conducted for hedging purposes), and (ii) acquiring or retaining any equity, partnership, or other ownership interest in, or in sponsoring, any "hedge fund" or "private equity fund", together "covered funds", each as defined in the rule.

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

A "hedge fund" and a "private equity fund" are also broadly defined, and include any issuer which would be an investment company under the Investment Company Act 1940 (the "**ICA**") but is exempt from registration under section 3(c)(1) or 3(c)(7) of that Act.

Although the Issuer will rely on section 3(c)(7) of the ICA, the Issuer has structured its operations with the intention of being excluded from being considered a "covered fund" within the meaning of the Volcker Rule in reliance on the "loan securitisation" exemption thereunder.

It should be noted that a commodity pool as defined in the CEA (see *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, or to sponsor, 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 advisers and consider the potential impact of the Volcker Rule in respect of such investment. If the 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.

1.12 **Risk Retention in Europe** On 16 April 2013, the European Parliament adopted Regulation (EU) No. 575/2013 ("**CRR**"), which was published in the Official Journal on 27 June 2013 and took effect on 1 January 2014. Articles 404-410 (inclusive) of CRR ("**Article 404**") apply to (a) credit institutions established in a Member State of the European Economic Area ("**EEA**") and consolidated group affiliates thereof (including those that are based in the United States) and (b) investment firms (each an "**Affected 404 Investor**") that invest in or have an exposure to credit risk in securitisations. Article 404 imposes an increased capital charge on a securitisation position acquired by an Affected 404 Investor unless, among other conditions, (i) the originator, sponsor or original lender for the securitisation has explicitly disclosed that it will retain on an ongoing basis, a material net economic interest of not less than five per cent., of the nominal value of the securitised exposures or of the tranches sold to investors, and (ii) the Affected 404 Investor is able to demonstrate that it has undertaken certain due diligence in respect of its securitisation position and the underlying exposures and that procedures are established for monitoring the performance of the underlying exposures on an on-going basis. On 13 June 2014, the Commission Delegated Regulation specifying the Regulatory Technical Standards in relation to Article 404 (the "**Retention RTS**") was published in the Official Journal of the European Union and came into force on 3 July 2014.

On 22 July 2013, directive 2011/61/EU on Alternative Investment Fund Managers ("**AIFMD**") became effective. Article 17 of AIFMD required the EU Commission to adopt level 2 measures similar to those in Article 404, allowing EEA managers of alternative investment funds ("**AIFMs**") to invest in securitisations on behalf of the alternative investment funds they manage only if the originator, sponsor or original lender has explicitly disclosed that it will retain on an ongoing basis, a material net economic interest of not less than five per cent. of the nominal value of the securitised exposures or of the tranches sold to investors and also to undertake certain due diligence requirements. Commission Delegated Regulation 231/2013 (the "**AIFMD Level 2 Regulation**") included those level 2 measures. Though the requirements in the AIFMD Level 2 Regulation are similar to those which apply under Article 404, they are not identical. In particular, the AIFMD Level 2 Regulation requires AIFMs to ensure that the sponsor or originator of a securitisation meets certain underwriting and originating criteria in granting credit, and imposes more extensive due diligence requirements on AIFMs investing in securitisations than are imposed on Affected 404 Investors under Article 404. Furthermore, AIFMs who discover after the assumption of a securitisation exposure that the retained interest does not meet the requirements, or subsequently falls below five per cent. of the economic risk, are required to take such corrective action as is in the best interests of investors. It remains to be seen how this last requirement is expected to be

addressed by AIFMs should those circumstances arise. The requirements of the AIFMD Level 2 Regulation apply to the holders of notes who are alternative investment funds managed by an AIFM.

Requirements similar to the retention requirement in each of Article 404 and AIFMD will apply to investments in securitisations by other types of EEA investors such as EEA insurance and reinsurance undertakings (when the directive known as Solvency II comes into force), and also (once level 2 measures are adopted under Directive 2009/65/EC on Undertakings for Collective Investment in Transferable Securities (the "**UCITS Directive**")) by funds which require authorisation under the UCITS Directive (all of which, together with AIFMs and Affected 404 Investors, are "**Affected Investors**"). Though many aspects of the detail and effect of all of these requirements remain unclear, Article 404, CRR, AIFMD, Solvency II, the UCITS Directive and any other changes to the regulation or regulatory treatment of securitisations or of the Notes for some or all Affected Investors may negatively impact the regulatory position of individual holders and, in addition, have a negative impact on the price and liquidity of the Notes in the secondary market.

Furthermore, to ensure that investors fulfil their due diligence requirements, the Retention RTS and the AIFMD Level 2 Regulation requires potential investors to ensure that they have readily available access to (a) all materially relevant data on the credit quality and performance of the individual underlying assets, (b) cash flows and collateral supporting the underlying assets, and (c) information necessary to allow investors to conduct comprehensive and well informed stress tests on the cash flows and collateral values supporting the underlying exposures. The Issuer may be unable to provide certain types of information to the extent it is bound by confidentiality provisions in respect of the Collateral Debt Obligations. To the extent that any further information is requested by an investor that is not disclosed in the ordinary course through the Monthly Reports, the Payment Date Reports or via an announcement to the market such investor should assess whether obtaining such additional information could affect an investor's ability to enter into any trade in relation to the Notes under applicable securities legislation.

Affected Investors should therefore make themselves aware of the requirements of the applicable legislation governing retention and due diligence requirements for investing in securitisations (and any implementing rules in relation to a relevant jurisdiction) in addition to any other regulatory requirements applicable to them with respect to their investment in the Notes. Affected Investors are also responsible for satisfying any applicable due diligence requirements, and no assurance can be given that the information in this Prospectus meets such requirements.

Each Affected 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 herein in "*Restrictions on the Discretion of the Portfolio Manager in Order to Comply with Risk Retention" and "The Retention Holder and Retention Requirements*", information elsewhere in this Prospectus generally and in any investor report provided in relation to the transaction is sufficient for the purpose of satisfying such requirements. Affected 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, 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 requirements of Article 404, CRR, AIFMD, Solvency II, the UCITS Directive 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. In the event that a regulator determines that the transaction did not comply or is no longer in compliance with Article 404, CRR, AIFMD, Solvency II, the UCITS Directive or any applicable legal, regulatory or other requirement, then an Affected Investor may be required by its regulator to set aside additional capital against its investment in the Notes or take others remedial measures in respect of its investment in the Notes.

With respect to the fulfilment by the Retention Holder of the risk retention requirements, please refer to "*The Retention Holder and Retention Requirements*" section of this Prospectus.

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

The aim behind the relevant retention requirements described in "*Risk Retention in Europe*" 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. 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 an amount 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.

1.14 **EMIR** The European Market Infrastructure Regulation EU 648/2012 ("**EMIR**") entered into force on 16 August 2012. EMIR aims to increase stability in OTC derivatives markets and includes measures to require the clearing of certain OTC derivatives through central clearing counterparties and to increase the transparency of OTC derivatives. EMIR introduces certain requirements in respect of derivative contracts entered into by certain financial counterparties ("**FCs**"), such as European investment firms, alternative investment funds, credit institutions and insurance companies, and counterparties who are not FCs ("**NFCs**"). In connection with EMIR, various technical standards have now come into force, however, certain critical technical standards remain outstanding, including those addressing which classes of OTC derivative contracts will be subject to the clearing obligation and the scope of collateralisation obligations in respect of OTC derivative contracts which are not cleared. FCs will be subject to a general obligation to clear all "eligible" OTC derivative contracts through a duly authorised or recognised central counterparty (the "**clearing obligation**"), to 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 subject to the clearing obligation (the "**risk mitigation obligation**"), such as the timely confirmation of the terms of the OTC derivative contracts, portfolio reconciliation and compression and the implementation of dispute resolution procedures.

NFCs are subject to certain risk mitigation obligations and reporting obligations, in which respect the Issuer may appoint one or more reporting delegates. NFCs are exempted from the clearing obligation and certain additional risk mitigation obligations, such as the posting of collateral, as long as they do not exceed the applicable clearing thresholds established by the regulatory technical standard for the relevant class of OTC derivative contracts. OTC derivative contracts which are objectively measurable as reducing risks directly related to commercial activity or treasury financing activity of an NFC or the group to which it belongs (the "**hedging exemption**") will not be included towards the clearing thresholds. If the Issuer is considered to be a member of a "group" (as defined in EMIR) or otherwise no longer makes use of the hedging exemption, there is a risk of it becoming subject to the clearing obligation and such additional risk mitigation obligations. It may not be possible for the Issuer to know if any of the thresholds have been exceeded or if it has become part of a "group" for the purposes of EMIR and this status in any event may be subject to change. In the event that the Issuer exceeds the applicable clearing thresholds, it would be required to post collateral both in respect of cleared and non-cleared OTC derivative contracts. The Issuer will be unable to comply with such requirements. In such circumstances, hedge counterparties may be unable to enter into hedge transactions with the Issuer. This could result in the sale of Asset Swap Obligations and/or termination of relevant Hedge Transactions and/or limit the Issuer's ability to invest in Non-Euro Obligations or mitigate interest rate risk. Any such termination could expose the Issuer to costs and increased interest rate or currency exchange rate risk until such assets can be sold within the time period specified elsewhere herein. If the Issuer is, as a result, unable to enter into Hedge Transactions this will affect its ability to purchase Non-Euro Obligations or may result in it being in breach of its obligations to enter into Asset Swap Transactions with respect to any Non-Euro Obligations it has purchased. The Issuer may also be exposed to interest rate risk and currency risk as further described below (see *"Interest rate risk"* and *"Currency risk"*). The Conditions of the Notes allow 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 EMIR which may become applicable at a future date. Further regulations are expected. 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) and may adversely affect the Issuer's ability to enter into Asset Swap Transactions and therefore to acquire Non-Euro Obligations. 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. 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.

1.15 **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**"). AIFMD provides, among other things, that all AIFs must have a designated alternative investment fund manager ("**AIFM**") with responsibility for portfolio and risk management. The Issuer expects to be exempt from these requirements as a "securitisation special purpose entity". The Financial Conduct Authority (the "**FCA**") has issued a policy statement in relation to the implementation of AIFMD in the United Kingdom, which in effect confirms that the FCA regards any issue of debt securities which does not constitute a "collective investment scheme" (within the meaning of section 235 of the Financial Services and Markets Act 2000) as similarly falling outside the scope of the AIFMD. However in providing such guidance, the FCA referred to the possibility that the European Securities and Markets Authority will, in due course, provide guidance on the meaning of a "securitisation special purpose entity" ("**SSPE Exemption**") under the AIFMD.

The European Securities and Markets Authority has not yet given any formal guidance on the application of the SSPE Exemption or whether a CLO would fall within the SSPE Exemption. If AIFMD were to apply to the Issuer, the Portfolio Manager would need to be appropriately regulated. The Issuer would also be classified as a "financial counterparty" under EMIR and may be required to comply with clearing obligations or other risk mitigation techniques with respect to Hedge Transactions including obligations to post margin to any central clearing counterparty or market counterparty. See also *"EMIR"* above. In addition, the AIFMD would entail several consequences for the Issuer, notably:

(a) the Issuer would have to delegate the management of its assets to a duly licensed AIFM (the "**Issuer AIFM**");

(b) the Issuer AIFM would have to implement procedures in order to identify, prevent, manage, monitor and disclose conflict of interests;

(c) adequate risk management systems would need to be implemented by the Issuer AIFM to identify, measure, manage and monitor appropriately all risks relevant to the Issuer's investment strategy and to which the Issuer is or can be exposed (including appropriate stress testing procedures);

(d) valuation procedures would need to be designed at the Issuer level;

(e) a depositary would have to be appointed in relation to the Issuer's assets; and

(f) the Issuer and the Issuer AIFM would be subject to certain reporting and disclosure obligations.

The Portfolio Manager is not authorised under AIFMD but is subject to regulation under the United Kingdom implementation of 2004/39 EC ("**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 CRR (see "*Risk Retention in Europe*" above)).

From the Issuer's perspective, if the Issuer were considered to be an AIF and could not benefit from the SSPE Exemption provided in the AIFMD, the AIFMD would require the Portfolio Manager and/or the Issuer to seek authorisation to become an AIFM under the AIFMD. If the Portfolio Manager or the Issuer were to fail to, or be unable to, obtain such authorisation, the Portfolio Manager may not be able to continue to manage the Issuer's assets, or its ability to do so may be impaired. In addition, if the Portfolio Manager were authorised under AIFMD it would no longer satisfy the definition of a "sponsor" for the purposes of the Retention Requirements. Any regulatory changes arising from implementation of the AIFMD (or otherwise) that impairs the ability of the Portfolio Manager to manage the Issuer's assets may adversely affect the Issuer's ability to carry out its investment strategy and achieve its investment objective.

1.16 **CRA 3** A Regulation 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 (the "**CRA3 Effective Date**"). CRA3 provides for certain additional disclosure requirements which will become applicable in relation to structured finance transactions. Such disclosures will need to be made via a website to be set up by the European Securities and Markets Authority ("**ESMA**"). ESMA has published draft regulatory technical standards which have been submitted for approval to the European Commission detailing the scope and nature of the required disclosure. Whilst draft regulatory technical standards have been published by ESMA, they are subject to change. In their current form, the draft regulatory technical standards only apply to structured finance instruments for which a reporting template has been specified by ESMA. Currently there is no template for CLO transactions. Furthermore they do not currently include detailed disclosure requirements for CLO transactions and it may be some time before it is clear what disclosure is required. It is not possible for the Issuer or any other party to comply with the disclosure requirements until such time as the regulatory technical standards are final. Additionally, CRA3 has introduced a

requirement that issuers or related third parties of structured finance instruments solicit two independent ratings for their obligations, and should consider appointing at least one rating agency having less than a 10 per cent. market share. The Issuer has engaged S&P and Fitch to rate all Classes of Rated Notes. Any consequences for the Issuer, related third parties and investors in transactions structured and/or issued prior to the CRA3 Effective Date are not specified. Investors should consult their legal advisers as to the applicability of CRA3 in respect of their investment in the Notes.

1.17 **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.

1.18 **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. May 20, 2009) examined a flip clause and held that such a provision, which seeks to modify one creditor's position in a priority of payments when that creditor files for bankruptcy, is unenforceable under the U.S. Bankruptcy Code. Judge Peck acknowledged that this has resulted in the U.S. courts coming to a decision "directly at odds with the judgement of the English Courts". While BNY Corporate Trustee Services Ltd filed a motion for and was granted leave to appeal with the U.S. Bankruptcy Court, the case was settled before the appeal was heard. 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.

1.19 **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.

1.20 **LIBOR and EURIBOR reform**

Proposals to reform LIBOR

The London Inter-Bank Offered Rate ("**LIBOR**") is currently being reformed. These reforms include: (i) the replacement of the British Bankers' Association as LIBOR administrator, (ii) a reduction in the number of currencies and tenors for which LIBOR is calculated, and (iii) changes in the way that LIBOR is calculated, by compelling more banks to provide LIBOR submissions and basing these submissions on actual transaction data. Investors should be aware that:

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

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

(i) such rate of interest will then be determined by the provisions of the affected Collateral 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 to the Asset Swap Counterparty 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; and

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

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

Proposals to Reform EURIBOR and other Benchmark Indices

The Euro Interbank Offered Rate ("**EURIBOR**") and other so-called "benchmarks" are the subject of proposals for reform by a number of international authorities and other bodies. In September 2013, the European Commission published a proposed regulation (the "Proposed Benchmark Regulation") on indices used as benchmarks in financial instruments and financial contracts. The Proposed Benchmark Regulation is expected to come into force at some point in early 2015.

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

Investors should be aware that:

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

(b) if the applicable rate of interest on any Collateral Debt Obligation is calculated with reference to a EURIBOR currency or tenor which is discontinued, such rate of interest will then be determined by the provisions of the affected Collateral Debt Obligation, which may include determination by the relevant calculation agent in its discretion;

(c) if the EURIBOR benchmark referenced in Condition 6(e)(i)(A) (*Floating Rate of Interest*) is discontinued, interest on the Notes will be calculated under Condition 6(e)(i)(B) (*Floating Rate of Interest*); and

(d) the administrator of EURIBOR will not have any involvement in the Collateral Debt Obligations or the Notes and may take any actions in respect of EURIBOR 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.

1.21 **Noteholders may be subject to withholding or forced sale for failure to provide certain tax information** The Foreign Account Tax Compliance provisions of the HIRE Act, commonly referred to as FATCA (as defined herein), imposes a 30 per cent. withholding tax on certain payments of U.S. source income and gross proceeds from the sale of property that produces certain U.S. source income to certain non-United States persons that are "foreign financial institutions" as defined in Section 1471(d)(4) of the Code ("**FFIs**"), such as the Issuer, unless certain conditions are satisfied. Generally, the withholding tax is phased in over several years and applies to payments of U.S. source income currently made, to certain gross proceeds paid on or after January 1, 2017 and certain other "**passthru payments**" (described below) no earlier than January 1, 2017. As a general matter, FATCA withholding tax (which is not expected to be refundable with respect to the Issuer) will not be imposed if (i) the payment is made with respect to an obligation outstanding on or prior to June 30, 2014 (that has not been materially modified after June 30, 2014 and treated as reissued for U.S. federal income tax purposes) (a "**Grandfathered Obligation**"), or (ii) if required to do so, the Issuer (and each foreign withholding agent (if any) in the chain of custody of payments made to the Issuer, such person, an "**Intermediary**") either enters into an agreement (an "**IRS Agreement**") with the IRS that requires the Issuer to satisfy certain withholding tax and information reporting requirements regarding its U.S. holders (such information being "**Noteholder FATCA Information**") or complies with an intergovernmental agreement entered into by Ireland and the U.S. in connection with FATCA (the **"Irish IGA"**) and the Irish legislation enacted to implement the terms of the Irish IGA, the Financial Accounts

Reporting (United States of America) Regulations 2014 (the "**Irish Regulations**"). For this purpose, the term "obligation" does not include obligations that lack a definitive expiration or term (such as savings or demand deposits) or equities. The debt obligations of U.S. Obligors held by the Issuer generally should be Grandfathered Obligations if such obligations were outstanding as of (and not materially modified after) June 30, 2014 (even if the Issuer purchases the obligation after June 30, 2014).

If it is required to do so in order to avoid FATCA withholding, the Issuer expects to either enter into an IRS Agreement or comply with the Irish IGA and the Irish Regulations. Under the terms of such an agreement, the Issuer is expected to be obligated to comply with certain withholding tax obligations imposed on payments made to certain FFIs that fail to enter into an IRS Agreement and holders that fail to provide Noteholder FATCA Information to the Issuer that would enable the Issuer to comply with its own information reporting obligations (such Noteholders, "**Recalcitrant Noteholders**"). As such, the Issuer will be obligated to withhold tax at a 30 per cent. rate on certain "**passthru payments**" made to Recalcitrant Noteholders. Such withholding would begin no earlier than January 1, 2017. Preliminary guidance that was not included in the final regulations suggested that a payment on a Note will be treated as a passthru payment to the extent of (i) the amount (if any) of the payment that is treated as U.S. source payments plus (ii) the remainder of the payment multiplied by a ratio equal to the Issuer's average U.S. assets to its average total assets, determined as of specified testing dates. U.S. assets likely will be defined broadly for purposes of this determination. Although the final regulations do not contain the above formulation, the United States Department of the Treasury (the "**Treasury**") has indicated that rules defining foreign passthru payments (clause (ii) of the definition above) will be issued at a later date. Thus, it is unclear if the eventual rule for withholding with respect to the non-U.S. source portion of payments described in (ii) above will adopt this assets-based approach. Further, a debt obligation (such as the Notes) that does not produce U.S. source payments will be grandfathered if the obligation is outstanding six months after the adoption of final regulations addressing withholding on foreign passthru payments. Because such regulations have yet to be adopted and payments on the Notes are expected to be comprised solely of non-U.S. source payments, the Notes (other than Subordinated Notes and any other Class of Notes that are treated as equity for U.S. federal income tax purposes) are not expected to be subject to tax since such securities should be treated as Grandfathered Obligations. The Subordinated Notes (and any other Class of Notes that are treated as equity for U.S. federal income tax purposes) are not eligible for grandfathering because they represent equity in the Issuer. See "*Tax Considerations - United States Federal Income Taxation*".

In addition, if an FFI Affiliate of the Issuer is not FATCA compliant (i.e., it fails to comply with (and is not exempted from complying with) FATCA), the Issuer itself may be prohibited from complying with FATCA. For this purpose, an "**FFI Affiliate**" generally is an FFI that is deemed to be part of an affiliated group that includes the Issuer (where, in general, such Affiliates and the Issuer are deemed related through more than 50 per cent. ownership). For example, if an FFI owns (for US federal income tax purposes) more than 50 per cent. of the Issuer's equity and such FFI equity owner is not FATCA compliant, the Issuer may not be eligible to comply with FATCA. Furthermore, in certain cases, if an entity is deemed (for US federal income tax purposes) to own more than 50 per cent. of the equity of both (i) the Issuer and (ii) another FFI, such other FFI may be treated as an FFI Affiliate of the Issuer for this purpose and, thus, if such other FFI is not FATCA compliant, the Issuer may be prohibited from complying with FATCA. For these purposes, ownership by a person of the majority of the Subordinated Notes of the Issuer is likely to constitute the requisite ownership by that person of the Issuer. Similarly ownership by a person of a majority of the ordinary share capital of another FFI or, in the case of another FFI which is a special purpose entity similar to the Issuer, of the most junior class and any other class treated as equity for US federal tax purposes of such other FFI, is likely to constitute the requisite ownership by that person of such other FFI.

Although the Issuer will not prohibit any Noteholder from accumulating more than 50 per cent. of the Issuer's equity, it does retain the right to force the sale of all or any portion of such equity if such holding prevents the Issuer from complying with FATCA. For these purposes, the Issuer may sell a beneficial owner's interest in a Note in its entirety notwithstanding that the sale of a portion of such an interest would permit the Issuer to comply with FATCA.

The United States has recently concluded several intergovernmental agreements ("**IGAs**") with other jurisdictions in respect of FATCA including Ireland. Under the Irish IGA, the Issuer will not be required to enter into an agreement with the IRS provided that it complies with the Irish Regulations that generally requires similar information to be collected and reported to the IRS.

If the Issuer (or any intermediary in the chain of payments to the Issuer on the Issuer's assets or from the Issuer to the Noteholders) is required to comply with the laws of Ireland (or other IGA country) but fails to so comply or is required but fails to enter into an IRS Agreement or its IRS Agreement is invalidated by the IRS (because it failed to comply with the terms of such agreement or for any other reason), it could be subject to a material amount of withholding that would substantially reduce the amount of cash available to pay all its Noteholders, and such withholding may be allocated disproportionately to a particular class of Noteholders (including Noteholders that have provided the Issuer with all requested information) and there will be no "gross up" (or any other additional amount) payable by way of compensation to the Noteholders for the deducted amounts and no Event of Default shall occur as a result of such withholding or deduction. In this regard, the Issuer has covenanted to use reasonable efforts to comply with the FATCA-related laws of Ireland. The Transaction Documents do not specifically require any other person, such as any intermediary in the chain of payments to the Issuer on the Issuer's assets or from the Issuer to the Noteholders, including the Principal Paying Agent, to comply with FATCA (including the rules adopted under an Irish IGA). However, each of the intermediaries that is a party to the Transaction Documents and is an FFI is either required under the laws of the country in which it operates to comply with the FATCA-related rules of that country or is economically complelled to comply with FATCA (or both). In this regard, each of the Agents that is an FFI is required under the laws of the country in which it operates to comply with that country's FATCA related laws, and based on publicly avaliable information and representations made by each of the Agents, the Issuer believes that each Agent is an FFI. In the remote event that an intermediary that is a party to the Transaction Documents, nonetheless becomes non-compliant, the Issuer may be able to replace a non-FATCA-compliant intermediary but there can be no assurance that this will always be the case and in any event there can be no assurance any substituion will take place in time to avoid withholding. The Transaction Documents do not specifically require any intermediary to make any additional payments to Noteholders in the event that withholding arises on account of the status of such intermediary and it is not clear whether any obligation to make additional payments would apply in the absence of such a specific requirement. In addition, if the Issuer (or an intermediary in the chain of payments to the Issuer on the Issuer's assets or from the Issuer to the Noteholders) reasonably believes that it is required under FATCA (including an IGA or an IRS Agreement entered into with a taxing authority) to close out any Noteholder for failing to comply with its requests for Noteholder FATCA Information, it may cause the forced transfer of Notes (including some held by compliant Noteholders) and such transfers may be for less than the fair market value of such Notes. For these purposes, the Issuer shall have the right to sell a Noteholder's interest in its Notes in its entirety notwithstanding that the sale of a portion of such an interest would permit the Issuer to comply with FATCA. If the Issuer (or an intermediary) is required to sell the Notes, the Issuer may select the purchaser by soliciting one or more bids from one or more brokers or other market professionals that regularly transact in securities and selling such Notes to the highest such bidder. However, the Issuer (or an intermediary) 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 Noteholder to the Recalcitrant Noteholder by its acceptance of an interest in the Notes agrees to co-operate with the Issuer (and any intermediary) to effect such transfers. The terms and conditions of any such transfer shall be determined in the sole discretion of the Issuer (or intermediary) subject to the transfer restrictions set out in this Prospectus and the Trust Deed, and neither the Issuer nor the Trustee (or any intermediary) 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.

Under the Trust Deed, each Noteholder or beneficial owner of a Note will agree or be deemed to agree to (i) provide the Issuer and any applicable Intermediary with Noteholder FATCA Information and (ii) permit the Issuer, the Portfolio Manager, an Intermediary and the Trustee (on behalf of the Issuer) to (x) share such Noteholder FATCA Information with the IRS and

any other taxing authority, (y) compel or effect the sale of Notes held by any such Noteholder that fails to comply with the foregoing requirement or prevents the Issuer from complying with FATCA and (z) make other amendments to the Trust Deed to enable the Issuer to comply with FATCA. For these purposes, the Issuer may sell a beneficial owner's interest in a Note in its entirety notwithstanding that the sale of a portion of such an interest would permit the Issuer to comply with the applicable law described in paragraph 13 of "*Transfer Restrictions – Rule 144A Notes*".

1.22 **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.

1.23 **EU Financial Transaction Tax**

On 14 February 2013, the European Commission issued proposals, including a draft Directive (the "**Commission's proposal**") for a financial transaction tax ("**FTT**") to be adopted in certain participating EU member states (including Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia). If the Commission's proposal were adopted, the FTT would be a tax primarily on "financial institutions" (which would include the Issuer) in relation to "financial transactions" (which would include the conclusion or modification of derivative contracts and the purchase and sale of financial instruments).

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

The FTT may give rise to tax liabilities for the Issuer with respect to certain transactions (including concluding derivative transactions such as Hedge Transactions) if it is adopted based on the Commission's proposal. Any such tax liabilities may reduce amounts available to the Issuer to meet its obligations under the Notes and may result in investors receiving less interest or principal than expected. It should also be noted that the FTT could be payable in relation to relevant transactions by investors in respect of the Notes (including secondary market transactions) if the conditions for a charge to arise are satisfied.

Recent statements made by ten of the eleven participating member states indicate that a progressive implementation is being considered and that the FTT may initially extend to transactions involving shares and certain derivatives, with implementation occurring by 1 January 2016. However, full details are not available and further changes could be made prior to adoption.

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

2. **Relating to the Notes**

2.1 **The Notes will have limited liquidity and are subject to substantial transfer restrictions** None of the Joint Arrangers nor any Joint Placement Agent is under any obligation to make a market for the Notes. The Notes are illiquid investments. There can be no assurance that any secondary market for any of the Notes will develop or 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. 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.

2.2 **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.

2.3 **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. See "*Enforcement rights following an Event of Default*"). 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 an 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.

Subject to the Conditions, the Trust Deed provides that in the event of any conflict of interest between 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 (save as where otherwise expressly provided), the interests of the Controlling Class will always 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 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 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*).

2.4 **Amount and timing of payments and continued deferral of scheduled interest on Class C Notes, Class D Notes, Class E Notes and Class F Notes**

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, 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 an Event of Default. Payments of interest and principal on the Subordinated Notes will only be made to the extent that there are Interest Proceeds and Principal Proceeds available for such purpose in accordance with the Priorities of Payments. No interest or principal may therefore be payable on the Subordinated Notes for an unlimited period of time, to maturity or at all.

Investment in the Notes of any Class involves a degree of risk arising from fluctuations in the amount and timing of receipt of the principal and interest on the Collateral 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 or to pay interest and principal on the Subordinated Notes at any time even where such Class of Notes is the Controlling Class, will not be an Event of Default. Holders of such Classes of Notes will consequently have no right to accelerate their Notes or to direct that the Trustee take enforcement action with respect to the Collateral to recover the principal amount of their Notes outstanding in such circumstances.

2.5 **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 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 2.8 (*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.

2.6 **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 an Event of Default on or about that date.

2.7 **Amount and timing of payments** 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.

2.8 **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 Payment 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 in part of the Notes may result in a reduction in the amount of excess spread realisable in respect of the Collateral Debt Obligations in the Portfolio which can be utilised to pay interest on the Notes in accordance with the Priorities of Payment (since more senior Classes of Notes pay lower rates of interest), which may ultimately result in the occurrence of an Event of Default (in the case of non-payment of interest on the remaining Class A Notes or Class B Notes), the deferral of interest payable on each Payment Date on the Class C Notes, the Class D Notes, the Class E Notes or the Class F Notes (prior to the redemption of the Class B Notes), in full or a reduction in the level of returns payable to the Subordinated Noteholders.

2.9 **Additional issuances of Notes** 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. The conditions that must be satisfied in connection with an additional issuance of Notes include (among other requirements referred to in Condition 17 (*Additional Issuances*), the following: (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) 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, (iii) the Coverage Tests must be satisfied or if not satisfied, will be maintained or improved following such additional issuance, and (iv) the Issuer must concurrently issue, and the Retention Holder shall purchase and hold on the terms of the Risk Retention Letter, sufficient Subordinated Notes such that, after giving effect to the additional issuance, 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 (disapplying any haircuts or discounts contained in the definition thereof). Such additional issuances are also subject to anti-dilution requirements in respect of existing Noteholders and (other than in the case of Subordinated Note issues), proportionate issuance requirements between Classes; provided that such anti-dilution requirements shall not apply to the issuance of Subordinated Notes where an additional issuance of Subordinated Notes is required in order to prevent a Retention Deficiency for any reason including but not limited to where such Retention Deficiency will occur due to an additional issuance of Notes. Additional Subordinated Note issue proceeds must be used for certain Permitted Uses. See Condition 17 *(Additional Issuances*). The use of issuance proceeds of additional Subordinated Notes toward Permitted Uses may have the effect of causing a Coverage Test that was otherwise failing to be cured or modifying the effect of events that would otherwise give rise to the occurrence of an Event of Default.

2.10 **Additional issuances of Notes may prevent the failure of Coverage Tests and an Event of Default** At any time, the Issuer may issue and sell additional Notes and use the net proceeds to acquire Collateral Debt Obligations and, if applicable, enter into additional Hedge Transactions in connection with the Issuer's issuance of, and making payments on, the Notes and ownership of and disposition of the Collateral Debt Obligations. See Condition 17 *(Additional Issuances)*. The application of the proceeds of additional Notes as Interest Proceeds or toward the acquisition of additional Collateral Debt Obligations could result in

satisfaction of a Coverage Test that would otherwise be failing and could also prevent certain Events of Default from occurring and thus, potentially decrease the occurrence of principal prepayments or the acceleration of the highest ranking Class of Notes.

2.11 **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)*.

2.12 **Optional Redemption** 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 written direction of 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). 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) or at the direction of the Portfolio Manager. See Condition 7(b) *(Optional Redemption)*.

The Portfolio Manager may also cause the Issuer to redeem the Rated Notes in whole from Sale Proceeds on any Payment Date falling on or after the expiry of the Non-Call Period, if the Aggregate Collateral Balance is less than 15 per cent. of the Target Par Amount. 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 S&P and Fitch; (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) any redemption of a Class of Notes is a redemption of the entire Class which is subject to the redemption; (ii) the sum of (A) the Refinancing Proceeds and (B) the amount of Interest Proceeds standing to the credit of the Interest Account in excess of the aggregate amount of Interest Proceeds which would be applied in accordance with the Interest Proceeds Priority of Payments prior to paying any amount in respect of the Subordinated Notes will be at least sufficient to pay in full: (x) the aggregate Redemption Prices of the entire Class or Classes of Rated Notes subject to the Optional Redemption; plus (y) all Refinancing Costs; (iii) 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; (iv) 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; (v) the interest rate of any Refinancing Obligations will not be greater than the interest rate of the Rated Notes subject to such Optional Redemption; (vi) 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; (vii) 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 (viii) 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 change the territory in which it is resident for tax purposes 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 an Event of Default.

2.13 **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.

2.14 **Possible U.S. tax effect of amendments** The Issuer may, for certain specified purposes, enter into amendments, some of which may be entered into without the consent of any Noteholders and without requiring the Issuer to specifically consider the federal income tax consequences of such amendments. Thus, there is no specific requirement that such amendments will not (x) cause the Issuer to be treated as engaged in a United States trade or business, (y) adversely affect the characterisation of the Notes (as debt or equity) for federal income tax purposes or (z) cause the Notes to be treated as exchanged for other securities, in a transaction in which gain or loss is recognised.

2.15 **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 shall, 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 14 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 14 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.

Under FATCA, the Issuer may enter into an agreement with the IRS or comply with the Irish IGA and the Irish Regulations pursuant to which it will be required to, among other things, provide certain information about the Noteholders to a taxing authority (see above).

The Issuer 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 or if the Issuer otherwise reasonably determines that a Noteholder's acquisition or holding of an interest in such a Note would cause the Issuer to be unable to comply with FATCA (and such sale could be for less than its then fair market value). For these purposes, the Issuer shall have the right to sell a Noteholder's interest in its Notes in its entirety notwithstanding that the sale of a portion of such an interest would permit the Issuer to comply with FATCA. If the Issuer is required to force such sale, the Issuer shall require the holder to sell its Notes to a purchaser selected by the Issuer on such terms as the Issuer may choose, subject to the transfer restrictions set out herein. The 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.

2.16 **U.S. tax characterisation of the Notes** The Issuer has agreed and, by its acceptance of the Notes, each holder thereof will be deemed to have agreed, to treat the Rated Notes as debt of the Issuer for U.S. federal income tax purposes, except as otherwise required by applicable law and for certain limited purposes (as described in *"Tax Considerations"*). The determination of whether a Note will be treated as debt for U.S. federal income tax purposes is based on the facts and circumstances existing at the time the Note is issued. Prospective investors should be aware that the Issuer's intended characterisation of the Rated Notes are not binding on the IRS, and there can be no assurance that the IRS will not seek to characterise as something other than indebtedness any particular Class or Classes of the Rated Notes.

The Issuer has agreed and, by its acceptance of a Subordinated Note, each holder will be deemed to have agreed, to treat such Subordinated Note as equity in the Issuer for U.S. federal income tax purposes, except as otherwise required by applicable law. Prospective investors should be aware that Issuer's intended characterisations of the Subordinated Notes are not binding on the IRS, and there can be no assurance that the IRS will not seek to characterise as something other than equity any Subordinated Notes.

Notes issued in additional issuances by the Issuer may not be fungible for U.S. federal income tax purposes with Notes issued in the original offering Whether any new notes would be fungible for U.S. federal income tax purposes with the Notes issued on the Issue Date would depend on whether the issuance of such new securities would be treated as a "qualified

reopening" within the meaning of U.S. Treasury regulations. This determination will depend on facts that cannot be determined at this time, possibly including the date on which such issuance occurs, the yield of the Notes at that time Outstanding (based on their fair market value) and whether any Notes at that time Outstanding are publicly traded or quoted at that time (which will depend, in part, on whether the stated principal amount of the Notes at that time Outstanding exceeds $100 million). In addition, potential investors should note that Notes which are expressed to be consolidated and form a single series with previously issued Notes may not be treated as a qualified reopening and, thus, may not be grandfathered under FATCA, even if the previously issued Notes originally were grandfathered under FATCA (such Notes, "**Grandfathered Securities**"). Finally, the issuance of Notes which are expressed to be consolidated and form a single series with Notes that otherwise qualify as Grandfathered Securities should not, as a legal matter, affect the grandfathering status of the previously Grandfathered Securities. However, potential investors in the Notes should be aware that, as a practical matter, it may not be possible for a paying agent or an Intermediary to differentiate between Grandfathered Securities and non-Grandfathered Securities of the same series held in a securities account and that no Note in the series may be treated by the paying agent or Intermediary as Grandfathered Securities. In light of this, a paying agent or intermediary may withhold on payments in respect of a Grandfathered Security.

The Issuer will cause its independent accountants to provide U.S. Holders of the Subordinated Notes, upon request by such U.S. Holder and at the U.S. Holder's expense, with the information reasonably available to the Issuer that a U.S. Holder would need to make to comply with the CFC rules of the Code. The cost charged to the U.S. Holder by the Issuer for providing the information may be significant. Accordingly, the Subordinated Notes may not be a suitable investment for such U.S. Holders subject to the CFC rules.

2.17 **Non-compliance with restrictions on ownership of the Notes and the Investment Company Act could adversely affect the Issuer** The Issuer has not registered with the SEC as an investment company pursuant to the Investment Company Act, in reliance on an exception under Section 3(c)(7) of the Investment Company Act for investment companies (a) whose outstanding securities are beneficially owned only by QPs and by "knowledgeable employees" with respect to the Issuer and certain transferees thereof identified in Rules 3c-5 and 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 recover any damages caused by the violation; and (iii) any contract to which the Issuer is party that is made in violation of the Investment Company Act or whose performance involves such violation would be unenforceable by any party to the contract unless a court were to find that under the circumstances enforcement would produce a more equitable result than non-enforcement and would not be inconsistent with the purposes of the Investment Company Act. In addition, such a finding (subject to the timing requirements specified in Condition 10(a)(viii) (*Investment Company Act*)) would constitute an Event of Default. Should the Issuer be subjected to any or all of the foregoing, the Noteholders would be materially and adversely affected.

2.18 **Potential changes to Note ratings** Prospective investors in the Notes should be aware that as a result of recent economic events, rating agencies have undertaken extensive reviews of their rating methodology and criteria used to rate notes issued as part of collateral loan obligation transactions. This could impact the ratings assigned to the Notes after the Issue Date and potentially result in the downgrade or withdrawal thereof following the Issue Date.

Each Rating Agency may change its 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 Rating Agencies previously provided confirmation that such occurrence would not result in the rating of such Rated Note being lowered. Additionally, the Rating Agencies may, at any time and without any change in their published ratings criteria or methodology, lower or withdraw any rating assigned by them 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 find that additional capital charges apply in respect of their holding and 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 Portfolio.

2.19 **Average life and prepayment considerations** The Maturity Date of the Rated Notes is 15 November 2028 (subject to adjustment for Business Days); however, the principal of the Notes of each Class is expected to be paid in full prior to the Maturity Date. Average life refers to the average amount of time that will elapse from the date of issuance 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 thereon, 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 under the underlying Collateral Debt Obligations and the characteristics of such loans, including the existence and frequency of exercise of any optional or mandatory redemption features, the prevailing level of interest rates, the redemption price, the actual default rate, the actual level of recoveries on any Defaulted Obligations and the timing of defaults and recoveries, and the frequency of tender or exchange offers for such Collateral Debt Obligations. In particular, loans are generally repayable at par and a high proportion of loans could be repaid. Substantially all of the Collateral Debt Obligations are expected to be subject to optional redemption or prepayment by the relevant Obligor. Any disposition of a Collateral Debt Obligation may change the composition and characteristics of the Collateral Debt Obligations included in the Portfolio and the rate of payments 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 realisations from Defaulted Obligations will also affect the maturity and average lives of the Notes. The ability of the Portfolio Manager, acting on behalf of the Issuer, to reinvest any Principal Proceeds in the manner described under "*The Portfolio - Management of the Portfolio*" and the decisions made regarding whether or not to reinvest such proceeds will also affect the average lives of the Notes. The average lives of the Notes may also be affected by any of the provisions of the Conditions relating to the optional or mandatory redemption of the Notes in whole or in part (as applicable) prior to the Maturity Date.

2.20 **Reports provided by the Collateral Administrator will not be audited** The 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 Reports will not be audited nor will the Reports include a review or opinion by a public accounting firm.

2.21 **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 confirmations 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 the 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 Noteholders.

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.

In connection with the Effective Date, if S&P has not given Rating Agency Confirmation in respect of its initial ratings of the applicable Rated Notes, an Effective Date Rating Event will have occurred and 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 Fitch 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 Fitch), 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.

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

Under Rule 17g-5, rating agencies providing the requisite certifications described above may issue unsolicited ratings of the Rated Notes which may be lower and, in some cases, significantly lower than the ratings provided by the Rating Agencies. The unsolicited ratings may be issued prior to, on or after the Issue Date and will not be reflected herein. Issuance of any unsolicited rating will not affect the issuance of the Notes. A rating agency that has reviewed the transaction may have a fundamentally different methodology or approach to or opinion of the structure or the nature or quality of some or all of the underlying Collateral Debt Obligations which may result in a view or rating which differs significantly from the ratings assigned by the Rating Agencies. Such unsolicited ratings could have a material adverse effect on the price and liquidity of the Rated Notes and, for regulated entities, could adversely affect the value of the Rated Notes as a legal investment or the capital treatment of the Rated Notes.

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

2.23 **Money laundering prevention laws may require certain actions or disclosures** 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 October 26, 2001, 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.

2.24 **Resolutions, amendments and waivers** 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 75 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.

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.

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.

2.25 **Enforcement rights following an Event of Default** Following the occurrence of an Event of Default that 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 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 Event of Default is in respect of events other than those specified in sub-paragraphs (i), (ii) or (iv) of Condition 10(a) (*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 Event of Default is in respect of events specified in sub-paragraphs (i), (ii) or (iv) of Condition 10(a) (*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 Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Subordinated Notes as a result of the insufficiency of available Interest Proceeds or, with respect to the Subordinated Notes, Interest Proceeds or Principal Proceeds shall at no time constitute an Event of Default even if such Class is the Controlling Class.

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.

2.26 **Withholding Tax on the Notes** Although no withholding tax should currently be imposed on payments of interest or principal on the Notes under an exemption set out in "*Tax Considerations*", there can be no assurance that the law will not change. In addition, the Issuer has the right to withhold at the required rate, currently up to 30 per cent., on all payments made to any beneficial owner of an interest in any of the Notes that fails to comply with its requests for Noteholder FATCA Information to enable the Issuer to comply with

FATCA (including an IGA or any IRS Agreement entered into with a taxing authority pursuant thereto) or to certain FFI's that either fail to enter into an IRS Agreement with the IRS or comply with an IGA. If any withholding tax is imposed on payments of interest or principal on any Class of Notes, the Issuer is not required to "gross up" payments to the holders of such Notes. However in certain circumstances (following the occurrence of a "**Note Tax Event**") 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*).

3. **Relating to the Collateral**

3.1 **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 (as 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 of the Determination Date immediately preceding the second Payment Date) and (save as described herein) thereafter. This Prospectus does not contain any information regarding the individual Collateral Debt Obligations on which the Notes will be secured from time to time. Purchasers of any of the Notes will not have an opportunity to evaluate for themselves the relevant economic, financial and other information regarding the investments to be made by the Issuer and, accordingly, will be dependent upon the 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.

Neither the Issuer, the Joint Placement Agents or 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.

3.2 **Nature of non-investment grade collateral; defaults** The Issuer will invest in a portfolio of Collateral Debt Obligations consisting at the time of acquisition of predominately Senior Secured Loans, Second Lien Loans, Unsecured Senior Loans, Mezzanine Loans, Corporate Rescue Loans and Bridge Loans as well as certain other investments, all of which will have greater credit and liquidity risk than investment grade sovereign or corporate bonds or loans. The Collateral is subject to credit, liquidity and interest rate risks. The Issuer is at no time permitted to buy Bonds (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).

The market value of the Collateral Debt Obligations may be volatile and will generally fluctuate with, among other things, changes in prevailing interest rates, general economic conditions, the condition of certain financial markets, international political events, developments or trends in any particular industry and the financial condition of the Obligors under the Collateral Debt Obligations.

The lower rating of below investment grade loans reflects a greater possibility that adverse changes in the financial condition of an Obligor or in general economic conditions or both may impair the ability of the relevant Obligor to make payments of principal or interest. Such investments may be speculative. See "*The Portfolio*".

A decrease in the market value of the Collateral Debt Obligations would adversely affect the proceeds of sale that could be obtained upon the sale of the Collateral Debt Obligations and could, ultimately, affect the ability of the Issuer to effect an optional redemption of the Notes or pay the principal of the Notes upon a liquidation of the Collateral Debt Obligations following the occurrence of an Event of Default.

Due to the fact that Subordinated Notes represent a leveraged investment in the underlying Collateral Debt Obligations, it is anticipated 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.

The offering of the Notes has been structured so that the Notes can withstand certain assumed losses relating to defaults on the underlying Collateral Debt Obligations. See "*Ratings of the Notes*" . There is no assurance that actual losses will not exceed such assumed losses. If any losses exceed such assumed levels, payments on the Notes could be adversely affected by such defaults. To the extent that a default occurs with respect to any Collateral Debt Obligation securing the Notes and the Issuer 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.

The financial markets may experience substantial fluctuations in prices for such Collateral Debt Obligations and limited liquidity for such obligations. No assurance can be made that the conditions giving rise to such price fluctuations and limited liquidity will not occur, subsist or become more acute following the Issue Date. During periods of limited liquidity and higher price volatility, the Issuer's ability to acquire or dispose of Collateral Debt Obligations at a price and time that the Issuer deems advantageous may be impaired. As a result, in periods of rising market prices, the Issuer may be unable to participate in price increases fully to the extent that it is either unable to dispose of Collateral Debt Obligations whose prices have risen or to acquire Collateral Debt Obligations whose prices are on the increase; the Issuer's inability to dispose fully and promptly of positions in declining markets will conversely cause its net asset value to decline as the value of unsold positions is marked to lower prices.

Accordingly, no assurance can be given as to the amount of proceeds of any sale or disposition of 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.

3.3 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 the Warehouse Arrangements. The Warehouse Arrangements comprise total return swap transactions between the Issuer and HSBC Bank plc (the "**Warehouse Provider**") and allow the Issuer to acquire certain Collateral Debt Obligations prior to the Issue Date financed by the Warehouse Provider as counterparty under such total return swap transactions (the "**Warehoused Assets**"). The Warehouse Provider's involvement in the Warehouse Arrangements was solely in its capacity as total return swap counterparty and its agreement to finance the Warehoused Assets in such capacity should not be viewed as a determination by it as to whether a particular asset is an appropriate investment by the Issuer or whether such asset satisfies the Eligibility Criteria or other criteria applicable to the Issuer. The Warehouse Arrangements must be terminated in all respects on the Issue Date (other than certain accounts maintained in connection with the Warehouse Arrangements which shall remain open for a short period of time following the Issue Date in order to receive misdirected payments), and all amounts owing to the Warehouse Provider in connection with such arrangements must be paid by the Issuer on the Issue Date from the proceeds of the issuance of the Notes. Any loss or gain in respect of the Warehoused Assets subject to the Warehouse Arrangements during the term of such arrangements shall be for the account of the Issuer and upon termination of the Warehouse Arrangements, the amount of any realised losses will be payable by the Issuer

to the Warehouse Provider under the relevant total return swap transaction out of Note issuance proceeds. To the extent the Warehoused Assets have been acquired from 3i Group Plc's synthetic warehouse facility with a third party any loss or gain in the value of such Warehoused Assets in the period it was held in 3i Group Plc's synthetic warehouse will also 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.

The prices paid by the Issuer for Collateral Debt Obligations acquired prior to the Issue Date pursuant to the Warehouse Arrangements will have been the prevailing prices at the time of the execution of the applicable trades given the market circumstances applicable on the date the Issuer entered into a binding commitment to purchase, which may be greater or less than the market value thereof on the Issue Date. Events occurring between the date of the Issuer first acquiring, or committing to acquire, a Collateral Debt Obligation and the Issue Date, including changes in prevailing interest rates, prepayments of principal, developments or trends in any particular industry, changes in the financial condition of the Obligors of Collateral 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 and domestic political events, could adversely affect the market value of the Collateral Debt Obligations acquired prior to 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 the Issuer entered or enters into a binding commitment to acquire such Collateral Debt Obligations, but will not receive the benefit of interest earned on the Collateral Debt Obligations prior to the Issue Date.

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.

3.4 **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*".

3.5 **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.

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.

3.6 **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 as of the Determination Date falling immediately prior to the second Payment Date), Collateral Quality Tests and 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.

3.7 **Nature of the Collateral** The Collateral Debt Obligations 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). All of the Collateral Debt Obligations charged and/or assigned to 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 or issued by 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.

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 notice from time to time of the identity of Collateral Debt Obligations which become "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 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 of any recovery with respect to any Collateral Debt Obligation.

3.8 **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 Loans

Senior Loans ("**Senior Loans**", when the term is used in this paragraph 3.8, 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 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 normally is an event of acceleration which allows the syndicate to demand immediate repayment in full of the outstanding loan. However, although any particular Senior 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. Due to 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 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.

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.

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. Cov-Lite Loans typically do not have Maintenance Covenants. Ownership of Cov-Lite Loans may expose the Issuer to different risks, including with respect to liquidity, price volatility and ability to restructure, 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 obligations.

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.

3.9 **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.

3.10 **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.

3.11 **Participations and Assignments** 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 acquired is referred to herein as a "**Selling Institution**". Interests in loans acquired directly by way of novation or assignment are referred to herein as "**Assignments**". Interests in loans acquired indirectly by way of sub-participation are referred to herein as "**Participations**". As described in more detail below, holders of Participations are subject to additional risks not applicable to a holder of a direct interest in a loan.

The purchaser of an Assignment typically succeeds to all the rights 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 (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 Fitch and S&P 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.

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

In the event that a Hedge Counterparty is subject to a rating withdrawal or downgrade by 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.

Similarly, the Issuer will be exposed to the credit risk of the Account Bank and the Custodian to the extent of, respectively, all cash of the Issuer held in the Accounts and all Collateral of the Issuer held by the Custodian. In the event that the Account Bank or the Custodian is subject to a rating withdrawal or downgrade by 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.

3.13 **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 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*".

3.14 **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.

3.15 **Interest rate risk** The Class A Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes and Class F Notes bear interest at a floating rate based on EURIBOR. It is possible that Collateral Debt Obligations 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 mismatch and/or a floating rate basis mismatch between the Notes and the underlying Collateral Debt Obligations and Eligible Investments. Such mismatch may be material and may change from time to time as the composition of the related Collateral Debt Obligations and Eligible Investments change and as the liabilities of the Issuer accrue or are repaid. As a result of such mismatches, changes in the level of EURIBOR could adversely affect the ability to make payments on the Notes. 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 Hedge Agreements (i) that at the time such Hedge Agreements are entered into, satisfy the Hedge Agreement Eligibility Criteria (as defined in the Portfolio Management Agreement); or (ii) in respect of which the Issuer obtains legal advice of reputable counsel that such Hedge Agreement will not cause the Issuer or the Portfolio Manager to be required to register as a CPO with the CFTC with respect to the Issuer and that such Hedge Agreement would be considered a "permitted derivative" within the meaning of and subject to the "loan securitization" exemption under the Volcker Rule. See "*Hedging Arrangements*" and certain regulatory considerations in relation to swaps, discussed in 1.10 (*Commodity Pool Regulation*) above. However, the Issuer will depend on

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

In addition, some Collateral Debt Obligations permit the Obligor to re-set the interest period applicable to it from quarterly to semi-annual and vice versa. Interest Amounts are due and payable in respect of the Notes on a 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. 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 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). 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 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.

3.16 **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*".

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 Hedge Agreements (i) that at the time such Hedge Agreements are entered into, satisfy the Hedge Agreement Eligibility Criteria; or (ii) in respect of which the Issuer obtains advice from reputable legal counsel that such Hedge Agreement will not cause the Issuer or the Portfolio Manager to be required to register as a CPO with the CFTC with respect to the Issuer and that such Hedge Agreement would be considered a "permitted derivative" within the meaning of and subject to the "loan securitization" exemption under the Volcker Rule. The Issuer may also be unable to or may only have a limited ability to enter into Hedge Transactions due to recent regulatory changes. See "*Hedging Arrangements*" and *"EMIR"*.

The Issuer's ongoing payment obligations under 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. 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 credit events relating to the applicable Asset Swap Obligation. 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).

3.17 **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.

3.18 **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 act on behalf of 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 act on behalf of 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.

3.19 **Ratings on Collateral Debt Obligations** The Collateral Quality Tests, the Portfolio Profile Tests and the Coverage Tests are sensitive to variations in the ratings applicable to the underlying Collateral 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 Fitch CCC Obligation or S&P CCC Obligation or a Defaulted Obligation (and therefore

potentially subject to haircuts in the determination of the Par Value Tests and restrictions in the Portfolio Profile Tests and/or the Collateral Quality Tests). The Portfolio Management Agreement contains detailed provisions for determining the S&P Rating and the Fitch Rating of Collateral Debt Obligations. In most instances, the S&P Rating and Fitch Rating will not be based on or derived from a public rating of the Obligor or the actual Collateral Debt Obligation. In most cases, the S&P Rating and Fitch Rating in respect of a Collateral Debt Obligation will be based on a confidential credit estimate determined separately by S&P or Fitch (as applicable). Such 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. 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.

3.20 **Changes in tax law; no gross-up** At the time when they are acquired by the Issuer, the Eligibility Criteria require that payments of interest on the Collateral Debt Obligations either will not be reduced by any withholding tax imposed by any jurisdiction or, if and to the extent that any such withholding tax does apply, the relevant Obligor will be obliged to make gross-up payments to the Issuer that cover the full amount of such withholding tax. 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, as a result of any change in any applicable law, rule or regulation or interpretation thereof, the payments on the Collateral Debt Obligations might not in the future become subject to withholding tax or increased withholding rates in respect of which the relevant Obligor will not be obliged to gross-up to the Issuer. In such circumstances, the Issuer may be able, but will not be obliged, to take advantage of (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 if paid in the ordinary course of its business. 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 and Minimum Weighted Average Fixed Coupon 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.

Proposals are made from time to time to amend the Code. One recent proposal, if enacted, would, among other things, amend the portfolio interest rules in a manner that would impose a 30 per cent. withholding tax on interest payments received by foreign corporations such as the Issuer on U.S. corporate obligations. The provision is proposed to be effective to obligations issued more than one year after the date of enactment. No representation is made that this or any other change in law will be enacted, or, if enacted, what effect it will have on the Issuer or the Notes.

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 imposed on payments of interest or principal on the Notes, 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)*.

4. **Taxation of the Issuer**

The Issuer is incorporated in Ireland 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 *"Acquisition of Collateral Debt Obligations"* above, 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, however the Issuer has been advised 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 activities of the Portfolio Manager in the UK could lead Her Majesty's Revenue and Customs ("**HMRC**") to assert that certain profits of the Issuer (as calculated on a particular statutory basis) should be subject to UK income or corporation tax. However, the Directors intend to conduct the affairs of the Issuer, so far as they consider reasonably practicable, so that it remains tax resident only in Ireland and thus does not become resident in the United Kingdom for taxation purposes. In addition, the Issuer has been advised (for the reasons set out in the paragraphs below) that the Issuer should not be subject to United Kingdom tax on income (other than on United Kingdom source income withheld at source) or subject to United Kingdom corporation tax as a result of carrying on a trade through a United Kingdom permanent establishment. No assurances can be made, however, that HMRC will not successfully challenge the above position, or that changes in tax law, regulations or interpretations will not subject the Issuer to United Kingdom or other taxes.

The Issuer will be regarded as having a permanent establishment in the UK if it has a place of business in the UK or it has an agent in the UK who has and habitually exercises authority in the UK to do business on the Issuer's behalf. The Issuer does not intend to have a place of business in the UK. The Portfolio Manager will, however, have a place of business in the UK 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 taxation, it will not be subject to UK corporation tax if the exemption in Article 5(6) of the UK-Ireland tax treaty applies. This exemption will apply if the 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 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, 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 will be entitled to an indemnity from the Issuer. Any payment to be made by the Issuer under this indemnity will be paid as Administrative Expenses of the Issuer. Administrative Expenses are payable by the Issuer on any Payment Date in accordance with the Interest Proceeds Priority of Payments, the Principal Proceeds Priority of Payments or the Post-Acceleration Priority of Payments, as applicable. It should be noted that UK tax legislation makes it possible for the HMRC 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, in accordance with the Interest Proceeds Priority of Payments, the Principal Proceeds Priority of Payments or the Post-Acceleration Priority of Payments, as applicable, UK tax on its UK taxable profit attributable to its UK activities. The Issuer would also be liable to pay, under the Interest Proceeds Priority of Payments, Principal Proceeds Priority of Payments or the Post-Acceleration Priority of Payments, as applicable, UK tax on its UK taxable profits in the unlikely event that it were treated as being tax resident in the UK.

5. **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 respect of 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 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.

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. 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.

Although the Portfolio Manager is required, pursuant to its entry into the Portfolio Management Agreement, to commit an appropriate amount of its business efforts to the management of the Portfolio, the Portfolio Manager is not required to devote all of its time to such affairs and may continue to advise and manage other investment funds in the future. See "*Certain Conflicts of Interest regarding Portfolio Manager, Joint Placement Agents and Joint Arrangers*".

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

6. **No Joint Arranger or Joint Placement Agent role post-closing**

None of the Joint Arrangers nor any of the Joint Placement Agents take any responsibility for, and has no obligations in respect of, the Issuer and will have no obligation to monitor the performance of the Portfolio or the actions of the 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 a Joint Arranger or any Joint Placement Agent or any of their respective Affiliates owns Notes, it 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.

7. **Projections, forecasts and estimates**

Any projections, forecasts and estimates provided to prospective purchasers of the Notes are forward looking statements. Projections are necessarily speculative in nature, and it can be expected that some or all of the assumptions underlying the projections will not materialise or will vary significantly from actual results. Accordingly, any projections are only an estimate. Actual results may vary from such projections, and the 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, 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 timing of accrual and receipt of Interest Proceeds from the Portfolio, and the effectiveness of the Hedge Transactions, among others.

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

8. **Security; fixed charge**

Any assets forming part of the Collateral which are securities will be held by the Custodian. The Custodian will hold certain of the securities (i) through its accounts with Euroclear or Clearstream, Luxembourg, as appropriate, and (ii) through its sub-custodians who will in turn hold such securities both directly and through any appropriate clearing system. Those securities held in clearing systems will not be held in special purpose accounts and will be fungible with other securities from the same issue held in the same accounts on behalf of the other customers of the Custodian or its sub-custodian, as the case may be. A first fixed charge over such securities will be created under English law pursuant to the Trust Deed on the Issue Date and will take effect as a security interest over the right of the Issuer to require delivery of equivalent securities from the Custodian in accordance with the terms of the Agency Agreement (as defined in "*Terms and Conditions of the Notes*").

The Collateral comprising securities held by the Custodian through the Euroclear Account will be the subject of a commercial pledge under Belgian law created by the Issuer pursuant to the Euroclear Pledge Agreement on the Issue Date. The effect of this security interest will be to enable the Custodian, on enforcement, to sell the securities in the Euroclear Account on behalf of the Trustee. The Euroclear Pledge Agreement will not entitle the Trustee to require

delivery of the relevant securities from the depositary or depositories that have physical custody of such securities or allow the Trustee to rehypothecate such securities.

However, the charge created pursuant to the Trust Deed and the security created by the Euroclear Pledge Agreement 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 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 or any other party.

In addition, custody and clearance risks may be associated with assets of the Issuer which are securities that do not clear through Euroclear or Clearstream, Luxembourg. There is a risk, for example, that such securities could be counterfeit, or subject to a defect in title or claims to ownership by other parties.

Although the security constituted by the Trust Deed over the Collateral Debt Obligations and Eligible Investments held from time to time, including the security over the Accounts, is expressed to take effect as fixed security, under English law it is likely to (as a result of the substitutions of Collateral Debt Obligations contemplated by the Portfolio Management Agreement and the payments to be made from the Accounts in accordance with the Conditions and the Trust Deed) take effect as a floating charge which, in particular, would rank after a subsequently created fixed security interest. Although the Issuer has covenanted not to create any such subsequent security interests (other than 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.

9. **Regulatory risk**

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

As such, Collateral 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.

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, Article 404). 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 Portfolio Manager, Joint Placement Agents and Joint Arrangers**

Various potential and actual conflicts of interest may arise from the overall 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 in a manner which it deems equitable to the extent possible under the prevailing facts and circumstances. 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 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 (but not 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 the removal and replacement of the Portfolio Manager 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 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. 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.

Joint Placement Agents and Joint Arrangers

It is expected that each Joint Placement Agent or their respective Affiliates will have, respectively, underwritten or placed certain of the Collateral Debt Obligations at original issuance, will own equity or other securities of Obligors under Collateral Debt Obligations and will have provided investment banking services, advisory, banking and other services to issuers of Collateral Debt Obligations. From time to time, the Portfolio Manager may, on behalf of the Issuer, purchase or sell Collateral Debt Obligations through a Joint Placement Agent or its Affiliates. The Issuer may invest in the securities of companies affiliated with a Joint Placement Agent, a Joint Arranger, the Portfolio Manager or their respective Affiliates or companies in which a Joint Placement Agent, a Joint Arranger, the Portfolio Manager or their respective Affiliates have an equity or participation interest. In addition, each Joint Placement Agent, each Joint Arranger and/or the Portfolio Manager and its Affiliates may invest in debt obligations that have interests different from or adverse to the debt obligations that constitute Collateral Debt Obligations. The purchase, holding and sale of such investments by the Issuer may enhance the profitability of each Joint Arranger's, each Joint Placement Agent's, the Portfolio Manager's or their Affiliates' own investments in such companies. None of the Joint Placement Agents nor either Joint Arranger takes any responsibility for nor has any obligations in respect of the Issuer.

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 Placement Agents and the Joint Arrangers may retain and may acquire from time to time 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 Placement Agents and the Joint Arrangers are part of a global investment banking and securities and investment management firm that provides a wide range of financial services to a substantial and diversified client base that includes corporations, financial institutions, governments and high-net-worth individuals. As such, they actively make markets in and trade financial instruments for their own account and for the accounts of customers in the ordinary course of their business. The Joint Placement Agents and the Joint Arrangers 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 Placement Agents and the Joint Arrangers 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 Placement Agents and the Joint Arrangers will act in its own commercial interest in its various capacities without regard to whether its interests conflict with those of the holders of the Notes or any other party. Moreover, the Issuer may invest in loans of obligors Affiliated with the Joint Placement Agents and the Joint Arrangers or in which one or more of the Joint Placement Agents and the Joint Arrangers 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 Placement Agent's or the Joint Arranger's own investments in such obligors.

There is no limitation or restriction on the Portfolio Manager, each Joint Arranger, each Joint Placement Agent or any of their respective Affiliates with regard to acting as portfolio manager (or in a similar role), placement agent 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, each Joint Placement Agent, each Joint Arranger 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 value added tax) arising after the issuance of the Irish Revenue Commissioners' notice to the holder of fixed security.

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

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

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

In particular, the Irish courts have held that in order to create a fixed charge on receivables, it is necessary to oblige the chargor to pay the proceeds of collection of the receivables into a designated bank account and to prohibit the 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 (Amendment) Act 1990, as amended (the "**1990 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.

14. **The Rating Agencies may have certain conflicts of interest**

S&P and Fitch 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.

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, some of which will modify the effect of these Conditions. See "Form of the Notes - Amendments to Terms and Conditions".

The issue of €264,400,000 Class A Senior Secured Floating Rate Notes due 2028 (the "**Class A Notes**"), €56,300,000 Class B Senior Secured Floating Rate Notes due 2028 (the "**Class B Notes**"), €30,400,000 Class C Senior Secured Deferrable Floating Rate Notes due 2028 (the "**Class C Notes**"), €23,600,000 Class D Senior Secured Deferrable Floating Rate Notes due 2028 (the "**Class D Notes**"), €29,200,000 Class E Senior Secured Deferrable Floating Rate Notes due 2028 (the "**Class E Notes**"), €12,400,000 Class F Senior Secured Deferrable Floating Rate Notes due 2028 (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 €50,200,000 Subordinated Notes due 2028 (the "**Subordinated Notes**") (the Rated Notes and the Subordinated Notes, together the "**Notes**") of Harvest CLO X Limited (the "**Issuer**") was authorised by resolution of the board of Directors of the Issuer dated on or about 6 November 2014. 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 (including the Euroclear Pledge Agreement) 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 Deutsche Trustee Company 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 each Joint Placement Agent; (b) an agency agreement dated on or about the Issue Date (the "**Agency Agreement**") between (among others), the Issuer, Deutsche Bank Luxembourg S.A. as registrar and transfer agent (the "**Registrar**" and the "**Transfer Agent**", which terms shall include any successor or substitute registrar or transfer agent appointed pursuant to the terms of the Agency Agreement), Deutsche Bank AG, London Branch as principal paying agent, collateral administrator, account bank, calculation agent, and custodian (respectively, the "**Principal Paying Agent**", the "**Collateral Administrator**", the "**Account Bank**", the "**Calculation Agent**" and the "**Custodian**" which terms shall include any successor or substitute principal paying agent, collateral administrator, account bank, calculation agent or custodian, respectively, appointed pursuant to the terms of the Agency Agreement), Deutsche Bank Trust Company Americas as information agent (the "**Information Agent**" which term shall include any successor or substitute information agent appointed pursuant to the terms of the Agency 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 the Issue Date (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 53 Merrion Square, Dublin 2, 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 and the Interest Smoothing Account.

"**Accrual Period**" means, in respect of each Class of Notes, the period from and including the Issue Date to, but excluding, the first Payment Date and 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 Payment Date on and after the Effective Date during the Reinvestment Period and which will be satisfied on such Payment Date if the Class F Par Value Ratio is at least 104.1 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 value added tax payable to that party:

(a) on a *pro-rata* basis and *pari passu*, to (i) 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; (ii) the Issuer Corporate Services Provider under the Issuer Corporate Services Agreement; (iii) the directors of the Issuer in respect of their fees and expenses; (iv) 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), provided that any amounts payable to the Account Bank under clause 7.8 (*Interest*) of the Agency Agreement shall be payable in priority to all other amounts referred to in this paragraph (a);

(b) each Reporting Delegate pursuant to any Reporting Delegation Agreement including amounts due and payable by way of indemnity;

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

(i) to any Rating Agency which may from time to time be requested to assign (i) a rating to each of the Rated Notes, or (ii) a confidential credit estimate to any of the Collateral 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 value added tax 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) to the Irish Stock Exchange, or such other stock exchange or exchanges upon which any of the Notes are listed from time to time;

(v) 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;

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

(vii) 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);

(viii) 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*);

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

(x) 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); and

(xi) on a *pro rata* basis, to the Joint Placement Agents pursuant to the Placement Agency Agreement in respect of any indemnity payable to them thereunder; and

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

(e) 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 (c)(i) above other than in the order required by paragraph (c) 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 (c) above, but otherwise in accordance with the priorities specified in paragraphs (a) to (e) above, if required to ensure the delivery referred to in paragraph (c) 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.

"**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 an Event of Default has occurred in accordance with Condition 10(a)(iv) (Collateral Debt Obligations),

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

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

"**Article 404**" means Article 404-410 of the CRR together with any guidelines and technical standards published in relation thereto by the European Banking Authority (or any successor or replacement agency or authority) as may be effective from time to time, provided that any reference to Article 404 shall be deemed to include any successor or replacement provisions included in any European Union directive or regulation.

"**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 satisfies 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 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 excluding, for all purposes other than determining the amount payable by the Issuer to the Asset Swap Counterparty under the relevant Asset Swap Agreement, 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 S&P Collateral Value and its Fitch Collateral Value (determined as if such Eligible Investment were a Collateral Debt Obligation).

"**Benefit Plan Investor**" means:

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

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

(c) any entity whose underlying assets include plan assets by reason of such an employee benefit plan's or plan's investment in such entity, but only to the extent of the percentage of the equity interests in such entity that are held by Benefit Plan Investors.

"**Bond**" means an obligation or security that is a (i) Senior Secured Bond, (ii) High Yield Bond, (iii) PIK Security, (iv) Unsecured Senior Loan, Senior Secured Loan or Mezzanine Loan, in each case evidenced by the issue of notes, (v) Collateral Enhancement Obligation or any other obligation or security with attached warrants or options, or (vi) any other obligation issued in the form of a security.

"Bookrunner" means HSBC Bank plc as sole bookrunner.

"**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 S&P CCC Obligations over an amount equal to 7.5 per cent. of the Aggregate Collateral Balance as of the current Determination Date; and

(b) the excess of the Principal Balance of all Fitch CCC Obligations over an amount equal to 7.5 per cent. of the Aggregate Collateral Balance as of the current Determination Date,

provided that in determining which of the Fitch CCC Obligations or S&P CCC Obligations, as applicable, shall be included under part (a) or (b) above, the Fitch CCC Obligations or S&P CCC 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 Noteholders**" means the holders of the 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 and after the Determination Date immediately preceding the second Payment Date and which will be satisfied on such Measurement Date, if the Class A/B Interest Coverage Ratio is at least 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 and after the Effective Date and which will be satisfied on such Measurement Date, if the Class A/B Par Value Ratio is at least 130.4 per cent.

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

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

"**Class C 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 and after the Determination Date immediately preceding the second Payment Date and which will be satisfied on such Measurement Date, if the Class C Interest Coverage Ratio is at least 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 and 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 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 and after the Determination Date immediately preceding the second Payment Date and which will be satisfied on such Measurement Date, if the Class D Interest Coverage Ratio is at least 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 and 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 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 and 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 and after the Effective Date and which will be satisfied on such Measurement Date, if the Class E Par Value Ratio is at least 106.4 per cent.

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

"**Class F Par Value Ratio**" means, as of any Measurement Date on and after the Effective Date, the ratio (expressed as a percentage) obtained by dividing (a) the 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 and after the Effective Date and which will be satisfied on such Measurement Date, if the Class F Par Value Ratio is at least 103.6 per cent. in respect of any such Measurement Date during the Reinvestment Period and 104.6 per cent. in respect of any such Measurement Date following the expiry of the Reinvestment Period.

"**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.

"Clearing Systems" means Euroclear or Clearstream, Luxembourg.

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

"**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 and the Euroclear Pledge Agreement.

"**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; provided that an Issue Date Collateral Debt Obligation must also 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 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;

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

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

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

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

(i) the Minimum Weighted Average Spread Test;

(ii) the Minimum Weighted Average Fixed Coupon Test; and

(iii) 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): (a) interest 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 home jurisdiction or foreign withholding tax (other than where such withholding tax is (i) compensated for by a "gross-up" provision in the terms of the Collateral Debt Obligation, or such requirement to withhold is eliminated pursuant to a double taxation treaty or otherwise so that the Issuer 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 or (ii) arises on account of FATCA); so that the aggregate amount of 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 or relocation of the Issuer or other reasonable measures would fail to remedy (a) above.

"**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) if the Class A Notes have been redeemed in full, whilst any Class B Notes are Outstanding, the Class B Notes;

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

(d) 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, the Class D Notes;

(e) 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, the Class E Notes;

(f) 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, the Class F Notes; and

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

"**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 that is an interest in a loan, the Underlying Instruments for which do not (i) contain any financial covenants or (ii) require the Obligor thereunder to comply with any Maintenance Covenant (regardless of whether compliance with one or more Incurrence Covenants is otherwise required by such Underlying Instruments) provided that, for all purposes other than the determination of the S&P Recovery Rate for such loan, a loan described in (i) or (ii) above that either contains a cross-default provision 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 shall be deemed not to be a Cov-Lite Loan.

"**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, 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.

"**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, 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.

"**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 (as amended, replaced or supplemented from time to time and as implemented by the Member States of the European Union) together with any guidelines and technical standards published in relation thereto by the European Banking Authority (or any successor or replacement agency or authority) as may be effective from time to time, provided any reference to the CRR shall be deemed to include any amended, successor or replacement provisions included in an European Union directive or regulation.

"**CRR Retention Requirements**" means Article 404 together with any guidelines and technical standards published in relation thereto by the European Banking Authority (or any successor or replacement agency or authority) as may be effective from time to time, provided that any reference to Article 404 or to the CRR Retention Requirements shall be deemed to include any successor or replacement provisions included in any European Union directive or regulation.

"**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 the Portfolio Manager believes that:

(a) 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; and

(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.

"**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 Obligation**" 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 Agreement 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 Obligation (which for the avoidance of doubt shall exclude any amounts which were received prior to such Collateral Debt Obligation becoming a Defaulted Deferring Mezzanine Obligation); 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 which 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:

(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 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 (provided that a Collateral Debt Obligation shall not constitute a Defaulted Obligation under this paragraph (b) if it is a Current Pay Obligation subject to paragraph (f) below), and except that a Collateral Debt

Obligation shall not constitute a Defaulted Obligation under this paragraph (b) if the Portfolio Manager has notified the Collateral Administrator, the Issuer, the Trustee and the Rating Agencies in writing of its decision not to treat the Collateral Debt Obligation as a Defaulted Obligation;

(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,

except that a Collateral Debt Obligation shall not constitute a Defaulted Obligation under this paragraph (c) if the Portfolio Manager has notified the Collateral Administrator, the Issuer, the Trustee and each Rating Agency in writing of its decision not to treat the Collateral Debt Obligation as a Defaulted Obligation;

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

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

(f) which would be treated as a Current Pay Obligation except that such Collateral Debt Obligation would result in the Aggregate Principal Balance of all Collateral Debt Obligations which constitute Current Pay Obligations exceeding 2.5 per cent. of the Aggregate Collateral Balance (for the purposes of calculating the Aggregate Collateral Balance for this paragraph (f) Defaulted Obligations shall be deemed to have a Principal Balance equal to the lesser of its S&P Collateral Value and Fitch Collateral Value);

(g) 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) an S&P Rating of "SD", "D" or "CC" or below or (B) a Fitch Rating of "CC", "C", "D" or "RD" or in each case had such rating immediately prior to the withdrawal of its rating by S&P or Fitch as applicable; or

(h) if the Obligor thereof offers holders of such Collateral Debt Obligation a new security, obligation or package of securities or obligations that amount to a diminished financial obligation (such as preferred or common stock, or debt with a lower coupon or par amount) of such Obligor and in the 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 (h) hereof, (ii) save in the case of (f) above, a Collateral Debt Obligation

which is a Current Pay Obligation shall not constitute 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 which 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 an Event of Default, seven Business Days prior to the applicable Redemption Date.

"**Director**" means Atif Kamal and Ciaran Connolly 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:

(a) in the case of any Floating Rate Collateral Debt Obligation, 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 an S&P Rating below "B-", 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 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; or

(b) in the case of any Fixed Rate Collateral Debt Obligation, is acquired by the Issuer for a purchase price of less than 75 per cent. of the Principal Balance of such Collateral Debt Obligation (or, if such Collateral Debt Obligation has an S&P Rating below "B-", such Collateral Debt Obligation is acquired by the Issuer for a purchase price of lower than 80 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 since the acquisition by the Issuer of such Collateral Debt Obligation, equals or exceeds 85 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 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) 15 April 2015, 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 S&P Collateral Value and its Fitch Collateral Value).

"**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 Fitch or (ii) Rating Agency Confirmation from Fitch has not been obtained for the Rating Confirmation Plan; or

(b) 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.

"**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 Investment 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 "AAAmmF" by Fitch or if not rated by Fitch, having an equivalent rating from a third global rating agency, 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 would not cause the Issuer to be a "covered fund" under the Volcker Rule as determined by the Portfolio Manager and (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 either (A) has a Stated Maturity (giving effect to any applicable grace period) no later than the Business Day immediately preceding the next following Payment Date or (B) is capable of being liquidated 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 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).

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

(a) for so long as 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;

(b) for so long any Notes rated by Fitch are Outstanding:

(i) in the case of Eligible Investments with a maturity of more than 30 days:

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

(B) a short-term senior unsecured debt or issuer credit rating of at least "F1+" from Fitch; or

(C) such other ratings as confirmed by Fitch; and

(ii) in the case of Eligible Investments with a maturity of 30 days or less:

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

(B) a short-term senior unsecured debt or issuer credit rating of at least "F1" from Fitch; or

(C) such other ratings as confirmed by Fitch.

"**Eligible Loan Index**" means S&P European Leveraged Loan Index or any other index subject to Rating Agency Confirmation from 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) (*Enforcement*).

"**Enforcement Threshold Determination**" has the meaning given to it in Condition 11(b)(i) (*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 Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F 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.

"**Euroclear Pledge Agreement**" means the Belgian law pledge agreement entered into between amongst others the Issuer, the Trustee and the Custodian on the Issue Date pursuant to the terms of the Trust Deed.

"**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.

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

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

"**Exchanged Security**" means any of (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) and (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 so long as, after giving effect to such restructuring or substitution, it is a loan.

"**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 U.S. Internal Revenue Code of 1986 (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 paragraph (a) above; or

(c) any agreement pursuant to the implementation of 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.

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

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

"**Fitch 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 Fitch Recovery Rate,

in each case multiplied by its Principal Balance.

"**Fitch Maximum Weighted Average Rating Factor Test**" has the meaning given to it in the Portfolio Management Agreement.

"**Fitch Minimum Weighted Average Recovery Rate Test**" has the meaning given to it in the Portfolio Management Agreement.

"**Fitch Rating**" has the meaning given to it in the Portfolio Management Agreement.

"**Fitch Recovery Rate**" means in respect of any Collateral Debt Obligation, the Fitch recovery rate determined in accordance with the Portfolio Management Agreement.

"**Fitch Tests Matrix**" has the meaning given to it in the Portfolio Management Agreement.

"**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 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) (*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*).

"**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) 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); and

(b) for so long as any of the Class A Notes or the Class B Notes remain outstanding, the ratio (expressed as a percentage) obtained by dividing:

(i) the sum of:

(A) 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 (other than Current Pay 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

(B) 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

(ii) 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,

is less than 120.0 per cent.; and

(c) for so long as any of the Class A Notes and the Class B Notes remain outstanding, the sum of:

(i) the amount determined pursuant to paragraph (b)(i) above (provided that scheduled and projected principal payments that become due to be paid in the circumstances described therein shall be deemed to be included in addition to scheduled and projected interest payments); and

(ii) 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 period described in paragraph (a) above (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 (other than Current Pay 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,

is equal to or greater than the amount determined pursuant to paragraph (b)(ii) above, or

(d) 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 (c) 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.

"**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.

"**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.

"**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 satisfies 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 is either rated below BBB- by S&P or Fitch or equivalent by at least one internationally recognised credit rating agency 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 determined by the Collateral Administrator, equal to the amount specified at paragraph (CC) of the Interest Proceeds Priority of Payments, paragraph (T) of the Principal Proceeds Priority of Payments and paragraph (Y) 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 Retention Holder's purchase price 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 Payment Period**" means the period commencing on, and including, the Issue Date to, but excluding, the first Payment 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 (*Events of Default*).

"**Interest Amount**" has the meaning given to it in 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 twelve 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,

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 pursuant to a straight line interpolation of the rates applicable to six and nine month Euro deposits on the Issue Date but such offered rate shall be calculated as of the second Business Day prior to the Issue Date.

"**Interest Proceeds**" means all amounts paid or payable into the Interest Account from time to time 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 Priorities of Payment on such Payment Date together with any other amounts to be disbursed as Interest Proceeds on such Payment Date pursuant to the Interest Proceeds Priority of Payments pursuant to Condition 3(c)(i) (*Application of Interest Proceeds*)).

"**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, satisfies the applicable Rating Requirement 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 Retention Holder's purchase price of the Subordinated Notes on the Issue Date 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 6 November 2014 (or such other date as may shortly follow such date as may be agreed between the Issuer, each Joint Arranger 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 the Issue Date 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 Fees and Expenses**" means all amounts payable by the Issuer to each Joint Arranger and each Joint Placement Agent pursuant to each Issuer Fees and Expenses Letter, plus any value added tax due and payable thereon.

"**Issuer Fees and Expenses Letter**" means each letter dated on or about the Issue Date between the Issuer, the applicable Joint Arranger and the applicable Joint Placement Agent setting out the fees and expenses payable to such Joint Arranger and such Joint Placement Agent by the Issuer in connection with the issue of the Notes.

"**Issuer Profit**" means €1,000 per annum payable to the Issuer in equal instalments semi-annually in arrear in accordance with the Priorities of Payment.

"**Joint Arrangers**" means each of HSBC Bank plc and Resource Capital Markets, Inc. as joint arrangers.

"**Joint Placement Agents**" means each of HSBC Bank plc, Resource Securities, Inc. and Resource Europe Management 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 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, then the lower of:

  (i) the higher of (x) the S&P Recovery Rate of such Collateral Debt Obligation; (y) the Fitch Recovery Rate of such Collateral Debt Obligation and (z) 70 per cent.; and

  (ii) 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.

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 the Payment Date falling on 15 November 2028 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 Fixed Coupon Test**" has the meaning given to it in the Portfolio Management Agreement.

"**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 via a secured website currently located at https://tss.sfs.db.com/investpublic 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.

"**Non-Call Period**" means the period from, and including, the Issue Date, up to, but excluding, the Payment Date falling on 15 November 2016, 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 into which amounts due to the Issuer in respect of each Asset Swap 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.

"**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* basis) at the applicable Redemption Price in whole or in part until the Class A Notes have been fully redeemed;

(b) *secondly*, to the redemption of the Class B Notes (on a *pro rata* basis) at the applicable Redemption Price in whole or in part until the Class B Notes have been fully redeemed;

(c) *thirdly*, to the redemption of the Class C Notes including any Deferred Interest thereon (on a *pro rata* basis) at the applicable Redemption Price in whole or in part until the Class C Notes have been fully redeemed;

(d) *fourthly*, to the redemption of the Class D Notes including any Deferred Interest thereon (on a *pro rata* basis) at the applicable Redemption Price in whole or in part until the Class D Notes have been fully redeemed;

(e) *fifthly*, to the redemption of the Class E Notes including any Deferred Interest thereon (on a *pro rata* basis) at the applicable Redemption Price in whole or in part until the Class E Notes have been fully redeemed; and

(f) *sixthly*, to the redemption of the Class F Notes including any Deferred Interest thereon (on a *pro rata* basis) at the applicable Redemption Price in whole or in part until the Class F Notes have been fully redeemed,

provided that, for the purposes of any redemption of the Notes in accordance with the Note Payment Sequence following any breach of Coverage Tests, the Note Payment Sequence shall terminate immediately after the paragraph above that refers to the Class of Notes to which such Coverage Test relates.

"**Note 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 home jurisdiction or foreign tax statute, treaty, regulation, rule, ruling, practice, procedure or judicial decision or interpretation (whether proposed, temporary or final) which results in (or would on the next Payment Date result in) any payment of principal or interest on any Class of Notes becoming properly subject to any withholding tax other than:

(i) a payment in respect of Deferred Interest becoming properly subject to any withholding tax;

(ii) withholding tax in respect of FATCA; or

(iii) by reason of the failure by the relevant Noteholder to comply with any applicable procedures required to establish non-residence or other similar claim for exemption from such tax or to provide information concerning nationality, residency or connection with Ireland or other applicable taxing authority; or

(b) United Kingdom or U.S. state or federal tax authorities impose net income, profits or similar tax upon the Issuer which in aggregate exceeds €1,000 per annum or its equivalent in another currency converted into Euro at the Applicable Exchange Rate.

"**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.

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

"**Outstanding**" means, in relation to the Notes of a Class as of any date of determination, all of the Notes of such Class issued, as further defined in and subject to the provisions of the Trust Deed.

"**Participation**" means an undivided 100% 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 Fitch Collateral Value and its S&P 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 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) 15 February, 15 May, 15 August and 15 November at any time prior to the occurrence of a Frequency Switch Event; and

(b) 15 February and 15 August (where the Payment Date immediately following the occurrence of a Frequency Switch Event falls in either February or August), or 15 May and 15 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 15 May 2015 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 via a secured website currently located at https://tss.sfs.db.com/investpublic which shall be accessible to the Issuer, the Trustee, the Portfolio Manager, each Joint Arranger, 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.

"**Payment Period**" means each of the Initial Payment Period and the period from, and including, any Payment Date to, but excluding, the next successive 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 each Joint Placement Agent.

"**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 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) (*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*).

"**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 6 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 the Principal Balance for Collateral Debt Obligations denominated in Euro 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) if in respect of any Corporate Rescue Loan where either (x) both an S&P Issuer Credit Rating and a publicly available rating from Fitch are unavailable or (y) no credit estimate has been assigned to it by either S&P or Fitch, in each case, within three months following the Issuer entering into a binding commitment to acquire such Corporate Rescue Loan, then the Principal Balance of such Corporate Rescue Loan shall be zero unless and until either an S&P Issuer Credit Rating or a publicly available rating from Fitch or credit estimate is available or assigned by S&P or Fitch; 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 the Principal Proceeds Priority of Payments on such Payment Date and, in each case, shall include any other amounts to be disbursed as Principal Proceeds in accordance with the Principal Proceeds Priority of Payments 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)(ii) (*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 Default*), in the case of Interest Proceeds, the Interest Proceeds Priority of Payments and in the case of Principal Proceeds, the Principal Proceeds Priority of Payments; 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 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), which was purchased at the time of acquisition thereof with Principal Proceeds and/or monies standing to the credit of the Unused Proceeds Account.

"**QIB**" means a Person who is a qualified institutional buyer as defined in Rule 144A.

"**QIB/QP**" means a Person who is both a QIB and a QP.

"**Qualified Purchaser**" and "**QP**" mean a Person who is a qualified purchaser as defined in section 2(a)(51)(A) of the Investment Company Act.

"**Qualifying Country**" means each of Austria, Belgium, Bermuda, Canada, Denmark, Finland, France, Germany, Ireland, Italy, Jersey, Liechtenstein, Luxembourg, The Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, the United States, the United Kingdom 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 "BBB-" by each of S&P and Fitch 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 S&P and Fitch is received and for which the Account Bank has confirmed it is able to hold deposits.

"**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 Fitch and S&P, provided that if at any time Fitch and/or S&P 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 the Account Bank and any Hedge Counterparty:

(i) a long-term issuer default rating of at least "A" by Fitch and a short-term issuer default rating of at least "F1" by Fitch; and

(ii) a long-term issuer credit rating of at least "A" by S&P and a short-term issuer credit rating of at least "A-1" by S&P or, if it does not have such short-term rating, a long-term issuer credit rating of at least "A+" by S&P;

(b) in the case of the Custodian or any sub-custodian appointed thereby, a long-term issuer credit rating of at least "A" by S&P and a short-term issuer credit rating of at least "A-1" by S&P or, if it does not have such short-term rating, a long-term issuer credit rating of at least "A+" by S&P;

(c) in the case of 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; and

(d) 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 the fifteenth day before the relevant due date for payment of principal and interest in respect of a Note.

"**Redemption Date**" means each date specified for a redemption of the Notes of a Class pursuant to Condition 7 (*Redemption and Purchase*) or if such day is not a Business Day, the next 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, 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 (Y) 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 in each case that have been incurred as a direct result of a Refinancing, as determined by the Portfolio Manager.

"**Refinancing Proceeds**" means the cash proceeds from a Refinancing.

"**Register**" means the register of holders of the legal title to the Notes kept by the Registrar pursuant to the terms of the Agency Agreement.

"**Regulation S**" means Regulation S under the Securities Act.

"**Regulation S Notes**" means the Notes offered for sale to non-U.S. Persons in offshore transactions outside 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, the earliest of (a) the end of the Due Period preceding the Payment Date falling on 15 November 2018 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 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 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 Fitch 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 Fitch Rating of the Class B Notes or the Class C 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 or the Class C Notes (as applicable) are Outstanding; or

(c) 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

(d) the S&P Rating of the Class B Notes or the Class C 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 or the Class C 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 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 and the AIFMD 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 each Joint Arranger, 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 Matrix**" 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, the S&P recovery rate determined in accordance with the Portfolio Management Agreement.

"**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; or (ii) proceeds representing interest received in respect of any Mezzanine Loan for so long as it is a Defaulted Deferring Mezzanine Obligation other than Defaulted Mezzanine Excess Amounts; or (iii) 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 by the applicable Hedge Counterparty in exchange for payment by the Issuer of the sale proceeds of any Collateral Debt Obligation as described in paragraph (a) above under the related 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, each Joint Placement Agent, the Portfolio Manager, the Retention Holder, the Collateral Administrator, the Trustee, any Reporting Delegate, any Receiver appointed by the Trustee or other Appointee, each Joint Arranger, 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 Expenses Cap**" means, in respect of each Due Period, the sum of:

(a) €300,000 per annum (pro rated for such Due Period on the basis of a 360 day year comprised of twelve 30-day months); and

(b) 0.0225 per cent. per annum (pro rated for such Due Period on the basis of a 360 day year and the actual number of days elapsed in such Due Period) of the Aggregate Collateral Balance as 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 Dates 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 in respect of each Due Period commencing prior to the occurrence of a Frequency Switch Event and semi-annually at all other times, 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 S&P Collateral Value and its Fitch Collateral Value) (exclusive of value added tax).

"**Senior Secured Bond**" means an 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) and 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 a Collateral Debt Obligation (which may be a Revolving Collateral Obligation or a Delayed Drawdown Collateral 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 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.

"**Similar Law**" means any federal, state, local non-U.S. or other law or regulation that could cause the underlying assets of the Issuer to be treated as assets of the investor in any Note (or any interest therein) by virtue of its interest and thereby subject the Issuer or the Portfolio Manager (or other persons responsible for the investment and operation of the Issuer's assets) to laws or regulations that are similar to the prohibited transaction provisions of Section 406 of ERISA 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.

"**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) (*Special Redemption*).

"**Special Redemption Date**" has the meaning given to it in Condition 7(e) (*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 may be:

(a) the prevailing market spot rate; or

(b) the Collateral Administrator's internal foreign exchange conversion rates for either (i) same day settlement or (ii) in the case of a prior day settlement currency, prior day settlement,

which conversion shall be conducted in a commercially reasonable manner, similar to that which is effected for the Collateral Administrator's other customers. For the avoidance of doubt, (a) above will not apply as long as Deutsche Bank AG, London Branch is Collateral Administrator.

"**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.

"**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 in respect of each Due Period commencing prior to the occurrence of a Frequency Switch Event and semi-annually at all other times, 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 S&P Collateral Value and its Fitch Collateral Value) (exclusive of value added tax).

"**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 giving rise to an increased payment by the Hedge Counterparty to the Issuer or a reduced payment from the Issuer to the Hedge Counterparty.

"**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; and

(c) is purchased at a price (as a percentage of par) greater than or equal to 65 per cent of the Principal Balance thereof,

provided, however, that:

(i) 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 Aggregate Collateral Balance, such excess will not constitute Swapped Non-Discount Obligations; and

(ii) 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 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, €450,000,000.

"**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, the Euroclear Pledge Agreement, any Hedge Agreements, each Collateral Acquisition Agreement, the Risk Retention Letter, each Issuer Fees and Expenses 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 value added tax 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), recoveries on Defaulted Obligations (to the extent not included in Sale Proceeds) 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.

"**Volcker Rule**" means Section 619 of the Dodd Frank Act and the corresponding implementing rules.

"**Warehouse Arrangements**" means the warehouse financing arrangements (being a series of total return swap transactions each relating to a Collateral Debt Obligation acquired by the Issuer) 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 any Collateral 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 are in definitive fully registered form, without interest coupons or principal receipts attached, in the applicable Authorised Denomination. A Definitive Certificate 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.

(c) ***Transfer*** 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.

(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 Definitive Certificates representing such Notes in accordance with these Terms and 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, a 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*** Under FATCA, the Issuer may be required to, among other things, provide certain information about the Noteholders (which may include a nominee or beneficial owner of a Note for these purposes) to a taxing authority and the Issuer expects to require each Noteholder to provide certifications and identifying information about itself and certain of its owners.

The Issuer 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 or if the Issuer otherwise reasonably determines that a Noteholder's acquisition or holding of an interest in such a Note would cause the Issuer to be unable to comply with FATCA (and such sale could be for less than its then fair market value). For these purposes, the Issuer shall have the right to 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 and at the expense of the Issuer, to cause the

transfer of such Noteholder's interest in its Notes in its entirety in a sale to a purchaser identified in accordance with this condition 2(i), notwithstanding that the sale of a portion of such an interest would permit the Issuer to comply with FATCA. If the Issuer is required to force such sale, the Issuer shall require the Noteholder to sell its Notes to a purchaser selected by the Issuer on such terms as the Issuer may choose, subject to the transfer restrictions set out herein. The Issuer may select the purchaser by soliciting one or more bids from one or more brokers or other market professionals that regularly deal in securities and selling such 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 Noteholder to the Noteholder whose Notes are being transferred, by its acceptance of an interest in the Notes agrees to cooperate 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 provide any information required under 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, Other Plan Law or Similar Law representation that is subsequently shown to be false or misleading, or whose beneficial ownership otherwise causes a violation of the 25 per cent. limitation set out in 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 14 days of the date of such notice at a price to be agreed between the Issuer (exercising its sole discretion) and such person at the time of sale, 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 14 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.

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 (i) on each Payment Date 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 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 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 the Payment Date immediately following such 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 and certified as such by a director of the Issuer due in respect of the related Due Period (save for any value added tax 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 following the occurrence of an Event of Default that is continuing, the Senior Expenses Cap shall not apply;

(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 value added tax in respect thereof (whether payable to the Portfolio Manager or directly to the relevant taxing

authority) and, thereafter, to the payment of any Senior Portfolio Management Fee plus the payment of any value added tax in respect thereof (whether payable to the Portfolio Manager or directly to the relevant taxing 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* 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 and all other Interest Amounts due and payable on such Class A Notes;

(G) to the payment on a *pro rata* 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* 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* 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* 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* 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* 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* 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* 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* 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 Payment 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) on any prior Payment Date plus any value added tax in respect thereof (whether payable to the Portfolio Manager or directly to the relevant taxing 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 value added tax in respect thereof whether payable to the Portfolio Manager or directly to the relevant taxing 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) 20 per cent. of any remaining Interest Proceeds, to the payment to the Portfolio Manager as an Incentive Management Fee; and

(b) 80 per cent. of 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*) or other tax is payable by or on behalf of the Issuer in respect of any payment made to a party 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, so far as possible, *pari passu* with the relevant payment under this Condition 3(c)(i) (*Application of Interest Proceeds*) and within the time allowed by law (or practice).

(ii) *Application of Principal Proceeds*

Principal Proceeds in respect of a Due Period shall be paid on the Payment Date immediately following such Due Period in the following order of priority:

(A) to the payment on a sequential basis of the amounts referred to in paragraphs (A) through (H) (inclusive) of the Interest Proceeds Priority of Payments, but only to the extent not paid in full thereunder;

(B) to the payment of the amounts referred to in paragraph (I) of the Interest Proceeds Priority of Payments but only to the extent not paid in full thereunder and only to the extent that the Class C Notes are the Controlling Class;

(C) to the payment of the amounts referred to in paragraph (J) of the Interest Proceeds Priority of Payments but only to the extent not paid in full thereunder and 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) 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 on a Special Redemption 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 Improved Obligations and 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 value added tax in respect thereof (whether payable to the Portfolio Manager or directly to the relevant taxing 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 value added tax in respect thereof whether payable to the Portfolio Manager or directly to the relevant taxing 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 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) 20 per cent. of any remaining Principal Proceeds, to the payment to the Portfolio Manager as an Incentive Management Fee; and

(b) 80 per cent. of 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*) or other tax is payable by or on behalf of the Issuer in respect of any payment made to a party 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 *pari passu* with the relevant payment under this Condition 3(c)(ii) (*Application of Principal Proceeds*) and within the time allowed by law (or practice).

(d) ***Non-payment of Amounts*** Failure on the part of the Issuer to pay the Interest Amounts due and payable on the Class A Notes or the Class B Notes 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 an Event of Default unless and until such failure continues for a period of at least five Business Days, save in each case as the result of any deduction therefrom or the imposition of withholding thereon as set forth in Condition 9 (*Taxation*). Failure on the part of the Issuer to pay Interest Amounts on the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes or the Subordinated Notes as a result of the insufficiency of available Interest Proceeds or, with respect to the Subordinated Notes, Interest Proceeds or Principal Proceeds, shall not at any time constitute an Event of Default.

Subject always, in the case of Interest Amounts payable in respect of the Class C Notes, the Class D Notes, the Class E Notes or the Class F Notes 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(d) (*Non-payment of Amounts*) 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, to the extent applicable, amounts standing to the credit of any other Account) to the extent required to pay the amounts referred to in the Interest Proceeds Priority of Payments and the Principal Proceeds Priority of Payments which are payable on such Payment Date, to be transferred to the Payment Account in accordance with Condition 3(j) (*Payments to and from the Accounts*).

(f) ***De Minimis Amounts*** The Collateral Administrator may, in consultation with the 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 as referred to above) no liability to the Issuer or the Noteholders shall attach to the Collateral Administrator in connection with the exercise or non-exercise by it of its powers, duties and discretions under this Condition.

(i) ***Accounts*** The Issuer shall, prior to the Issue Date, establish the following accounts with the Account Bank:

- 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 Custody Account;

- each Counterparty Downgrade Collateral Account; and
- the Interest Smoothing Account,

in each case established by the Issuer with the Account Bank or the Custodian as applicable. 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.

Amounts standing to the credit of the Accounts (except for any Revolving Reserve Account, the Payment 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 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 Account, (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 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 the 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.

(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), but excluding any such payments received in respect of any Revolving Collateral Obligation or Delayed Drawdown Collateral Obligation to the extent required to be paid into the relevant Revolving Reserve Account;

(B) all interest and other amounts received in respect of any Defaulted Obligation or any Defaulted Deferring Mezzanine Obligation for so long as it is a Defaulted Obligation or Defaulted Deferring Mezzanine Obligation (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 Account*);

(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 Fitch Collateral Value and their S&P 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 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) of Condition 3(c)(i) (*Application of Interest 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 Condition 3(j)(x)(1)(a) (*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; and

(S) any amounts received from the Portfolio Manager in respect of a Portfolio Manager Advance in accordance with the Portfolio Management Agreement.

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 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)(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), 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 Obligations 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 Fitch Collateral Value and their S&P 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, 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 interest received in respect of any Mezzanine Loan for so long as it is a Defaulted Deferring Mezzanine Obligation other than Defaulted Mezzanine Excess Amounts and (iii) any interest received in respect of 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 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 Condition 3(j)(x)(1)(b) (*Interest Reserve Account*);

(J) any Trading Gains realised in respect of any Collateral Debt Obligation that the Portfolio Manager determines shall be paid into the Interest Account in accordance with the following provisions:

(1) (i) if the Aggregate Collateral Balance (for which purposes, the Principal Balance of each Defaulted Obligation shall be the lesser of its S&P Collateral Value and its Fitch Collateral Value) is greater than or equal to the Reinvestment Target Par Balance; and (ii) the Class F Par Value Ratio is at least equal to the Class F Par Value Ratio on the Effective Date, the Portfolio Manager may, in its discretion, determine that Trading Gains shall be paid into the Interest Account upon receipt, provided that, where the relevant Collateral Debt Obligation was purchased at a price greater than the Principal Balance thereof (determined in accordance with the definition of "Trading Gains"), only Trading Gains that represent an excess of Principal Proceeds or Sale Proceeds over the purchase price of the relevant Collateral Debt Obligation may be

paid into the Interest Account in accordance with this sub-paragraph (1); or

(2) to the extent that the deposit of such amounts into the Principal Account would, in the sole discretion of the Portfolio Manager, cause (or would be likely to cause) a Retention Deficiency then Trading Gains in an amount sufficient in order to ensure no Retention Deficiency occurs must be paid into the Interest Account upon receipt;

(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, 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 an Event of Default which is continuing or if an 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) or following any Determination Date upon which a Frequency Switch Event occurs.

(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 equal to the net proceeds of issue of the Notes remaining after the payment by the Issuer of net amounts due and payable under the Warehouse Arrangements, after depositing the amounts required to be deposited on the Issue Date in the Expense Reserve Account and the Interest Reserve Account pursuant to these Conditions and after the payment of the 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 (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*).

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:

(A) 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;

(B) 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;

(C) 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

(D) 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 and provided that such Rating Agency Confirmation shall only be required from Fitch 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 S&P Collateral Value and its Fitch Collateral Value); and (iii) no more than 1 per cent. of the Aggregate Collateral Balance (for which purpose the Principal Balance of each Defaulted Obligation shall be the lower of its Fitch Collateral Value and its S&P Collateral Value) 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:

(A) 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;

(B) 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 Principal Proceeds Priority of Payments, the Interest Proceeds Priority of Payments, or the Post-Acceleration Priority of Payments, as applicable.

All interest accrued on the Balance standing to the credit of the Payment Account shall be credited to the Interest Account. 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:

(A) 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

(B) 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 Account*** The Issuer (acting through the Collateral Administrator) will procure that all amounts due to the Issuer in respect of each Asset Swap 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 (C) 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:

(A) 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;

(B) Scheduled Periodic Asset Swap Issuer Payments due to each Asset Swap Counterparty pursuant to each Asset Swap Transaction;

(C) 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

(D) cash amounts (representing any excess standing to the credit of the Non-Euro Account after provisioning for any amounts 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 Account*** 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. 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 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); and

(3) any return of collateral to the Hedge Counterparty upon a novation of its obligations under the Hedge Agreement to a replacement Hedge Counterparty,

directly to the Hedge Counterparty in accordance with the terms of the "Credit Support Annex" of such Hedge Agreement;

(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 and 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 and 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 and other than in respect of 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) of 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 and 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 and 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 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 Asset Swap and Interest Rate Hedge Termination and 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 for the payment of amounts due or accrued in connection with the issue of the Notes, in accordance with (1) below; and

(B) on each Payment Date (other than the Payment Date on which the Subordinated Notes are to be redeemed and paid in full following such Payment Date) 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 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 re-borrowed 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);

(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; and

(3) all interest accrued on the Balance standing to the credit of the relevant Revolving Reserve Account from time to time (including capitalised interest received upon the sale, maturity or termination of any Eligible Investment) to the Interest 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 the Issue Date €2,500,000; 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 an Event of Default which is continuing or, if an 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.

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 for the Counterparty Downgrade Collateral Account) and any other investments (other than for 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 and first priority security interest granted 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 for the Counterparty Downgrade Collateral Account) and any other investments (other than for the Counterparty Downgrade Collateral), in each case held by or on behalf of the Issuer (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 and the debts represented thereby and including, without limitation, all interest accrued and other moneys received in respect thereof;

(iv) a first fixed charge and first priority security interest (where the applicable assets are securities) over, or an assignment by way of security (where the applicable rights are contractual obligations) of, all 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 (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 in each case, subject to any prior ranking security interest thereover entered into by the Issuer in relation thereto in favour of the Hedge Counterparty);

(v) a first fixed charge and first priority security interest 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);

(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);

(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 (or if applicable the Euroclear Pledge Agreement).

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 Account*)) 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 Account*). 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 the Conditions and the terms of the Portfolio Management Agreement, if no Event of Default has occurred and is continuing, the Issuer shall be entitled to apply the benefit of such Trust Collateral and such sums in respect of such Trust Collateral received by it and held on trust under this 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 priority security interest 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 (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 priority security interest 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 priority security interest 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 satisfies the Rating Requirement applicable to it, or in the event of its failure to satisfy such Rating Requirement, to procure the appointment of a replacement Custodian. The Trustee has no responsibility for the management of the Portfolio by the 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.

Pursuant to the Euroclear Pledge Agreement, the Issuer has also created in favour of the Trustee on behalf of the Secured Parties a Belgian law pledge over the Collateral from time to time held by the Custodian or its sub-custodian on behalf of the Issuer in Euroclear.

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

(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 and the Euroclear Pledge Agreement, upon enforcement thereof in accordance with Condition 11 (*Enforcement*) and the provisions of the Trust Deed and the provisions of the Euroclear Pledge Agreement (as applicable), 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 and the Euroclear Pledge Agreement (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 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://tss.sfs.db.com/investpublic. 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.

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;

(H) under the Hedge Agreements; and

(I) under the Euroclear Pledge Agreement;

(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 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 in the United Kingdom or the United States;

(v) pay its debts generally as they fall due;

(vi) do all such things as are necessary to maintain its corporate existence, to conduct its own business in its own name and to correct any known misunderstanding regarding its separate identity;

(vii) 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;

(viii) supply such information to the Rating Agencies as they may reasonably request;

(ix) 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;

(x) 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;

(xi) have and use its own stationery, invoices and cheques; and

(xii) 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 or the Euroclear Pledge 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 the initial Accrual Period, for the period from (and including) the Issue Date to (but excluding) 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 (Y) 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*** The Issuer shall, and shall only be obliged to, pay any Interest Amount payable in respect of the Class C Notes, the Class D Notes, the Class E Notes or the Class F Notes in full on any Payment Date, in each case to the extent that there are Interest Proceeds or Principal Proceeds available for payment thereof in accordance with the Priorities of Payments.

(ii) In the case of the Class C Notes, the Class D Notes, the Class E Notes, and the Class F Notes an amount of interest equal to any shortfall in payment of the Interest Amount which would, but for the first paragraph of this Condition 6(c)(i) (*Deferral of Interest*) 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 an 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.

(iii) ***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 an 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 Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F 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**") and 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**") 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 (i) in respect of each Accrual Period commencing prior to the occurrence of a Frequency Switch Event, three month Euro deposits, (ii) in respect of each Accrual Period commencing following the occurrence of a Frequency Switch Event, six month Euro deposits, and (iii) in the case of the initial Accrual Period, as determined pursuant to a straight line interpolation of the rates applicable to 6 and 9 month Euro deposits, in each case as at 11.00 am (Brussels time) on the Interest Determination Date in question. Such offered rate will be that which appears on the display designated on the Reuters Screen "EURIBOR01" (or such other page or service as may replace it for the purpose of displaying EURIBOR rates). 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 (as defined in this Condition below) and the rate which so appears, all as determined by the Calculation Agent.

(B) If the offered rate so appearing is replaced by the corresponding rates of more than one bank then paragraph (A) shall be applied, with any necessary consequential changes, to the arithmetic mean (rounded, if necessary, to the nearest one hundred thousandth of a percentage point (with 0.000005 being rounded upwards)) of the rates (being at least two) which so appear, as determined by the Calculation Agent. If for any other reason such offered rate does not so appear, or if the relevant page is unavailable, the Calculation Agent will request each of four major banks in the Euro zone interbank market 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 commencing prior to the occurrence of a Frequency Switch Event, three months, (ii) in respect of each Accrual Period commencing following the occurrence of a Frequency Switch Event, six months, and (iii) in the case of the initial Accrual Period, for 6 and 9 months, in each case as at 11.00 am (Brussels time) on the Interest Determination Date in question. The Class A Floating Rate of Interest, 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, 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 determined by the Calculation Agent.

(D) Where:

"**Applicable Margin**" means:

(1) in the case of the Class A Notes: 1.25 per cent. per annum;

(2) in the case of the Class B Notes: 2.07 per cent. per annum;

(3) in the case of the Class C Notes: 2.30 per cent. per annum;

(4) in the case of the Class D Notes: 3.20 per cent. per annum;

(5) in the case of the Class E Notes: 5.00 per cent. per annum; and

(6) in the case of the Class F Notes: 6.00 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 (the "**Interest Amount**") 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, 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, 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) 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 Floating Rate of Interest and Interest Amount payable in respect of each Class A Note, Class B Note, Class C Note, Class D Note, Class E Note and Class F Note; and

(B) if 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 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.

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 the 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 Minimum Denomination and Authorised Integral Amount applicable thereto for the relevant Accrual Period. The Interest Proceeds payable on each Payment Date in respect of an original principal amount of Subordinated Notes equal to the Authorised Integral Amount applicable thereto shall be calculated by multiplying the amount of Interest Proceeds to be applied on the Subordinated Notes on the applicable Payment Date pursuant to paragraph (CC) of the Interest Proceeds Priority of Payments, and paragraph (T) of the Principal Proceeds Priority of Payments and paragraph (Y) 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 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 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 Registrar 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 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, 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 as referred to above) no liability to the Issuer or the Noteholders of any Class shall attach to the Reference Banks, the Calculation Agent or the Trustee in connection with the exercise or non-exercise by them of their powers, duties and discretions under this Condition.

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 their *pro rata* share of the amounts of 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*** 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 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.

(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) 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 Payment Date 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 15 per cent. of the Target Par Amount and if directed in writing by the Portfolio Manager.

(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*), Condition 7(b)(ii), (*Optional Redemption in Part – Refinancing of a Class or Classes of Notes in whole by the 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;

(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 in accordance with this Condition 7(b) (*Optional Redemption*) 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 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*) (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*). 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*), 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 and Eligible Investments 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.

(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 Obligation is the same as the Maturity Date of the Class or Classes of Notes being redeemed with the Refinancing Proceeds;

(9) the interest rate of any Refinancing Obligations 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 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) 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 that, in its sole opinion, adversely affects its duties, obligations, liabilities or protections under the Trust Deed, 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 (in the case of Condition 7(b)(i) (*Optional Redemption in Whole – Subordinated Noteholders*) or Condition 7(d) (*Redemption following a Note Tax Event*)), (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 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 "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 Rating Agency Confirmation from S&P has been obtained; and (b) either (x) has a long-term issuer credit rating of at least "A" by Fitch or, if it does not have a long-term issuer credit rating by Fitch, a short-term issuer credit rating of "F1" by Fitch, or (y) in respect of which a Rating Agency Confirmation from Fitch 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 Exchanged Securities, the Portfolio Manager confirms in writing 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 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 an 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 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 or the requisite amount of holders of the Controlling Class (as applicable), 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 and after the Effective Date or if the Class A/B Interest Coverage Test is not met on the Determination Date immediately preceding the second Payment Date and 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 Note Payment Sequence, on the related Payment Date in accordance with and subject to the Priorities of Payment (including payment of all prior ranking amounts) until each such Coverage Test is satisfied if recalculated immediately following such redemption.

(ii) *Class C Notes*

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

(iii) *Class D Notes*

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

(iv) *Class E Notes*

If the Class E Par Value Test is not met on any Determination Date on and after the Effective Date, or if the Class E Interest Coverage Test is not 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 Note Payment Sequence, on the related Payment Date in accordance with and subject to the Priorities of Payment (including payment of all prior ranking amounts) until each such Coverage Test is satisfied if recalculated immediately following such redemption.

(v) *Class F Notes*

If the Class F Par Value Test is not met on any Determination Date on and after the Effective Date, Interest Proceeds and thereafter Principal Proceeds will be applied in redemption of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes in accordance with the Note Payment Sequence, on the related Payment Date in accordance with and subject to the Priorities of Payment (including payment of all prior ranking amounts) until such Coverage Test is satisfied if recalculated 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 change the territory in which it is resident for tax purposes to another jurisdiction which, at the time of such change, would not give rise to a Note Tax Event. Upon the earlier of (a) the date upon which the Issuer notifies (or procures the notification of) the Trustee (upon which notification the Trustee may rely without further enquiry) and the Noteholders in accordance with Condition 16 (*Notices*) that it is not able to effect such change of residence 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 (in accordance with Condition 16 (*Notices*)), based on advice received by it, it expects that it shall have changed its place of residence by the end of the latter 90 day period), the Controlling Class or the Subordinated Noteholders, in each case acting by way of Extraordinary Resolution, may elect that the Notes of each Class are redeemed, in whole but not in part, on any 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 (N) of the Principal Proceeds Priorities 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 Fitch (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 Fitch 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.

(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, 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 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.

(b) ***Payments*** All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Condition 9 (*Taxation*). No commission shall be charged to the Noteholders.

(c) ***Payments on Presentation Days*** A holder shall be entitled to present a Note for payment only on a Presentation Date and shall not, except as provided in Condition 6 (*Interest*), be entitled to any further interest or other payment if a Presentation Date falls after the due date.

If a Note is presented for payment at a time when, as a result of differences in time zones it is not practicable to transfer the relevant amount to an account as referred to above for value on the relevant Presentation Date, the Issuer shall not be obliged so to do but shall be obliged to transfer the relevant amount to the account for value on the first practicable date after the Presentation Date.

(d) ***Principal Paying Agent and Transfer Agent*** The names of the initial Principal Paying Agent and Transfer Agent and their initial specified offices are set out below. The Issuer reserves the right at any time, 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 free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Ireland, or any political sub-division or any authority therein or thereof or anywhere else in the

world having power to tax, unless such withholding or deduction is required by law or imposed in connection with FATCA. 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 tax where so required by law or any relevant taxing authority whether of Ireland or otherwise or imposed in connection with FATCA. Any such withholding or deduction shall not constitute an Event of Default under Condition 10(a) (*Events of Default*).

Subject as provided below, if the Issuer certifies to the Trustee (upon which certification the Trustee may rely without further 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 as provided below) shall use all reasonable endeavours to arrange for the substitution of a company incorporated in another jurisdiction approved by the Trustee (having relied on professional tax and legal advice as it sees appropriate) as the principal obligor under the Notes of such Class, or to change its tax residence to another jurisdiction approved by the Trustee, subject to receipt 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) in connection with FATCA (including an IGA or any voluntary agreement entered into with a taxing authority pursuant thereto),

the requirement to substitute the Issuer as a principal obligor and/or change its residence for taxation purposes shall not apply.

10. **Events of Default**

(a) ***Events of Default*** The occurrence of any of the following events shall constitute an "Event of Default":

(i) ***Non-payment of interest*** The Issuer fails to pay any interest in respect of any Class A Note or Class B Note when the same becomes due and payable (save, 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 and 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) (*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) 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 an 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 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 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 an 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 Events of Default, other than the non-payment of the interest in respect of, or principal of, the Notes that have become due solely as a result of the acceleration thereof under paragraph (b) above due to such Events of Default, have been cured or waived.

Any previous rescission and annulment of a notice of acceleration pursuant to this paragraph (c) shall not prevent the subsequent acceleration of the Notes if the Trustee, at its discretion or as subsequently 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 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 an Event of Default. The Trust Deed contains provision for the Issuer to provide written confirmation to the Trustee and the Rating Agencies on an annual basis or on request that no Event of Default has occurred and that no condition, event or act has occurred which, with the lapse of time and/or the issue, making or giving of any notice, certification, declaration and/or request and/or the taking of any similar action and/or the fulfilment of any similar condition would constitute an Event of Default and that no other matter which is required (pursuant thereto) to be brought to the Trustee's attention has occurred.

11. **Enforcement**

(a) ***Security Becoming Enforceable*** Subject as provided in this Condition 11(b) and (c) below, the security constituted under the Trust Deed and the Euroclear Pledge Agreement 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) 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) (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 an Event of Default specified in sub-paragraph (i) (*Non-payment of interest*), (ii) (*Non-payment of principal*) or (iv) (*Collateral Debt Obligations*) of Condition 10(a) (*Events of Default*), the Controlling Class acting by way of Extraordinary Resolution (and no other Class of Notes) directs the Trustee to take Enforcement Action without regard to any other Event of

Default which has occurred prior to, contemporaneously or subsequent to such Event of Default; or

(2) in the case of any other Event of Default, the 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 Holders 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).

The Trustee shall notify the Noteholders (in accordance with Condition 16 (*Notices*), the Issuer, the Agents 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 in respect of Non-Euro Obligations sold subject

to and in accordance with the terms of an Asset Swap Transaction which in each case are required to be paid or returned to a Hedge Counterparty 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) to the payment of accrued and unpaid Trustee Fees and Expenses up to an amount equal to the Senior Expenses Cap in respect of the related Due Period; provided that following the occurrence of an Event of Default that is continuing, the Senior Expenses Cap shall not apply;

(B) 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; provided that upon an acceleration of the Notes in accordance with Condition 10(b) (*Acceleration*) the Senior Expenses Cap shall not apply unless and until such acceleration has been rescinded and annulled in accordance with Condition 10(c) (*Curing of Default*);

(C) 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);

(D) to the payment:

(1) *firstly* to the Portfolio Manager, of the Senior Portfolio Management Fee due and payable on such date and any value added tax in respect thereof (whether payable to the Portfolio Manager or directly to the relevant taxing authority); and

(2) *secondly*, to the Portfolio Manager, of any previously due and unpaid Senior Portfolio Management Fees and any value added tax in respect thereof (whether payable to the Portfolio Manager or directly to the relevant taxing authority);

(E) to the payment on a *pro rata* basis of all Interest Amounts due and payable on the Class A Notes;

(F) to the redemption on a *pro rata* basis of the Class A Notes, until the Class A Notes have been redeemed in full;

(G) to the payment on a *pro rata* basis of all Interest Amounts due and payable on the Class B Notes;

(H) to the redemption on a *pro rata* basis of the Class B Notes, until the Class B Notes have been redeemed in full;

(I) to the payment on a *pro rata* basis of all Interest Amounts (excluding any Deferred Interest, but including interest on Deferred Interest) due and payable on the Class C Notes;

(J) to the payment on a *pro rata* basis of any Deferred Interest on the Class C Notes;

(K) to the redemption on a *pro rata* basis of the Class C Notes, until the Class C Notes have been redeemed in full;

(L) to the payment on a *pro rata* basis of all Interest Amounts (excluding any Deferred Interest, but including interest on Deferred Interest) due and payable on the Class D Notes;

(M) to the payment on a *pro rata* basis of any Deferred Interest on the Class D Notes;

(N) to the redemption on a *pro rata* basis of the Class D Notes, until the Class D Notes have been redeemed in full;

(O) to the payment on a *pro rata* basis of the Interest Amounts (excluding any Deferred Interest, but including interest on Deferred Interest) due and payable on the Class E Notes;

(P) to the payment on a *pro rata* basis of any Deferred Interest on the Class E Notes;

(Q) to the redemption on a *pro rata* basis of the Class E Notes, until the Class E Notes have been redeemed in full;

(R) to the payment on a *pro rata* basis of the Interest Amounts (excluding any Deferred Interest, but including interest on Deferred Interest) due and payable on the Class F Notes;

(S) to the payment on a *pro rata* basis of any Deferred Interest on the Class F Notes;

(T) to the redemption on a *pro rata* basis of the Class F Notes, until the Class F Notes have been redeemed in full;

(U) 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;

(V) 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;

(W) to the payment:

(1) *firstly*, to the Portfolio Manager of the Subordinated Portfolio Management Fee due and payable on such date and any value added tax in respect thereof (whether payable to the Portfolio Manager or directly on the relevant taxing 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 value added tax in respect thereof (whether payable to the Portfolio Manager or directly to the relevant taxing 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;

(X) 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;

(Y) (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) 20 per cent. of any remaining Interest Proceeds and Principal Proceeds, to the payment to the Portfolio Manager as an Incentive Management Fee; and

(b) 80 per cent. of any remaining Interest Proceeds and Principal Proceeds, to the payment on the Subordinated Notes on a *pro rata* basis (determined upon redemption in full thereof by reference to the proportion that the principal amount of the Subordinated Notes held by Subordinated Noteholders bore to the Principal Amount Outstanding of the Subordinated Notes immediately prior to such redemption).

For the avoidance of doubt, in the event that any withholding or deduction referred to in Condition 9 (*Taxation*) or other tax is payable by or on behalf of the Issuer in respect of any payment made to a party under this Condition 11(b)(iii) (*Enforcement*), such withholding, deduction or other tax shall be paid to the relevant tax or other governmental authority, so far as possible, *pari passu* with the relevant payment under this Condition 11(b)(iii) (*Enforcement*) and within the time allowed by law (or practice).

(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 such sale to be subject to and in accordance with the Trust Deed.

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.

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 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 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 75 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
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

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.

(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 the Controlling Class is required as specified 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) (as applicable), 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 to 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 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 value added tax in respect of any Portfolio Management Fees;

(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);

(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;

(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;

(xii) to amend the name of the Issuer;

(xiii) to make any amendments to the Trust Deed to enable the Issuer to comply with FATCA (or any voluntary agreement entered into with a taxing authority pursuant thereto);

(xiv) subject to the right of the Controlling Class to object to any such modification in accordance with this Condition 14(c) (*Modification and Waiver*), to modify or amend any components of the S&P Matrix or the Fitch Tests Matrix in each case subject to Rating Agency Confirmation from the applicable Rating Agency;

(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 (xxvii) 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 (xxvii) 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 and any requirements of the CFTC, including any implementing regulation, technical standards and guidance related thereto;

(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 or tax treatment of the Issuer;

(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) 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;

(xxvi) subject to Rating Agency Confirmation (other than to the extent otherwise permitted pursuant to Condition 14(c)(xviii) (*Modification and Waiver*) above), to amend, modify or supplement any Hedge Agreement to the extent necessary to allow the Issuer or the relevant Hedge Counterparty to comply with any enactment, promulgation, execution or ratification of, or any change in or amendment to, any law or regulation (or in the application or official interpretation of any law or regulation) that occurs after the parties enter into the Hedge Agreement; and

(xxvii) 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, 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 the Controlling Class is specified above) to the Transaction Documents, which the Portfolio Manager 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 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 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 (ii) to elect which of the cases set forth in the Fitch Tests Matrix will be applicable for the purposes of the Fitch Minimum Weighted Average Rating Factor Test, the Fitch 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 S&P Matrix or the Fitch Tests Matrix (as applicable) for the purposes of paragraph (xiv) above.

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 consent of such Hedge Counterparty in respect thereof, in each case to the extent required in accordance with and subject to the terms of the relevant Hedge Agreement. For the avoidance of doubt such notice shall only be given and such consent shall only be sought to the extent required 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 paragraphs (xiv) or (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 previous substituted company, as principal debtor under the Trust Deed and the Notes of each Class, if required for taxation purposes, provided that such substitution would not, in the opinion of the Trustee, be materially prejudicial to the interests of the Noteholders of any Class. In the case of such a substitution the Trustee may agree, without the consent of the Noteholders, but subject to receipt of Rating Agency Confirmation (subject to receipt of such information and/or opinions as 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.

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 or the Euroclear Pledge Agreement, 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 satisfies the Rating Requirement applicable to it, or in the event of its failure to satisfy such Rating Requirement to procure the appointment of a replacement Custodian. The Trustee shall not be responsible for the performance by the Custodian of any of its duties under the Agency Agreement or for the performance by the 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.

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) the Coverage Tests are satisfied or if not satisfied the Coverage Tests will be maintained or improved after giving effect to such additional issuance of Notes by reference to the outcome of such tests immediately prior to such additional issuance of Notes;

(vii) 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 (vii) 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*);

(viii) (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;

(ix) such additional issuances are in accordance with all applicable laws including, without limitation, the securities and banking laws and regulations of Ireland and do not adversely affect the tax position of the Issuer;

(x) any issuance of additional 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

(xi) 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.

Noteholders should be aware that additional Notes that are treated for non-tax purposes as a single series with the original Notes may be treated as a separate series for U.S. federal income tax purposes. In such case, the new Notes may be considered to have been issued with "original issue discount" under US tax law, which may affect the market value of the original Notes since such additional Notes may not be distinguishable from the original Notes. Potential investors in the Notes should be aware that, as a practical matter, it may not be possible for a paying agent or an Intermediary to differentiate between Notes grandfathered under FATCA and non-grandfathered Notes of the same series held in a securities account and that no Note in

the series may therefore be treated by the paying agent or Intermediary as a grandfathered Note.

(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*); and

(vi) such additional issuance is in accordance with all applicable laws including, without limitation, the securities and banking laws and regulations of Ireland and does not adversely affect the tax position of the Issuer.

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 Euroclear Pledge Agreement is governed by and shall be construed in accordance with Belgian 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 €449,465,000. 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.

1. Initial Issue of Notes

The Regulation S Notes of each Class (other than, in certain circumstances described below, 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 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.

A transferee of a Class E Note or Class F Note will be required or deemed to represent (among other things) that it is not a Benefit Plan Investor or a Controlling Person unless such transferee: (i) acquires such Class E Note or Class F Note on the Issue Date; (ii) obtains the written consent of the Issuer; and (iii) provides an ERISA certificate to the Issuer as to its status as a Benefit Plan Investor or Controlling Person (substantially in the form of Annex B).

A transferee of a Subordinated Note in the form of a Rule 144A Global Certificate or a Regulation S Global Certificate will be deemed to represent (among other things) that it is not a Benefit Plan Investor or a Controlling Person. If a transferee is unable to make such deemed representation, such transferee may not acquire such Subordinated Note in the form of a Rule 144A Global Certificate or a Regulation S Global Certificate unless such transferee (i) obtains the written consent of the Issuer; (ii) provides an ERISA certificate to the Issuer as to its status as a Benefit Plan Investor or Controlling Person (substantially in the form of Annex B to this Prospectus); and (iii) holds such Subordinated Note in the form of a Definitive Certificate, other than in the case where the transferee is the Retention Holder or an Affiliate of the Retention Holder purchasing Subordinated Notes on the Issue Date, in which case it may acquire such Subordinated Notes in the form of a Rule 144A Global Certificate or a Regulation S Global Certificate. Any Subordinated Note in the form of a Definitive Certificate shall be registered in the name of the holder thereof.

The Notes are not issuable in bearer form.

2. **Amendments to Terms and Conditions**

Each Global Certificate contains provisions that apply to the Notes that they represent, some of which modify the effect of the Conditions in definitive form (See "*Terms and Conditions of the Notes*"). The following is a summary of those provisions:

- ***Payments*** Payments of principal and interest in respect of Notes represented by a Global Certificate will be made against presentation and, if no further payment falls to be made in respect of the relevant Notes, surrender of such Global Certificate to or to the order of the Principal Paying Agent or such other Transfer Agent as shall have been notified to the relevant Noteholders for such purpose. On each occasion on which a payment of interest (unless the Notes represented thereby do not bear interest) or principal is made in respect of the relevant Global Certificate, the Registrar shall note the same in the Register and cause the aggregate principal amount of the Notes represented by a Global Certificate to be decreased accordingly.

- ***Notices*** So long as any Notes are represented by a Global Certificate and such Global Certificate is held on behalf of a clearing system, notices to Noteholders may be given by, 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).

- ***Prescription*** 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.

- ***Meetings*** The holder of each Global Certificate will be treated as being two persons for the purposes of any quorum requirements of, or the right to demand a poll at, a meeting of 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.

- ***Trustee's Powers*** 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.

- ***Cancellation*** 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.

- ***Optional Redemption*** The Subordinated Noteholders' option in Condition 7(b) (*Optional Redemption*) and the option of the Subordinated Noteholders and that of the Controlling Class in Condition 7(d) (*Redemption following a Note Tax Event*) respectively may be exercised by the holder(s) of a Definitive Certificate or a Global Certificate (as applicable) representing Subordinated Notes or Notes representing the Controlling Class (as applicable) in respect of which the option is exercised and presenting such Definitive Certificate or Global Certificate for endorsement of exercise within the time limit specified in Condition 7(b) (*Optional Redemption*) or 7(d) (*Redemption following a Note Tax Event*) as applicable.

- ***Record Date*** So long as any Notes are represented by Global Certificates the Record Date in respect thereof shall be the close of business on the Business Day before the relevant Payment Date.

3. **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 Subordinated Notes may be exchangeable for interests in a Definitive Certificate representing 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 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 B to this Prospectus (*Form of ERISA Certificate*).

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.

4. **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.

5. **Legends**

The holder of a Definitive Certificate 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, consent of the Issuer and a duly completed ERISA Certificate substantially in the form of Annex B to this Prospectus. Upon the transfer, exchange or replacement of a Definitive Certificate bearing the legend referred to under "*Transfer Restrictions*", or upon specific request for removal of the legend on a Definitive Certificate, the Issuer will deliver only Definitive Certificates that bear such legend, or will refuse to remove such legend, as the case may be, unless there is delivered to the Issuer and the Registrar such satisfactory evidence, which may include an opinion of counsel, as may reasonably be required by the Issuer that neither the legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act and the Investment Company Act.

BOOK-ENTRY CLEARANCE PROCEDURES

The information set out below 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 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**".

1. 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.

2. 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 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.

3. **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 S&P and "AAAsf" from Fitch; the Class B Notes: "AA+(sf)" from S&P and "AA+sf" from Fitch; the Class C Notes: "A(sf)" from S&P and "Asf" from Fitch; the Class D Notes: "BBB(sf)" from S&P and "BBBsf" from Fitch; the Class E Notes "BB(sf)" from S&P and "BBsf" from Fitch and the Class F Notes "B(sf)" from S&P and "Bsf" from Fitch. 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.

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 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.

Fitch Ratings

The ratings assigned to the Rated Notes by Fitch are based upon Fitch's statistical analysis of historical default rates on debt obligations with similar characteristics to the Collateral Debt Obligations and the various eligibility requirements that the Collateral Debt Obligations are required to satisfy.

Fitch analyses the likelihood that each Collateral Debt Obligation will default, based on historical default rates for similar debt obligations, the historical volatility of such default rates (which increases as securities with lower ratings are added to the portfolio) and an additional default assumption to account for future fluctuations in defaults. Fitch then determines the level of credit protection necessary based on a specific percentile of the portfolio default distribution determined by the Fitch "Portfolio Credit Model" which takes into account the correlation between assets in the portfolio based on the level of diversification by region, issuer and industry. The results of a statistical analysis are incorporated into a cash flow model built to mimic the structure of the transaction. In this regard, the results of several default scenarios, in conjunction with various qualitative tests (e.g. analysis of the strength of the Portfolio Manager), are used to determine the credit enhancement required to support a particular rating.

Fitch's ratings of the Rated Notes were established under various assumptions and scenarios.

There can be no assurance that actual defaults on the Collateral Debt Obligations will not exceed those assumed by Fitch in its analysis, or that recovery rates with respect thereto (and consequently loss rates) will not defer from those assumed by Fitch.

In addition to those quantitative tests, Fitch ratings take into account qualitative features of a transaction, including the experience of the Portfolio Manager, the legal structure and the risks associated with such structure and other factors that Fitch deems relevant.

THE ISSUER

General

The Issuer was incorporated on 28 May 2014 in Ireland as a private limited liability company with unlimited duration, and is registered under number 544627 and under the name Harvest CLO X Limited.

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 53 Merrion Square, Dublin 2, 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 2 of its Memorandum of Association.

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	€264,400,000
Class B Notes	€56,300,000
Class C Notes	€30,400,000
Class D Notes	€23,600,000
Class E Notes	€29,200,000
Class F Notes	€12,400,000
Subordinated Notes	€50,200,000
Total	€466,500,000

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 53 Merrion Square, Dublin 2, Ireland.

Directors

The Directors of the Issuer and their business occupations are as follows:

Director	**Principal outside activities**
Atif Kamal	Director
Ciaran Connolly	Director

The Directors will provide management, corporate and administrative services to the Issuer.

The business address of each of the Directors is 53 Merrion Square, Dublin 2, Ireland. The Company Secretary is TMF Administration Services Limited of 53 Merrion Square, Dublin 2, 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 24 June 2014. 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 any Joint Placement Agent, either Joint Arranger, the Issuer, the Trustee or any of the Agents. The Issuer has taken reasonable care to ensure that this information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from information provided by the 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 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 30 June 2014 3iDM has approximately €8.2 billion of assets under management across 29 different funds (including Harvest IX CLO (€525 million) which closed on 16 July 2014) with a team of approximately 45 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 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 27 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 15 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 13 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.

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 and is one of the pioneers of the modem secondary loan market in Europe. 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.

Michael Curtis, *Portfolio Manager*

Michael is a Portfolio Manager and Director of 3i Debt Management responsible for investing across the capital structure, primarily in European leveraged loans, high yield bonds and structured credit.

Michael has been active in the European credit markets for over 14 years, most recently at Alpstar Capital, a credit business he helped to build from a €25m start-up to a multi-billion asset manager. Michael was a partner of the firm, member of the investment committee and head of Alpstar's loan business where he was responsible for portfolio management, credit research, monitoring and trading. During his time at Alpstar, Michael managed a variety of fund structures including hedge funds, CLOs

and long only vehicles investing across the full credit spectrum from performing leveraged loans to distressed debt.

Prior to Alpstar, Michael spent 5 years in leveraged finance and restructuring at CIBC World Markets in London.

Michael has a BSc in Economics from University College London.

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 4 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.

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.

Andrew Koval, *Associate Director*

Andrew Koval joined the Portfolio Manager in August 2011 and is primarily responsible for investments in the Healthcare and French Retail sectors. Prior to this, Andrew spent over four years at Indicus Advisors, where he was a Director in the Leveraged Finance team. Andrew was previously a Portfolio Manager at AMP Capital Investors, which focused on investments in both the European Leveraged Finance and Infrastructure space. Andrew also worked for Société Générale in Sydney and London for over 4 years; working on transactions in both Project Finance and Leveraged Finance. Andrew earned a Bachelor of Commerce (Accounting/Finance) at Macquarie University in Sydney, holds an MBA from the Australian Graduate School of Management and a Masters of Applied Finance, and is a qualified accountant (CPA) and CFA charterholder.

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 2 years. Prior to this he spent 5 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.

Hisae Yukawa, *Associate*

Hisae has been with the Portfolio Manager since 2006. She is responsible for obtaining and monitoring of ratings and documentation aspects of new and existing portfolio assets, including liaising with the SPY managements. She also assisted in launch of the Harvest and Windmill series of CLOs. Hisae began her career at the Leveraged Finance Group of Mizuho Corporate Bank, where she worked on strategic planning and new structured products since August 2004.

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 12 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 12 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 FSA controlled function 30.

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 Investment 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.

Barry studied Economics at Trinity College, Dublin.

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.

THE RETENTION HOLDER AND RETENTION REQUIREMENTS

Description of the Retention Holder

The Portfolio Manager shall act as Retention Holder for the purposes of the Retention Requirements. The Portfolio Manager's regulatory permissions at the date of this Prospectus include "arranging safeguarding and administration of assets" and 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 and 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 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 and Article 51(d) of the AIFMD Level 2 Regulation (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 (a) the Issue Date and (b) solely as regards the provision of information in the possession of the Retention Holder and to the extent the same is not subject to a duty of confidentiality, at any time prior to maturity of the Notes;

(d) agree to confirm its continued compliance with the covenants set out at paragraphs (a) and (b) above on a monthly basis to the Issuer, the Trustee, and the Joint Arrangers in writing (which may be by way of email);

(e) represent that (i) it is 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); and

(f) agree that it shall immediately notify the Issuer, the Trustee and the Joint Arrangers 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 Portfolio Manager 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 Portfolio Manager 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.

1. 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 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, 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"*.

2. 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 86 per cent. of the "**Target Par Amount**" (this being approximately €450,000,000 and representing the Aggregate Principal Balance of Collateral Debt Obligations purchased or committed to being purchased by the Issuer by the Effective Date, 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 Fitch Collateral Value and its S&P Collateral Value and any repayments or prepayments of any Collateral Debt Obligations subsequent to the date of acquisition thereof and not subsequently reinvested shall be disregarded).

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 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 15 April 2015, 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 and provided that such Rating Agency Confirmation shall only be required from Fitch to the extent that the Effective Date Determination Requirements have not been satisfied; and (ii) no more than 1 per cent. of the Aggregate Collateral Balance (for which purpose, the Principal Balance of each Defaulted Obligation shall be the lower of its Fitch Collateral Value and its S&P Collateral Value) 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 S&P Collateral Value and Fitch Collateral Value and any repayments or prepayments of Collateral Debt Obligations subsequent to the acquisition thereof that have not been reinvested shall be disregarded) and the Issuer will provide, or cause the Portfolio Manager to provide to the Trustee and the Collateral Administrator 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. If (i) the Effective Date Determination Requirements are not satisfied (unless Rating Agency Confirmation from each Rating Agency has been received in respect of such failure to satisfy the Effective Date Determination Requirements); and either (x) the Portfolio Manager (acting on behalf of the Issuer) does not present a Rating Confirmation Plan to Fitch or (y) Rating Agency Confirmation is not received from Fitch in respect of such Rating Confirmation Plan; or (ii) Rating Agency Confirmation from S&P has not been received following the Effective Date, an Effective Date Rating Event shall have occurred. 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 (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 any Rating Agency, however the presentation to and approval of such plan by Fitch may be necessary to satisfy the Effective Date Determination Requirements as described above.

3. **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 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 or a Current Pay 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, 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 an 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);

(h) it has been assigned or otherwise has a Fitch Rating of at least "CCC-";

(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 an obligation in respect of which the Obligor (or the guarantor of such obligation) 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;

(m) 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);

(n) it is not an obligation whose acquisition by the Issuer will cause the Issuer to be deemed to have participated in a primary loan origination;

(o) it is not convertible into equity and is not Margin Stock as defined under Regulation U issued by The Board of Governors of the Federal Reserve System;

(p) 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 unless either (i) such withholding tax can be sheltered by application being made

under the applicable double tax treaty; or (ii) the Obligor is required to make "gross up" payments to the Issuer that cover the full amount of any such withholding on an after tax basis;

(q) upon acquisition the Collateral Debt Obligation is capable of being, and will be, the subject of a first fixed charge or first priority security interest in favour of the Trustee for the benefit of the Secured Parties pursuant to the Trust Deed (or any deed or document supplemental thereto);

(r) 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 (r) 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;

(s) it is not a Synthetic Security;

(t) it is not a Project Finance Loan;

(u) it has not been called for, and no notice of early redemption has been issued in respect of such obligation;

(v) is not a Structured Finance Security;

(w) 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);

(x) 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 or an improvement in the Obligor's financial condition);

(y) it is not an obligation that pays scheduled interest less frequently than annually (other than, for the avoidance of doubt, Mezzanine Loans) or a Zero Coupon Obligation;

(z) if it pays US-source interest or is "registration required", it is in registered form for US federal income tax purposes;

(aa) 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);

(bb) it will not require the Issuer or the pool of Collateral to be registered as an investment company under the Investment Company Act;

(cc) if it is a Revolving Collateral Obligation or Delayed Drawdown Collateral Obligation, it can only be drawn in its base currency;

(dd) it is not a Bond;

(ee) "it is a qualifying asset" for the purposes of Section 110 of the Taxes Consolidation Act 1997 of Ireland; and

(ff) 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 included in the purchase price of such Collateral Debt Obligation.

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 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 S&P Rating and a Fitch Rating.

4. 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 Issue Date Collateral Debt Obligations

The Portfolio Manager, acting on behalf of the Issuer, shall use commercially reasonable efforts to sell any Issue Date Collateral Debt Obligations that did not satisfy the Eligibility Criteria as at the Issue Date. 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 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

  (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 Fitch Collateral Value and its S&P 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 S&P Collateral Value; and

(ii) its Fitch 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 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 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 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 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).

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 or Second Lien 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 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 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 Fitch Collateral Value and its S&P 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) 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; or

(ii) after giving effect to such sale, the sum of: (A) the Aggregate Principal Balance (for such purpose the Principal Balance of each Defaulted Obligation shall be the lower of its Fitch Collateral Value and its S&P Collateral Value) of all Collateral Debt Obligations (excluding all of the Collateral Debt Obligations being sold but including, without duplication, the Substitute Collateral Debt Obligations being purchased and the anticipated cash proceeds, if any, of such sale that are not applied to the purchase of such Substitute Collateral Debt Obligations); and (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; and

(g) 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 Improved Obligations and 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 (j) and (k) of the Portfolio Profile Tests) and the Collateral Quality Tests (except the S&P CDO Monitor 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 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 and Fitch 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;

(h) the Aggregate Principal Balance of all Collateral Debt Obligations that are rated "CCC+" or below by S&P or "CCC+" or below by Fitch 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 Fitch Maximum Weighted Average Rating Factor Test is satisfied immediately after giving effect to such reinvestment;

(j) such reinvestment would not cause a Retention Deficiency;

(k) a Restricted Trading Period is not currently in effect; and

(l) immediately after such reinvestment, the cumulative Sale Proceeds from the sale of Credit Improved Obligations reinvested in Substitute Collateral 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 and Credit Improved Obligations that have not been reinvested as provided above prior to the end of the Due Period in which such proceeds were received shall be paid into the Principal Account and disbursed in accordance with the Principal Proceeds Priority of 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 or Credit Improved Obligations are paid into the Principal Account and designated for reinvestment in Substitute Collateral Debt Obligations, in which case such Principal Proceeds shall not be so disbursed in accordance with the Principal Proceeds Priority of Payments for so long as they remain so designated for reinvestment; provided that, in each case where any of the applicable Reinvestment Criteria are not satisfied as of the Payment Date next following receipt of such Sale Proceeds or Unscheduled Principal Proceeds, all such funds shall be paid into the Principal Account and disbursed in accordance with the Principal Proceeds Priority of Payments set out in Condition 3(c)(ii) (*Application of Principal Proceeds*) and such funds shall be applied only in redemption of the Notes in accordance with the 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.

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) 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 (iii) any such proceeds representing interest received in respect of any Mezzanine Loan for so long as it is a Defaulted Deferring Mezzanine Obligation (other than Defaulted Mezzanine Excess Amounts).

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, 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. 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:

(i) 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);

(ii) each bid must include an offer to purchase for a specified amount of cash on a proposed settlement date no later than 20 Business Days after the date of the auction notice and delivery instructions to the Portfolio Manager including the account to which the Unsalable Asset is to be delivered if the bid is accepted:

(iii) if no Noteholder submits such a bid within the time period specified under clause (i) 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 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 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

(iv) 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); provided that no Trading Plan may result in the averaging of the purchase price of a Collateral Debt Obligation or Collateral Debt Obligations purchased at separate times for purposes of determining whether any particular Collateral Debt Obligation is a Discount Obligation; and provided further that no Trading Plan may result in the averaging of Stated Maturities of Collateral Debt Obligations sold and purchased at different times for the purposes of determining whether paragraph (g) of the Reinvestment Criteria is satisfied following the expiry of the Reinvestment Period (the satisfaction or failure of which shall be determined on an individual basis for each Collateral Debt Obligation sold and related Substitute Collateral Debt Obligation purchased). 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 Interest Smoothing 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 attached to a Collateral Debt Obligation unless it is attached to a Collateral Debt Obligation received upon a restructuring of, or upon acceptance of an Offer in respect of, a Defaulted Obligation. 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 Fitch or S&P 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

S&P Issuer Credit Rating of Selling Institution	**Individual Third Party Credit Exposure Limit***	**Aggregate Third Party Credit Exposure Limit***
AAA	20%	20%
AA+	10%	10%
AA	10%	10%
AA-	10%	10%
A+	5%	5%
A and A-1	5%	5%
A- or below	0%	0%
Fitch Long-Term/Short-Term Senior Unsecured Debt Rating of Selling Institution		
AAA	20%	20%
AA+	10%	10%
AA	10%	10%
AA-	10%	10%
A+	5%	5%
A	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.

5. **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 (save as otherwise provided herein).

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;

(d) 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;

(e) with respect to all Collateral Debt Obligations, not more than 3 per cent. of the Aggregate Collateral Balance shall be the obligation of any one Obligor;

(f) not more than 5 per cent. of the Aggregate Collateral Balance shall consist of Participations;

(g) 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 (g) each Defaulted Obligation shall be deemed to have a Principal Balance equal to the lesser of its S&P Collateral Value and Fitch Collateral Value);

(h) not more than 5 per cent. of the Aggregate Collateral Balance shall consist of Annual Obligations unless Rating Agency Confirmation is obtained;

(i) 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;

(j) not more than 7.5 per cent. of the Aggregate Collateral Balance shall consist of obligations which are S&P CCC Obligations;

(k) not more than 7.5 per cent. of the Aggregate Collateral Balance shall consist of obligations which are Fitch CCC Obligations;

(l) not more than 5 per cent. of the Aggregate Collateral Balance shall consist of obligations which are Unhedged Fixed Rate Collateral Debt Obligations;

(m) not more than 30 per cent. of the Aggregate Collateral Balance shall consist of Non-Euro Obligations;

(n) not more than 2.5 per cent. of the Aggregate Collateral Balance shall consist of Bridge Loans;

(o) 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;

(p) 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 BB- by S&P and Fitch, 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 BB- by S&P and Fitch;

(q) 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 two S&P Industry Classifications may comprise up to 12 per cent. of the Aggregate Collateral Balance and one S&P Industry Classification may comprise up to 20 per cent. of the Aggregate Collateral Balance;

(r) not more than 35 per cent. of the Aggregate Collateral Balance shall consist of obligations comprising any three Fitch industry classifications and not more than 15 per cent. of the Aggregate Collateral Balance shall consist of obligations comprising any one Fitch industry classification;

(s) 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;

(t) 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 Fitch or S&P;

(u) the limits specified in the Bivariate Risk Table determined by reference to the Fitch ratings and S&P ratings of Selling Institutions shall be satisfied;

(v) not more than 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 50,000,000 (or its equivalent in any currency);

(w) not more than 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 50,000,000 and less than EUR 100,000,000 (or its equivalent in any currency); and

(x) not more than 12.5 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).

Notwithstanding paragraphs (a) to (x) above, 0.0 per cent. of the Aggregate Collateral Balance may consist of Bonds.

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 S&P Rating or a Fitch Rating or, if the Bridge Loan is not rated by S&P or Fitch, 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.

"**Moody's Rating**" means the monitored publicly available rating or the monitored estimated rating expressly assigned to a debt obligation (or facility) by Moody's that addresses the full amount of the principal and interest promised.

"**S&P Industry Classification**" means an industry classification set out in the table below or as otherwise modified, amended or replaced by S&P from time to time:

Asset 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
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
32	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 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;

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

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

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

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

(i) the Minimum Weighted Average Spread Test;

(ii) the Minimum Weighted Average Fixed Coupon Test; and

(iii) the Weighted Average Life Test,

each as defined in the Portfolio Management Agreement.

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, 26 per cent. and 70 per cent., (iii) in the case of the Class C Notes, 33 per cent. and 75 per cent., (iv) in the case of the Class D Notes, 39 per cent. and 81 per cent., (v) in the case of the Class E Notes, 40 per cent. and 86 per cent., and (vi) in the case of the Class F Notes, 40 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 50 different combinations of S&P Matrix Spreads and Recovery Rate Cases at each request, which may, for example, be two S&P Matrix Spreads and 25 Recovery Rate Cases or 10 S&P Matrix Spreads and five 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 and, 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 45.75 per cent.; the Class C Notes 51.50 per cent.; the Class D Notes 58.00 per cent.; the Class E Notes 64.50 per cent., and the Class F Notes 67.00 per cent. or (B) S&P Matrix Spread prior to the Effective Date, S&P Matrix Spread 3.80 per cent., will apply.

The Fitch Tests Matrix

Subject to the provisions provided below, on and after the Effective Date, the Portfolio Manager will have the option to elect which of the cases set forth in the below matrix (the "**Fitch Tests Matrix**") shall be applicable for the purposes of the Fitch Maximum Weighted Average Rating Factor Test, the Fitch Minimum Weighted Average Recovery Rate Test and the Minimum Weighted Average Spread Test.

For any given case:

(a) the applicable column for performing the Fitch Maximum Weighted Average Rating Factor Test will be the column (or linear interpolation between two adjacent columns, as applicable) in the Fitch Tests Matrix selected by the Portfolio Manager;

(b) the applicable row for performing the Minimum Weighted Average Spread Test will be the row (or linear interpolation between two adjacent rows, as applicable) in the Fitch Tests Matrix selected by the Portfolio Manager; and

(c) the applicable column and row for performing the Fitch Minimum Weighted Average Recovery Rate Test will be the column and row (or linear interpolation between the adjacent rows and/or adjacent columns, as applicable) in the Fitch Tests Matrix in relation to (a) and (b) above.

The Portfolio Manager will be required to elect which case shall apply on the Effective Date. Thereafter, on two Business Days' notice to the Trustee, the Collateral Administrator and Fitch, the Portfolio Manager may elect to have a different case apply, provided that the Fitch Maximum Weighted Average Rating Factor Test, the Fitch Minimum Weighted Average Recovery Rate Test and the Minimum Weighted Average Spread Test applicable to the case to which the Portfolio Manager desires to change are satisfied. The Fitch Tests Matrix may be amended and/or supplemented and/or replaced by the Portfolio Manager subject to (i) Rating Agency Confirmation from Fitch and (ii) the procedure more specifically set out in Condition 14(c) above.

Fitch Tests Matrix

	Fitch Maximum Weighted Average Rating Factor															
Minimum Weighted Average Spread	**28**	**29**	**30**	**31**	**32**	**33**	**33.5**	**34**	**35**	**36**	**37**	**38**	**39**	**40**	**41**	**42**
2.40%	80.00%	81.50%	82.00%	83.10%	84.30%	86.10%	86.80%	87.40%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2.50%	78.80%	79.50%	80.40%	81.60%	82.70%	84.00%	84.70%	84.50%	89.50%	92.50%	95.00%	N/A	N/A	N/A	N/A	N/A
2.60%	77.50%	78.20%	79.50%	80.00%	81.70%	82.90%	83.20%	83.40%	84.80%	86.90%	87.00%	N/A	N/A	N/A	N/A	N/A
2.70%	76.80%	77.50%	78.20%	79.30%	80.50%	81.20%	81.90%	82.50%	83.60%	85.70%	86.80%	93.00%	95.00%	N/A	N/A	N/A
2.80%	76.00%	76.80%	77.60%	78.60%	79.90%	80.60%	81.20%	81.80%	82.30%	84.40%	86.50%	87.10%	89.40%	91.70%	N/A	N/A
2.90%	75.10%	75.90%	76.70%	77.60%	78.60%	79.20%	79.90%	80.90%	81.70%	83.80%	85.90%	86.50%	88.80%	91.10%	N/A	N/A
3.00%	74.20%	75.00%	75.80%	76.60%	77.30%	78.50%	79.50%	80.00%	80.80%	82.90%	85.00%	85.80%	88.10%	90.40%	92.70%	95.00%
3.10%	73.40%	74.10%	74.80%	75.60%	76.20%	76.70%	77.30%	78.30%	79.40%	81.50%	83.60%	85.70%	86.80%	89.10%	91.90%	93.60%
3.20%	72.50%	73.10%	73.80%	74.50%	75.00%	75.60%	76.00%	76.60%	78.70%	80.80%	82.90%	85.00%	86.10%	88.40%	91.00%	93.00%
3.30%	69.80%	71.10%	72.00%	72.70%	73.10%	73.70%	74.90%	75.90%	78.00%	80.10%	82.20%	84.30%	85.90%	87.70%	90.00%	92.30%
3.40%	67.00%	69.10%	70.20%	70.80%	71.20%	71.80%	72.20%	73.30%	76.10%	78.30%	81.00%	83.00%	85.00%	86.30%	88.60%	91.40%
3.50%	64.10%	65.90%	67.10%	68.30%	69.00%	70.30%	70.60%	71.80%	74.60%	76.80%	79.70%	81.50%	84.00%	86.00%	87.10%	89.90%
3.60%	62.70%	63.80%	64.30%	65.80%	66.80%	68.90%	70.10%	71.30%	74.10%	76.30%	78.70%	80.80%	83.20%	85.50%	86.60%	89.40%
3.70%	60.50%	61.50%	63.50%	65.30%	66.70%	67.90%	69.10%	70.30%	73.10%	75.30%	77.70%	79.80%	82.20%	84.50%	86.10%	88.50%
3.75%	60.10%	60.90%	63.20%	64.70%	66.30%	67.30%	68.50%	69.80%	72.70%	74.80%	77.10%	79.50%	81.80%	84.10%	85.60%	88.35%
3.80%	59.80%	60.30%	62.90%	64.20%	65.80%	66.80%	68.00%	69.30%	71.50%	74.40%	76.70%	79.10%	81.40%	83.60%	85.10%	87.80%
3.85%	59.00%	59.90%	62.50%	63.60%	65.30%	66.60%	67.50%	68.80%	71.00%	74.00%	76.30%	78.70%	81.00%	83.10%	84.80%	87.30%
3.90%	58.20%	59.40%	62.10%	63.30%	65.00%	66.30%	67.20%	68.40%	70.50%	73.60%	75.80%	78.10%	80.80%	82.60%	84.40%	86.70%
4.00%	57.20%	59.30%	61.30%	62.50%	64.30%	65.60%	66.40%	67.60%	69.70%	71.80%	74.80%	77.10%	80.10%	81.40%	83.90%	85.80%
4.10%	55.80%	57.90%	60.20%	62.20%	63.90%	65.20%	66.10%	67.30%	69.40%	71.50%	74.50%	76.80%	79.80%	81.10%	83.60%	85.60%
4.20%	55.00%	57.30%	59.10%	61.70%	63.40%	64.50%	65.50%	66.80%	68.50%	70.80%	73.30%	75.40%	78.70%	80.80%	83.30%	85.30%
4.30%	54.30%	56.70%	58.50%	61.10%	62.80%	63.90%	65.00%	66.20%	68.00%	70.20%	72.70%	74.80%	78.10%	80.20%	82.30%	84.80%
4.40%	53.10%	55.50%	57.80%	59.90%	61.60%	62.80%	64.10%	65.30%	67.20%	69.50%	71.60%	73.70%	77.00%	79.10%	81.20%	83.50%
4.50%	52.60%	55.00%	56.80%	59.40%	61.10%	62.30%	63.60%	64.80%	66.50%	68.50%	71.10%	73.20%	76.50%	78.60%	80.70%	82.90%
4.60%	51.60%	54.40%	56.00%	58.80%	60.50%	61.70%	63.00%	64.20%	66.00%	68.00%	70.50%	72.60%	74.70%	77.60%	80.20%	82.40%
4.70%	50.70%	53.50%	55.10%	57.90%	59.70%	61.30%	62.50%	63.10%	65.20%	67.30%	69.40%	71.50%	73.60%	76.50%	79.50%	82.00%
4.80%	49.50%	52.50%	54.10%	56.80%	58.60%	60.40%	61.40%	62.00%	63.80%	65.90%	68.00%	70.10%	72.40%	75.30%	79.00%	81.50%
4.90%	48.00%	51.50%	53.10%	55.70%	57.70%	59.30%	60.20%	61.60%	63.40%	65.50%	67.60%	68.60%	72.30%	74.90%	77.90%	80.50%
5.00%	46.90%	50.60%	52.20%	54.80%	56.80%	58.40%	59.30%	60.70%	62.50%	64.60%	66.70%	67.70%	71.40%	74.00%	77.50%	80.00%
5.10%	46.00%	49.70%	51.30%	53.90%	55.90%	58.00%	59.00%	59.80%	62.00%	63.70%	65.80%	67.40%	70.50%	73.10%	76.90%	79.50%
5.20%	45.10%	48.80%	50.40%	53.00%	55.00%	57.20%	58.20%	58.90%	61.40%	62.80%	64.90%	67.00%	69.60%	72.20%	76.00%	78.80%
5.30%	44.20%	47.90%	50.00%	52.10%	54.40%	56.30%	57.30%	58.80%	60.90%	62.50%	64.70%	66.30%	68.70%	71.30%	74.30%	77.20%
5.40%	43.30%	45.40%	48.50%	51.20%	53.70%	55.40%	56.50%	57.90%	60.00%	62.10%	64.20%	65.40%	67.80%	70.40%	73.80%	76.70%
5.50%	42.40%	44.50%	47.70%	50.30%	52.60%	54.80%	55.60%	57.10%	59.10%	61.20%	63.70%	65.20%	66.90%	69.50%	72.80%	75.40%
5.60%	41.50%	43.60%	46.50%	49.80%	51.90%	54.30%	55.30%	56.70%	58.80%	60.90%	63.20%	65.00%	66.50%	69.00%	72.30%	74.50%
5.70%	40.60%	42.70%	46.20%	49.30%	51.40%	53.70%	54.70%	56.30%	58.40%	60.50%	62.60%	64.60%	66.00%	68.10%	70.50%	73.90%
5.80%	39.70%	41.80%	45.30%	48.40%	50.50%	52.80%	53.80%	55.20%	57.50%	59.60%	61.80%	63.90%	65.50%	67.20%	69.60%	73.50%
5.90%	38.80%	40.90%	44.40%	47.50%	50.00%	52.30%	53.30%	54.80%	57.20%	59.30%	61.50%	63.60%	64.70%	66.80%	69.20%	71.70%
6.00%	37.90%	40.00%	43.50%	46.60%	49.00%	51.20%	52.30%	53.90%	56.30%	58.40%	60.10%	62.30%	64.20%	66.10%	67.90%	70.20%

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, each Class Default Differential of the Proposed Portfolio is positive. The S&P CDO Monitor Test will be considered to be improved if each Class Default Differential of the Proposed Portfolio is greater than the corresponding Class Default Differential of the Current Portfolio.

The "**Class Break-Even Default Rate**" is, with respect to any Class of Rated Notes then rated by S&P, 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. After the Effective Date, S&P will provide the Portfolio Manager with the Class Break-Even Default Rates for each S&P CDO Monitor based upon the Recovery Rate Case and S&P Matrix Spread to be associated with such S&P CDO Monitor as selected by the Portfolio Manager (with a copy to the Collateral Administrator) as set out in the Portfolio Management Agreement or any other Recovery Rate Case selected by the Portfolio Manager from time to time.

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 of Notes from the Class Break-Even Default Rate 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, 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 of the S&P CDO Monitor Test at such time.

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 include 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 "**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 include 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.

"**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.

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 each Class of Rated Notes, the S&P Weighted Average Recovery Rate is greater than or equal to the percentage set forth in the S&P Test 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 A 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 Fitch Maximum Weighted Average Rating Factor Test

"**Fitch Maximum Weighted Average Rating Factor Test**" means that test that will be satisfied, on any Measurement Date from (and including) the Effective Date, if the Fitch Weighted Average Rating Factor as at such date is less than or equal to the applicable level in the Fitch Tests Matrix.

"**Fitch Weighted Average Rating Factor**" is the number determined by summing the products obtained by multiplying the Principal Balance of each Collateral Debt Obligation, excluding Defaulted Obligations, by its Fitch Rating Factor, dividing such sum by the Aggregate Principal Balance of all such Collateral Debt Obligations, excluding Defaulted Obligations, and rounding the result to the nearest two decimal places.

"**Fitch Rating Factor**" means, in respect of any Collateral Debt Obligation, the number set forth in the table below opposite the Fitch Rating in respect of such Collateral Debt Obligation. The following table provides certain probabilities of default relating to Fitch Rating Factors. The information is subject to change and any probabilities of default in respect of Fitch Rating Factors may not at any time necessarily reflect the below table.

Fitch Rating	Fitch Rating Factor
AAA	0.19
AA+	0.35
AA	0.64
AA-	0.86
A+	1.17
A	1.58
A-	2.25
BBB+	3.19
BBB	4.54
BBB-	7.13
BB+	12.19

Fitch Rating	Fitch Rating Factor
BB	17.43
BB-	22.80
B+	27.80
B	32.18
B-	40.60
CCC+	62.80
CCC	62.80
CCC-	62.80
CC	100.00
C	100.00
D	100.00

The Fitch Minimum Weighted Average Recovery Rate Test

"**Fitch Minimum Weighted Average Recovery Rate Test**" means the test that will be satisfied in respect of the Notes on any Measurement Date from (and including) the Effective Date, if the Fitch Weighted Average Recovery Rate is greater than or equal to the applicable level in the Fitch Tests Matrix.

"**Fitch Weighted Average Recovery Rate**" means, as of any Measurement Date, the rate (expressed as a percentage) determined by summing the products obtained by multiplying the Principal Balance of each Collateral Debt Obligation, excluding Defaulted Obligations, by the Fitch Recovery Rate in relation thereto and dividing such sum by the Aggregate Principal Balance of all Collateral Debt Obligations, excluding Defaulted Obligations, and rounding to the nearest 0.1 per cent.

"**Fitch Recovery Rate**" means, with respect to a Collateral Debt Obligation, the recovery rate determined in accordance with paragraphs (i) to (iv) below or (in any case) such other recovery rate as Fitch may notify the Portfolio Manager from time to time:

(i) if such Collateral Debt Obligation has a public Fitch recovery rating, or a recovery rating is assigned by Fitch in the context of provision by Fitch of a credit opinion to the Portfolio Manager, the recovery rate corresponding to such recovery rating in the table below (unless a specific recovery rate (expressed as a percentage) is provided by Fitch):

Fitch recovery rating	Fitch recovery rate (%)
RR1	95%
RR2	80%
RR3	60%
RR4	40%
RR5	20%
RR6	5%

(ii) if such Collateral Debt Obligation is a Corporate Rescue Loan and has neither a public Fitch recovery rating, nor a recovery rating assigned to it by Fitch in the context of provision by Fitch of a credit opinion, the Issuer or the Portfolio Manager on behalf of the Issuer shall apply to Fitch for a Fitch recovery rating, provided that the Fitch recovery rating in respect of such Corporate Rescue Loan shall be considered to be "RR3" pending provision by Fitch of such Fitch recovery rating, and the recovery rate applicable to such Corporate Rescue Loan shall be the recovery rate corresponding to such Fitch recovery rating in the table above;

(iii) if such Collateral Debt Obligation has no public Fitch recovery rating, no recovery rating is assigned by Fitch in the context of provision by Fitch of a credit opinion to the Portfolio Manager, is not a Corporate Rescue Loan and has a public S&P recovery rating, the recovery rate corresponding to such recovery rating in the table below:

S&P recovery rating	**Fitch recovery rate (%)**
1+	95%
1	95%
2	80%
3	60%
4	40%
5	20%
6	5%

and

(iv) if such Collateral Debt Obligation has no public Fitch recovery rating, no recovery rating is assigned by Fitch in the context of provision by Fitch of a credit opinion to the Portfolio Manager and has no public S&P recovery rating, the recovery rate applicable will be the rate determined in accordance with the table below, where the Collateral Debt Obligation shall be categorised as "Strong Recovery" if it is a Senior Secured Loan, "Moderate Recovery" if it is an Unsecured Senior Loan and otherwise "Weak Recovery", and shall fall into the country group corresponding to the country in which the Obligor thereof is Domiciled:

	Group A	**Group B**	**Group C**	**Group D**
Strong Recovery	75	55	45	35
Moderate Recovery	45	40	30	25
Weak Recovery	20	5	5	5

The country group of a Collateral Debt Obligation shall be determined, by reference to the country where the Obligor thereof is Domiciled, in accordance with the below:

Group A: Australia, Austria, Bahamas, Bermuda, Canada, Cayman Islands, Denmark, Finland, Germany, Gibraltar, Hong Kong, Iceland, Ireland, Japan, Jersey, Liechtenstein, Netherlands, New Zealand, Norway, Singapore, South Korea, Sweden, Switzerland, Taiwan, the UK, the US.

Group B: Belgium, France, Italy, Luxembourg, Portugal, Spain.

Group C: Bulgaria, Costa Rica, Chile, Croatia, Czech Republic, Estonia, Hungary, Israel, Latvia, Lithuania, Malaysia, Malta, Mauritius, Mexico, Poland, Slovakia, Slovenia, South Africa, Thailand, Tunisia, Uruguay.

Group D: Albania, Argentina, Asia Others, Barbados, Bosnia and Herzegovina, Brazil, China, Colombia, Cyprus, Dominican Republic, Eastern Europe Others, Ecuador, Egypt, El Salvador, Greece, Guatemala, India, Indonesia, Iran, Jamaica, Kazakhstan, Liberia, Macedonia, Marshall Islands, Middle East and North Africa Others, Moldova, Morocco, Other Central America, Other South America, Other Sub-Saharan Africa, Pakistan, Panama, Peru, Philippines, Puerto Rico, Qatar, Romania, Russia, Saudi Arabia, Serbia and Montenegro, Turkey, Ukraine, Venezuela, Vietnam.

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 Excess Weighted Average Coupon 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 Fitch Tests Matrix selected by the Portfolio Manager; and

(b) the weighted average spread (expressed as a percentage) applicable to the current S&P Matrix based upon the option chosen by the Portfolio Manager,

provided that any Purchased Accrued Interest shall be excluded from the outstanding principal balance of each Collateral Debt Obligation for the purposes of the Minimum Weighted Average Spread Test.

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. The Weighted Average Spread shall be expressed as a percentage and shall be rounded up to the next 0.01 per cent.

The **"Aggregate Funded Spread"** is, as of any Measurement Date, the sum of:

(a) in the case of each Floating Rate Collateral Debt Obligation (including, for any Mezzanine 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, (i) the stated interest rate spread on such Collateral Debt Obligation above EURIBOR 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 (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 Currency Hedge 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 a Asset Swap Transaction, the product of 0.85 and the difference between (i) the interest amount payable by the relevant obligor converted to Euro at the applicable Spot Rate of Exchange, and (ii) the product of (x) EURIBOR with respect to the Rated Notes as of the immediately preceding Interest Determination Date multiplied by (y) the Principal Balance of such Non-Euro Obligation.

If a Collateral Debt Obligation is subject to a floor, the margin shall include, if positive: (x) the EURIBOR (or such other floating rate of interest) floor value minus (y) EURIBOR (or such other floating rate of interest) applicable in respect of such Collateral Debt Obligation on such Measurement Date (provided that to the extent the floor is in respect of a Non-Euro Obligation and such obligation is either (i) not subject to an Asset Swap Transaction or (ii) the floor is not included in the payments made by the Hedge Counterparty to the Issuer, for the purposes of paragraph (c) above, the additional interest amount in respect of such additional margin shall be determined by applying the Spot Rate of Exchange 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 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; provided that the Principal Balance of (i) any Non-Euro Obligation subject to an Asset Swap Transaction shall be an amount equal to the Principal Balance of the reference Non-Euro Obligation and (ii) any Non-Euro Obligation which is not subject to an Asset Swap Transaction shall be an amount equal to the Principal Balance of the reference Non-Euro Obligation, multiplied by 0.85.

The **"Excess Weighted Average Coupon"** means a percentage equal as of any Measurement Date to a number obtained by multiplying (a) the excess, if any, of the Weighted Average Fixed Coupon over the Minimum 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.

The Minimum Weighted Average Fixed Coupon Test.

The **"Minimum Weighted Average Fixed Coupon Test"** will be satisfied on any Measurement Date from (and including) the Effective Date if the Weighted Average Fixed Coupon plus the Excess Weighted Average Spread as at such Measurement Date equals or exceeds the Minimum Weighted Average Fixed Coupon as of such Measurement Date, provided that any Purchased Accrued Interest shall be excluded from the outstanding principal balance of each Collateral Debt Obligation for the purposes of the Minimum Weighted Average Fixed Coupon Test.

The **"Minimum Weighted Average Fixed Coupon"** means if any of the Collateral Debt Obligations are Fixed Rate Collateral Debt Obligations six 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.

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 product of (x) stated coupon on such Collateral Debt Obligation expressed as a percentage and (y) the Principal Balance of such Non-Euro Obligation multiplied by 0.85; 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.

"Excess Weighted Average Spread" means a percentage equal as of any Measurement Date to a number obtained by multiplying (a) the excess, if any, of the Weighted Average Spread over the Minimum Weighted Average Spread by (b) the number obtained by dividing the Aggregate Principal Balance of all Floating Rate Collateral Debt Obligations by the Aggregate Principal Balance of all Fixed Rate Collateral Debt Obligations.

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 the number of years (rounded to the nearest one hundredth thereof) during the period from such Measurement Date to 15 November 2022.

"**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 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

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; 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.

Fitch Ratings Definitions

The "**Fitch Rating**" of any Collateral Debt Obligation will be determined in accordance with the below:

(a) if such Collateral Debt Obligation is not a Corporate Rescue Loan:

(i) with respect to any Collateral Debt Obligation in respect of which there is a Fitch issuer default rating, whether public or privately provided to the Portfolio Manager following notification by the Portfolio Manager that the Issuer has entered into a binding commitment to acquire such Collateral Debt Obligation (the "**Fitch Issuer Default Rating**"), the Fitch Rating shall be such Fitch Issuer Default Rating;

(ii) if the Obligor thereof has an outstanding long-term financial strength rating from Fitch (the "**Fitch LTSR**"), then the Fitch Rating shall be one notch lower than such Fitch LTSR;

(iii) if in respect of any other obligation of the Obligor or its Affiliates, there is a publicly available rating by Fitch, then the Fitch Rating shall be the Fitch IDR Equivalent determined by applying the Fitch Rating Mapping Table (as defined below) to such rating;

(iv) if in respect of the Collateral Debt Obligation there is a Moody's CFR, a Moody's Long Term Issuer Rating, or an S&P Issuer Credit Rating, then the Fitch Rating shall be the rating that corresponds to the lowest thereof;

(v) if in respect of the Collateral Debt Obligation, there is an Insurance Financial Strength Rating, then the Fitch Rating shall be one notch lower than such Insurance Financial Strength Rating;

(vi) if in respect of the Collateral Debt Obligation there is a Moody's/S&P Corporate Issue Rating, then the Fitch Rating shall be the Fitch IDR Equivalent determined by applying the Fitch Rating Mapping Table (as defined below) to such rating; or

(vii) if a Fitch Rating cannot otherwise be assigned, the Portfolio Manager, on behalf of the Issuer, shall apply to Fitch for a credit opinion which shall then be the Fitch Rating or shall agree a rating with Fitch which shall then be the Fitch Rating, provided that pending receipt from Fitch of any credit opinion, the applicable Collateral Debt Obligation shall either be deemed to have a Fitch Rating of "B-", subject to the Portfolio Manager believing that such credit assessment will be at least "B-" or the rating specified as applicable thereto by Fitch pending receipt of such credit assessment; or

(b) if such Collateral Debt Obligation is a Corporate Rescue Loan,

(i) if such Corporate Rescue Loan has a publicly available rating from Fitch or has been assigned an issue-level credit assessment by Fitch, the Fitch Rating shall be such rating or credit assessment; or

(ii) otherwise the Issuer or the Portfolio Manager on behalf of the Issuer shall apply to Fitch for an issue-level credit assessment provided that, pending receipt from Fitch of any issue-level credit assessment, the applicable Corporate Rescue Loan shall either be deemed to have a Fitch Rating of "B-", subject to the Portfolio Manager believing that such credit assessment will be at least "B-" or the rating specified as applicable thereto by Fitch pending receipt of such credit assessment.

For the purposes of determining the Fitch Rating, the following definitions shall apply, provided always that if a debt security or obligation of the Obligor has been in default during the past two years, the Fitch Rating of such Collateral Debt Obligation shall be treated as "D", and provided further that (x) if the applicable Collateral Debt Obligation has been put on rating watch negative or negative credit watch for possible downgrade by any Rating Agency, then the rating used to determine the Fitch Rating above shall be one rating subcategory below such rating by that Rating Agency, and (y)

notwithstanding the rating definition described above, Fitch reserves the right to use a credit opinion or a rating estimate for any Collateral Debt Obligations at any time.

"**Fitch IDR Equivalent**" means, in respect of any rating described in the Fitch Rating Mapping Table, the equivalent Fitch Issuer Default Rating determined by increasing (or reducing, in the case of a negative number) such rating (or the nearest Fitch equivalent thereof) by the number of notches specified under "Mapping Rule" in the fourth column of the Fitch Rating Mapping Table.

"**Fitch Rating Mapping Table**" means the following table:

Rating Type	**Applicable Rating Agency(ies)**	**Issue rating**	**Mapping Rule**
Corporate family rating or long term issuer rating	Moody's	n/a	+0
Issuer credit rating	S&P	n/a	+0
Senior unsecured	Fitch, Moody's or S&P	Any	+0
Senior, senior secured or subordinated secured	Fitch or S&P	"BBB-" or above	+0
Senior, senior secured or subordinated secured	Fitch or S&P	"BB+" or below	-1
Senior, senior secured or subordinated secured	Moody's	"Ba1" or above	-1
Senior, senior secured or subordinated secured	Moody's	"Ba2" or below, but above "Ca"	-2
Senior, senior secured or subordinated secured	Moody's	"Ca"	-1
Subordinated (junior or senior)	Fitch, Moody's or S&P	"B+" / "B1" or above	+1
Subordinated (junior or senior)	Fitch, Moody's or S&P	"B" / "B2" or below	+2

"**Insurance Financial Strength Rating**" means, in respect of a Collateral Debt Obligation, the lower of any applicable public insurance financial strength rating by S&P or Moody's in respect thereof.

"**Moody's CFR**" means, in respect of a Collateral Debt Obligation, a publicly available corporate family rating by Moody's in respect of the Obligor thereof.

"**Moody's Long Term Issuer Rating**" means, in respect of a Collateral Debt Obligation, a publicly available long term issuer rating by Moody's in respect of the Obligor thereof.

"**Moody's/S&P Corporate Issue Rating**" means, in respect of a Collateral Debt Obligation, the lower of the Fitch IDR Equivalent ratings, determined in accordance with the Fitch Rating Mapping Table, corresponding to any outstanding publicly available issue rating by Moody's and/or S&P in respect of any other obligation of the Obligor or any of its Affiliates.

"**S&P Issuer Credit Rating**" means in respect of a Collateral Debt Obligation, a publicly available issuer credit rating by S&P in respect of the Obligor thereof.

6. **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%	130.4%
C	115.0%	121.2%
D	110.0%	114.1%
E	105.0%	106.4%
F	N/A	103.6% (during the Reinvestment Period) and 104.6% (following the Reinvestment Period)

7. **Additional Reinvestment Test**

The "**Additional Reinvestment Test**" will apply and which will be satisfied as of any Payment Date on and after the Effective Date during the Reinvestment Period, on such Payment Date if the Class F Par Value Ratio is at least 104.1 per cent.

DESCRIPTION OF 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.

1. 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 in respect of each Due Period commencing prior to the occurrence of a Frequency Switch Event and semi-annually at all other times, and in each case, on the basis of a 360-day year comprised of twelve 30-day months (provided that for such purpose the Principal Balance of each Defaulted Obligation shall be the lesser of its S&P Collateral Value and its Fitch 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 in respect of each Due Period commencing prior to the occurrence of a Frequency Switch Event and semi-annually at all other times, and in each case, on the basis of a 360-day year comprised of twelve 30-day months (provided that for such purpose the Principal Balance of each Defaulted Obligation shall be the lesser of its S&P Collateral Value and its Fitch Collateral Value). Any value added tax 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 Priorities of Payment, Principal Proceeds Priorities of Payment 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 such Deferred Portfolio Manager Amounts shall be treated as unpaid and shall accrue interest in accordance with the Portfolio Management Agreement.

2. 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 Portfolio Manager, Joint Placement Agents and 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 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 Portfolio Manager, Joint Placement Agents and 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.

3. 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.

4. 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 value added tax 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 Portfolio Manager, Joint Placement Agents and Joint Arrangers"* as it relates to the Portfolio Manager, *"Risk Factors – 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 (including any Liabilities incurred by the Portfolio Manager in respect of the indemnity provided by the Portfolio Manager to the account bank appointed under the Warehouse Arrangements pursuant to a side letter to be dated on or about 6 November 2014 between the Issuer, the Portfolio Manager, the Trustee and such warehouse account bank in connection with the operation of the warehouse accounts (which are to remain open in the name of the Issuer for a period of 3 months following the Issue Date in order to ensure that any monies that are incorrectly paid into such accounts following the Issue Date may be promptly transferred to the relevant Accounts of the Issuer)) 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.

5. **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. 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.

6. **No Voting Rights**

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.

"**Portfolio Manager Related Person**" means the Portfolio Manager's Affiliates, any director, officer or employee of such entities 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.

7. **Assignments, Transfers and Delegation**

The Portfolio Manager may not assign or transfer 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 or, transferee has the requisite regulatory capacity; and (iv) unless such assignment or transfer will not result in the Retention Requirements ceasing to be complied with and following such assignment or transfer the Retention Requirements continue to be complied with; 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.

8. **Removal for Cause**

The Portfolio Manager may be removed for cause upon 30 days' prior written notice 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 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 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 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 shall be disregarded and deemed not to be Outstanding. For purposes of the Portfolio Management Agreement, "**cause**" shall mean any one of the following events:

(i) wilful breach by the Portfolio Manager of 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) breach by the Portfolio Manager of any provision of the Portfolio Management Agreement or the Trust Deed applicable to it which breach, if capable of being cured, is not cured within 30 days of the Portfolio Manager becoming aware of, or receiving notice from the Issuer or the Trustee of, such breach and which the relevant Class or Classes of Noteholders (referred to above) have resolved (in the manner described above) is materially prejudicial to their interests;

(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 relevant Class or Class of Noteholders (referred to above) have resolved (in the manner described above) is materially prejudicial to their interests;

(iv) (i) any procedure being commenced with a view to the winding up or reorganisation of the Portfolio Manager (except voluntary liquidation in certain circumstances), 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) or certain events of bankruptcy or insolvency in respect of the Portfolio Manager, 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 the Trust Deed;

(v) the occurrence and continuation of an Event of Default specified in paragraph (i) or (ii) of Condition 10(a) (*Events of Default*) and the Trustee is of the opinion that such 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 being convicted by a court of competent jurisdiction of any action that constitutes fraud or criminal activity whilst carrying out its portfolio management activities; or

(vii) the Portfolio Manager ceasing to be permitted to act as such under the laws of England and Wales or Ireland.

If any of the events specified above 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.

9. **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.

10. **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) which 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, and (e) in respect of which such appointment has received Rating Agency Confirmation. 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 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 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 of 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 that is not comprised entirely of Notes held entirely 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 (e) 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 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 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 (e) above.

11. **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 re-financing 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 – 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. The Issuer has taken reasonable care to ensure that this information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from information 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.

Deutsche Bank Aktiengesellschaft ("**Deutsche Bank**" or the "**Bank**") originated from the reunification of Norddeutsche Bank Aktiengesellschaft, Hamburg, Rheinisch-Westfälische Bank Aktiengesellschaft, Duesseldorf and Süddeutsche Bank Aktiengesellschaft, Munich; pursuant to the Law on the Regional Scope of Credit Institutions, these had been disincorporated in 1952 from Deutsche Bank which was founded in 1870. The merger and the name were entered in the Commercial Register of the District Court Frankfurt am Main on 2 May 1957. Deutsche Bank is a banking institution and a stock corporation incorporated under the laws of Germany under registration number HRB 30 000. The Bank has its registered office in Frankfurt am Main, Germany. It maintains its head office at Taunusanlage 12, 60325 Frankfurt am Main and branch offices in Germany and abroad including in London, New York, Sydney, Tokyo and an Asia-Pacific Head Office in Singapore which serve as hubs for its operations in the respective regions.

The Bank is the parent company of a group consisting of banks, capital market companies, fund management companies, a real estate finance company, instalment financing companies, research and consultancy companies and other domestic and foreign companies (the "**Deutsche Bank Group**").

Deutsche Bank AG, London Branch is the London branch of Deutsche Bank AG. On 12 January 1973, Deutsche Bank AG filed in the United Kingdom the documents required pursuant to section 407 of the Companies Act 1948 to establish a place of business within Great Britain. On 14 January 1993, Deutsche Bank registered under Schedule 21A to the Companies Act 1985 as having established a branch (Registration No. BR000005) in England and Wales. Deutsche Bank AG, London Branch is an authorised person for the purposes of section 19 of the Financial Services and Markets Act 2000. In the United Kingdom, it conducts wholesale banking business and through its Private Wealth Management division, it provides holistic wealth management advice and integrated financial solutions for wealthy individuals, their families and selected institutions.

As of 31 March 2014, Deutsche Bank's subscribed capital amounted to Euro 2,609,919,078.40 consisting of 1,019,499,640 ordinary shares without par value. The shares are fully paid up and in registered form. The shares are listed for trading and official quotation on all German Stock Exchanges. They are also listed on the New York Stock Exchange.

As of 31 March 2014, Deutsche Bank Group had total assets of Euro 1,636,574 million, total liabilities of Euro 1,580,557 million, and total equity of Euro 56,017 million on the basis of International Financial Reporting Standards (unaudited).

Deutsche Bank's long-term senior debt has been assigned a rating of A (outlook negative) by Standard & Poor's, A3 (outlook negative) by Moody's Investors Service and A+ (outlook negative) by Fitch Ratings.

HEDGING ARRANGEMENTS

Hedge Agreements

Subject to (i) such arrangements at the time they are entered into satisfying the Hedge Agreement Eligibility Criteria, or (ii) the receipt by the Portfolio Manager of legal advice from a reputable legal counsel to the effect that the entry into such arrangements shall not require any of the Issuer, its directors or officers or the 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 Agreement would be considered a "permitted derivative" within the meaning of and subject to the "loan securitization" exemption under the Volcker Rule, 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**").

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 Asset Swap Transaction relating thereto shall be terminated on or around the date of such sale in accordance with its terms, resulting in either (i) the Asset Swap Counterparty receiving the proceeds of the sale of the Asset Swap Obligation from the Issuer (which shall be funded outside the Priorities of Payment from the Non-Euro Account) and returning the Sale Proceeds (in accordance with paragraph (b) of the definition thereof) to the Issuer (which shall be credited to the Principal Account); or (ii) the Issuer retaining the proceeds of sale of the Asset Swap Obligation and either receiving a payment from the Asset Swap Counterparty or making 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).

Furthermore, upon the insolvency of the Issuer and/or the acceleration of the Notes in accordance with Condition 10(b) (*Acceleration*) (where the Trustee has started to liquidate all or part of the Portfolio), 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 on Interest Rate Hedge Replacement Receipts, any Asset Swap Issuer Termination Payment (except for a Defaulted Asset Swap Issuer Termination Payment or Defaulted Interest Rate Hedge Issuer Termination Payment) or any 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 of Exchange 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 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" for the purposes of the relevant Hedge Agreement. In the event of the occurrence of a Tax Event (as defined in such Hedge Agreement), each Hedge Agreement will include provision for the relevant Affected Party (as defined therein) to use reasonable endeavours to (i) (in the case of the Hedge Counterparty) arrange for a transfer of all of its interests and obligations under the Hedge Agreement and all Transactions (as defined in the Hedge Agreement) thereunder to an Affiliate that is incorporated in another jurisdiction so as to avoid the requirement to withhold or deduct for or on account of tax; or (ii) (in the case of the Issuer) transfer its residence for tax purposes to another jurisdiction (subject in some cases to the consent of the Hedge Counterparty) 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 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. 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 an Event of Default thereunder);

(f) representations related to certain regulatory matters prove to be incorrect in any material respect when made; and

(g) changes are made to the Transaction Documents without the consent of a Hedge Counterparty which could have a material adverse effect on the Hedge Counterparty.

A termination of a Hedge Agreement does not constitute an 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 related to the underlying Non-Euro Obligation. These credit events 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.

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 the Hedge Agreement; or takes other actions subject to Rating Agency Confirmation.

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.

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.

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.

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.

1. **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 following 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 Business Day of the month in consultation with the Portfolio Manager, and which shall be made available via a secured website currently located at https://tss.sfs.db.com/investpublic which shall be accessible to the Issuer, the Trustee, the Portfolio Manager, each Joint Arranger, each Joint Placement Agent, any Hedge Counterparty, Intex Solutions, Inc., the Bond Market Association 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 15 February 2015. 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 Principal Balance, annual interest rate, Stated Maturity, Obligor, Obligor's principal place of business or significant operations, Fitch Rating and S&P Rating (other than any confidential credit estimates), Fitch Recovery Rate and S&P Recovery Rate (but excluding any confidential estimates in relation thereto) and S&P Industry Classification and whether it is a Cov-Lite Loan (i) for the purposes of determining the S&P Recovery Rate, and (ii) for all other purposes;

(c) 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;

(d) the number, identity (including where applicable, LoanXID, 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;

(e) 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;

(f) 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;

(g) 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;

(h) a maturity profile in respect of the Portfolio;

(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 Fitch CCC Obligations or S&P CCC 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;

(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 Fitch rating and S&P 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, Weighted Average Spread (for each applicable Collateral Quality Test), Weighted Average Fixed Coupon, Excess Weighted Average Spread and Excess Weighted Average Coupon; 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 Fitch rating and S&P 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 written confirmation from the Retention Holder that:

  (i) 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**"); and

  (ii) 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;

(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 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.

2. **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 via a secured website currently located at https://tss.sfs.db.com/investpublic which shall be accessible to the Portfolio Manager, the Issuer, the Trustee, each Joint Arranger, each Joint Placement Agent, any Hedge Counterparty, Intex Solutions, Inc., the Bond Market Association, 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 Trustee Fees and Expenses, the amount of any Portfolio Management Fees and Administrative Expenses payable on the related Payment Date, in each case, on an itemised 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).

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.

All prospective purchasers of Notes should read "United States Federal Income Taxation Tax Matters – Application of U.S. Tax Reporting and Withholding Law" below for a discussion of potential reporting obligations and the consequences of failing to comply with such obligations.

2. EU Directive on the Taxation of Savings Income

On 1 July 2005, a new EU directive (the "**Savings Directive**") regarding the taxation of savings income payments came into effect. The directive obliges a Member State to provide to the tax authorities of another Member State details of payments of interest or other similar income payments made by a person within its jurisdiction for the immediate benefit of an individual or to certain non-corporate entities resident in that other Member State (or for certain payments secured for their benefit). However, Austria and Luxembourg have opted out of the reporting requirements and may instead apply a special withholding tax for a transitional period in relation to such payments of interest, deducting tax at rates rising over time to 35 per cent. This transitional period commenced on 1 July 2005 and will terminate at the end of the first fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments. However, Luxembourg has announced that it will cease to withhold from 1 January 2015 and instead provide the required information.

Also with effect from 1 July 2005, a number of non-EU countries and certain dependent or associated territories of Member States have adopted similar measures (either provision of information or transitional withholding) in relation to payments of interest or other similar income payments made by a person in that jurisdiction for the immediate benefit of an individual or to certain non-corporate entities in any Member State. The Member States have entered into reciprocal provision of information or transitional special withholding tax arrangements with certain of those dependent or associated territories. These apply in the same way to payments by persons in any Member State to individuals or certain non-corporate residents of those territories.

Prospective purchasers of the Notes should note that an amended version of the Savings Directive was adopted by the European Council on 24 March 2014, which is intended to close loopholes identified in the current Savings Directive. The amendments, which must be transposed by Member States prior to 1 January 2016 and applied from 1 January 2017, will extend the scope of the Savings Directive to (i) broadly, payments made through certain intermediate structures (whether or not established in a Member State) for the ultimate benefit of an EU resident individual, and (ii) a wider range of income similar to interest.

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**") and levies). Interest paid on the Notes may have an Irish source and therefore be within the charge to Irish income tax (including USC) and levies. 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 resident in a Relevant Territory (residence to be determined under the laws of that Relevant Territory); and

(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 resident in 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, or (I) where the company is a 75% subsidiary of another company, of that other company or (II) where the company is wholly-owned by 2 or more companies, of each of those companies, 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.

(c) where the interest is paid by a company in the ordinary course of business carried on by it to a company (i) which, by virtue of the law of a Relevant Territory, is resident in the Relevant Territory for the purposes of tax, 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.

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) and levies.

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 has 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 has implemented the directive into national law. Any Irish paying agent making an interest payment on behalf of the Issuer to an individual, and certain residual entities defined in the 1997 Act, resident in another EU Member State and certain associated and dependent territories of a Member State will have to provide details of the payment to the Irish Revenue Commissioners who in turn will provide such information to the competent authorities of the state or territory of residence of the individual or residual entity concerned.

The Issuer, or the Portfolio Manager on behalf of the Issuer, or the Transfer Agent shall be entitled to require the Noteholders to provide any information regarding their tax status, identity or residency in order to satisfy the disclosure requirements in Directive 2003/48/EC and Noteholders will be deemed by their subscription for Notes to have authorised the automatic disclosure of such information by the Issuer, Portfolio Manager, Transfer Agent or any other person to the relevant tax authorities.

4. **United States Federal Income Taxation**

(a) **General**

This is a discussion of the principal U.S. federal income tax consequences of the acquisition, ownership, disposition, and retirement of the Notes.

Except as expressly set out below, this discussion does not address all aspects of U.S. federal income taxation that may be relevant to a particular holder based on such holder's particular circumstances, nor does it address any aspect of state, local, or non-U.S. tax laws or the possible application of U.S. federal gift or estate taxes. In particular, except as expressly set out below, this discussion does not address aspects of U.S. federal income taxation that may be applicable to holders that are subject to special treatment, including holders that:

(i) are broker-dealers, securities traders, insurance companies, tax-exempt organisations, financial institutions, real estate investment trusts, regulated investment companies or grantor trusts;

(ii) certain former citizens or long-term residents of the United States;

(iii) hold Notes as part of a "straddle," "hedge," "conversion," "integrated transaction" or "constructive sale" with other investments; or

(iv) own or are deemed to own 10 per cent. or more, by voting power or value, of the equity of the Issuer (including Subordinated Notes treated as equity for U.S. federal income tax purposes).

This discussion considers only holders that will hold Notes as capital assets and whose functional currency is the U.S. dollar. This discussion is generally limited to the tax consequences to initial holders that purchase Notes upon their initial issue at their initial issue price.

For purposes of this discussion, "**U.S. Holder**," is defined as the beneficial owner of a Note who or which is:

(i) a citizen or resident of the United States;

(ii) a corporation created or organised under the laws of the United States or any political subdivision thereof or therein;

(iii) an estate, the income of which is subject to U.S. federal income tax regardless of the source; or

(iv) a trust, (i) that validly elects to be treated as a U.S. person for U.S. federal income tax purposes; or (ii)(A) if a court within the U.S. is able to exercise primary supervision over the administration of the trust; and (B) one or more U.S. persons have the authority to control all substantial decisions of the trust.

The term "**non-U.S. Holder**" means, for purposes of this discussion, a beneficial owner of the Notes that is not a U.S. Holder.

If a partnership (or any other entity treated as a partnership for U.S. federal income tax purposes) holds the Notes, the tax treatment of the partnership and a partner in such partnership generally will depend on the status of the partner and the activities of the partnership. Such a partner or partnership should consult its own tax advisor as to its consequences.

This discussion is based upon the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), existing and proposed regulations thereunder, and current administrative rulings and court decisions, each as available and in effect as of the date hereof. All of the foregoing are subject to change, possibly on a retroactive basis, and any such change could affect the continuing validity of this discussion. Furthermore, there are no cases or rulings by the IRS

addressing entities similar to the Issuer or securities similar to the Notes. As a result, the IRS might disagree with all or part of the discussion below. No rulings will be requested of the IRS regarding the issues discussed below or the U.S. federal income tax characterisation of the Notes.

Prospective Noteholders should consult their tax advisor concerning the application of U.S. federal income tax laws, as well as the laws of any state or local taxing jurisdiction, to their particular situation.

(b) **U.S. Taxation**

We hereby inform you that the description set out herein with respect to U.S. federal tax issues was not intended or written to be used by any taxpayer, for the purpose of avoiding any penalties that may be imposed on the taxpayer under the U.S. Internal Revenue Code. Such description was written in connection with the marketing of the Notes. Taxpayers should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

(c) **United States Taxation of the Issuer**

The Issuer intends to conduct its affairs in a manner designed to prevent the Issuer from being treated as engaged in the conduct of a trade or business within the United States for U.S. federal income tax purposes, and the remainder of this summary assumes that the Issuer will not be so treated. Prospective investors should be aware, however, that no opinion of counsel or ruling will be sought from the IRS regarding this, or any other, aspect of the U.S. federal income tax treatment of the Issuer. Accordingly, there can be no assurance that the IRS will agree. If the IRS were successfully to assert that the Issuer is engaged in a U.S. trade or business there could be material adverse financial consequences to the Issuer and to persons who hold the Notes. In such a case, the Issuer would be potentially subject to substantial U.S. federal income tax and, in certain circumstances interest payments by the Issuer under the Notes could be subject to U.S. withholding tax. The imposition of any of the foregoing taxes would materially affect the Issuer's ability to pay principal, interest, and other amounts owing in respect of the Notes. In light of the intended activities of the Issuer, the remainder of this summary assumes that the Issuer will not be treated as engaged in the conduct of a trade or business within the United States for U.S. federal income tax purposes.

Each holder and beneficial owner of a Class F Note or Subordinated Note that is not a "**United States person**" (as defined in Section 7701(a)(30) of the Code) will make, or by acquiring such Note or an interest therein will be deemed to make, a representation to the effect that either (i) it is not a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business (within the meaning of Section 881(c)(3)(A) of the Code), or (ii) it is a person that is eligible for benefits under an income tax treaty with the United States that eliminates U.S. federal income taxation of U.S. source interest not attributable to a permanent establishment in the United States, and (iii) it is not purchasing the Note in order to reduce its U.S. federal income tax liability pursuant to a tax avoidance plan within the meaning of U.S. Treasury Regulation Section 1.881-3.

(d) **Characterisation of the Notes**

The Issuer intends to treat 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**") as debt for U.S. federal income tax purposes, and this summary assumes such treatment. By acquiring an interest in any Rated Note, the holder will agree to treat such Note as debt for U.S. federal income tax purposes. Prospective investors should note, however, that the classification of an instrument as debt or equity is highly factual, and there can be no assurance that the IRS will not contend, and that a court will not ultimately hold, that one or more classes of Rated Notes, particularly the more junior classes thereof, are equity. Prospective investors should also be aware that no opinion of counsel or ruling will be sought from the IRS regarding this, or any other, aspect of the U.S. federal income tax treatment of the Notes.

If the IRS were to challenge the treatment of the Rated Notes and such challenge succeeded, the affected Notes would be treated as equity interests and the U.S. federal income tax

consequences of investing in those Notes would be similar to those described below with respect to investments in the Subordinated Notes. Holders of the Notes should note that no rulings have been or will be sought from the IRS with respect to the classification of the Notes or the U.S. federal income tax consequences discussed below, and no assurance can be given that the IRS or the courts will not take a contrary position to any of the views expressed herein. The Issuer intends to treat the Subordinated Notes as equity in the Issuer for U.S. federal income tax purposes. By acquiring an interest in a Subordinated Note, the holder will agree to treat such Subordinated Note as equity for U.S. federal income tax purposes. This summary assumes such treatment.

(e) **Interest on the Rated Notes**

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

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

For U.S. federal income tax purposes, OID is the excess of the "stated redemption price at maturity" of a debt instrument over its "issue price", if that excess equals or exceeds ¼ of 1 per cent. of the debt instrument's stated redemption price at maturity multiplied by the number of complete years from its issue date to its maturity or weighted average maturity in the case of instalment obligations (the "**OID de minimis amount**"). The "stated redemption price at maturity" of a debt instrument such as the Rated Notes is the sum of all payments required to be made on the Rated Note other than "qualified stated interest" payments. The "issue price" of a Rated Note generally is the first offering price to the public at which a substantial amount of the debt instrument is sold. The term "qualified stated interest" generally means stated interest that is unconditionally payable in cash or property (other than debt instruments of the issuer), or that is treated as constructively received, at least annually at a single fixed rate or, under certain conditions discussed below, at a variable rate.

Prospective U.S. Holders should note that interest on the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes may be added to the aggregate principal amount of such Notes in certain circumstances. Consequently, the Issuer intends to take the position that such interest is not unconditionally payable in cash or property at least annually and will not be treated as "qualified stated interest". Therefore, all of the stated interest payments on each of the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes, will be included in the stated redemption price at maturity of such Notes, and as a result each of the

Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes will be treated as issued with OID.

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

Each class of Rated Notes will be "variable rate debt instruments" if such class of Notes (a) has an issue price that does not exceed the total non-contingent principal payments on such Class of Notes by more than an amount equal to the lesser of: (i) 0.015 multiplied by the product of such total non-contingent principal payments and the number of complete years to maturity of such Class of Notes; and (ii) 15 per cent. of the total non-contingent principal payments on such Class of Notes; (b) provide for stated interest (compounded or paid at least annually) at the current value of one or more qualified floating rates, including the EURIBOR rate on such Class of Notes; and (c) does not provide for any principal payments that are contingent. The Rated Notes will qualify as variable rate debt instruments, provided the issue price is not more than 115,000 Euros per 100,000 Euro principal amount. Interest payments on certain "variable rate debt instruments" may be considered qualified stated interest.

If a debt instrument that provides for a variable rate of interest does not qualify as a variable rate debt instrument, the debt instrument will be treated as a CPDI. Thus, if any class of the Rated Notes does not qualify as a variable rate debt instrument, a U.S. Holder would be required to report income in respect of such Notes in accordance with the CPDI Regulations. The CPDI rules are complex and investors should consult with their own tax advisors with respect to the potential taxation of the Notes under the CPDI rules.

The Rated Notes may be debt instruments described in Section 1272(a)(6) of the Code (debt instruments that may be accelerated by reason of the prepayment of other debt obligations securing such debt instruments). Special tax rules principally relating to the accrual of OID, market discount, and bond premium apply to debt instruments described in Section 1272(a)(6). Further, those debt instruments may not be treated for U.S. federal income tax purposes as part of an integrated transaction with a related hedge under Treasury Regulation Section 1.1275-6. Prospective investors should consult with their own tax advisors regarding the effects of Section 1272(a)(6).

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

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

(f) **Sale, Exchange, Redemption or Repayment of the Rated Notes**

Unless a non-recognition provision applies (and subject to the "Investment in a Passive Foreign Investment Company", "Investment in a Controlled Foreign Corporation" and "Disposition of the Subordinated Notes" discussions below which are relevant for holders of any Class of Notes treated as equity for U.S. Federal income tax purposes), a U.S. Holder generally will recognise gain or loss on the sale, exchange, repayment or other disposition of a Rated Note equal to the difference between the amount realised plus the fair market value of any property received on the disposition (other than amounts attributable to accrued but unpaid interest) and the U.S. Holder's adjusted tax basis in such Note.

The amount realised on the sale, exchange, redemption or repayment of a Rated Note generally is determined by translating the Euro proceeds into U.S. dollars at the spot rate on the date the Rated Note is disposed of, while a U.S. Holder's adjusted tax basis in a Rated Note generally will be the cost of the Rated Note to the U.S. Holder, determined by translating the Euro purchase price into U.S. dollars at the spot rate on the date the Rated Note was purchased, and increased by the amount of any OID accrued and reduced by any payments other than payments of qualified stated interest of such Note. If, however, the Rated Notes are traded on an established securities market, a cash basis U.S. Holder or electing accrual basis U.S. Holder will determine the amount realised on the settlement date. An election by an accrual basis U.S. Holder to apply the spot exchange rate on the settlement date will be subject to the rules regarding currency translation elections described above, and cannot be changed without the consent of the IRS. The amount of foreign currency gain or loss realised with respect to accrued but unpaid interest is the difference between the U.S. Dollar value of the interest based on the spot exchange rate on the date the Rated Notes are disposed of and the U.S. Dollar value at which the interest was previously accrued. A U.S. Holder will have a tax basis in Euro received on the sale, exchange or retirement of a Rated Note equal to the U.S. dollar value of the Euro on the relevant date. Foreign currency gain or loss on a sale, exchange, redemption or repayment of a Rated Note is recognised only to the extent of total gain or loss on the transaction. See also "*Net Investment Tax*" below for the application of the 3.8 per cent. Medicare tax to the purchase of the Notes.

Foreign currency gain or loss recognised by a U.S. Holder on the sale, exchange or other disposition of a Rated Note (including repayment at maturity) generally will be treated as ordinary income or loss. Gain or loss in excess of foreign currency gain or loss on a Rated Note generally will be treated as capital gain or loss. The deductibility of capital losses is subject to limitations. In the case of a non-corporate U.S. Holder, preferential rates may apply to any capital gain if such U.S. Holder's holding period for such Rated Notes exceeds one year.

(g) **Tax Treatment of U.S. Holders of Subordinated Notes**

As noted above, the Issuer intends to treat the Subordinated Notes as equity for U.S. federal income tax purposes. This summary assumes that the Subordinated Notes will be treated as equity rather than debt for U.S. federal income tax purposes.

Distributions on the Subordinated Notes

Subject to the anti-deferral rules discussed below, any payment on the Subordinated Notes that is distributed by the Issuer to a U.S. Holder that is subject to United States federal income tax will be taxable to that U.S. Holder as a dividend to the extent of the current and accumulated earnings and profits (determined under U.S. federal income tax principles) of the Issuer. Such payments will not be eligible for the dividends received deduction generally allowable to corporations and will not be eligible for the preferential income tax rate on qualified dividend income. Distributions in excess of earnings and profits will be non-taxable to the extent of, and will be applied against and reduce, the U.S. Holder's adjusted tax basis in the Subordinated Notes. Distributions in excess of earnings and profits and basis will be taxable as gain from the sale or exchange of property, as described below. The amount of such income is determined by translating Euros received into U.S. dollars at the spot rate on the date of receipt. A U.S. Holder may realise foreign currency gain or loss on a subsequent disposition of the Euros received.

Distributions on the Subordinated Notes received by certain individuals, estates and trusts may be includible in "net investment income" for purposes of the 3.8 per cent. Net Investment Tax under recently released proposed regulations. Under proposed regulations, QEF and Subpart F inclusions (discussed below) in respect of the Subordinated Notes will not (absent an election) be includible in "net investment income" subject to such tax, but actual distributions with respect to prior inclusions will generally be subject to such tax. See "*Net Investment Tax*" below.

(h) **Investment in a Passive Foreign Investment Company**

A foreign corporation will be classified as a Passive Foreign Investment Company (a "**PFIC**") for U.S. federal income tax purposes if 75 per cent. or more of its gross income (including the *pro rata* share of the gross income of any corporation in which the Issuer is considered to own 25 per cent. or more of the shares by value) in a taxable year is passive income. Alternatively, a foreign corporation will be classified as a PFIC if at least 50 per cent. of its assets, averaged over the year and generally determined based on fair market value (including the *pro rata* share of the assets of any corporation in which the Issuer is considered to own 25 per cent. or more of the shares by value) are held for the production of, or produce, passive income.

Based on the assets that the Issuer expects to hold and the income anticipated thereon, it is highly likely that the Issuer will be classified as a PFIC for U.S. federal income tax purposes. Accordingly, the following discussion assumes that the Issuer will be a PFIC throughout the term of the Subordinated Notes, and U.S. Holders of Subordinated Notes should assume that they will be subject to the U.S. federal income tax consequences described below that result from owning stock in a PFIC (subject to the discussion below under "*Investment in a Controlled Foreign Corporation*").

If the PFIC rules are otherwise applicable, then unless a U.S. Holder elects to treat the Issuer as a "qualified electing fund" (as described in the next paragraph), upon certain distributions ("excess distributions") by the Issuer and upon a disposition of the Subordinated Notes at a gain, the U.S. Holder will be liable to pay tax at the highest tax rate on ordinary income in effect for each period to which the income is allocated plus interest on the tax, as if such distributions and gain had been recognised rateably over the U.S. Holder's holding period for the Subordinated Notes. An interest charge is also applied to the deferred tax amount resulting from the deemed rateable distribution.

If a U.S. Holder elects to treat the Issuer as a "qualified electing fund" (a "**QEF**"), distributions and gain will not be taxed as if recognised rateably over the U.S. Holder's holding period or subject to an interest charge. Instead, a U.S. Holder that makes a QEF election is required for each taxable year to include in income the U.S. Holder's *pro rata* share of the ordinary earnings of the qualified electing fund as ordinary income and a *pro rata* share of the net capital gain of the qualified electing fund as capital gain, regardless of whether such earnings or gain have in fact been distributed (assuming the discussion below under "*Investment in a Controlled Foreign Corporation*" does not apply), and subject to a separate election to defer payment of taxes, which deferral is subject to an interest charge. Any losses realised with respect to Collateral Debt Obligations that are not in registered form for US Federal Income Tax purposes may not be permitted to be taken into account in determining the Issuer's net capital gains. Consequently, in order to comply with the requirements of a QEF election, a U.S. Holder must receive from the Issuer certain information ("**QEF Information**"). The Issuer will cause its independent accountants to provide U.S. Holders of the Subordinated Notes, upon request by such U.S. Holder and at the Issuer's expense, with the information reasonably available to the Issuer that a U.S. Holder would need to make a QEF election. Except as expressly noted, discussion below assumes that a QEF election will not be made.

As a result of the nature of the Collateral Debt Obligations that the Issuer intends to hold, the Issuer may hold investments treated as equity of non-United States corporations that are PFICs. In such a case, assuming that the Issuer is a PFIC, a U.S. Holder would be treated as owning its *pro rata* share of the stock of the PFIC owned by the Issuer. Such a U.S. Holder would be subject to the rules generally applicable to shareholders of PFICs discussed above with respect to distributions received by the Issuer from such a PFIC and dispositions by the Issuer of the stock of such a PFIC (even though the U.S. Holder may not have received the

proceeds of such distribution or disposition). Assuming the Issuer receives the necessary information from the PFIC in which it owns stock, certain U.S. Holders may make the QEF election discussed above with respect to the stock of the PFIC owned by the Issuer. However, no assurance can be given that the Issuer will be able to provide U.S. Holders with such information. Prospective purchasers should consult their tax advisors regarding the potential application of the PFIC rules. Special rules apply to certain regulated investment companies that own interests in PFICs and any such investor should consult with its own tax advisors regarding the consequences to it of acquiring Subordinated Notes. Each U.S. Holder who is a direct or indirect shareholder of a PFIC is required to file an annual report containing such information as the IRS may require on Form 8621. Additionally, in the event a U.S. Holder does not file Form 8621, the statute of limitations on the assessment and collection of U.S. federal income taxes of such U.S. Holder for the related tax year (for its entire return and not just the portion related to its investment in the PFIC) may not close before the date which is three years after the date on which such report is filed. Prospective investors should consult their own tax advisors regarding the potential application of the PFIC rules.

Proposals are made from time to time to amend the United States Internal Revenue Code. One recent proposal, if enacted, would, among other things, repeal the present law rules that impose an interest charge when a U.S. person who owns stock of a PFIC receives an excess distribution in respect of that stock. Instead, if a United States person owns non-publicly-traded stock in a PFIC, the person must include in gross income each year the person's interest accrual amount with respect to the stock, which in very general terms is the owner's adjusted basis in the stock multiplied by the sum of five percentage points plus a specified Treasury borrowing rate. Any interest accrual amount would be treated as interest income for federal income tax purposes. Conforming rules would generally prevent double taxation of distributions and gains on sale to the extent of previously accrued interest accrual amounts. If a U.S. person recognizes a loss from the disposition of PFIC stock, a portion of that loss may be treated as an ordinary loss. The provision is proposed to be effective for taxable years beginning after December 31, 2014.

In addition, the proposal, if enacted, would require any U.S. person who holds certain PFIC stock ("**covered stock**") on the last day of the person's taxable year beginning in 2014 to treat the PFIC stock as sold for its fair market value on that day. (The proposal provides for the adjustment of the amount of any gain or loss subsequently realized from covered stock to reflect the amount of any gain or loss on the stock from the deemed sale.) For this purpose, covered stock is any stock of a PFIC unless there was a QEF election or mark-to-market election in effect for the taxable year in which the deemed sale would take place. It appears that this deemed sale is intended to establish a U.S. person's basis to use for the proposed interest accrual methodology described above.

(i) **Investment in a Controlled Foreign Corporation**

Depending on the degree of ownership of the Subordinated Notes and other equity interests in the Issuer by U.S. Holders and whether the Subordinated Notes are treated as voting securities, the Issuer may constitute a controlled foreign corporation ("**CFC**"). In general, a foreign corporation will constitute a CFC if more than 50 per cent. of the shares of the corporation, measured by reference to combined voting power or value, are owned, directly or indirectly, by "**U.S. 10 per cent. Shareholders**". A "**U.S. 10 per cent. Shareholder**", for this purpose, is any U.S. person that possesses 10 per cent. or more of the combined voting power (and under proposed legislation, of at least 10 per cent. of the value) of all classes of shares of a corporation. It is possible that the IRS may assert that the Subordinated Notes should be treated as voting securities, and consequently that the U.S. Holders owning Subordinated Notes so treated, or any combination of such Subordinated Notes and other voting securities of the Issuer, that constitute 10 per cent. or more of the combined voting power of all classes of shares of the Issuer are "U.S. 10 per cent. Shareholders" and that, assuming more than 50 per cent. of the Subordinated Notes and other voting securities of the Issuer are held by such U.S. 10 per cent. Shareholders, the Issuer is a CFC.

If the Issuer were treated as a CFC for at least 30 consecutive days (or under proposed legislation, at any time), a U.S. 10 per cent. Shareholder of the Issuer would be treated, subject to certain exceptions, as receiving an inclusion of income at the end of the taxable year of the

Issuer in an amount equal to that person's *pro rata* share of the "subpart F income" and investments in U.S. property of the Issuer. Among other items, and subject to certain exceptions, "subpart F income" includes dividends, interest, annuities, gains from the sale of shares and securities, certain gains from commodities transactions, certain types of insurance income and income from certain transactions with related parties. Any losses realised with respect to Collateral Debt Obligations that are not in registered form for U.S. federal income tax purposes will not be permitted to be taken into account in determining the Issuer's subpart F income. It is likely that, if the Issuer were to constitute a CFC, predominantly all of its income would be subpart F income. In addition, special rules apply to determine the appropriate exchange rate to be used to translate such amounts treated as a dividend and the amount of any foreign currency gain or loss with respect to distributions of previously taxed amounts attributable to movements in exchange rates between the times of deemed and actual distributions and certain "dividends" from such CFC could be recharacterised as U.S. source income for U.S. foreign tax credit purposes. Unless otherwise noted, the discussion below assumes that the Issuer is not a CFC. U.S. Holders should consult their tax advisors regarding these special rules. The Issuer will cause its independent accountants to provide U.S. Holders of the Subordinated Notes, upon request by such U.S. Holder and at the U.S. Holder's expense, with the information reasonably available to the Issuer that a U.S. Holder would need to make to comply with the CFC rules of the Code. The cost charged to the U.S. Holder by the Issuer for providing the information may be significant. Accordingly, the Subordinated Notes may not be a suitable investment for such U.S. Holders subject to the CFC rules.

If the Issuer were to constitute a CFC, for the period during which a U.S. Holder of Subordinated Notes is a U.S. 10 per cent. Shareholder of the Issuer, such Holder generally would be taxable on the subpart F income and investments in U.S. property of the Issuer under rules described in the preceding paragraph and not under the PFIC rules previously described. A U.S. Holder that is a U.S. 10 per cent. Shareholder of the Issuer subject to the CFC rules for only a portion of the time during which it holds Subordinated Notes should consult its own tax advisor regarding the interaction of the PFIC and CFC rules.

(j) **Disposition of the Subordinated Notes**

In general, a U.S. Holder of a Subordinated Note will recognise gain or loss upon the sale or exchange of the Subordinated Note equal to the difference between the amount realised and such Holder's adjusted tax basis in such Subordinated Note. Initially, the tax basis of a U.S. Holder should equal the amount paid for a Subordinated Note. Such basis will be increased by amounts taxable to such Holder by virtue of the QEF or CFC rules (if applicable), and decreased by actual distributions from the Issuer that are deemed to consist of such previously taxed amounts or are treated as a non-taxable return of capital. A U.S. Holder that receives foreign currency upon the sale or other disposition of the Subordinated Notes generally will realise an amount equal to the U.S. Dollar value of the foreign currency on the date of sale. A U.S. Holder will have a tax basis in the foreign currency received equal to the U.S. Dollar amount realised. Any gain or loss realised by a U.S. Holder on a subsequent conversion of the foreign currency for a different amount will be foreign currency gain or loss. If, however, the Subordinated Notes are traded on an established securities market, a cash basis U.S. Holder or electing accrual basis U.S. Holder will determine the amount realised on the settlement date.

Unless a QEF election is made, it is highly likely that any gain realised on the sale or exchange of a Subordinated Note will be treated as an excess distribution and taxed as ordinary income under the special tax rules described above (assuming that the PFIC rules apply and not the CFC rules).

In general, if the Issuer were treated as a CFC and a U.S. Holder were treated as a U.S. 10 per cent. Shareholder therein, then any gain realized by such Holder upon the disposition of Subordinated Notes would be treated as ordinary income to the extent of the U.S. Holder's *pro rata* share of current and accumulated earnings and profits of the Issuer and any of its subsidiaries. In this respect, earnings and profits would not include any amounts previously taxed pursuant to the CFC rules. U.S. individuals that have held their stock for more than one year may be entitled to reduce the amount otherwise characterized as ordinary income.

(k) **Foreign Currency Gain or Loss**

A U.S. Holder of Subordinated Notes (or other Notes treated as equity interests in the Issuer) that recognises income from the Notes under the QEF or CFC rules discussed above will recognise foreign currency gain or loss attributable to movement in foreign exchange rates between the date when it recognised income under those rules and the date when the income actually is distributed. Any such foreign currency gain or loss will be treated as ordinary income or loss from the same source as the associated income inclusion.

A U.S. Holder that purchases Notes with previously owned foreign currency generally will recognise foreign currency gain or loss in an amount equal to any difference between the U.S. Holder's tax basis in the foreign currency and the U.S. dollar value of the foreign currency at the spot rate on the date the Notes are purchased. A U.S. Holder that receives foreign currency upon the sale or other disposition of the Notes generally will realise an amount equal to the U.S. dollar value of the foreign currency on the date of sale. A U.S. Holder will have a tax basis in the foreign currency received equal to the U.S. Dollar amount realised. Any gain or loss realised by a U.S. Holder on a subsequent conversion of the foreign currency for a different amount will be foreign currency gain or loss.

(l) **Net Investment Tax**

U.S. Holders that are individuals, estates, and certain trusts will be subject to an additional 3.8 per cent. tax (the "**3.8 per cent. Net Investment Tax**") on all or a portion of their "net investment income" which may include any income or gain with respect to the Notes. The 3.8 per cent. Net Investment Tax will be imposed on the lesser of (i) net investment income (undistributed net investment income for estates and trusts) and (ii) the excess of modified adjusted gross income (adjusted gross income for estates and trusts) and the applicable threshold amount. The threshold amount is U.S.$250,000 for a married taxpayer filing a joint return (or a surviving spouse), U.S.$125,000 for a married individual filing a separate return, the dollar amount at which the highest bracket begins for estates and trusts, and U.S.$200,000 in any other case. Under regulations, equity holders of PFICs and CFCs would be subject to such tax, although the application of the tax (and the availability of particular elections) is quite complex. U.S. Holders should consult their advisors with respect to the consequences (and advisability of available elections) with respect to the 3.8 per cent. Net Investment Tax.

(m) **Transfer and Other Reporting Requirements**

U.S. Holders may be required to file particular IRS tax forms (e.g., see discussion below) with respect to their investment in the Notes. In the event a U.S. Holder does not file the appropriate form, the statute of limitations on the assessment and collection of U.S. federal income taxes of such U.S. Holder for the related tax year may not close before the date which is three years after the date on which such filing is made. Such tolling of the limitations period would apply to the U.S. Holder's entire tax return (not just the part of the return related to the filing).

In general, U.S. Holders who acquire any Subordinated Notes (or any Class of Notes that is recharacterised as equity in the Issuer) for cash may be required to file a Form 926 with the IRS and to supply certain additional information to the IRS if (i) such U.S. Holder owns (directly or indirectly) immediately after the transfer, at least 10 per cent. by vote or value of the Issuer or (ii) the transfer when aggregated with all related transfers under applicable regulations, exceeds U.S.$100,000. In the event a U.S. Holder that is required to file fails to file such form, that U.S. Holder could be subject to a penalty of up to U.S.$100,000 (computed as 10 per cent. of the gross amount paid for the Subordinated Notes) or more if the failure to file was due to intentional disregard of its obligation.

In addition, a U.S. Holder of Subordinated Notes that owns (actually or constructively) at least 10 per cent. by vote or value of the Issuer (and each officer or director of the Issuer that is a U.S. citizen or resident) may be required to file an information return on IRS Form 5471. A U.S. Holder of Subordinated Notes generally is required to provide additional information regarding the Issuer annually on IRS Form 5471 if it owns (actually or constructively) more than 50 per cent. by vote or value of the Issuer. U.S. Holders should consult their own tax

advisors regarding whether they are required to file IRS Form 5471. In the event a U.S. Holder that is required to file such form fails to file such form, the U.S. Holder could be subject to a penalty of U.S.$10,000 for each such failure to file (in addition to other consequences).

Prospective investors in the Subordinated Notes (or any Class of Notes or other interest that could be recharacterised as equity in the Issuer) should consult with their own tax advisors regarding whether they are required to file IRS Form 8886 in respect of this transaction. Such filing generally will be required if such investors file U.S. federal income tax returns or U.S. federal information returns and recognize losses in excess of a specified threshold, and significant penalties may be imposed on taxpayers that fail to file the form timely. Such filing will also generally be required by a U.S. Holder of the Subordinated Notes if the Issuer both participates in certain types of transactions that are treated as "reportable transactions," such as a transaction in which its loss exceeds a specified threshold, and either (x) such U.S. Holder owns 10 per cent. or more of the aggregate amount of the Subordinated Notes and makes a QEF Election with respect to the Issuer or (y) the Issuer is treated as a CFC and such U.S. Holder is a "U.S. 10 per cent. Shareholder" (as defined above) of the Issuer. If the Issuer does participate in a reportable transaction, it will make reasonable efforts to make such information available. Significant penalties may be imposed on taxpayers required to file Form 8886 that fail to do so timely.

A U.S. Holder that is an individual and holds certain foreign financial assets must file new IRS Form 8938 to report the ownership of such assets if the total value of those assets exceeds the applicable threshold amounts. The threshold varies depending on whether the individual lives in the United States or files a joint income tax return with a spouse. For example, an unmarried U.S. Holder living in the United States is required to file Form 8938 if the total value of all specified foreign financial assets is more than U.S.$50,000 on the last day of the tax year or more than U.S.$75,000 at any time during the tax year. U.S. Holders in other situations have the same or greater thresholds. In general, specified foreign financial assets include debt or equity interests (that are not regularly traded on an established securities market) issued by foreign financial institutions (such as the Issuer), and any interest in a foreign entity that is not a financial institution, including any stock or security, and any financial instrument or contract held for investment that has an issuer or counterparty that is not a U.S. person. Proposed regulations also would require certain domestic entities that are formed, or availed of, for purposes of holding, directly or indirectly, specified foreign financial assets to file IRS Form 8938. In addition, certain non-resident alien individuals may be required to file Form 8938, notwithstanding the availability of any special treatment under an income tax treaty. However, in general, such form is not required to be filed with respect to the Notes if they are held through a U.S. payer, such as a U.S. financial institution, a U.S. branch of a non-U.S. bank, and certain non-U.S. branches or subsidiaries of U.S. financial institutions.

Taxpayers who fail to make the required disclosure with respect to any taxable year are subject to a penalty of U.S.$10,000 for such taxable year, which may be increased up to U.S.$50,000 for a continuing failure to file the form after being notified by the IRS. In addition, the failure to file Form 8938 will extend the statute of limitations for a taxpayer's entire related income tax return (and not just the portion of the return that relates to the omission) until at least three years after the date on which the Form 8938 is filed.

All U.S. Holders are urged to consult with their own tax advisors with respect to whether a Note is a foreign financial asset that (if the applicable threshold were met) would be subject to this rule.

(n) **Tax Treatment of Non-U.S. Holders of Notes**

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

taxable year of sale and certain other conditions are satisfied; or (c) such Holder does not provide any required certifications as to its non-U.S. status.

(o) **Collateral Debt Obligations in Bearer Form**

In computing the Issuer's earnings for the purposes of the CFC rules, losses on dispositions of securities in bearer form may not be allowed. Additionally, in computing the Issuer's ordinary earnings and net capital gain for the purposes of the PFIC rules, losses on dispositions of securities in bearer form may not be allowed, and any gain on such securities may be ordinary rather than capital.

(p) **Information Reporting and Backup Withholding Tax**

The amount of interest and principal paid or accrued on the Notes, and the proceeds from the sale of a Note, in each case, paid within the United States or by a U.S. payor or U.S. middleman to a U.S. person (other than a corporation or other exempt recipient) will be reported to the IRS. Under the Code, a U.S. person may be subject, under certain circumstances, to "backup withholding tax" with respect to interest and principal on a Note or the gross proceeds from the sale of a Note paid within the United States or by a U.S. middleman or United States payor to a U.S. Person. Backup withholding tax generally applies only if the U.S. person: (a) fails to furnish its social security or other taxpayer identification number within a reasonable time after the request therefore; (b) furnishes an incorrect taxpayer identification number; (c) is notified by the IRS that it has failed to properly report interest OID or dividends; or (d) fails, under certain circumstances, to provide a certified statement, signed under penalty of perjury, that it has furnished a correct taxpayer identification number and has not been notified by the IRS that it is subject to backup withholding tax for failure to report interest and dividend payments.

Non-U.S. persons or, in certain cases, their beneficial owners may be required to comply with certification procedures to establish that they are not U.S. Holders in order to avoid information reporting and backup withholding tax.

(q) **Application of U.S. Tax Reporting and Withholding Law**

Payments made on the Rated Notes, the Subordinated Notes and payments received by the Issuer may be subject to withholding taxes, which may give rise to a right for the Issuer to redeem the Notes prior to their stated maturity. Under any of: (i) U.S. tax legislation commonly known as the Foreign Account Tax Compliance Act provisions, (ii) analogous provisions of non-U.S. laws, (iii) an intergovernmental agreement in furtherance of such legislation or laws, or (iv) an individual agreement entered into with a taxing authority pursuant to such legislation or laws (collectively, "**FATCA**"), the Issuer or an intermediary may be required to withhold a U.S. withholding tax of 30 per cent. on payments, (1 January 2017 in the case of principal payments and gross proceeds) to certain holders in respect of the Notes. In particular, the withholding tax may apply to payments in respect of Notes made to (i) a non-U.S. holder or beneficial owner of a Note that (unless exempt or otherwise deemed to be compliant) is a foreign financial institution (an "**FFI**") that does not have in place an effective reporting and withholding agreement with the U.S. Internal Revenue Service (the "**IRS**") (such an FFI, a "**non-compliant FFI**"), and (ii) other holders or beneficial owners that do not comply with an Issuer's or any intermediary's requests for ownership certifications and identifying information or, if applicable, for waivers of any law prohibiting the disclosure of such information to a taxing authority (such Holders and beneficial owners, "**Recalcitrant Holders**"). In the event that an Issuer or an intermediary is required to deduct a withholding tax under FATCA, no additional amounts will be paid to the Holder or beneficial owner of the Security.

The Government of Ireland has entered into the Irish IGA with the United States to help implement FATCA. Under the Irish IGA the Issuer is not required to enter into an agreement with the IRS in order to avoid the withholding tax, but instead will be required to comply with the Irish Regulations. The Irish Regulations require the Issuer to collect information in respect of all Noteholders in order to identify those Noteholders that are U.S. persons and provide certain information to the tax authorities in Ireland, which would then exchange such

information with the U.S. IRS under the terms of the Irish IGA. The required information includes the name, address, taxpayer identification number and certain other information with respect to U.S. persons and certain direct and indirect U.S. owners of other investors as well as information on payments made to non-participating foreign financial institution payees.

It is possible that, if the Issuer fails to comply with its obligations under Irish legislation enacted to implement the IGA, the Issuer will be subject to a 30 per cent. U.S. withholding tax on a portion of its income and gross proceeds. Such withholding would constitute neither a Note Tax Event nor a Collateral Tax Event.

Under FATCA the Issuer may also be subject to a withholding tax of 30 per cent. on certain payments made to such Issuer if it does not comply with the relevant requirements under FATCA. In the event the Issuer determines that there is a substantial likelihood that payments made to it would be subject to withholding tax under FATCA or if the Issuer otherwise determines in good faith that there is a substantial likelihood that it will violate any requirement of, or an agreement entered into with a taxing authority with respect to, FATCA, it is possible that a portion or all of a Holder's Note will be subject to forced transfer and the amount received therefor may be significantly less than the purchase price paid by the Holder, depending on the fair market value of the Notes at the relevant time and associated costs of the Issuer to be deducted.

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

RULE 17g-5 COMPLIANCE

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 an 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 Deutsche Bank Trust Company Americas, 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.

CERTAIN ERISA CONSIDERATIONS

ERISA imposes certain requirements on "**employee benefit plans**" subject thereto including entities (such as collective investment funds, insurance company separate accounts and some insurance company general accounts) the underlying assets of which include the assets of such plans (collectively, "**ERISA Plans**"), and on those persons who are fiduciaries with respect to ERISA Plans. Investments by ERISA Plans are subject to ERISA's general fiduciary requirements, including the requirement of prudence, diversification investments being made in accordance with the documents governing the plan. The prudence of a particular investment must be determined by the responsible fiduciary of an ERISA Plan by taking into account the ERISA Plan's particular circumstances and all of the facts and circumstances of the investment.

Section 406 of ERISA and section 4975 of the Code prohibit certain transactions involving the assets of an ERISA Plan, as well as assets of those plans that are not subject to ERISA but which are subject to section 4975 of the Code, such as individual retirement accounts and Keogh plans, and entities the underlying assets of which include the assets of such plans (together with ERISA Plans, "**Plans**") and certain persons (referred to as "**parties in interest**" under ERISA or "**disqualified persons**" under the Code (collectively, "**Parties in Interest**")) having certain relationships to such Plans, unless a statutory or administrative exception or exemption is applicable to the transaction. A Party in Interest who engages in a prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and the Code and the transaction may have to be rescinded at significant cost to the Issuer.

Governmental plans, certain church plans and certain non-U.S. plans, while not subject to the fiduciary responsibility or prohibited transaction provisions of ERISA or the provisions of section 4975 of the Code, may nevertheless be subject to substantially similar rules under Federal, state, local or non-U.S. laws, and may be subject to the prohibited transaction rules of section 503 of the Code.

Under ERISA and a regulation issued by the United States Department of Labor (29 C.F.R. section 2510.3 101, the "**Plan Asset Regulation**"), as modified by section 3(42) of ERISA, if a Plan invests in an "**equity interest**" of an entity that is neither a "**publicly offered security**" nor a security issued by an investment company registered under the Investment Company Act of 1940, the Plan's assets are deemed to include both the equity interest and an undivided interest in each of the entity's underlying assets, unless it is established (a) that the entity is an "**operating company**" as that term is defined in the Plan Asset Regulation, or (b) that less than 25 per cent of the total value of each class of equity interest in the entity, disregarding the value of any equity interests held by persons (other than Benefit Plan Investors) with discretionary authority or control over the assets of the entity or who provide investment advice for a fee with respect to such assets (such as the Portfolio Manager), and their respective Affiliates (each a "**Controlling Person**"), is held by Benefit Plan Investors (the "**25 per cent. Limitation**"). A "**Benefit Plan Investor**" means (1) an employee benefit plan (as defined in section 3(3) of ERISA), subject to the provisions of part 4 of Subtitle B of Title I of ERISA, (2) a plan to which section 4975 of the Code applies, or (3) any entity whose underlying assets include plan assets by reason of such an employee benefit plan's or plan's investment in such entity.

If the underlying assets of the Issuer are deemed to be Plan assets, the obligations and other responsibilities of Plan sponsors, Plan fiduciaries and Plan administrators, and of Parties in Interest, under Parts 1 and 4 of Subtitle B of Title I of ERISA and section 4975 of the Code, as applicable, may be expanded, and there may be an increase in their liability under these and other provisions of ERISA and the Code. In addition, various providers of fiduciary or other services to the entity, and any other parties with authority or control with respect to the Issuer, could be deemed to be Plan fiduciaries or otherwise parties in interest or disqualified persons by virtue of their provision of such services (and there could be an improper delegation of authority to such providers).

The Plan Asset Regulation defines an "equity interest" as any interest in an entity other than an instrument that is treated as indebtedness under applicable local law and that has no substantial equity features. Although it is not free from doubt, the Class A Notes, Class B Notes, Class C Notes and Class D Notes offered hereby will be treated by the Issuer as indebtedness with no substantial equity features for purposes of ERISA. The treatment of the Class A Notes, Class B Notes, Class C Notes and Class D Notes as not being equity interests in the Issuer could, however, be affected, subsequent to their issuance, by certain changes in the structure or financial condition of the Issuer. However, the characteristics of the Class E Notes, the Class F Notes and the Subordinated Notes for purposes of the

Plan Asset Regulation are less certain. The Class E Notes, the Class F Notes and the Subordinated Notes may be considered "equity interests" for purposes of the Plan Asset Regulation. Accordingly, the Issuer intends to limit investments by Benefit Plan Investors in such Class E Notes, the Class F Notes and Subordinated Notes. In reliance on representations made by investors in the Class E Notes, the Class F Notes and Subordinated Notes, the Issuer intends to limit investment by Benefit Plan Investors in the Class E Notes, the Class F Notes and Subordinated Notes to less than 25 per cent. of the Class E Notes, the Class F Notes and Subordinated Notes at all times (excluding for purposes of such calculation Class E Notes, the Class F Notes and Subordinated Notes held by a Controlling Person). Each prospective purchaser (including a transferee) of a Class E Note, a Class F Note or a Subordinated Note will be required to make certain representations regarding its status as a Benefit Plan Investor or Controlling Person and other ERISA matters as described under "*Transfer Restrictions*" below. No Class E Note, Class F Note or Subordinated Note will be sold or transferred to purchasers that have represented that they are Benefit Plan Investors or Controlling Persons to the extent that such sale may result in Benefit Plan Investors owning 25 per cent. or more of the Class E Notes, the Class F Notes or Subordinated Notes (determined in accordance with Section 3(42) of ERISA, the Plan Asset Regulation and the Trust Deed). Except as otherwise provided by the Plan Asset Regulation, each Class E Note, Class F Note and Subordinated Notes held by persons that have represented that they are Controlling Persons will be disregarded and will not be treated as outstanding for purposes of determining compliance with such 25 per cent. Limitation.

Even if the Class A Notes, Class B Notes, Class C Notes and Class D Notes would not be treated as equity interests in the Issuer for purposes of ERISA, it is possible that an investment in such Notes by a Benefit Plan Investor (or with the use of the assets of a Benefit Plan Investor) could be treated as a prohibited transaction under ERISA and/or section 4975 of the Code. Such a prohibited transaction, however, may be subject to a statutory or administrative exemption. Even if an exemption were to apply, such exemption may not, however, apply to all of the transactions that could be deemed prohibited transactions in connection with an investment in the Notes by a Benefit Plan Investor.

Each of the Issuer, each Joint Placement Agent, each Joint Arranger, the Portfolio Manager, or their respective Affiliates may be the sponsor of, or investment adviser with respect to one, or more Plans. Because such parties may receive certain benefits in connection with the sale of the Notes to such Plans, whether or not the Notes are treated as equity interests in the Issuer, the purchase of such Notes using the assets of a Plan over which any of such parties has investment authority might be deemed to be a violation of the prohibited transaction rules of ERISA and/or section 4975 of the Code for which no exemption may be available. Accordingly, the Notes may not be acquired using the assets of any Plan if any of the Issuer, each Joint Placement Agent, each Joint Arranger, the Portfolio Manager or their respective affiliates has investment authority with respect to such assets (except to the extent (if any) that a favourable statutory or administrative exemption or exception applies).

It should be noted that an insurance company's general account may be deemed to include assets of Plans under certain circumstances, e.g., where a Plan purchases an annuity contract issued by such an insurance company, based on the reasoning of the United States Supreme Court in *John Hancock Mutual Life Ins. Co. v Harris Trust and Savings Bank*, 510 U.S. 86 (1993). An insurance company considering the purchase of Notes with assets of its general account should consider such purchase and the insurance company's ability to make the representations described above in light of *John Hancock Mutual Life Ins. Co. v. Harris Trust and Savings Bank*, section 401(c) of ERISA and a regulation promulgated by the U.S. Department of Labor under that section of ERISA, 29 C.F.R. section 2550.401c 1.

Each purchaser and transferee of a Class A Note, Class B Note, Class C Note or Class D Note or any interest in such Note will be required or deemed to have represented, warranted and agreed that (i) either (A) it is not acting on behalf of (and for so long as it holds any such Note or interest therein will not be, and will not be acting on behalf of), a Benefit Plan Investor or a governmental, church, non-U.S. or other plan which is subject to any federal, state, local or non-U.S. law that is similar to the prohibited transaction provisions of section 406 of ERISA and/or section 4975 of the Code ("**Other Plan Law**"), and no part of the assets to be used by it to acquire or hold such Notes or any interest therein constitutes the assets of any Benefit Plan Investor or such governmental, church, non-U.S. or other plan, or (B) its acquisition, holding or disposition of such Notes (or interests therein) will not constitute or result in a non-exempt prohibited transaction under section 406 of ERISA or section 4975 of the Code, or, in the case of a governmental, church, non-U.S. or other Plan, a non-exempt violation of any Other Plan Law, and (ii) it will not sell or transfer such Notes (or interests therein) to a

transferee acquiring such Notes (or interests therein) unless the transferee makes the foregoing representations, warranties and agreements described in clause (i) hereof.

If you are a purchaser or transferee of a Class E Note or Class F Note, you will be required or deemed to represent, warrant and agree that (1) you are not, and are not acting on behalf of, a Benefit Plan Investor or Controlling Person unless you: (a) acquire such Class E Note or Class F Note on the Issue Date; (b) obtain the written consent of the Issuer; and (c) provide an ERISA certificate to the Issuer as to your status as a Benefit Plan Investor or Controlling Person (substantially in the form of Annex B); (2) (a) if you are, or are acting on behalf of, a Benefit Plan Investor, your acquisition, holding and disposition of such Notes will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code, and (b) if you are a governmental, church, non-U.S. or other plan, (i) you are not, and for so long as you hold such Notes or interest therein will not be, subject to any federal, state, local non-U.S. or other law or regulation that could cause the underlying assets of the Issuer to be treated as assets of the investor in any Note (or any interest therein) by virtue of its interest and thereby subject the Issuer or the Portfolio Manager (or other persons responsible for the investment and operation of the Issuer's assets) to Other Plan Law ("**Similar Law**") and (ii) your acquisition, holding and disposition of such Notes will not constitute or result in a non-exempt violation of any Other Plan Law; and (3) you will agree to certain transfer restrictions regarding your interest in such Notes.

If you are a purchaser or transferee of a Subordinated Note in the form of a Regulation S Global Certificate or a Rule 144A Global Certificate you will be deemed to represent, warrant and agree that (i) you are not, and are not acting on behalf of, a Benefit Plan Investor or Controlling Person unless you receive the written consent of the Issuer, provide an ERISA certificate to the Issuer as to your status as a Benefit Plan Investor or Controlling Person and hold such Note in the form of a Definitive Certificate, other than in the case where the transferee is the Retention Holder or an Affiliate of the Retention Holder purchasing Subordinated Notes on the Issue Date, in which case it may acquire such Subordinated Notes in the form of a Rule 144A Global Certificate or a Regulation S Global Certificate; and (ii) (A) if you are, or are acting on behalf of, a Benefit Plan Investor, your acquisition, holding and disposition of such Notes will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code, and (B) if you are a governmental, church, non-U.S. or other plan, (1) you are not, and for so long as you hold such Notes or interest therein will not be, subject to any federal, state, local non-U.S. or other law or regulation that could cause the underlying assets of the Issuer to be treated as assets of the investor in any Note (or any interest therein) by virtue of its interest and thereby subject the Issuer or the Portfolio Manager (or other persons responsible for the investment and operation of the Issuer's assets) to Other Plan Law ("**Similar Law**") and (2) your acquisition, holding and disposition of such Notes will not constitute or result in a non-exempt violation of any Other Plan Law and (3) you will agree to certain transfer restrictions regarding your interest in such Notes.

If you are a purchaser or transferee of a Subordinated Note in the form of a Definitive Certificate, you will be required to (i) represent and warrant in writing to the Issuer and the Trustee (1) whether or not, for so long as you hold such Notes or interest herein, you are, or are acting on behalf of, a Benefit Plan Investor, (2) whether or not, for so long as you hold such Notes or interest therein, you are a Controlling Person and (3) that (a) if you are, or are acting on behalf of, a Benefit Plan Investor, your acquisition, holding and disposition of such Notes will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code and (b) if you are a governmental, church or non-U.S. plan, (x) you are not, and for so long as you hold such Notes or interest therein will not be, subject to Similar Law and (y) your acquisition, holding and disposition of such Notes will not constitute or result in a non-exempt violation of any Other Plan Law, and (ii) agree to certain transfer restrictions regarding your interest in such Notes.

No transfer of an interest in Class E Notes, Class F Notes or Subordinated Notes will be permitted or recognised if it would cause the 25 per cent. Limitation described above to be exceeded with respect to the Class E Notes, Class F Notes or Subordinated Notes.

Any Plan fiduciary considering whether to acquire a Note on behalf of a Plan or an employee benefit plan not subject to ERISA or section 4975 of the Code should consult with its counsel regarding the potential consequences of such investment, the applicability of the fiduciary responsibility and prohibited transaction provisions of ERISA and the Code and/or similar provisions of Other Plan Law, and the scope of any available exemption relating to such investment.

The sale of Notes to a Plan or an employee benefit plan not subject to ERISA or section 4975 of the Code is in no respect a representation or warranty by the Issuer, or any other person that this investment meets all relevant legal requirements with respect to investments by Plans or such other plans generally or any particular plan, that any prohibited transaction exemption would apply to the acquisition, holding, or disposition of this investment by such plans in general or any particular plan, or that this investment is appropriate for such plans generally or any particular plan.

PLAN OF DISTRIBUTION

HSBC Bank plc, Resource Securities, Inc. and Resource Europe Management Limited (each in its capacity as joint placement agent, each a "**Joint Placement Agent**") have agreed with the Issuer, between them, to use best efforts to place (between them) €264,400,000 Class A Notes, €56,300,000 Class B Notes, €30,400,000 Class C Notes, €23,600,000 Class D Notes, €29,200,000 Class E Notes, €12,400,000 Class F Notes and €50,100,000 Subordinated Notes (the "**Offered Notes**") with investors pursuant to a placement agency agreement dated on or about the Issue Date (the "**Placement Agency Agreement**"). Some investors will be purchasing Notes (other than Offered Notes) directly from the Issuer pursuant to their respective Note Purchase Agreements and such Notes will not be placed by the Joint Placement Agents.

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: €264,400,000, Class B Notes: €56,300,000, Class C Notes: €30,400,000, Class D Notes: €23,600,000, Class E Notes: €29,200,000, Class F Notes: €12,400,000, and the Subordinated Notes: €50,200,000.

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

Each Joint Placement Agent may have in the past performed and may in the future perform investment banking services or other services for issuers of the Collateral Debt Obligations. In addition, each Joint Placement Agent and its Affiliates may from time to time as a principal or through one or more investment funds that it or they manage, make investments in the equity securities of one or more of the issuers of the Collateral Debt Obligations, with the result that one or more of such issuers may be or may become controlled by any Joint Placement Agent or its Affiliates.

No action has been or will be taken by the Issuer, either Joint Arranger, any Joint Placement Agent or the Retention Holder that would permit a public offering of the Notes or possession or distribution of this Prospectus or any other offering material in relation to the Notes in any jurisdiction where action for the purpose is required. No offers, sales or deliveries of any Notes, or distribution of this Prospectus or any other offering material relating to the Notes, may be made in or from any jurisdiction, except in circumstances which will result in compliance with any applicable laws and regulations and will not impose any obligations on the Issuer, any Joint Placement Agent or either Joint Arranger.

Each Joint Placement Agent may, on behalf of the Issuer, place the Offered Notes at prices as may be negotiated at the time of sale and which may differ from the issue price of such Notes.

United States

The Notes have not been and will not be registered under the Securities Act and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. Persons or to U.S. Residents except in certain transactions exempt from, or not subject to, the registration requirements of the Securities Act and in the manner so as not to require the registration of the Issuer as an "investment company" pursuant to the Investment Company Act.

The Issuer has been advised that each Joint Placement Agent proposes to place 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, each of which purchasers or accountholders is also a QP.

The Notes sold in reliance on Rule 144A will be issued in minimum denominations of €250,000 and integral multiples of €1,000 in excess thereof. Any placement 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 each Joint Placement Agent, subject to and in accordance with the Placement Agency Agreement.

Each Joint Placement Agent has acknowledged and agreed that it will not offer, sell or deliver any Regulation S Notes to, or for the account or benefit of, any U.S. Person or U.S. Resident as part of their

distribution at any time and that it will send to each distributor, dealer or person receiving a selling concession, fee or other remuneration to which it sells Regulation S Notes a confirmation or other notice setting forth the prohibition on offers and sales of the Regulation S Notes within the United States or to, or for the account or benefit of, any U.S. Person or U.S. Resident.

This Prospectus has been prepared by the Issuer for use in connection with the offer and sale of the Notes and for the listing of the Notes of each Class on the main market of the Irish Stock Exchange. Each of the Issuer and each Joint Placement Agent 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 and each Joint Arranger and each Joint Placement Agent, is prohibited.

General

Each Joint Placement Agent has also agreed to comply with the following selling restrictions:

(a) ***State of Connecticut***: The Notes have not been registered under the Connecticut Securities Law. The Notes are subject to restrictions on transferability and sale.

(b) ***State of Florida***: The Notes offered hereby by it will be sold to, and acquired by, the holder in a transaction exempt under Section 517.061 of the Florida Securities Act. The Notes have not been registered under the Florida Securities Act in the state of Florida. In addition, if sales are made by it to five or more persons in Florida, all Florida purchasers other than exempt institutions specified in Section 517.061(7) of the Florida Securities Act shall have the privilege of voiding the purchase within three (3) days after the first tender of consideration is made by such purchaser to the Issuer, an agent of the Issuer, or an escrow agent.

(c) ***State of Georgia***: The Notes have been issued or sold by it in reliance on paragraph (13) of Code Section 10-5-9 of the Georgia Securities Act of 1973, and will therefore not be sold or transferred except in a transaction which is exempt under such Act or pursuant to an effective registration under such Act.

(d) ***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**") each Joint Placement Agent has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of the Notes to the public in that Relevant Member State at any time:

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

(ii) to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the 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(2) of the Prospectus Directive.

For the purposes of this provision, the expression an 'offer of the notes to the public' in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression "Prospectus Directive" means Directive 2003/71/EC of the European

Parliament and of the Council of 4 November 2003 (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in each Relevant Member State and the expression 2010 PD Amending Directive means Directive 2010/73/EU.

(e) ***Australia***: Neither this Prospectus nor any other prospectus or disclosure document (as defined in the Corporations Act 2001) in relation to the Notes has been or will be lodged with the Australian Securities and Investments Commission. Each Joint Placement Agent has therefore represented and agreed that:

(i) the Notes will not be offered or sold by it, 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) no recommendation to acquire, offer or invitation for issue or sale, offer or invitation to arrange the issue or sale, or issue or sale, has been or will be made by it to a 'retail client' (as defined in Section 761G of the Corporations Act and applicable regulations) in Australia. This document will only be provided by it to ‘professional investors' as defined in the Corporations Act.

(f) ***Bahrain***: This Prospectus has not been approved by the Central Bank of Bahrain which takes no responsibility for its contents. Each Joint Placement Agent has represented and agreed that no offer to the public to purchase the Notes will be made by it in the Kingdom of Bahrain and this Prospectus is intended to be read by the addressee only and will not be passed to, issued to, or shown to the public generally.

(g) ***Cayman Islands***: Each Joint Placement Agent has represented and agreed that it will not make any invitation to the public in the Cayman Islands to subscribe for the Notes.

(h) ***Hong Kong***: The contents of this Prospectus have not been reviewed by any regulatory authority in Hong Kong. Each Joint Placement Agent has therefore represented and agreed that:

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

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

(i) ***Israel***: This Prospectus has not been approved by the Israeli Securities Authority and will only be distributed by it to Israeli residents in a manner that will not constitute 'an offer to the public' under sections 15 and 15a of the Israel Securities Law, 5728-1968 (the "**Securities Law**").

Each Joint Placement Agent has represented and agreed that the Notes will be offered by it to a limited number of investors (35 investors or fewer during any given 12 month period) and/or those categories of investors listed in the First Addendum (the "**Addendum**") to the Securities Law, ("**Sophisticated Investors**") namely joint investment funds or mutual trust funds, provident funds, insurance companies, banking corporations (purchasing the 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.

(j) ***Japan***: The Notes have not been and will not be registered pursuant to Article 4, paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended) and, accordingly, each Joint Placement Agent has represented and agreed that none of the Notes nor any interest therein will be offered or sold by it, directly or indirectly, in Japan or to, or for the benefit, of any Japanese person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese person except under circumstances which will result in compliance with all applicable laws, regulations and guidelines promulgated by the relevant Japanese governmental and regulatory authorities and in effect at the relevant time. For this purpose, a 'Japanese person' means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

(k) ***Monaco***: The Notes may not be offered or sold, directly or indirectly, to the public in Monaco other than by a Monaco bank or a duly authorized Monegasque intermediary acting as a professional institutional investor which has such knowledge and experience in financial and business matters as to be capable of evaluating the risks and merits of an investment in the fund. Consequently, this Prospectus may only be communicated to banks duly licensed by the *Autorité de Contrôle Prudentiel* and fully licensed portfolio management companies by virtue of Law No. 1.144 of July 26, 1991 and Law 1.338 of September 7, 2007, duly licensed by the *Commission de Contrôle des Activités Financiers*. Such regulated intermediaries may in turn communicate this Prospectus to potential investors.

(l) ***New Zealand:*** This offer of Notes does not constitute an 'offer of securities to the public' for the purposes of the Securities Act 1978 and, accordingly, there is neither a registered prospectus nor an investment statement available in respect of the offer. Each Joint Placement Agent has therefore represented and agreed that the Notes will only be offered by it to persons whose principal business is the investment of money or who, in the course of and for the purposes of their business, habitually invest money in accordance with the Securities Act 1978 and the Securities Regulations 2009.

(m) ***Qatar***: Each Joint Placement Agent has represented and agreed that the Notes will only be offered to a limited number of investors who are willing and able to conduct an independent investigation of the risks involved in an investment in such Notes.

(n) ***Saudi Arabia***: This Prospectus may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Offers of Securities Regulations issued by the Saudi Arabian Capital Market Authority.

(o) ***Singapore***: This Prospectus has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Joint Placement Agent has represented and agreed that the Notes will not be offered or sold or made the subject of an invitation for subscription or purchase by it, nor will this Prospectus or any other offering document or material in connection with the offer or sale, or invitation for subscription or purchase of such Notes be circulated or distributed by it, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act (the "**SFA**"), (ii) to a relevant person pursuant to Section 275(1) of the SFA or any person pursuant to Section 275(1a) of the SFA, and in each case in accordance with the conditions

specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

(p) ***South Korea***: The Notes have not been registered with the Financial Services Commission of Korea for a public offering in Korea. Each Joint Placement Agent has therefore represented and agreed that the Notes have not been and will not be offered, sold or delivered directly or indirectly by it, or offered, sold or delivered by it to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea, except as otherwise permitted under applicable Korean Laws and regulations, including the Financial Investment Services and Capital Markets Act and the Foreign Exchange Transaction Law and the decrees and regulations thereunder.

(q) ***Switzerland***: Each Joint Placement Agent acknowledges that this Prospectus is being distributed in or from Switzerland to a small number of selected investors only and that the Notes are not being offered to the public in or from Switzerland, and neither this Prospectus, nor any other offering materials relating to the Notes may be distributed in Switzerland in connection with any such public offering.

(r) ***Taiwan*****:** The Notes may be made available outside Taiwan for purchase by investors residing in Taiwan (either directly or through properly licensed Taiwan intermediaries acting on behalf of such investors) but may not be offered or sold in Taiwan.

(s) ***Turkey***: The offered Notes have not been and will not be registered with the Turkish Capital Market Board (the "**CMB**") under the provisions of the Capital Market Law (Law No. 2499). Accordingly neither this Prospectus nor any other offering material related to the offering may be utilized in connection with any offering to the public within the Republic of Turkey without the prior approval of the CMB. However, according to Article 15(d)(ii) of the Decree No.32 there is no restriction on the purchase or sale of the offered Notes by residents of the Republic of Turkey, provided that: they purchase or sell such offered Notes in the financial markets outside of the Republic of Turkey; and such sale and purchase is made through banks and/or licensed brokerage institutions in the Republic of Turkey.

(t) ***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. Each Joint Placement Agent has therefore represented and agreed that the Notes are only being offered by it 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.

(u) ***United Kingdom*** Each Joint Placement Agent has represented, warranted and agreed that:

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

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

(v) ***Ireland*** Each Joint Placement Agent has agreed that it will not offer, place or do anything in Ireland in respect of the Notes otherwise than in conformity with the provisions of (i) The European Communities (Markets in Financial Instruments) Regulations 2007 (Nos. 1 to 3) of Ireland, as amended and of Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 and any applicable codes of conduct or practice made pursuant to implementing measures in respect of the foregoing Directive in any relevant jurisdiction; (ii) the Prospectus (Directive 2003/71/EC) Regulations (as amended) of Ireland and the provisions of the Irish Companies Acts 1963 – 2013, including any rules issued under Section 51 of the

Investment Funds, Companies and Miscellaneous Provisions Act 2005 of Ireland by the Central Bank, (iii) the Investor Compensation Act 1998 (as amended) and, if applicable; (iv) the Irish Central Bank Acts 1942 – 2013 and any codes of conduct rules made under Section 117(i) thereof.

Each Joint Placement Agent has agreed that anything done in Ireland in respect of the Notes will only be done in conformity with the provisions of the Irish 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 of Ireland by the Central Bank.

TRANSFER RESTRICTIONS

Because of the following restrictions, purchasers are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of the Notes.

Rule 144A Notes

Each prospective purchaser of Rule 144A Notes, by accepting delivery of this Prospectus, will be deemed to have represented and agreed (or in the case of a Definitive Certificate, shall represent and agree) that such person acknowledges that this Prospectus is personal to it and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire Notes other than pursuant to Rule 144A or in offshore transactions in accordance with Regulation S. Distribution of this Prospectus, or disclosure of any of its contents to any person other than such offeree and those persons, if any, retained to advise it with respect thereto is unauthorised and any disclosure of any of its contents, without the prior written consent of the Issuer, is prohibited.

Each purchaser or transferee of Rule 144A Notes represented by a Rule 144A Global Certificate will be deemed to have represented and agreed and each purchaser or transferee of Rule 144A Notes represented by Definitive Certificates will be required to represent and agree, as follows:

(1) The purchaser (a) is a QIB, (b) is aware that the sale of such Rule 144A Notes to it is being made in reliance on Rule 144A, (c) is acquiring such Notes for its own account or for the account of a QIB as to which the purchaser exercises sole investment discretion, and in a principal amount of not less than €250,000 for the purchaser and for each such account and (d) will provide notice of the transfer restrictions described herein to any subsequent transferees.

(2) The purchaser understands that such Rule 144A Notes have not been and will not be registered under the Securities Act, and may be reoffered, resold or pledged or otherwise transferred only (a)(i) to a person whom the purchaser reasonably believes is a QIB purchasing for its own account or for the account of a QIB as to which the purchaser exercises sole investment discretion in a transaction meeting the requirements of Rule 144A or (ii) to a non-U.S. person in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S and (b) in accordance with all applicable securities laws including the securities laws of any state of the United States. The purchaser understands that the Issuer has not been registered under the Investment Company Act. The purchaser understands that before any interest in a Rule 144A Note may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in the Regulation S Notes, the Registrar is required to receive a written certification from the purchaser (in the form provided in the Trust Deed) as to compliance with the transfer restrictions described herein. The purchaser understands and agrees that any purported transfer of the Rule 144A Notes to a purchaser that does not comply with the requirements of this paragraph (2) shall be null and void *ab initio*.

(3) The purchaser is not purchasing such Rule 144A Notes with a view toward the resale, distribution or other disposition thereof in violation of the Securities Act. The purchaser understands that an investment in the Rule 144A Notes involves certain risks, including the risk of loss of its entire investment in the Rule 144A Notes under certain circumstances. The purchaser has had access to such financial and other information concerning the Issuer and the Notes as it deemed necessary or appropriate in order to make an informed investment decision with respect to its purchase of the Rule 144A Notes, including an opportunity to ask questions of, and request information from, the Issuer.

(4) In connection with the purchase of the Rule 144A Notes: (a) none of the Issuer, either Joint Arranger, any Joint Placement Agent, the Trustee, the Portfolio Manager 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, either Joint Arranger, any Joint Placement Agent, 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, either Joint Arranger, any Joint Placement Agent, the Trustee, the Portfolio Manager or the Collateral Administrator has given to the purchaser (directly or indirectly through any other person) any assurance,

guarantee or representation whatsoever as to the expected or projected success, profitability, return, performance, result, effect, consequence or benefit (including legal, regulatory, tax, financial, accounting or otherwise) as to an investment in the Rule 144A Notes; (d) the purchaser has consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisors to the extent it has deemed necessary, and it has made its own investment decisions (including decisions regarding the suitability of any transaction pursuant to the Trust Deed) based upon its own judgement and upon any advice from such advisors as it has deemed necessary and not upon any view expressed by the Issuer, either Joint Arranger, any Joint Placement Agent, 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 acting on behalf of (and for so long as it holds any such Note or interest therein will not be, and will not be acting on behalf of), a Benefit Plan Investor or a governmental, church, non-U.S. or other plan which is subject to any Other Plan Law, and no part of the assets to be used by it to acquire or hold such Notes or any interest therein constitutes the assets of any Benefit Plan Investor or such governmental, church, non-U.S. or other plan, or (B) its acquisition, holding or disposition of such Notes (or interests therein) will not constitute or result in a non-exempt prohibited transaction under section 406 of ERISA or section 4975 of the Code, or, in the case of a governmental, church, non-U.S. or other Plan, a non-exempt violation of any Other Plan Law, and (ii) it will not sell or transfer such Notes (or interests therein) to an acquiror acquiring such Notes (or interests therein) unless the acquiror makes the foregoing representations, warranties and agreements described in clause (i) hereof. Any purported transfer of the Notes in violation of the requirements set forth in this paragraph shall be null and void ab initio and the acquiror understands that the Issuer will have the right to cause the sale of such Notes to another acquiror that complies with the requirements of this paragraph in accordance with the terms of the Trust Deed.

(b) (i) With respect to the Class E Notes or Class F Notes: (1) it is not, and is not acting on behalf of, a Benefit Plan Investor or Controlling Person unless such transferee: (x) acquires such Class E Notes or Class F Notes on the Issue Date; (y) obtains the written consent of the Issuer; and (z) provides an ERISA certificate to the Issuer as to its status as a Benefit Plan Investor or Controlling Person (substantially in the form of Annex B) and (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 not be, subject to any Similar Law and (II) its acquisition, holding and disposition of such Notes will not constitute or result in a non-exempt violation of any Other Plan Law.

(ii) With respect to the Subordinated Notes in the form of a Rule 144A Global Certificate: (i) it is not, and is not acting on behalf of, a Benefit Plan Investor or Controlling Person unless it receives the written consent of the Issuer, provide an 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, other than in the case where the purchaser is the Retention Holder or an Affiliate of the Retention Holder purchasing Subordinated Notes on the Issue Date, in which case it may acquire such Subordinated Notes in the form of a Rule 144A Global Certificate or a Regulation S Global Certificate; and (ii) (A) if it is, or is acting on behalf of, a Benefit Plan Investor, its acquisition, holding and disposition of such Notes will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code, and (B) if it is a governmental, church, non-U.S. or other plan, (1) it is not, and for so long as it holds such Notes or interest therein will not be, subject to any Similar Law and (2) its acquisition, holding and disposition of such Notes will not constitute or result in a non-exempt violation of any Other Plan Law.

(iii) With respect to acquiring or holding a Subordinated Note in the form of a Definitive Certificate (i) (A) whether or not, for so long as it holds such Subordinated Note or interest herein, it is, or is acting on behalf of, a Benefit Plan Investor, (B) whether or not, for so long as it holds such Subordinated Note or interest therein, it is a Controlling Person and (C) that (1) if it is, or is acting on behalf of, a Benefit Plan Investor, its acquisition, holding and disposition of such Subordinated Note will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code and (2) if it is a governmental, church or non-U.S. plan, (x) it is not, and for so long as it holds such Subordinated Note or interest therein will not be, subject to any Similar Law and (y) its acquisition, holding and disposition of such Subordinated Note will not constitute or result in a non-exempt violation of any Other Plan Law, and (ii) that it will agree to certain transfer restrictions regarding its interest in such Subordinated Note.

(iv) 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, each Joint Arranger, each Joint Placement Agent, 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) 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 OF 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.

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 AN EMPLOYEE BENEFIT PLAN, AS DEFINED IN SECTION 3(3) OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**"), THAT IS SUBJECT TO THE PROVISIONS OF PART 4 OF SUBTITLE B OF TITLE I OF ERISA, A PLAN TO WHICH SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**"), APPLIES, OR AN ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS BY REASON OF SUCH AN EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN SUCH ENTITY 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. LAW THAT IS SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE ("**OTHER PLAN LAW**"), AND NO PART OF THE ASSETS TO BE USED BY IT TO ACQUIRE OR HOLD SUCH NOTES OR ANY INTEREST THEREIN CONSTITUTES THE ASSETS OF ANY BENEFIT PLAN INVESTOR OR SUCH GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, OR (B) ITS ACQUISITION, HOLDING OR DISPOSITION OF SUCH NOTES (OR INTERESTS THEREIN) WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE, OR, IN THE CASE OF A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, A NON-EXEMPT VIOLATION OF ANY OTHER PLAN LAW, AND (II) IT WILL NOT SELL OR TRANSFER SUCH NOTES (OR INTERESTS THEREIN) TO AN ACQUIROR ACQUIRING SUCH NOTES (OR INTERESTS THEREIN) UNLESS THE ACQUIROR MAKES THE FOREGOING REPRESENTATIONS, WARRANTIES AND AGREEMENTS DESCRIBED IN CLAUSE (I) HEREOF. ANY PURPORTED TRANSFER OF THE NOTES IN VIOLATION OF THE REQUIREMENTS SET FORTH IN THIS PARAGRAPH SHALL BE NULL AND VOID AB INITIO AND THE ACQUIROR UNDERSTANDS THAT THE ISSUER WILL HAVE THE RIGHT TO CAUSE THE SALE OF SUCH NOTES TO ANOTHER ACQUIROR THAT COMPLIES WITH THE REQUIREMENTS OF THIS PARAGRAPH IN ACCORDANCE WITH THE TERMS OF THE TRUST DEED.]

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS E NOTES AND CLASS F NOTES ONLY*] [EACH PURCHASER OR TRANSFEREE OF THIS NOTE WILL BE REQUIRED OR DEEMED TO REPRESENT AND WARRANT THAT (1) IT IS NOT, AND IS NOT ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR OR CONTROLLING PERSON UNLESS SUCH PURCHASER OR TRANSFEREE ACQUIRES SUCH NOTE ON THE ISSUE DATE, RECEIVES THE WRITTEN CONSENT OF THE ISSUER AND PROVIDES AN ERISA CERTIFICATE TO THE ISSUER AS TO ITS STATUS AS A BENEFIT PLAN INVESTOR OR CONTROLLING PERSON AND (2) (A) IF IT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, ITS ACQUISITION, HOLDING AND DISPOSITION OF SUCH NOTES WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**") OR SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**"), AND (B) IF IT IS A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, (I) IT IS NOT, AND FOR SO LONG AS IT HOLDS THIS NOTE OR AN INTEREST HEREIN IT WILL NOT BE, SUBJECT TO ANY FEDERAL, STATE, LOCAL NON-U.S. OR OTHER LAW OR REGULATION THAT COULD CAUSE THE UNDERLYING ASSETS OF THE ISSUER TO BE TREATED AS ASSETS OF THE INVESTOR IN ANY NOTE (OR INTEREST THEREIN) BY VIRTUE OF ITS INTEREST AND THEREBY SUBJECT THE ISSUER AND THE PORTFOLIO MANAGER (OR OTHER PERSONS RESPONSIBLE FOR THE INVESTMENT AND OPERATION OF THE ISSUER'S ASSETS) TO LAWS OR REGULATIONS THAT ARE SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**"), AND (II) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT VIOLATION OF ANY APPLICABLE STATE, LOCAL, OTHER FEDERAL OR

NON-U.S. LAWS OR REGULATIONS THAT ARE SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("**OTHER PLAN LAW**"). "**BENEFIT PLAN INVESTOR**" MEANS A BENEFIT PLAN INVESTOR, AS DEFINED IN SECTION 3(42) OF ERISA, AND INCLUDES (A) AN EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF TITLE I OF ERISA) THAT IS SUBJECT TO THE FIDUCIARY RESPONSIBILITY PROVISIONS OF TITLE I OF ERISA, (B) A PLAN THAT IS SUBJECT TO SECTION 4975 OF THE CODE OR (C) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE "**PLAN ASSETS**" BY REASON OF ANY SUCH EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN THE ENTITY. "**CONTROLLING PERSON**" MEANS A PERSON (OTHER THAN A BENEFIT PLAN INVESTOR) WHO HAS DISCRETIONARY AUTHORITY OR CONTROL WITH RESPECT TO THE ASSETS OF THE ISSUER OR ANY PERSON WHO PROVIDES INVESTMENT ADVICE FOR A FEE (DIRECT OR INDIRECT) WITH RESPECT TO SUCH ASSETS, OR ANY AFFILIATE OF ANY SUCH PERSON. AN "**AFFILIATE**" OF A PERSON INCLUDES ANY PERSON, DIRECTLY OR INDIRECTLY THROUGH ONE OR MORE INTERMEDIARIES, CONTROLLING, CONTROLLED BY OR UNDER COMMON CONTROL WITH THE PERSON. "**CONTROL**" WITH RESPECT TO A PERSON OTHER THAN AN INDIVIDUAL MEANS THE POWER TO EXERCISE A CONTROLLING INFLUENCE OVER THE MANAGEMENT OR POLICIES OF SUCH PERSON. ANY PURPORTED TRANSFER OF THE CLASS E NOTES OR THE CLASS F 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 OR CLASS F 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 OR CLASS F 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 OR CLASS F NOTES TO BE HELD BY BENEFIT PLAN INVESTORS, DISREGARDING CLASS E NOTES OR CLASS F 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 OR CLASS F NOTE WHO HAS MADE OR HAS BEEN DEEMED TO MAKE A PROHIBITED TRANSACTION, BENEFIT PLAN INVESTOR, CONTROLLING PERSON, SIMILAR LAW OR OTHER PLAN LAW REPRESENTATION THAT IS SUBSEQUENTLY SHOWN TO BE FALSE OR MISLEADING OR WHOSE OWNERSHIP OTHERWISE CAUSES A VIOLATION OF THE 25 PER CENT. LIMITATION TO SELL ITS INTEREST IN THE CLASS E NOTE OR CLASS F NOTE, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER.]

[*LEGEND TO BE INCLUDED IN RELATION TO THE SUBORDINATED NOTES IN THE FORM OF RULE 144A GLOBAL NOTES ONLY*] [EACH PURCHASER OR TRANSFEREE OF THIS SUBORDINATED NOTE WILL BE REQUIRED OR DEEMED TO REPRESENT AND WARRANT THAT (1) IT IS NOT, AND IS NOT ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR OR CONTROLLING PERSON UNLESS SUCH PURCHASER OR TRANSFEREE RECEIVES THE WRITTEN CONSENT OF THE ISSUER, PROVIDES AN ERISA CERTIFICATE TO THE ISSUER AS TO ITS STATUS AS A BENEFIT PLAN INVESTOR OR CONTROLLING PERSON AND HOLDS SUCH NOTE IN THE FORM OF A DEFINITIVE CERTIFICATE, OTHER THAN IN THE CASE WHERE THE PURCHASER IS THE RETENTION HOLDER OR AN AFFILIATE OF THE RETENTION HOLDER PURCHASING SUBORDINATED NOTES ON THE ISSUE DATE, IN WHICH CASE IT MAY ACQUIRE SUCH SUBORDINATED NOTES IN THE FORM OF A RULE 144A GLOBAL CERTIFICATE OR A REGULATION S GLOBAL CERTIFICATE; AND (2) (A) IF YOU ARE, OR ARE ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, YOUR ACQUISITION, HOLDING AND DISPOSITION OF SUCH NOTES WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF THE EMPLOYEE

RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**") OR SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**"), AND (B) IF IT IS A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, (I) IT IS NOT, AND FOR SO LONG AS IT HOLDS THIS NOTE OR AN INTEREST HEREIN IT WILL NOT BE, SUBJECT TO ANY FEDERAL, STATE, LOCAL NON-U.S. OR OTHER LAW OR REGULATION THAT COULD CAUSE THE UNDERLYING ASSETS OF THE ISSUER TO BE TREATED AS ASSETS OF THE INVESTOR IN ANY NOTE (OR INTEREST THEREIN) BY VIRTUE OF ITS INTEREST AND THEREBY SUBJECT THE ISSUER AND THE PORTFOLIO MANAGER (OR OTHER PERSONS RESPONSIBLE FOR THE INVESTMENT AND OPERATION OF THE ISSUER'S ASSETS) TO LAWS OR REGULATIONS THAT ARE SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**"), AND (II) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT VIOLATION OF ANY APPLICABLE STATE, LOCAL, OTHER FEDERAL OR NON-U.S. LAWS OR REGULATIONS THAT ARE SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("**OTHER PLAN LAW**"). "**BENEFIT PLAN INVESTOR**" MEANS A BENEFIT PLAN INVESTOR, AS DEFINED IN SECTION 3(42) OF ERISA, AND INCLUDES (A) AN EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF TITLE I OF ERISA) THAT IS SUBJECT TO THE FIDUCIARY RESPONSIBILITY PROVISIONS OF TITLE I OF ERISA, (B) A PLAN THAT IS SUBJECT TO SECTION 4975 OF THE CODE OR (C) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE "**PLAN ASSETS**" BY REASON OF ANY SUCH EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN THE ENTITY. "**CONTROLLING PERSON**" MEANS A PERSON (OTHER THAN A BENEFIT PLAN INVESTOR) WHO HAS DISCRETIONARY AUTHORITY OR CONTROL WITH RESPECT TO THE ASSETS OF THE ISSUER OR ANY PERSON WHO PROVIDES INVESTMENT ADVICE FOR A FEE (DIRECT OR INDIRECT) WITH RESPECT TO SUCH ASSETS, OR ANY AFFILIATE OF ANY SUCH PERSON. AN "**AFFILIATE**" OF A PERSON INCLUDES ANY PERSON, DIRECTLY OR INDIRECTLY THROUGH ONE OR MORE INTERMEDIARIES, CONTROLLING, CONTROLLED BY OR UNDER COMMON CONTROL WITH THE PERSON. "**CONTROL**" WITH RESPECT TO A PERSON OTHER THAN AN INDIVIDUAL MEANS THE POWER TO EXERCISE A CONTROLLING INFLUENCE OVER THE MANAGEMENT OR POLICIES OF SUCH PERSON. ANY PURPORTED TRANSFER OF 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 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 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 SUBORDINATED NOTES TO BE HELD BY BENEFIT PLAN INVESTORS, DISREGARDING 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 SUBORDINATED NOTE WHO HAS MADE OR HAS BEEN DEEMED TO MAKE A PROHIBITED TRANSACTION, BENEFIT PLAN INVESTOR, CONTROLLING PERSON, SIMILAR LAW OR OTHER PLAN LAW REPRESENTATION THAT IS SUBSEQUENTLY SHOWN TO BE FALSE OR MISLEADING OR WHOSE OWNERSHIP OTHERWISE CAUSES A VIOLATION OF THE 25 PER CENT. LIMITATION TO SELL ITS INTEREST IN THE SUBORDINATED NOTE, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER.]

[*LEGEND TO BE INCLUDED IN RELATION TO THE SUBORDINATED NOTES IN THE FORM OF DEFINITIVE CERTIFICATES ONLY*] [EACH PURCHASER OR TRANSFEREE OF THIS SUBORDINATED NOTE WILL BE REQUIRED TO REPRESENT AND

WARRANT IN WRITING TO THE ISSUER (A) WHETHER OR NOT, FOR SO LONG AS IT HOLDS THIS SUBORDINATED NOTE OR AN INTEREST HEREIN, IT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, (B) WHETHER OR NOT, FOR SO LONG AS IT HOLDS THIS SUBORDINATED NOTE OR AN INTEREST HEREIN, IT IS A CONTROLLING PERSON AND (C) THAT (1) IF IT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS SUBORDINATED NOTE WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**") OR SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**") AND (2) IF IT IS A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, (a) IT IS NOT, AND FOR SO LONG AS IT HOLDS THIS SUBORDINATED NOTE OR AN INTEREST HEREIN IT WILL NOT BE, SUBJECT TO ANY FEDERAL, STATE, LOCAL NON-U.S. OR OTHER LAW OR REGULATION THAT COULD CAUSE THE UNDERLYING ASSETS OF THE ISSUER TO BE TREATED AS ASSETS OF THE INVESTOR IN ANY NOTE (OR INTEREST THEREIN) BY VIRTUE OF ITS INTEREST AND THEREBY SUBJECT THE ISSUER AND THE PORTFOLIO MANAGER (OR OTHER PERSONS RESPONSIBLE FOR THE INVESTMENT AND OPERATION OF THE ISSUER'S ASSETS) TO LAWS OR REGULATIONS THAT ARE SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**"), AND (b) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS SUBORDINATED NOTE WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT VIOLATION OF ANY APPLICABLE STATE, LOCAL, OTHER FEDERAL OR NON-U.S. LAWS OR REGULATIONS THAT ARE SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("**OTHER PLAN LAW**"). EACH PURCHASER OR SUBSEQUENT TRANSFEREE, AS APPLICABLE, OF SUBORDINATED NOTES WILL BE REQUIRED TO COMPLETE AN ERISA CERTIFICATE IDENTIFYING ITS STATUS AS A BENEFIT PLAN INVESTOR OR A CONTROLLING PERSON. "**BENEFIT PLAN INVESTOR**" MEANS A BENEFIT PLAN INVESTOR, AS DEFINED IN SECTION 3(42) OF ERISA, AND INCLUDES (A) AN EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF TITLE I OF ERISA) THAT IS SUBJECT TO THE FIDUCIARY RESPONSIBILITY PROVISIONS OF TITLE I OF ERISA, (B) A PLAN THAT IS SUBJECT TO SECTION 4975 OF THE CODE OR (C) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE "PLAN ASSETS" BY REASON OF ANY SUCH EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN THE ENTITY. "**CONTROLLING PERSON**" MEANS A PERSON (OTHER THAN A BENEFIT PLAN INVESTOR) WHO HAS DISCRETIONARY AUTHORITY OR CONTROL WITH RESPECT TO THE ASSETS OF THE ISSUER OR ANY PERSON WHO PROVIDES INVESTMENT ADVICE FOR A FEE (DIRECT OR INDIRECT) WITH RESPECT TO SUCH ASSETS, OR ANY AFFILIATE OF ANY SUCH PERSON. AN "**AFFILIATE**" OF A PERSON INCLUDES ANY PERSON, DIRECTLY OR INDIRECTLY THROUGH ONE OR MORE INTERMEDIARIES, CONTROLLING, CONTROLLED BY OR UNDER COMMON CONTROL WITH THE PERSON. "**CONTROL**" WITH RESPECT TO A PERSON OTHER THAN AN INDIVIDUAL MEANS THE POWER TO EXERCISE A CONTROLLING INFLUENCE OVER THE MANAGEMENT OR POLICIES OF SUCH PERSON. ANY PURPORTED TRANSFER OF THE 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 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 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 SUBORDINATED NOTES TO BE HELD BY BENEFIT PLAN INVESTORS, DISREGARDING 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 SUBORDINATED NOTE WHO HAS MADE OR HAS BEEN DEEMED TO MAKE A PROHIBITED TRANSACTION, BENEFIT PLAN INVESTOR, CONTROLLING PERSON, SIMILAR LAW OR OTHER PLAN LAW REPRESENTATION THAT IS SUBSEQUENTLY SHOWN TO BE FALSE OR MISLEADING OR WHOSE OWNERSHIP OTHERWISE CAUSES A VIOLATION OF THE 25 PER CENT. LIMITATION TO SELL ITS INTEREST IN THE SUBORDINATED NOTE, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER.]

THE FAILURE TO PROVIDE THE ISSUER AND ANY PAYING AGENT WITH THE APPLICABLE U.S. FEDERAL INCOME TAX CERTIFICATIONS (GENERALLY, A U.S. INTERNAL REVENUE SERVICE FORM W-9 (OR SUCCESSOR APPLICABLE FORM) IN THE CASE OF A PERSON THAT IS A "UNITED STATES PERSON" WITHIN THE MEANING OF SECTION 7701(a)(30) OF THE CODE OR AN APPLICABLE U.S. INTERNAL REVENUE SERVICE FORM W-8 (OR SUCCESSOR APPLICABLE FORM) IN THE CASE OF A PERSON THAT IS NOT A "UNITED STATES PERSON" WITHIN THE MEANING OF SECTION 7701(a)(30) OF THE CODE) MAY RESULT IN U.S. FEDERAL BACK UP WITHHOLDING FROM PAYMENTS TO THE HOLDER IN RESPECT OF THIS NOTE.

[EACH HOLDER AND EACH BENEFICIAL OWNER OF A CLASS A NOTE, A CLASS B NOTE, A CLASS C NOTE, A CLASS D NOTE, A CLASS E NOTE OR A CLASS F NOTE, BY ACCEPTANCE OF SUCH NOTE, OR ITS INTEREST IN SUCH NOTE, AS THE CASE MAY BE, SHALL BE DEEMED TO HAVE AGREED TO TREAT, AND SHALL TREAT, SUCH NOTE AS DEBT FOR U.S. FEDERAL INCOME TAX PURPOSES.]

[EACH HOLDER AND EACH BENEFICIAL OWNER OF A SUBORDINATED NOTE REPRESENTED BY THIS CERTIFICATE, BY ACCEPTANCE OF SUCH NOTE, OR ITS INTEREST IN SUCH NOTE, AS THE CASE MAY BE, SHALL BE DEEMED TO HAVE AGREED TO TREAT, AND SHALL TREAT, SUCH NOTE AS EQUITY FOR U.S. FEDERAL INCOME TAX PURPOSES.]

[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 53 MERRION SQUARE, DUBLIN 2, IRELAND.]

(8) The purchaser will not, at any time, offer to buy or offer to sell the Notes by any form of general solicitation or advertising, including, but not limited to, any advertisement, article, notice or other communication published in any newspaper, magazine or similar medium or broadcast over television or radio or seminar or meeting whose attendees have been invited by general solicitations or advertising.

(9) Prospective purchasers are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

(10) Each holder and beneficial owner of a Rule 144A Note, by acceptance of its Rule 144A Note or its interest in a Note, shall be deemed to understand and acknowledge that failure to provide the Issuer or the Principal Paying Agent with the applicable U.S. federal income tax certifications (generally, a U.S. Internal Revenue Service Form W-9 (or successor applicable form) in the case of a person that is a "United States person" within the meaning of Section 7701(a)(30) of the Code or an appropriate U.S. Internal Revenue Service Form W-8 (or successor applicable form) in the case of a person that is not a "United States person" within the meaning of Section 7701(a)(30) of the Code) may result in U.S. federal back up withholding from payments in respect of such Note.

(11) With respect to the Class F Notes and the Subordinated Notes, if the purchaser is not a United States person (as defined in Section 7701(a)(30) of the Code), such purchaser is not purchasing the Notes in order to reduce its U.S. federal income tax liability pursuant to a tax avoidance plan within the meaning of U.S. Treasury Regulation Section 1.881-3.

(12) With respect to the Class F Notes and the Subordinated Notes, if the purchaser is not a United States person (as defined in Section 7701(a)(30) of the Code), such purchaser either (x) is not a bank extending credit pursuant to a loan agreement in the ordinary course of its lending business (within the meaning of Section 881(c)(3)(A) of the Code) or (y) is a person that is eligible for benefits under an income tax treaty with the United States that eliminates U.S. federal income taxation of U.S. source interest not attributable to a permanent establishment in the United States.

(13) The purchaser agrees to provide the Issuer and Trustee any information reasonably requested and necessary (in the sole determination of the Issuer or the Trustee, as applicable) for the Issuer and the Trustee (or its agent) in order to permit the Issuer and Trustee to comply with Sections 1471-1474 of the Code (including any IGA or any voluntary agreement entered into with a taxing authority thereunder) and any analogous non-U.S. law. It understands and acknowledges that the Issuer, Trustee or an agent may provide such information and any other information concerning its investment in the Notes to the U.S. Internal Revenue Service and any other applicable non-U.S. taxing authority.

(14) The purchaser understands and acknowledges that the Issuer has the right, under the Trust Deed, (1) to compel any beneficial owner of an interest in the Notes that fails to comply with the requirements of clause (13) above, or whose holding otherwise prevents the Issuer from complying with FATCA, to sell its interest in such Notes, or may sell such interest on behalf of such owner and (2) to make any amendments to the Trust Deed to enable the Issuer to comply with FATCA (or any voluntary agreement entered into with a taxing authority pursuant thereto). For these purposes, the Issuer may sell a beneficial owner's interest in a Note in its entirety notwithstanding that the sale of a portion of such an interest would permit the Issuer to comply with applicable law described in clause (13) above. The investor acknowledges that any such transfer of Notes may be for less than the fair market value of such Notes.

(15) The purchaser understands and acknowledges that the Issuer has the right, under the Conditions, to withhold up to 30 per cent. on all payments made to any beneficial owner of an interest in the Notes that fails to comply with the requirements of clause (13) above.

(16) 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 B hereto.

(17) The purchaser understands and acknowledges that the Issuer has the right under the Trust Deed to compel any Non-Permitted Holder or Non-Permitted ERISA Holder to sell its interest in the Notes, or may sell such interest in its Notes on behalf of such Non-Permitted Holder or Non-Permitted ERISA Holder.

(18) The purchaser of a Rated Note, by acceptance of such Rated Note agrees to treat such Rated Note as debt for U.S. federal income tax purposes, unless otherwise required under applicable law. The purchaser of a Subordinated Note agrees to treat such Subordinated Note as equity in the Issuer for U.S. federal income tax purposes, unless otherwise required under applicable law.

(19) The purchaser acknowledges that the Issuer, each Joint Arranger, each Joint Placement Agent, 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), (8) and (10) through (19) (inclusive) above (except that references to Rule 144A Notes shall be deemed to be references to Regulation S Notes) and to have further represented and agreed as follows:

(1) The purchaser is located outside the United States and is not a U.S. Person.

(2) The purchaser understands that the Notes have not been and will not be registered under the Securities Act and that the Issuer has not registered and will not register under the Investment Company Act. It agrees, for the benefit of the Issuer, each Joint Arranger, each Joint Placement Agent and any of their Affiliates, that, if it decides to resell, pledge or otherwise transfer such Notes (or any beneficial interest or participation therein) purchased by it, any offer, sale or transfer of such Notes (or any beneficial interest or participation therein) will be made in compliance with the Securities Act and only (i) to a person (A) it reasonably believes is a QIB purchasing for its own account or for the account of a QIB in a nominal amount of not less than €250,000 for it and each such account, in a transaction that meets the requirements of Rule 144A and takes delivery in the form of a Rule 144A Note and (B) that constitutes a QP; or (ii) to a non-U.S. Person in an offshore transaction in accordance with Rule 903 or Rule 904 (as applicable) under Regulation S.

(3) The purchaser understands that unless the Issuer determines otherwise in compliance with applicable law, such Notes will bear a legend set forth below.

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), AND THE ISSUER HAS NOT BEEN REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "**INVESTMENT COMPANY ACT**"). THE HOLDER HEREOF, BY PURCHASING THE NOTES IN RESPECT OF WHICH THIS NOTE HAS BEEN ISSUED, AGREES FOR THE BENEFIT OF THE ISSUER THAT THE NOTES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (A)(1) TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT, OR (2) TO A NON-U.S. PERSON IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT AND, IN THE CASE OF CLAUSE (1), IN A PRINCIPAL AMOUNT OF NOT LESS THAN €250,000 FOR THE PURCHASER AND FOR EACH ACCOUNT FOR WHICH IT IS ACTING, AND IN EACH CASE, TO A PURCHASER THAT (V) IS A QUALIFIED PURCHASER FOR THE 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 AN EMPLOYEE BENEFIT PLAN, AS DEFINED IN SECTION 3(3) OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**"), THAT IS SUBJECT TO THE PROVISIONS OF PART 4 OF SUBTITLE B OF TITLE I OF ERISA, A PLAN TO WHICH SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), APPLIES, OR AN ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS BY REASON OF SUCH AN EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN SUCH ENTITY 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. LAW THAT IS SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE ("**OTHER PLAN LAW**"), AND NO PART OF THE ASSETS TO BE USED BY IT TO ACQUIRE OR HOLD SUCH NOTES OR ANY INTEREST THEREIN CONSTITUTES THE ASSETS OF ANY BENEFIT PLAN INVESTOR OR SUCH GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, OR (B) ITS ACQUISITION, HOLDING OR DISPOSITION OF SUCH NOTES (OR INTERESTS THEREIN) WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE, OR, IN THE CASE OF A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, A NON-EXEMPT VIOLATION OF ANY OTHER PLAN LAW, AND (II) IT WILL NOT SELL OR TRANSFER SUCH NOTES (OR INTERESTS THEREIN) TO AN ACQUIROR ACQUIRING SUCH NOTES (OR INTERESTS THEREIN) UNLESS THE ACQUIROR MAKES THE FOREGOING REPRESENTATIONS, WARRANTIES AND AGREEMENTS DESCRIBED IN CLAUSE (I) HEREOF. ANY PURPORTED TRANSFER OF THE NOTES IN VIOLATION OF THE REQUIREMENTS SET FORTH IN THIS PARAGRAPH SHALL BE NULL AND VOID *AB INITIO* AND THE ACQUIROR UNDERSTANDS THAT THE ISSUER WILL HAVE THE RIGHT TO CAUSE THE SALE OF SUCH NOTES TO ANOTHER ACQUIROR THAT COMPLIES WITH THE REQUIREMENTS OF THIS PARAGRAPH IN ACCORDANCE WITH THE TERMS OF THE TRUST DEED.]

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS E NOTES AND CLASS F NOTES ONLY*] [EACH PURCHASER OR TRANSFEREE OF THIS NOTE WILL BE REQUIRED OR DEEMED TO REPRESENT AND WARRANT THAT (1) IT IS NOT, AND IS NOT ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR OR CONTROLLING PERSON UNLESS SUCH PURCHASER OR TRANSFEREE ACQUIRES SUCH NOTE ON THE ISSUE DATE, RECEIVES THE WRITTEN CONSENT OF THE ISSUER AND PROVIDES AN ERISA CERTIFICATE TO THE ISSUER AS TO ITS STATUS AS A BENEFIT PLAN INVESTOR OR CONTROLLING PERSON AND (2) (A) IF IT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, ITS ACQUISITION, HOLDING AND DISPOSITION OF SUCH NOTES WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**") OR SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**"), AND (B) IF IT IS A GOVERNMENTAL, CHURCH, NON U.S. OR OTHER PLAN, (I) IT IS NOT, AND FOR SO LONG AS IT HOLDS THIS NOTE

OR AN INTEREST HEREIN IT WILL NOT BE, SUBJECT TO ANY FEDERAL, STATE, LOCAL NON-U.S. OR OTHER LAW OR REGULATION THAT COULD CAUSE THE UNDERLYING ASSETS OF THE ISSUER TO BE TREATED AS ASSETS OF THE INVESTOR IN ANY NOTE (OR INTEREST THEREIN) BY VIRTUE OF ITS INTEREST AND THEREBY SUBJECT THE ISSUER AND THE PORTFOLIO MANAGER (OR OTHER PERSONS RESPONSIBLE FOR THE INVESTMENT AND OPERATION OF THE ISSUER'S ASSETS) TO LAWS OR REGULATIONS THAT ARE SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**"), AND (II) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT VIOLATION OF ANY APPLICABLE STATE, LOCAL, OTHER FEDERAL OR NON-U.S. LAWS OR REGULATIONS THAT ARE SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("**OTHER PLAN LAW**"). "**BENEFIT PLAN INVESTOR**" MEANS A BENEFIT PLAN INVESTOR, AS DEFINED IN SECTION 3(42) OF ERISA, AND INCLUDES (A) AN EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF TITLE I OF ERISA) THAT IS SUBJECT TO THE FIDUCIARY RESPONSIBILITY PROVISIONS OF TITLE I OF ERISA, (B) A PLAN THAT IS SUBJECT TO SECTION 4975 OF THE CODE OR (C) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE "**PLAN ASSETS**" BY REASON OF ANY SUCH EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN THE ENTITY. "**CONTROLLING PERSON**" MEANS A PERSON (OTHER THAN A BENEFIT PLAN INVESTOR) WHO HAS DISCRETIONARY AUTHORITY OR CONTROL WITH RESPECT TO THE ASSETS OF THE ISSUER OR ANY PERSON WHO PROVIDES INVESTMENT ADVICE FOR A FEE (DIRECT OR INDIRECT) WITH RESPECT TO SUCH ASSETS, OR ANY AFFILIATE OF ANY SUCH PERSON. AN "**AFFILIATE**" OF A PERSON INCLUDES ANY PERSON, DIRECTLY OR INDIRECTLY THROUGH ONE OR MORE INTERMEDIARIES, CONTROLLING, CONTROLLED BY OR UNDER COMMON CONTROL WITH THE PERSON. "**CONTROL**" WITH RESPECT TO A PERSON OTHER THAN AN INDIVIDUAL MEANS THE POWER TO EXERCISE A CONTROLLING INFLUENCE OVER THE MANAGEMENT OR POLICIES OF SUCH PERSON. ANY PURPORTED TRANSFER OF THE CLASS E NOTES OR CLASS F 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 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 OR CLASS F 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 OR 25 PER CENT. OR MORE OF THE TOTAL VALUE OF THE CLASS F NOTES TO BE HELD BY BENEFIT PLAN INVESTORS, DISREGARDING CLASS E 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 OR CLASS F NOTE WHO HAS MADE OR HAS BEEN DEEMED TO MAKE A PROHIBITED TRANSACTION, BENEFIT PLAN INVESTOR, CONTROLLING PERSON, SIMILAR LAW OR OTHER PLAN LAW REPRESENTATION THAT IS SUBSEQUENTLY SHOWN TO BE FALSE OR MISLEADING OR WHOSE OWNERSHIP OTHERWISE CAUSES A VIOLATION OF THE 25 PER CENT. LIMITATION TO SELL ITS INTEREST IN THE CLASS E NOTE OR CLASS F NOTE, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER.]

[*LEGEND TO BE INCLUDED IN RELATION TO THE SUBORDINATED NOTES IN THE FORM OF REGULATION S GLOBAL NOTES ONLY*] [EACH PURCHASER OR TRANSFEREE OF THIS SUBORDINATED NOTE WILL BE REQUIRED OR DEEMED TO REPRESENT AND WARRANT THAT (1) IT IS NOT, AND IS NOT ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR OR CONTROLLING PERSON UNLESS SUCH PURCHASER OR TRANSFEREE RECEIVES THE WRITTEN CONSENT OF THE

ISSUER, PROVIDES AN ERISA CERTIFICATE TO THE ISSUER AS TO ITS STATUS AS A BENEFIT PLAN INVESTOR OR CONTROLLING PERSON AND HOLDS SUCH NOTE IN THE FORM OF A DEFINITIVE CERTIFICATE, OTHER THAN IN THE CASE WHERE THE PURCHASER IS THE RETENTION HOLDER OR AN AFFILIATE OF THE RETENTION HOLDER PURCHASING SUBORDINATED NOTES ON THE ISSUE DATE, IN WHICH CASE IT MAY ACQUIRE SUCH SUBORDINATED NOTES IN THE FORM OF A RULE 144A GLOBAL CERTIFICATE OR A REGULATION S GLOBAL CERTIFICATE; AND (2) (A) IF YOU ARE, OR ARE ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, YOUR ACQUISITION, HOLDING AND DISPOSITION OF SUCH NOTES WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**") OR SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**"), AND (B) IF IT IS A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, (I) IT IS NOT, AND FOR SO LONG AS IT HOLDS THIS NOTE OR AN INTEREST HEREIN IT WILL NOT BE, SUBJECT TO ANY FEDERAL, STATE, LOCAL NON-U.S. OR OTHER LAW OR REGULATION THAT COULD CAUSE THE UNDERLYING ASSETS OF THE ISSUER TO BE TREATED AS ASSETS OF THE INVESTOR IN ANY NOTE (OR INTEREST THEREIN) BY VIRTUE OF ITS INTEREST AND THEREBY SUBJECT THE ISSUER AND THE PORTFOLIO MANAGER (OR OTHER PERSONS RESPONSIBLE FOR THE INVESTMENT AND OPERATION OF THE ISSUER'S ASSETS) TO LAWS OR REGULATIONS THAT ARE SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**"), AND (II) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT VIOLATION OF ANY APPLICABLE STATE, LOCAL, OTHER FEDERAL OR NON-U.S. LAWS OR REGULATIONS THAT ARE SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("**OTHER PLAN LAW**"). "**BENEFIT PLAN INVESTOR**" MEANS A BENEFIT PLAN INVESTOR, AS DEFINED IN SECTION 3(42) OF ERISA, AND INCLUDES (A) AN EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF TITLE I OF ERISA) THAT IS SUBJECT TO THE FIDUCIARY RESPONSIBILITY PROVISIONS OF TITLE I OF ERISA, (B) A PLAN THAT IS SUBJECT TO SECTION 4975 OF THE CODE OR (C) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE "PLAN ASSETS" BY REASON OF ANY SUCH EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN THE ENTITY. "**CONTROLLING PERSON**" MEANS A PERSON (OTHER THAN A BENEFIT PLAN INVESTOR) WHO HAS DISCRETIONARY AUTHORITY OR CONTROL WITH RESPECT TO THE ASSETS OF THE ISSUER OR ANY PERSON WHO PROVIDES INVESTMENT ADVICE FOR A FEE (DIRECT OR INDIRECT) WITH RESPECT TO SUCH ASSETS, OR ANY AFFILIATE OF ANY SUCH PERSON. AN "**AFFILIATE**" OF A PERSON INCLUDES ANY PERSON, DIRECTLY OR INDIRECTLY THROUGH ONE OR MORE INTERMEDIARIES, CONTROLLING, CONTROLLED BY OR UNDER COMMON CONTROL WITH THE PERSON. "**CONTROL**" WITH RESPECT TO A PERSON OTHER THAN AN INDIVIDUAL MEANS THE POWER TO EXERCISE A CONTROLLING INFLUENCE OVER THE MANAGEMENT OR POLICIES OF SUCH PERSON. ANY PURPORTED TRANSFER OF 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 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 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 SUBORDINATED NOTES TO BE HELD BY BENEFIT PLAN INVESTORS, DISREGARDING 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 SUBORDINATED NOTE WHO HAS MADE OR HAS BEEN DEEMED TO MAKE A PROHIBITED TRANSACTION, BENEFIT PLAN INVESTOR, CONTROLLING PERSON, SIMILAR LAW OR OTHER PLAN LAW REPRESENTATION THAT IS SUBSEQUENTLY SHOWN TO BE FALSE OR MISLEADING OR WHOSE OWNERSHIP OTHERWISE CAUSES A VIOLATION OF THE 25 PER CENT. LIMITATION TO SELL ITS INTEREST IN THE SUBORDINATED NOTES, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER.]

[*LEGEND TO BE INCLUDED IN RELATION TO THE SUBORDINATED NOTES IN THE FORM OF DEFINITIVE CERTIFICATES ONLY*] [EACH PURCHASER OR TRANSFEREE OF THIS SUBORDINATED NOTE WILL BE REQUIRED TO REPRESENT AND WARRANT IN WRITING TO THE ISSUER (A) WHETHER OR NOT, FOR SO LONG AS IT HOLDS THIS SUBORDINATED NOTE OR AN INTEREST HEREIN, IT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, (B) WHETHER OR NOT, FOR SO LONG AS IT HOLDS THIS SUBORDINATED NOTE OR AN INTEREST HEREIN, IT IS A CONTROLLING PERSON AND (C) THAT (1) IF IT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS SUBORDINATED NOTE WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**") OR SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**") AND (2) IF IT IS A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, (a) IT IS NOT, AND FOR SO LONG AS IT HOLDS THIS SUBORDINATED NOTE OR AN INTEREST HEREIN IT WILL NOT BE, SUBJECT TO ANY FEDERAL, STATE, LOCAL NON-U.S. OR OTHER LAW OR REGULATION THAT COULD CAUSE THE UNDERLYING ASSETS OF THE ISSUER TO BE TREATED AS ASSETS OF THE INVESTOR IN ANY NOTE (OR INTEREST THEREIN) BY VIRTUE OF ITS INTEREST AND THEREBY SUBJECT THE ISSUER AND THE PORTFOLIO MANAGER (OR OTHER PERSONS RESPONSIBLE FOR THE INVESTMENT AND OPERATION OF THE ISSUER'S ASSETS) TO LAWS OR REGULATIONS THAT ARE SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**"), AND (b) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS SUBORDINATED NOTE WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT VIOLATION OF ANY APPLICABLE STATE, LOCAL, OTHER FEDERAL OR NON-U.S. LAWS OR REGULATIONS THAT ARE SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("**OTHER PLAN LAW**"). EACH PURCHASER OR SUBSEQUENT TRANSFEREE, AS APPLICABLE, OF SUBORDINATED NOTES WILL BE REQUIRED TO COMPLETE AN ERISA CERTIFICATE IDENTIFYING ITS STATUS AS A BENEFIT PLAN INVESTOR OR A CONTROLLING PERSON. "**BENEFIT PLAN INVESTOR**" MEANS A BENEFIT PLAN INVESTOR, AS DEFINED IN SECTION 3(42) OF ERISA, AND INCLUDES (A) AN EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF TITLE I OF ERISA) THAT IS SUBJECT TO THE FIDUCIARY RESPONSIBILITY PROVISIONS OF TITLE I OF ERISA, (B) A PLAN THAT IS SUBJECT TO SECTION 4975 OF THE CODE OR (C) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE "PLAN ASSETS" BY REASON OF ANY SUCH EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN THE ENTITY. "**CONTROLLING PERSON**" MEANS A PERSON (OTHER THAN A BENEFIT PLAN INVESTOR) WHO HAS DISCRETIONARY AUTHORITY OR CONTROL WITH RESPECT TO THE ASSETS OF THE ISSUER OR ANY PERSON WHO PROVIDES INVESTMENT ADVICE FOR A FEE (DIRECT OR INDIRECT) WITH RESPECT TO SUCH ASSETS, OR ANY AFFILIATE OF ANY SUCH PERSON. AN "**AFFILIATE**" OF A PERSON INCLUDES ANY PERSON, DIRECTLY OR INDIRECTLY THROUGH ONE OR MORE INTERMEDIARIES, CONTROLLING, CONTROLLED BY OR UNDER COMMON CONTROL WITH THE PERSON. "**CONTROL**" WITH RESPECT TO A PERSON OTHER THAN AN INDIVIDUAL MEANS THE POWER TO EXERCISE A CONTROLLING INFLUENCE OVER THE MANAGEMENT OR POLICIES OF SUCH PERSON. ANY PURPORTED TRANSFER OF THE 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 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 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 SUBORDINATED NOTES TO BE HELD BY BENEFIT PLAN INVESTORS, DISREGARDING 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 SUBORDINATED NOTE WHO HAS MADE OR HAS BEEN DEEMED TO MAKE A PROHIBITED TRANSACTION, BENEFIT PLAN INVESTOR, CONTROLLING PERSON, SIMILAR LAW OR OTHER PLAN LAW REPRESENTATION THAT IS SUBSEQUENTLY SHOWN TO BE FALSE OR MISLEADING OR WHOSE OWNERSHIP OTHERWISE CAUSES A VIOLATION OF THE 25 PER CENT. LIMITATION TO SELL ITS INTEREST IN THE SUBORDINATED NOTES, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER.]

THE FAILURE TO PROVIDE THE ISSUER AND ANY PAYING AGENT WITH THE APPLICABLE U.S. FEDERAL INCOME TAX CERTIFICATIONS (GENERALLY, A U.S. INTERNAL REVENUE SERVICE FORM W-9 (OR SUCCESSOR APPLICABLE FORM) IN THE CASE OF A PERSON THAT IS A "**UNITED STATES PERSON**" WITHIN THE MEANING OF SECTION 7701(a)(30) OF THE CODE OR AN APPLICABLE U.S. INTERNAL REVENUE SERVICE FORM W-8 (OR SUCCESSOR APPLICABLE FORM) IN THE CASE OF A PERSON THAT IS NOT A "**UNITED STATES PERSON**" WITHIN THE MEANING OF SECTION 7701(a)(30) OF THE CODE) MAY RESULT IN U.S. FEDERAL BACK UP WITHHOLDING FROM PAYMENTS TO THE HOLDER IN RESPECT OF THIS NOTE.

[EACH HOLDER AND EACH BENEFICIAL OWNER OF A CLASS A NOTE, A CLASS B NOTE, A CLASS C NOTE, A CLASS D NOTE, A CLASS E NOTE OR A CLASS F NOTE, BY ACCEPTANCE OF SUCH NOTE, OR ITS INTEREST IN SUCH NOTE, AS THE CASE MAY BE, SHALL BE DEEMED TO HAVE AGREED TO TREAT, AND SHALL TREAT, SUCH NOTE AS DEBT FOR U.S. FEDERAL INCOME TAX PURPOSES.]

[EACH HOLDER AND EACH BENEFICIAL OWNER OF A SUBORDINATED NOTE REPRESENTED BY THIS CERTIFICATE, BY ACCEPTANCE OF SUCH NOTE, OR ITS INTEREST IN SUCH NOTE, AS THE CASE MAY BE, SHALL BE DEEMED TO HAVE AGREED TO TREAT, AND SHALL TREAT, SUCH NOTE AS EQUITY FOR U.S. FEDERAL INCOME TAX PURPOSES.]

[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 53 MERRION SQUARE, DUBLIN 2, IRELAND.]

(4) The purchaser acknowledges that the Issuer, each Joint Arranger, each Joint Placement Agent, 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

1. **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

CLASS	ISIN	COMMON CODE
A	XS1114252569	111425256
B	XS1114256552	111425655
C	XS1114256982	111425698
D	XS1114261636	111426163
E	XS1114265629	111426562
F	XS1114266601	111426660
Subordinated	XS1114268052	111426805

Rule 144A Notes

CLASS	ISIN	COMMON CODE
A	XS1114254342	111425434
B	XS1114256719	111425671
C	XS1114259812	111425981
D	XS1114264069	111426406
E	XS1114266197	111426619
F	XS1114266866	111426686
Subordinated	XS1114268300	111426830

2. **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.

3. **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 29 October 2014.

4. **No Significant or Material Change**

There has been no significant change in the financial or trading position or prospects of the Issuer since its incorporation on 28 May 2014 and there has been no material adverse change in the financial position or prospects of the Issuer since its incorporation on 28 May 2014.

5. **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.

6. **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 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 2014. 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 Event of Default or other matter which is required to be brought to the Trustee's attention has occurred.

7. **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 Memorandum and Articles of Association of the Issuer;

(b) the Trust Deed (which includes the form of each Note of each Class);

(c) the Agency Agreement;

(d) the Portfolio Management Agreement;

(e) each Hedge Agreement;

(f) each Monthly Report;

(g) the Risk Retention Letter;

(h) each Payment Date Report;

(i) the Euroclear Pledge Agreement; and

(j) the Issuer Corporate Services Agreement.

Copies of the above documents will be available electronically.

8. **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.

9. **Expenses**

The total expenses related to the admission to trading on the Irish Stock Exchange will be approximately €6,600.

10. 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.

GLOSSARY

Page

ANNEX A
S&P RECOVERY RATES

(a) (i) If a Collateral Debt Obligation has an S&P Recovery Rating, or is *pari passu* with another obligation of the same Obligor that has an S&P Recovery Rating and is secured by the same collateral as such other obligation, the S&P Recovery Rate for such Collateral Debt Obligation shall be determined as follows:

S&P Recovery Rating of Collateral Debt Obligation		Initial Rated Note Rating					
	Range from published reports	"AAA"	"AA"	"A"	"BBB"	"BB"	"B/CCC"
1+	100	75%	85%	88%	90%	92%	95%
1	90-100	65%	75%	80%	85%	90%	95%
2	80-90	60%	70%	75%	81%	86%	90%
2	70-80	50%	60%	66%	73%	79%	80%
3	60-70	40%	50%	56%	63%	67%	70%
3	50-60	30%	40%	46%	53%	59%	60%
4	40-50	27%	35%	42%	46%	48%	50%
4	30-40	20%	26%	33%	39%	40%	40%
5	20-30	15%	20%	24%	26%	28%	30%
5	10-20	5%	10%	15%	20%	20%	20%
6	0-10	2%	4%	6%	8%	10%	10%
				S&P Recovery Rate			

(ii) If (x) a Collateral Debt Obligation does not have an S&P Recovery Rating and such Collateral Debt Obligation is an Unsecured Senior Loan 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					

(iii) If (x) a Collateral Debt Obligation does not have an S&P Recovery Rating and such Collateral Debt Obligation is not a Senior Secured 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

(b) If an S&P Recovery Rate cannot be determined using clause (a) above, the S&P Recovery Rate shall be determined as follows:

Recovery rates for Obligors Domiciled in Group A, B, C or D:

Priority Category	Initial Rated Note Rating					
	"AAA"	"AA"	"A"	"BBB"	"BB"	"B" and "CCC"
Senior Secured Loans (excluding Cov-Lite Loans)						
Group A	50%	55%	59%	63%	75%	79%
Group B	45%	49%	53%	58%	70%	74%
Group C	39%	42%	46%	49%	60%	63%
Group D	17%	19%	27%	29%	31%	34%
Senior Secured Loans that are Cov-Lite Loans						
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: Argentina, Brazil, Chile, 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 each 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 A.

ANNEX B
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 value of the Class E Notes, Class F Notes and the Subordinated Notes (determined separately by Class) issued by Harvest CLO X Limited (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 (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 agreeing that the applicable Section does not, and will not, apply to you.

1. □ **Employee Benefit Plans Subject to ERISA or the Cod**e. We, or the entity on whose behalf we are acting, are an "employee benefit plan" within the meaning of Section 3(3) of ERISA that is subject to the fiduciary responsibility provisions of Title I of ERISA or a "plan" within the meaning of Section 4975(e)(1) of the Code that is subject to Section 4975 of the Code.

   Examples: (i) tax qualified retirement plans such as pension, profit sharing and section 401(k) plans, (ii) welfare benefit plans such as accident, life and medical plans, (iii) individual retirement accounts or "IRAs" and "Keogh" plans and (iv) certain tax-qualified educational and savings trusts.

2. □ **Entity Holding Plan Assets**. We, or the entity on whose behalf we are acting, are an entity or fund whose underlying assets include "plan assets" by reason of a Benefit Plan Investor's investment in such entity.

   Examples: (i) an insurance company separate account, (ii) a bank collective trust fund and (iii) a hedge fund or other private investment vehicle where 25 per cent. or more of the 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] do not and will not constitute or give rise to a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code.

6. **Not Subject to Similar Law and No Violation of Other Plan Law**. If we are a governmental, church, non-U.S. or other plan, we represent, warrant and agree that (a) we are not subject to any federal, state, local non-U.S. or other law or regulation that could cause the underlying assets of the Issuer to be treated as assets of the investor in any Note (or interest therein) by virtue of its interest and thereby subject the Issuer and the Portfolio Manager (or other persons responsible for the investment and operation of the Issuer's assets) to laws or regulations that are similar to the prohibited transaction provisions of Section 406 of ERISA or Section 4975 of the Code, and (b) our acquisition, holding and disposition of the [Class E Notes][Class F Notes][Subordinated Notes] do not and will not constitute or give rise to a non-exempt violation of any law or regulation that is substantially similar to the prohibited transaction provisions of Section 406 of ERISA or Section 4975 of the Code.

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 value of the Class E Notes, Class F Notes and Subordinated Notes, the Class E Notes, Class F Notes and the Subordinated Notes held by Controlling Persons (other than Benefit Plan Investors) are required to be disregarded.

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 14 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 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.

Required Notification and Agreement. We hereby agree that we (a) will inform the Issuer of any proposed transfer by us of all or a specified portion of the Class E Notes, the Class F Notes or the 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 or 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 or Subordinated Notes (or such portion), as applicable, would no longer be deemed to be held by Benefit Plan Investors or Controlling Persons.

8. **Continuing Representation; Reliance**. We acknowledge and agree that the representations contained in this Certificate shall be deemed made on each day from the date we make such representations 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 value of the Class E Notes, Class F Notes and Subordinated Notes (determined separately by class) upon any subsequent transfer of the [Class E Notes][Class F Notes][Subordinated Notes] in accordance with the Trust Deed.

9. **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, Resource Capital Markets, Inc., Resource Europe Management Limited, Resource Securities, Inc., HSBC Bank plc 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, Resource Capital Markets, Inc., Resource Europe Management Limited, Resource Securities, Inc., HSBC Bank plc, 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.

10. **Future Transfer Requirements.**

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.

Note: Unless you are notified otherwise, the name and address of the Issuer is as follows:

Harvest CLO X Limited, 53 Merrion Square, Dublin 2, Ireland.

IN WITNESS WHEREOF, the undersigned has duly executed and delivered this Certificate.

_____ [Insert Purchaser's Name]

By:
Name:
Title:
Dated:
This Certificate relates to 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]

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